



**BOARD OF DIRECTORS DISCUSSION AND ACTIONS
NOVEMBER 21, 2008**

Chair Mary Sessom (Lemon Grove) called the meeting of the SANDAG Board of Directors to order at 9:08 a.m. The attendance sheet for the meeting is attached.

1. APPROVAL OF OCTOBER 24, 2008, MEETING MINUTES (APPROVE)

Action: Upon a motion by Mayor Mark Lewis (El Cajon), and a second by Mayor Jim Desmond (San Marcos), the SANDAG Board of Directors approved the minutes from the October 24, 2008, Business meeting.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Chuck Lungerhausen, a member of the public, said that last week he made a comment that the high-speed rail project could put many people back to work. General Atomic, a local company, has a patent on a direct drive device that could work well with high-speed rail; however, he understands that the plans for that project are for steel wheel on rail.

Clive Richard, a member of the public, thanked those Board members who have given attention to issues that concern him. He also expressed appreciation for the efforts of the state and US Senate representatives, who are concerned with the reauthorization of the federal surface transportation act. He was very impressed with recent testimony before Congress by local representatives indicating that if transportation slows down nothing moves, including goods and people.

Chair Sessom recognized three individuals who will be leaving the Board: Coronado Councilmember Phil Monroe, Escondido Councilmember Ed Gallo, and San Diego City Council President Pro Tem Jim Madaffer. She expressed her appreciation for their service on the Board and said that they will be missed.

Councilmember Monroe said that it has been great working with the SANDAG Board. After 30 years in the Navy, there are two words he didn't know about and they mean a lot to him; they are "elected official." He had no concept how much fun it would be as an elected official. All around this county are great elected officials.

Councilmember Gallo thanked the staff from the Executive Director and all the way down. He also recognized Chair Sessom, who he said has done a super job. He has formed a lot of relationships here. The task ahead for this Board is incredible given the times we are in; however, he was sure that the obstacles will be overcome.

Council President Pro Tem Madaffer mentioned that the first time he had the opportunity to come to SANDAG was as a San Diego staff member to one of the council members.

Fifteen years of involvement with SANDAG comes to an end, eight of them since 2001 as an elected official. First and foremost is his appreciation for the staff led by Gary Gallegos and Diane Eidam. There are so many wonderful professionals who make this organization strong and successful. It is no accident that Gary Gallegos was invited to speak in between two governors in Washington, D.C., on infrastructure because of the incredible job that SANDAG does, and because the elected officials in this region get it. You don't have this kind of camaraderie in other places. It is good to reflect on that and not take it for granted. It has been an honor and a pleasure to serve on this Board.

3. **ACTIONS FROM POLICY ADVISORY COMMITTEES (APPROVE)**

This item summarizes the actions taken by the Borders Committee on October 24, the Transportation and Regional Planning Committees on November 7, and the Executive Committee on November 14, 2008.

Action: Upon a motion by First Vice Chair Lori Holt Pfeiler (Escondido) and second by Second Vice Chair Jerome Stocks (Encinitas), the SANDAG Board of Directors approved the actions taken by the Policy Advisory Committees at the meetings noted above. Yes – 18 (weighted vote, 100%). No –0 (weighted vote, 0%). Abstain –0 (weighted vote, 0%). Absent – Poway.

CONSENT ITEMS (4 through 11)

Councilmember Tony Young (City of San Diego) asked for a staff report on Item No. 4.

4. **SANDAG FY 2009 DISADVANTAGED BUSINESS ENTERPRISE GOALS (APPROVE)**

Elaine Richardson, Contracts and Procurement Manager, stated that it is a requirement from the federal government to develop Disadvantaged Business Enterprise (DBE) goals each year, and this year the proposed DBE goal is 6 percent. We review the SANDAG program budget, and look at all of the projects that have federal dollars. From there we establish a base figure utilizing quantifiable evidence to determine the relative availability of DBEs within specified industries. SANDAG uses the California United Certification Program Directory of Certified DBE firms and the United States Census Bureau data to establish the DBE figure. Step 2 of the process requires SANDAG to survey and assess other known relevant evidence to determine what additional adjustments, if any, were needed to narrowly tailor the base figure to the SANDAG market area. A public notice regarding the proposed Overall Annual DBE goals was published in several general circulation, minority, and trade association publications. This notice also was posted on the SANDAG Web site and made available to community-based organizations.

We are now in a race neutral program and cannot set goals. For SANDAG, it is important that we outreach to small businesses. We recently had a construction management on-call event and used that as a networking effort. We ask all of the participants what type of business and certification they are, if they are a prime or subcontractor, and then we provide time at the end of the meeting for networking and team-building purposes.

Ms. Richardson stated that last week SANDAG was given an award for the best sustained small business program by the San Diego Supplier Development Council. This Council tries to

help small businesses in the region. We have a CalMentor program and had over 30 pairings. It is the largest program in Caltrans' history in the state.

Ms. Richardson said that one program that will benefit SANDAG is a new online registration for contractors and vendors that want to do business with us. We have 3-4 procurements online. We just advertised the Quality of Life Public Outreach/Education Program Consultant Services procurement. We've already received about 50 responses. Of that number, 30 percent were small businesses, and 20 percent were DBEs. We will meet the DBE goals through these race neutral measures.

She noted that Caltrans commissioned a disparity study to determine whether discrimination exists in the conduct of Caltrans' transportation program. The study was completed and accepted by Caltrans in July 2007. Results of the study found disparity in four of six groups: African American, Asian Pacific, Native American, and Women, which the study considered as underutilized disadvantaged business enterprise (UDBE) firms. Based on this study outcome, Caltrans has taken steps to transition from a race neutral DBE program to a new race conscious one. The race conscious measures of the DBE program will only be applied to the UDBEs. Caltrans requested a waiver from the US Department of Transportation to implement a race conscious DBE program with limited application. Caltrans is currently awaiting this approval. As a subrecipient of federal funds, Caltrans has advised that SANDAG should continue with the race neutral DBE program until further notice. Upon Federal Highway Administration (FHWA) approval, a 60-90 day period will be provided by Caltrans to allow agencies time to reinstate a race-conscious component of the DBE program, including establishing contract-specific DBE goals and good faith efforts requirements limited to UDBEs.

