Board Members

Jerome Stocks, Chair  
Deputy Mayor, City of Encinitas  
(Representing North County Coastal)

Jack Dale, First Vice Chair  
Councilmember, City of Santee  
(Representing East County)

Jim Janney, Second Vice Chair  
Mayor, City of Imperial Beach  
(Representing South County)

Don Higginson  
Mayor, City of Poway  
(Representing North County Inland)

Jerry Sanders  
Mayor, City of San Diego

Bill Horn  
Chairman, County of San Diego

Board Alternates

Lesa Heebner  
Mayor, City of Solana Beach  
(Representing North County Coastal)

Mary Sessom  
Mayor, City of Lemon Grove  
(Representing East County)

Ron Morrison  
Mayor, City of National City  
(Representing South County)

Jim Desmond  
Mayor, City of San Marcos  
(Representing North County Inland)

Anthony Young  
Council President,  
City of San Diego

David Alvarez  
Councilmember,  
City of San Diego

Ron Roberts  
Vice Chair,  
County of San Diego

Greg Cox  
Supervisor,  
County of San Diego

Gary L. Gallegos  
Executive Director, SANDAG

EXECUTIVE COMMITTEE AGENDA

Friday, September 16, 2011  
9 to 10 a.m.  
SANDAG, 7th Floor Conference Room  
401 B Street  
San Diego

AGENDA HIGHLIGHTS

• PROPOSED FUNDING OPPORTUNITY:  
HOUSING AND URBANIZED DEVELOPMENT  
SUSTAINABLE COMMUNITIES REGIONAL  
PLANNING GRANT

• 2012 ANNUAL SANDAG BOARD  
SUMMIT/RETREAT

• MATTERS TO BE COMMUNICATED IN  
ACCORDANCE WITH AUDITING STANDARDS

PLEASE TURN OFF CELL PHONES DURING THE MEETING

MISSION STATEMENT

The 18 cities and county government are SANDAG serving as the forum for regional decision-making. SANDAG builds consensus, makes strategic plans, obtains and allocates resources, plans, engineers, and builds public transit, and provides information on a broad range of topics pertinent to the region’s quality of life.

San Diego Association of Governments  
401 B Street, Suite 800, San Diego, CA 92101-4231  
(619) 699-1900  
Fax (619) 699-1905  
www.sandag.org
Welcome to SANDAG. Members of the public may speak to the Executive Committee on any item at the time the Committee is considering the item. Please complete a Speaker’s Slip, which is located in the rear of the room, and then present the slip to the Clerk of the Committee seated at the front table. Members of the public may address the Committee on any issue under the agenda item entitled Public Comments/Communications/Member Comments. Public speakers are limited to three minutes or less per person. The Executive Committee may take action on any item appearing on the agenda.

This agenda and related staff reports can be accessed at www.sandag.org under Meetings. Public comments regarding the agenda can be forwarded to SANDAG via the e-mail comment form available on the Web site. E-mail comments should be received no later than 12 noon, two working days prior to the Executive Committee meeting. Any handouts, presentations, or other materials from the public intended for distribution at the Executive Committee meeting should be received by the Clerk of the Committee no later than 12 noon, two working days prior to the meeting.

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如有需要，我们可以把SANDAG议程材料翻译成其他语言。请在会议前至少72小时打电话（619）699-1900提出请求。

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Bicycle parking is available in the parking garage of the SANDAG offices.
ITEM # | RECOMMENDATION
--- | ---
+1. | APPROVAL OF JULY 8, 2011, MEETING MINUTES
2. | PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Public comments under this agenda item will be limited to five public speakers. Members of the public shall have the opportunity to address the Executive Committee on any issue within the jurisdiction of the Committee that is not on this agenda. Other public comments will be heard during the items under the heading “Reports.” Anyone desiring to speak shall reserve time by completing a “Request to Speak” form and giving it to the Clerk prior to speaking. Public speakers should notify the Clerk if they have a handout for distribution to Committee members. Public speakers are limited to three minutes or less per person. Committee members also may provide information and announcements under this agenda item.

REPORTS (3 through 7)

+3. | PROPOSED FUNDING OPPORTUNITY: HOUSING AND URBANIZED DEVELOPMENT SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT (Jane Gough-Riquelme)

The U.S. Department of Housing and Urbanized Development announced its 2011 Sustainable Communities Regional Planning Grant Program with $67 million of funding available. The Program focuses on providing funding for improving regional planning efforts to integrate housing, transportation, economic development, and environmental infrastructure investment decisions, and increase state, regional, and local capacity to incorporate livability, sustainability, and social equity into land use plans and zoning. The pre-application was due on August 25. Those entities that meet the requirements will be asked to submit a full application, due on September 26. The Executive Committee is asked to approve the SANDAG submittal of a grant application for the U.S. Department of Housing and Urban Development Sustainable Communities Regional Planning Grant Program. The Executive Committee is asked to authorize the use of the funding to update the Regional Comprehensive Plan, the establishment of a consortium of partner agencies, and the implementation and execution of a Partnership Agreement in substantially the same form as attached.