Councilmember Young asked about outreach efforts. Ms. Richardson reviewed a number of efforts that SANDAG is involved in to encourage DBE/small business participation.

Councilmember Young asked if SANDAG uses community-based newspapers for advertisements. Ms. Richardson replied that we advertise in the Asian Journal, Voice and Viewpoint, and La Prensa. We also send notices through our database and the Contracting Opportunity Center.

Councilmember Young acknowledged that it appears SANDAG is finding ways to focus on veteran and local businesses. He asked if we reached our goals last year and if the goals this year are higher. Ms. Richardson answered that last year the goal for FHWA was 7 percent, and we are still tabulating some of the data from last year. Right now we are at 5 percent. For the Federal Transit Administration (FTA), our goal was 5 percent, and we are at 5.5 percent.

Councilmember Young commented that it also should be based on the efforts to improve our outreach.

Ms. Richardson noted that our last on-call contract totaled \$178 million and had no DBE goals set. However, of the seven subcontracts in this contract we had stated participation ranging from 6.5 percent to 18 percent. It appears that our race neutral efforts are working.

Councilmember Young congratulated Mr. Gallegos for staff's effort on this issue. He said it is one of the most comprehensive approaches toward addressing this issue, and SANDAG should be commended.

Councilmember Luis Natividad (National City) stated that National City has access to a lot of small businesses. He asked if it is possible to let us know how to contact SANDAG. Ms. Richardson said she would be glad to talk with Councilmember Natividad and National City staff. We just launched our database in June of this year and would be able to share it with the city.

Marilyn Dailey, San Diego County Water Authority, stated that ten years ago when she joined the Water Authority, it had a DBE program and now it has SCOOP (Small Contractor Outreach and Opportunities Program). We have all kinds of information we can share. Most all of our contracts have a specified DBE percentage, if the contractors are available and can do the work. We have broken our contracts down so there are more places where DBEs and small businesses can participate.

5. RESOLUTION REGARDING KUMEYAAY MAP (APPROVE)

The Executive Committee recommends that the Board of Directors approve Resolution No. 2009-03, regarding the aboriginal lands of the Kumeyaay Nation.

6. CALIFORNIA REGIONAL BLUEPRINT PLANNING PROGRAM GRANT RENEWAL APPLICATION (ADOPT)

The California Business, Transportation, and Housing Agency is awarding \$4.25 million in California Regional Blueprint Grant Program funding during FY 2009 to current Metropolitan Planning Organization grantees to complete or enhance the implementation of regional comprehensive plans in the state. The Board of Directors is asked to adopt Resolution No. 2009-09, authorizing the submittal of the SANDAG grant renewal application to the California Regional Blueprint Planning Program.

7. UTC TRANSIT CENTER FUNDING (APPROVE)

SANDAG staff has worked with Westfield, City of San Diego, and Metropolitan Transit System staff to ensure that the new transit center, approved as part of the redevelopment plans for the Westfield Shoppingtown University Towne Centre (UTC), meets the needs of existing and future transit services in the Mid-Coast corridor. The Transportation Committee recommends that the Board of Directors direct staff to take the necessary programming actions, including obtaining approval from the Federal Transit Administration, to utilize approximately \$5.7 million in Section 5309 New Starts funds currently programmed for the Nobel Drive COASTER Station as a contribution towards construction of the new UTC bus transit center.

8. QUARTERLY INVESTMENT REPORT FOR PERIOD ENDING SEPTEMBER 30, 2008 (INFORMATION)

The SANDAG Investment Policy requires that the Board be provided a quarterly report of investments held by SANDAG. This report includes all money under the direction or care of SANDAG as of September 30, 2008.

9. QUARTERLY PROGRESS REPORT ON TRANSPORTATION PROJECTS – JULY TO SEPTEMBER 2008 (INFORMATION)

This quarterly report summarizes the current status of major highway, transit, arterial, traffic management, and transportation demand management projects in SANDAG's five-year Regional Transportation Improvement Program for the period July to September 2008.

10. REPORT SUMMARIZING DELEGATED ACTIONS TAKEN BY EXECUTIVE DIRECTOR (INFORMATION)

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

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

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

Action: Upon a motion by First Vice Chair Pfeiler, and a second by Mayor Jim Woods (Oceanside), the SANDAG Board approved Consent Items Nos. 4 through 11, including Resolution Nos. 2009-03 and 2009-09. Yes - 19. No - 0. Abstain - 0. Absent - 0.

CHAIR'S REPORT (12 though 14)

12. DESTINATION LINDBERGH AD HOC AIRPORT REGIONAL POLICY COMMITTEE UPDATE (INFORMATION)

Chair Sessom stated that a diagram showing Destination Lindbergh Development Alternatives Summary was distributed. Destination Lindbergh is a cooperative planning effort of the City of San Diego, the Airport Authority, and SANDAG. The study effort began in March of this year in an attempt to address three issues: what is the ultimate build-out of the airport, what is the best option for integration of a ground access Intermodal Transportation Center, and how can traffic on local streets surrounding the airport be mitigated. Guiding this process has been an ad hoc policy committee, which has met about every three weeks. To date, work has included forecasting future air travel demand; reviewing the constraints and opportunities of adjacent rail, freeway, and local streets and roads as well as airside passenger options; and development of a series of airport-intermodal alternatives. The committee has screened down the alternatives to four basic concepts: B1 (North check-in with North gates), A2 (North check-in with South gates, possibly connected by a people mover), A3 (dual check-in North and South), and A8 (all

gates on South accessed by an on-airport road). All of these alternatives utilize an Intermodal Transportation Center (ITC), which would straddle the rail lines just south of Washington Avenue and Pacific Coast Highway. The ITC would have direct access from Interstate 5. Early analysis concluded that development of an ITC would create significant opportunities for reducing auto trips to the airport and increasing transit usage in the region. The next steps will be to develop options for a phased development, and reviewing the financial feasibility and revenue sources. We are looking at a February 2009 deadline to get this to the Airport Authority as it is the approving agency in accordance with the Memorandum of Understanding between the Authority, SANDAG, and the City of San Diego. We still have a lot of work to do.

Action: This item was presented for information only.

Chair Sessom stated that we would take Item No. 14 out of order.

14. RECOGNITION OF WORKPLACE EXCELLENCE AWARD TO SANDAG (INFORMATION)

First Vice Chair Pfeiler announced that SANDAG recently received an award acknowledging the agency as a great place to work. This award was presented by the Society of Human Resource Managers (SHRM) and recognizes exemplary human resources practices that drive business performance and organizational effectiveness. SANDAG was recognized in the mid-size company category for our "relational onboarding program" in which new hires are oriented and integrated into our workforce. This program is designed to promote retention and reduce turnover costs, and quickly turns new employees into productive members of the team. She congratulated all the staff at SANDAG and particularly the Human Resources team.

Action: This item was presented for information only.

13. REPORT FROM NOMINATING COMMITTEE ON SLATE OF BOARD OFFICERS FOR 2009 (INFORMATION)

Council President Pro Tem Madaffer reported that the Nominating Committee met and is unanimously recommending the following slate of officers for 2009: for Chair: Escondido Mayor Lori Holt Pfeiler; for First Vice Chair: Encinitas Mayor Jerome Stocks; and for Second Vice Chair: Santee Councilmember Jack Dale. He reminded Board members that nominations can be made from the floor at the December 19 Board meeting. He stated that the Board will be well served by a group of great leaders in 2009.

Chair Sessom thanked Nominating Chair Madaffer and the committee members for their efforts to develop this slate of candidates for 2009 Board leadership.

Action: This item was presented for information only.

REPORTS (15 through 21)

15. THIRD ANNUAL REPORT FROM THE *TransNet* INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE (INFORMATION)

John Meyer, Chair of the Independent Taxpayers Oversight Committee (ITOC), provided the third annual report. He expressed appreciation and thanks for the Board for recognizing ITOC. As mandated by the *TransNet* Ordinance, ITOC provided a level of accountability, and guidance and oversight on development on the *TransNet* Early Action Program (EAP) and other key components of the *TransNet* Extension approved by the voters in 2004.

He noted that a copy of the Annual Report was included in the agenda package. It is marked "draft." The final report will be printed after this meeting in case there are further recommendations or suggestions. It briefly summarizes actions during the past year and for the first full year of the *TransNet* Extension, including collection of the new development impact fees. Progress on the EAP has been substantial. We have participated in the Plan of Finance for the *TransNet* EAP, including a proposed financial strategy, and ITOC recommended that we stay committed to the schedules of all projects. We continued to receive regular updates on the SPRINTER project through opening of service, and will continue to do so until the contract is completely closed out. We started implementation of the *TransNet* Extension requirements including the Regional Transportation Congestion Improvement Program's (RTCIP) residential fee. All jurisdictions submitted programs to us on time.

One of the largest efforts was the application process for the annual performance audit. This was a first in California. The audit is now underway and the findings will be presented in spring 2009. A \$600 million bond financing was issued last spring and we continue to receive regular updates on the fiscal crisis and its potential impacts on the *TransNet* program. The difficult financial crisis is a great concern to our committee. Falling sales tax revenues certainly emphasize the need for the next Plan of Finance update as we move forward. We look forward to moving past the projects in the EAP that are more oriented to highway development to see more development for the needs of the transit agencies. ITOC will assume one major responsibility this year, which is the annual fiscal audit. We will prepare for this substantial effort over the next couple of months.

He stated that ITOC continues to be amazed at the close cooperation between Caltrans and SANDAG staff. He noted that there is a real benefit to the region in this cooperation and in the competence of the Caltrans District 11 staff. He expressed concern regarding the recruitment for new members for ITOC. Last year we went through a difficult period losing several members due to conflicts of interest. That left us with a bare minimum of members for a quorum. Given the fact that most of the committee members have to make a living, it is hard to schedule a meeting and then not have a quorum. The source of this problem goes back to the *TransNet* Ordinance requirements. The strength of the committee lies in the skills and backgrounds of the various committee members bringing a variety of disciplines to the table. However, the conflict of interest issue is troublesome. He discussed this concern with the San Diego County Taxpayers Association, and the issue is that we cannot offer or solicit a position on ITOC if there is any connection to any program that they might be connected or where members' companies might be connected. This issue could be resolved by modifying certain ITOC rules. At a city, if you have one person on the council who has a conflict, that person can be excused. This should happen with ITOC. The selection committee

had a real problem getting together in the summer months. We should get a couple of dates on the calendar now for next summer so that we can have a smooth selection process. He brought this up because 3 of the 7 members are reaching the end of their term. He wouldn't want to see the committee being hamstrung by barely having a sufficient number for a quorum.

Mr. Meyer said that the former SANDAG staff member who worked for us, Craig Scott, was the first staff person to ITOC, and the transition to Charles "Muggs" Stoll has been great. The ITOC benefits greatly from SANDAG staff support.

Chair Sessom asked for Board member comments.

Councilmember Monroe expressed his appreciation for the report and ITOC's service. He noted that a level of confidence whenever we received a recommendation from ITOC. We recently had a case where the vote at ITOC on a recommendation related to the SPRINTER project was a 3-3 tie. This raised a red flag for him, and this goes to the committee's credibility and recognition of the talents of its members.