+4. | 2012 ANNUAL SANDAG BOARD SUMMIT/RETREAT (David Hicks)

The Executive Committee is asked to discuss the proposed topics and format to help the Board of Directors and SANDAG staff develop the Summit/Retreat agenda. The Committee also is asked to provide a recommendation to the Board of Directors as to the topics of discussion and format for the Summit/Retreat.
The independent certified public accounting audit firm of Mayer Hoffman McCann P.C. will be performing the annual audit of SANDAG for the fiscal year ended June 30, 2011. Professional auditing standards require that, as part of an audit, the auditor inquire of those in governance to ascertain whether those in governance have knowledge of matters that might have a bearing on the auditor’s risk assessment for the annual audit of SANDAG’s financial statements.

Periodic status reports on legislative activities are provided to the Executive Committee during the year. This status report provides an update on recent federal legislation pertaining to the Budget Control Act, Transportation Investment Generating Economic Recovery III Discretionary Grant program, federal surface transportation authorization, the Transportation and Regional Infrastructure Project bonds, and the Breaking Down Barriers Act. This report also provides an update on pending state legislation, including Senate Bill 791 (Steinberg).

If the five speaker limit for public comments was exceeded at the beginning of this agenda, other public comments will be taken at this time. Subjects of previous agenda items may not again be addressed under public comment.

The next meeting of the Executive Committee is scheduled for Friday, October 14, 2011, at 9 a.m.
EXECUTIVE COMMITTEE DISCUSSION AND ACTIONS
JULY 8, 2011

Chair Jerome Stocks (North County Coastal) called the Executive Committee meeting to order at 9:00 a.m. The attendance sheet for the meeting is attached.

1. APPROVAL OF MINUTES

Upon a motion by Supervisor Bill Horn (County of San Diego) and a second by First Vice Chair Jack Dale (East County), the minutes of the June 10, 2011, Executive Committee meeting were unanimously approved.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

There were no public comments, communications, or member comments.

3. PERFORMANCE EVALUATION OF EXECUTIVE DIRECTOR (RECOMMEND)

Chair Stocks stated that pursuant to the employment agreement with the Executive Director, the Board of Directors shall annually review his performance. If the Executive Director’s performance is determined to be satisfactory, the Board of Directors shall adjust his base salary in accordance with the employment agreement provisions. The Executive Committee was asked to recommend that the Board of Directors approve the Executive Director’s Performance Evaluation for the period July 2010 to June 2011 and Performance Objectives for the period July 2011 to June 2012.

Action: Upon a motion by Chair Stocks, and a second by Second Vice Chair Jim Janney (South County), the Executive Committee voted to recommend that the Board of Directors approve the Executive Director’s Performance Evaluation for the period July 2010 to June 2011 and Performance Objectives for the period July 2011 to June 2012.
REPORTS (4 through 6)

4. CENTERS FOR DISEASE CONTROL AND PREVENTION: COMMUNITY TRANSFORMATION GRANT APPLICATION (APPROVE)

Stephan Vance, Senior Planner, reported that the County Health and Human Services Agency (HHSA) has asked SANDAG to continue its successful partnership on health and the built environment by participating with them in a grant application to the Centers for Disease Control and Prevention for a Community Transformation Grant. Authorization is requested to participate in this application to support ongoing efforts by SANDAG to encourage active transportation, help create active communities through design, and to incorporate health considerations into regional planning practices. The Executive Committee was asked to authorize SANDAG to participate with the County HHSA in a grant application for the Centers for Disease Control and Prevention’s Community Transformation Grants in an amount ranging from $1 million to $2.5 million per year for fiscal years 2012 through 2016.

Action: Upon a motion by First Vice Chair Dale and second by Supervisor Horn, the Executive Committee voted to authorize SANDAG to participate with the County HHSA in a grant application for the Centers for Disease Control and Prevention’s Community Transformation Grants in an amount ranging from $1 million to $2.5 million per year for fiscal years 2012 through 2016.

5. STATE LEGISLATIVE STATUS REPORT (DISCUSSION/POSSIBLE ACTION)

Genevieve Morelos, Senior Legislative Analyst, provided a status report on state legislation, including Senate Bill (SB) 468 (Kehoe) and Assembly Bill 486 (Hueso).

Action: Upon a motion by Second Vice Chair Janney and a second by First Vice Chair Dale, the Executive Committee voted to take a “support” position on SB 468 (Kehoe). The vote was 4-1 in favor, with Supervisor Horn voting against the motion. Council President Tony Young (City of San Diego) was absent from the meeting during this vote.

Ms. Morelos provided an oral update on the FY 2011-12 state budget.