Mr. Meyer stated that we had two days before a Transportation Committee meeting and one week before the Board met, and the issue did raise flags with some of our members. The biggest issue was the involvement of the State Legislature and whether they would release the state Proposition 1B bond funding. On the positive side, by us not making a direct recommendation in this case, your staff came up with much more detailed information for the Transportation Committee and Board. One of ITOC's functions is to raise that kind of concern. It's to the benefit of the Board that we do that.

Deputy Mayor Crystal Crawford (Del Mar) thanked ITOC Chair Meyers for this report and bringing our attention to the fact that three ITOC members' terms are expiring in May 2009. When staff reports back on issues brought up today, she asked that the schedule typically used for recruitment be included. She didn't recall if there are restrictions from members serving another term. She was sensitive to the concern about having a bare quorum after next May. She suggested starting the recruitment process earlier and building in additional time in case we don't get sufficient applications.

Action: This item was presented for information only.

16. ANNUAL REVIEW OF AND PROPOSED AMENDMENTS TO BOARD POLICY NO. 033: IMPLEMENTATION GUIDELINES FOR SANDAG REGIONAL HOUSING NEEDS ASSESSMENT MEMORANDUM (APPROVE)

First Vice Chair Pfeiler stated that the Regional Planning Committee (RPC) and Executive Committee recommend that the Board approve amendments to Board Policy No. 033. We started this discussed when we were trying to get our Regional Housing Needs Assessment (RHNA) process finalized last cycle. When we voted on that issue, we realized there would be some problems allocating all our housing needs, and recognized some smaller cities would have a reduced affordable housing goal. Other cities that did not have an approved housing element in place could produce a recommended amount of affordable housing but would not get points under the original policy. This policy was developed to implement the memorandum that several Board members authored in association with the adoption of the 2005-2010 RHNA. The purpose of the memorandum was to provide incentives to the

jurisdictions that are taking steps to address the region's affordable housing need. The amendments proposed maintain the spirit of the original memorandum and will be used in the evaluation of the *TransNet* Smart Growth Incentive Program (SGIP), which is the next item on the agenda. She hoped the Board will support these amendments. She introduced Susan Baldwin to provide the staff report.

Ms. Baldwin, Senior Planner, reported that Policy No. 033 was developed to implement the 2005-2010 RHNA memorandum. The memorandum was proposed to gain consensus on the RHNA affordable housing allocation. The financial incentives for projects applying for SANDAG discretionary funds are based on housing element status and affordable housing production. An ad hoc working group was formed to develop amendments to this Board policy to implement the memorandum.

Ms. Baldwin stated that the proposed amendments are organized into two categories: policy issues and technical issues. There are several policy issues: award of incentive points, housing element compliance, and progress toward rezoning actions. The technical issues relate to changes in reporting, an update of the SANDAG funding sources affected by Board Policy No. 033, and the time period for evaluation of lower-income housing production.

Ms. Baldwin explained that instead of calculating lower-income housing production on only one factor (affordable housing production), it is proposed that affordable housing performance be assessed using five factors. Each factor would be worth one-fifth of the total points: housing element compliance, greater RHNA share taken, regional share of cumulative total of lower-income units produced, percent of cumulative Alternative 3 lower-income RHNA goal met, and percent of lower-income households. These factors consider the variety of ways that jurisdictions can address their affordable housing needs. We will be evaluating planning, production, and what is actually on the ground now. For the SGIP capital projects that means each of the five factors would be worth 15 points (75 points out of 300 total points).

Councilmember Monroe asked about the share for housing element compliance. Ms. Baldwin said that refers to each jurisdiction's preparation of their housing element. Each jurisdiction must submit a housing element to the state in compliance with state law.

Councilmember Monroe stated that with these changes, a jurisdiction doesn't have to have an approved housing element to compete for discretionary funding. Ms. Baldwin responded that the current policy requires a jurisdiction to have an approved housing element before it can apply for SANDAG discretionary funds.

Councilmember Monroe said that only 11 out of 18 cities have approved housing elements. He asked if this means we don't want jurisdictions to complete housing elements. Ms. Baldwin agreed that we do want jurisdictions to complete housing elements; however, we recommended that points associated with the housing element be fairly significant. If a jurisdiction doesn't have an approved housing element, it would receive fewer points for this factor, and its competitiveness for the discretionary monies would be reduced.

Coleen Clementson, Principal Planner, added that there were some jurisdictions that are producing affordable housing, but don't have an approved housing element and were running into problems getting that approval at the state level. The working group discussed this and agreed with awarding significant amount of points for those with approved

housing elements, but also allowing jurisdictions to still compete in the program and receive points for the housing production component. This will place all jurisdictions on an equal playing field.

Mayor Wood asked about the rehabilitation of apartments. Ms. Baldwin said that we are proposing that jurisdictions can count units that have been acquired and rehabilitated at 50 percent of a new unit.

Deputy Mayor Crawford expressed appreciation that the proposed amendments are attempting to work within the existing realities of the relationship between the cities and the state in getting our housing elements approved. She noted that Del Mar has had an update to its housing element pending for a couple of years. Now, instead of not being able to compete, this process creates a system for partial points for other efforts that are relevant to the RHNA process. She asked if there was consensus from the Regional Planning Technical Working Group and the other groups that considered this issue.

Ms. Baldwin responded there was general consensus among the groups that reviewed this. There was a unanimous vote from the Executive Committee in favor of the recommendation. The various groups were very instrumental in developing these five factors, and this proposal was discussed several times. She clarified that all jurisdictions have submitted housing elements to the state.

Councilmember Natividad commented that a lot of the cities don't want to build affordable housing units and make excuses for not having them. Every jurisdiction should submit a housing element to show an effort toward providing affordable housing.

Councilmember Lesa Heebner (Solana Beach) asked about granny flats. The City of Solana Beach will offer amnesty for these units. She asked if these units would be covered if they are structured to an affordable level. Ms. Baldwin replied that these types of units are not covered in this policy. If units are made legal and were restructured it could be agreed to include them.

Councilmember Heebner asked a technical question on item No. 4 on page 14, regarding timing for the calculation. Ms. Baldwin answered that the RNHA baseline is January 2003, so we are collecting additional data for those 2.5 years before the 2005-2010 RHNA cycle started. However, we are allowing some flexibility in the date for which jurisdictions want to count units. For the SGIP annual report, we have gotten information through calendar year 2007, but some jurisdictions have provided housing during 2008, so we are allowing the flexibility in the time frame until the call for projects.

Councilmember Heebner asked if staff is looking to combine very low and low income housing units together. Baldwin replied affirmatively.

Supervisor Greg Cox (County of San Diego) commented that this policy is important to all of the jurisdictions as there is discretionary money coming available from SANDAG. The changes being made to the policy are going in the right direction; however, there was far from consensus on several issues. We have not reached full consensus of all the 18 cities and the County of San Diego. The result is inequity in some areas of the policy. The state awards production of affordable housing; however, some jurisdictions that are not producing affordable housing are rated higher than those that are. The County still has

some concerns, and the concerns of all jurisdictions should be addressed. He encouraged staff to monitor this effort with a focus toward improvements. Despite his concerns he agreed to support the proposed amendments.

Chair Sessom agreed that this program will be monitored on an annual basis.

Deputy Mayor Crawford asked if staff would report back on how this program has performed after the first round of applications and funding, and make any necessary adjustments. Chair Sessom replied affirmatively.

Mayor Mickey Cafagna (Poway) agreed with the direction we are going and that we have a plan in place. However, the policy is inefficient where you have a city that has an allocation based on this criteria, but does not have land zoned properly to accommodate it. An alternative is if a city does have land and desires to build affordable units, but has not allocated enough money. There is nothing that provides for that, and it is an area we still need to work on. The allocation of housing unit numbers doesn't ensure that jurisdictions are supplying housing. We need to supply housing and should analyze this policy from that standpoint. We tell the State Housing and Community Development Department that we have room for affordable housing, but in reality not much of us have built it. He discussed this with the cities of National City and San Diego. They have village projects that qualify, but do not have the funds to build it. Poway might have the funds to build affordable housing, but no land is available. If we have money, land, and interest we could provide more affordable housing.

First Vice Chair Pfeiler commented that this is the introduction to our next RHNA discussion.

Councilmember Matt Hall (Carlsbad) said he appreciated Mayor Cafagna's comments. Carlsbad has built some affordable housing since 1990, but it doesn't have an approved housing element. It comes down to political will to make it happen.

Mayor Cafagna responded that Poway doesn't have any land to put affordable housing.

Chair Sessom asked about the granny flat question.

Mr. Gallegos said that he, General Counsel, and staff discussed the granny flat question while the Board discussion was going on. The Board could include that amendment to the policy. Staff suggests that if the Board wants to keep granny flats consistent with rehabilitated units, granny flats would get counted as 50 percent of the points for a new unit.

Mayor Cheryl Cox (Chula Vista) moved approval of the staff recommendation, including the granny flat amendment at points granted at 50 percent that of new units.

Council President Pro Tem Madaffer supported this item as it is a step in the right direction. He noted that 60 percent of future growth in the region will come from people who are already here. It is important to keep that in mind and plan for it. With regard to RHNA, one item under discussion at the League of California Cities meeting is the possibility of eliminating RHNA on a statewide basis. It would be replaced with what we are doing here. We have self-certification and are the only agency in the state with that process.

Action: Upon a motion by Mayor Cox and second by Council President Pro Tem Madaffer, the SANDAG Board of Directors approved the proposed amendments to Board Policy No. 033, with the inclusion of granny flats with points awarded at 50 percent that of new affordable units. Yes – 18 (weighted vote, 98%). No – National City (weighted vote, 2%). Abstain – 0 (weighted vote, %). Absent - None.

17. *TransNet* SMART GROWTH INCENTIVE PROGRAM (APPROVE)

Mayor Jim Janney (Imperial Beach) stated that the Regional Planning Committee (RPC) has been very engaged in this process and we are happy to bring this recommendation forward to the Board. He introduced Stephan Vance, Senior Planner, to make the staff presentation.

Mr. Vance reported that this program was initiated by the *TransNet* Extension and its purpose is to help fund capital and planning projects by local agencies. Staff worked on this process through the RPC. We took a lot of input from the Regional Planning Technical Working Group (RPTWG) and Cities/County Transportation Advisory Committee (CTAC). About \$24 million in federal Transportation Enhancement funds were programmed for 14 projects in the region several years ago as part of a pilot smart growth incentive program. We also wanted to make sure the program responded to the concerns in the SOFAR (Save Our Forests and Ranchlands) settlement agreement related to the Regional Comprehensive Plan.

Mr. Vance stated that this process has been overseen by the RPC and was started by developing objectives for the program. He reviewed those objectives, the funding allocation, funding levels, eligibility criteria, and the project selection process. Program oversight includes a program grant agreement, periodic reporting and review, and a “use-it-or-lose-it” policy. Following Board approval, staff will issue a call for projects. SANDAG staff will then hold an application workshop in early December. Applications would be due in January 2009. Review of the applications by the project evaluation panel would take place in February and March 2009. A candidate list of recommended projects would be presented to the RPC in April, with a recommendation from the RPC to the Board at the end of April. He added that this will be a biannual program to keep down the administrative costs.

The program is for both planning and capital infrastructure projects. The planning projects are important as they will move infrastructure projects along. The recommendation from the RPC is to award at least 80 percent of the funding for capital projects and 20 percent for planning projects. Capital grants would be capped at \$2 million, and planning grants would be capped at \$400,000. He reviewed the project eligibility and evaluation criteria. He noted that one key lesson learned from the pilot program was to establish criteria in advance and then have an independent evaluation panel review applications based on those criteria. He said that there are separate criteria for capital and planning projects, and each is designed to address the program objectives. Both sets of criteria include 25 percent of the points dedicated to affordable housing per Board Policy No. 033. The list from the evaluation panel would be reviewed by the RPTWG and CTAC then go to RPC for a recommendation to the Board. The Board would have final approval authority for the projects.

Mr. Vance stated that RPC does not have authority to make recommendations on *TransNet* funds. Staff will be proposing an amendment to Policy No. 001 that would give the RPC that

delegated authority. That amendment would be included next month as part of the review of SANDAG Board policies.

Mr. Vance reviewed program oversight responsibilities. A grant agreement has been developed to delineate agency responsibilities. The program includes periodic review by SANDAG staff. He referred to the proposed "use-it-or-lose-it" policy, included as Attachment 4 to the agenda report. The purpose of this policy is to specify when it would be appropriate to grant schedule extensions and under what circumstances a grant should be rescinded and funding returned to the program.

Chair Sessom noted there were two requests to speak on this item: Roxanne Carter and Duncan McFetridge. Ms. Carter has transferred her time to Mr. McFetridge.

Mr. McFetridge stated that SANDAG was to be congratulated for bringing housing and transportation together. You can't have affordable housing without a transit-based foundation. This item is very important but there is something missing in it-- measurable mode share goals. He asked how projects can be evaluated when they don't actually contribute to a transit-based future. This issue is important because it brings up our settlement agreement with SANDAG and the comments of the California Attorney General that stated the last Regional Transportation Plan (RTP) was fatally flawed. We entered into an agreement to correct that flaw, which is unsustainable growth. What is the answer? Transit-based communities. We are going to have three times the population in downtown San Diego not because there is land, but because we have available transportation infrastructure. It is amazing that what the people want and need is transit, and they are not getting it. What people don't want and don't need (roads) we are building. We cut transit routes and increase fares. He mentioned certain programs in Portland, Oregon, as examples for us to follow.

Chair Sessom thanked Mr. McFetridge and Ms. Carter.

Council President Pro Tem Madaffer expressed support for the staff recommendation. He said that Mr. Vance made reference to funding authority given to the Regional Planning Committee. Where is that in the report? Mr. Vance answered that the RPC does not have authority to make funding recommendations. That would need to be changed in Board Policy No. 001.

Council President Pro Tem Madaffer said that the Transportation Committee has some issues with respect to both roads and transit. We want to make sure there is no disconnect between the policy committees. Perhaps this could be dealt with at the staff level. Mr. Vance replied that we did take this item to the Transportation Committee. However, the thought was to take this program through the RPC as the primary oversight body, as this is mostly a land use-based program. The technical difficulty lay with two separate bodies possibly making separate, independent recommendations.

Council President Pro Tem Madaffer offered a couple of observations. He was reading an article in the *San Diego Union-Tribune* newspaper that talked about growth of transit in October and November this year, yet at the same time there have been cuts in transit funding. We don't know what the state's going to do with funding for transit. He raises this issue because it is important when you look at the SGIP. This program has to have a high degree of transit included. Cities should think twice about parking requirements along rail

and transit corridors where they could build housing units instead. We spend too much money to park cars when cities should turn that land into affordable housing units. It is important to observe that the Quality of Life measure for 2010 is very important. Receiving \$8-10 billion for transit funding will be huge for this region. We now have a half-cent sales tax, but only one-sixth of a cent goes to transit. Los Angeles was at a full penny for transit and voters just approved an additional half-cent for transit. He encouraged the Board and Mr. McFetridge to support the Quality of Life measure. These are great plans, but they won't work if there isn't good transit service.

Councilmember Monroe said that we could see a 25 percent decrease of maintenance staff cut as a result of what will happen with the state budget. As we look for transit-oriented development opportunities, the level of state funding for transit is decreasing. Perhaps the public needs to tell their state representatives not to cut money from transit. SANDAG sent him on a trip to Portland where he spent three days. That is a city and county that knows what they are and where they are going. There is a 0.6 percent payroll tax for transit. There is a free downtown shuttle loop. He suggested that SANDAG Board members take the opportunity to visit Portland to see what they have done there with regard to transit and transit-oriented development.

Mayor Wood agreed with the importance of transit. Our smart growth plan has to be reviewed for transit impacts. Some of the smart growth plans impact adjacent cities. He expressed concern about the parking aspect. There is a lot of mixed-use property being used for parking along the SPRINTER line. He suggested that some of that property along mass transit lines could be used for mixed-use purposes. The parking component is important.

Councilmember Gallo asked if the project criteria will remove the design authority from local jurisdictions. Mr. Vance responded that a group of land architects and designers will provide comment on land uses around the region. However, the design authority remains with the jurisdictions.

Councilmember Gallo commented that we want to do smart growth, but do not want to slow things down with another approval process. Ms. Clementson replied that the staff recommendation does not change the process. The whole idea is how to create great places. We would bring some of that outside design expertise in to review the applications to have the benefit of that expertise.

Councilmember Jack Dale suggested that staff look at adding Lindbergh Field as an intermodal transit center.

Action: Upon a motion by First Vice Chair Pfeiler and second by Mayor Desmond, the SANDAG Board of Directors approved the project selection criteria for capital and planning grants for use in the first two-year funding cycle of the *TransNet* Smart Growth Incentive Program, and authorized a call for projects for the program based upon the recommended eligibility and project selection criteria. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (weighted vote, 0%). Absent - None.

18. REVISION TO FY 2009 TRANSPORTATION DEVELOPMENT ACT AND *TransNet* REVENUE ESTIMATES AND FINANCIAL MARKET STATUS (APPROVE)

Chair Sessom noted that due to timing, the report on the financial market status will be postponed to the next meeting.

Sookyung Kim, Financial Programming Manager, reported that transit operators within the San Diego region receive various federal, state, and local revenues to support both ongoing operations and capital projects. The Transportation Development Act (TDA) and *TransNet* are two of the major sources of funding for the Metropolitan Transit System (MTS) and the North County Transit District (NCTD). The San Diego region continues to experience a downturn in sales tax revenues from these two vital sources of revenues. As a result of this decline, a revision is proposed to reduce the FY 2009 revenue estimates for TDA and *TransNet* from the amount approved by the Board in February 2008. Attachment 1 of the report is a breakdown of different programs that are affected by reduced TDA funds. Attachment 2 shows the impacts to the SANDAG work program and *TransNet* Major Corridor program. Approval of this recommendation would provide the transit operators with sufficient time to review their budgets.

Action: Upon a motion by Mayor Wood and second by Supervisor Cox, the SANDAG Board of Directors: (1) approved the revised FY 2009 Transportation Development Act allocation of \$113.8 million and (2) approved the revised FY 2009 *TransNet* allocation of \$234.63 million. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (weighted vote, 0%). Absent - None.

19. RECOMMENDATIONS FROM THE 2008 BINATIONAL SEMINAR “SMART GROWTH AND SUSTAINABILITY ON THE BORDER: OPPORTUNITIES FOR COLLABORATION AMONG STRATEGIC PARTNERS” (APPROVE)

Deputy Mayor Crawford stated that the 2008 Binational Seminar, “Smart Growth and Sustainability on the Borders: Opportunities for Collaboration with Strategic Partners,” was held in June of this year. The Seminar was hosted by Caltrans, District 11, and about 120 people attended. Details of this event are included in the staff report. There were a number of recommendations resulting from this Seminar. They have been reviewed by the Committee on Binational Regional Opportunities (COBRO) and the Borders Committee. She asked for the Board's approval of the recommendations outlined in Attachment 1. In addition, she asked for direction to staff to explore the resources that we might have in the FY 2010 Budget and Overall Work Program in order to implement these recommendations. There was a discussion at the Borders Committee meeting to identify resources. One other outcome of the Seminar was an invitation from Tijuana Mayor Jorge Ramos for SANDAG to become an advisory member of IMPLAN. We would like the Board's approval to accept that invitation and devise a way to work with them.

Councilmember Hall expressed concern about the safety of Board members across the border.

Action: Upon a motion by Deputy Mayor Crawford and second by Council President Pro Tem Madaffer, the SANDAG Board of Directors approved the recommendations from the 2008 Binational Seminar, with the direction for staff to explore resources in the FY 2010

Budget and Overall Work Program for their possible implementation. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (weighted vote, 0%). Absent - None.

20. PLAN TO END CHRONIC HOMELESSNESS (DISCUSSION/POSSIBLE ACTION)

Council President Pro Tem Madaffer stated that the San Diego Regional Task Force on Homelessness said there are 9,600 homeless people in the region. This is not a City of San Diego problem. Each of us knows we have homeless folks in our cities. Each city should be ready and able to act productively on this issue. He introduced Douglas F. Sawyer, President & Chief Executive Officer, United Way of San Diego County, for a presentation.

Mr. Sawyer provided a brief history of PTECH (Plan to End Chronic Homelessness), leading up to the City of San Diego endorsing the Plan in 2008. The focus of this Plan is on unaccompanied homeless individuals with a disabling condition, and who have experienced long periods of homelessness. This group includes veterans and seniors. A long period of homelessness is defined to mean a year or more, or four episodes of homelessness in a three-year period. The reason for this program is that it costs too much in human and economic terms not to do it. There are nearly 10,000 homeless in the San Diego region, and approximately 1,400 of that number are chronic homeless. Although this group makes up a small percent of the region, they use 50 percent of the available funds in the community for homeless purposes.

Mr. Sawyer stated that one research project, the Serial Inebriate Program, tracked 15 chronically homeless persons and found out that \$1.5 million was spent over 1.5 years, which results in \$100,000 per person. A model that has proved to work across the country for chronically homeless is permanent supportive housing. The Housing First model provides housing first then the support services needed by the chronically homeless. Until this group of people feels they have improved living conditions they won't seek out services to help with their other issues. This is an evidenced-based practice. Permanent support of housing is a key element in plans nationwide. We have seen reduction in chronic homelessness only a few years into the plan. People participate at high rates when services are voluntary. Cost reductions can nearly offset the entire cost of housing over time. It changes people's lives. It has shown to have a positive impact on health, employment, income, mental health, and recovery. About 75-80 percent of people remain in the program one year later. He reviewed the organizational structure.

Mr. Sawyer reviewed the current status of PTECH, which indicated that this program was implemented in fall 2007 and a steering committee, known as the Leadership Council, was formed and met during the 2007-2008 time period. In July 2008 the first phase goals were developed. These goals include the development of a 200-person pilot program, educating the community, enhancing partnerships with cities, joining forces with the County, and advocating for a permanent homeless facility. The 200-person pilot program is slated for this winter. He reminded members that this is a regional issue, and needs to be addressed on a regional level.

First Vice Chair Pfeiler indicated there was one request to speak on this item.

Simone Ruff, Director of the Corporation for Supportive Housing, urged Board members to take advantage of the opportunity being presented to provide permanent supportive housing. There is \$1 million available for this project. Those funds will assist in meeting the

goal of PTECH. The creation of supportive housing has another benefit in that regional resources can be used more effectively, particularly as they relate to jails. There is a significant source of funds in the federal Mental Health Services Act. It is a tax that is not subject to appropriation. Over the next 20 years this will be a suitable source of funding. About 60 percent of clients served under this Act meet the chronic homeless definition. We know about factors that will help us to succeed and create awareness, and these funds are only available for a short period of time (through 2009-2010). We have a lot of work to do to bring our fair share to the San Diego region. We need to work with policy makers and the San Diego community to ensure there are services available for those who don't meet the criteria. Partnerships are key, and the United Way has been a great partner. She looked forward to working with the United Way.

First Vice Chair Pfeiler suggested that this be referred to the Regional Planning Committee. She asked if there was anything specific that was needed from SANDAG. Mr. Sawyer said it would be helpful if the Board endorsed the Plan.

Council President Pro Tem Madaffer asked if there was anything we could do to ensure that SANDAG is at the table.

Councilmember Young commented that the person who helped to raise awareness of this subject is San Diego Councilmember Toni Atkins. She has been an advocate for this issue on the San Diego City Council. He encouraged other city councils to support this plan. He thanked the United Way for the work it is doing. He expressed the City of San Diego's support for these efforts.

Mr. Sawyer agreed that Councilmember Atkins has spearheaded this subject in a lot of ways. He thanked all of the San Diego City Council.

Councilmember Natividad asked if alcoholism is included in the definition of substance abuse. Mr. Sawyer replied that it depends where it is used; however, alcoholism has been interchangeable with substance abuse.

Deputy Mayor Crawford was pleased to hear about this program. She commented on the success of the North County winter shelter effort. She would support finding a way to incorporate a more regional philosophy toward this program and others. We found in the North County winter shelter effort that community was key. We have moved into the second year of providing the winter shelter, and there hasn't been any negative press coverage. We should see what can come out of a coordinated approach to providing services. Providing support to those who need it and reducing the cost to taxpayers show that there is no downside to supporting this program.

Mr. Sawyer noted that November 20 was the kick off for the North County winter shelter program. The United Way was a major gap fund provider from last year and this year. The United Way also is working with the service providers, and many people coming to the North County winter shelter are referred to more permanent housing approaches.

Mayor Lewis suggested this be referred to the Public Safety Committee as it deals with crime and jails, etc. That would be an ideal committee to look at this issue.

Council President Pro Tem Madaffer announced that the City of San Diego winter shelter would be opened on Monday, November 24, at 8 a.m. If anyone is interested, the shelter also is serving a Thanksgiving dinner at 5 p.m. It is a heartwarming event to go to.

Action: Upon a motion by First Vice Chair Pfeiler and second by Councilmember Tony Young, the SANDAG Board of Directors endorsed the Plan to End Chronic Homelessness. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (weighted vote, 0%). Absent - None.

21. CLOSED SESSION-CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION - Pursuant to Government Code Section 54956.9(A) – SANDAG v. Board of Trustees of California State University (Case No. 37-2007-00083768-CU-TT-CTL)

Chair Sessom convened the meeting into a closed session at 11:28 a.m., and reconvened the meeting into open session at 11:41 a.m.

General Counsel Julie Wiley reported that there was nothing to report out of the closed session.

22. UPCOMING MEETINGS

Please note that the December Board meetings will be held respectively on the first and third Fridays of the month due to the holiday schedule.

The next Board of Directors Policy meeting is scheduled for Friday, December 5, 2008, at 10 a.m. at the Caltrans, District 11 office.

The next Board of Directors Business meeting is scheduled for Friday, December 19, 2008, at 9 a.m.

Bill Figge, Deputy District Director, Caltrans, District 11, stated that we heard from the state that the federal Presidential Permit has been signed, and we don't expect any problems with its issuance.

23. ADJOURNMENT

The meeting was adjourned at 11:42 a.m.

DGunn/M/DGU

**ATTENDANCE
SANDAG BOARD OF DIRECTORS MEETING
NOVEMBER 21, 2008**

JURISDICTION/ ORGANIZATION	NAME	ATTENDING
City of Carlsbad	Matt Hall (Member)	Yes
City of Chula Vista	Cheryl Cox (Member)	Yes
City of Coronado	Phil Monroe (Member)	Yes
City of Del Mar	Crystal Crawford (Member)	Yes
City of El Cajon	Mark Lewis (Member)	Yes
City of Encinitas	Jerome Stocks, 2nd Vice Chair (Member)	Yes
City of Escondido	Lori Holt Pfeiler, 1st Vice Chair (Member)	Yes
City of Imperial Beach	Jim Janney (Member)	Yes
City of La Mesa	Mark Arapostathis (2nd Alternate)	Yes
City of Lemon Grove	Mary Sessom, Chair (Member)	Yes
City of National City	Luis Natividad (Alternate)	Yes
City of Oceanside	James Wood (Member)	Yes
City of Poway	Mickey Cafagna (Member)	Yes
City of San Diego – A	Tony Young (1st Alt.)	Yes
City of San Diego - B	Jim Madaffer (Member B)	Yes
City of San Marcos	Jim Desmond (Member)	Yes
City of Santee	Jack Dale (Member)	Yes
City of Solana Beach	Lesia Heebner (Member)	Yes
City of Vista	Judy Ritter (Member)	Yes
County of San Diego - A	Greg Cox (Member A)	Yes
County of San Diego - B	Dianne Jacob (Member B)	No
Caltrans	Pedro Orso-Delgado (Alternate)	No
MTS	Harry Mathis (Member)	Yes
NCTD	Ed Gallo (Member)	Yes
Imperial County	Victor Carrillo (Member)	No
US Dept. of Defense	CAPT Steve Wirshing (Member)	Yes
SD Unified Port District	Laurie Black (Member)	Yes
SD County Water Authority	Marilyn Dailey (Member)	Yes
Baja California/Mexico	Lydia Antonio (Alternate)	Yes
Southern California Tribal Chairmen's Association	Robert H. Smith (Member)	No