6. REVIEW OF JULY 22, 2011, DRAFT BOARD AGENDA (APPROVE)

Renée Wasmund, Chief Deputy Executive Director, reviewed the draft agenda for the July 22, 2011, Board of Directors meeting, and noted any changes since the mail-out.

Action: Upon a motion by Supervisor Horn, and a second by Council President Young, the Executive Committee voted to approve the agenda for the July 22, 2011, Board of Directors meeting.

7. CONTINUED PUBLIC COMMENTS

There were no additional public comments.
8. UPCOMING MEETINGS

The August 12, 2011, meeting of the Executive Committee has been cancelled. The next meeting of the Executive Committee is scheduled for September 9, 2011, at 9 a.m.

9. ADJOURNMENT

Chair Stocks adjourned the meeting at 9:28 a.m.

Attachment: Attendance Sheet
## Confirmed Attendance
### San Diego Executive Committee Meeting
#### July 8, 2011

<table>
<thead>
<tr>
<th>Geographical Area</th>
<th>Jurisdiction</th>
<th>Name</th>
<th>Member/Alternate</th>
<th>Attending</th>
</tr>
</thead>
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<tr>
<td>North County Inland</td>
<td>City of Poway</td>
<td>Don Higginson</td>
<td>Member</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>City of San Marcos</td>
<td>Jim Desmond</td>
<td>Alternate</td>
<td>No</td>
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<tr>
<td>North County Coastal</td>
<td>City of Encinitas</td>
<td>Jerome Stocks, Chair</td>
<td>Member</td>
<td>Yes</td>
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<td></td>
<td>City of Solana Beach</td>
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<td>Alternate</td>
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<td>City of Imperial Beach</td>
<td>Jim Janney, 2nd Vice Chair</td>
<td>Member</td>
<td>Yes</td>
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<td></td>
<td>City of National City</td>
<td>Ron Morrison</td>
<td>Alternate</td>
<td>Yes</td>
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<tr>
<td>East County</td>
<td>City of Santee</td>
<td>Jack Dale, 1st Vice Chair</td>
<td>Member</td>
<td>Yes</td>
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<td></td>
<td>City of Lemon Grove</td>
<td>Mary Sessom</td>
<td>Alternate</td>
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<td>Jerry Sanders</td>
<td>Member</td>
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<td>Tony Young</td>
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<td>David Alvarez</td>
<td>Alternate</td>
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<td>Bill Horn</td>
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<td>Greg Cox</td>
<td>2nd Alternate</td>
<td>No</td>
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</table>
PROPOSED FUNDING OPPORTUNITY:
HOUSING AND URBANIZED DEVELOPMENT
SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT

Introduction

On July 28, 2011, the U.S. Department of Housing and Urban Development (HUD) posted a Notice of Funding Availability (NOFA) for the Sustainable Communities Regional Planning Grant Program to support the development and implementation of regional plans, such as the Regional Comprehensive Plan (RCP). The Program places a priority on investing in partnerships, including nontraditional partnerships that reflect the federal Livability Principles\(^1\) established by HUD, the U.S. Department of Transportation, and the U.S. Environmental Protection Agency (Attachment 1).

The SANDAG Chair announced this potential funding opportunity at the July 22, 2011, Board of Directors meeting and the potential for this funding to be used to update the RCP and to assist local planning efforts that implement the RCP. The Program has a two-step process. The first step is the submittal of a pre-application intended for HUD to determine the eligibility of potential candidates; staff submitted the pre-application on August 25, 2011 (Attachment 2). The second step is the submittal of the full application, which is due no later than September 26, 2011.

Discussion

Preferred Sustainability Status

Last year, the San Diego region applied for the first round of this HUD funding with the City of San Diego as the lead agency of a consortium of partners, including SANDAG. Although the application was not successful, the region received a qualifying score to attain Preferred Sustainability Status, which offers benefits, including bonus points on this year’s application. Major components of the 2010 application that will be incorporated into the 2011 proposal include plans to address RCP gaps, expand the role of the Smart Growth Concept Map, and identify catalyst

\(^1\) The six federal Livability Principles include: Provide More Transportation Choices; Promote Equitable, Affordable Housing; Enhance Economic Competitiveness; Support Existing Communities; Coordinate Policies and Leverage Investment; and Value Communities and Neighborhoods.
Transit-Oriented Development projects. Revisions to the application will be made to better identify a strategy and implementation plan to address social equity goals, more clearly integrate economic development strategies into the sustainability plan, and strengthen knowledge sharing.

Sustainable Communities Regional Grant Program Requirements

The Sustainable Communities Regional Planning Grant Program specifies that it supports metropolitan planning efforts that integrate housing, land use, economic and workforce development, transportation, and infrastructure investments in a manner that empowers jurisdictions to consider the interdependent challenges of:

- Economic competitiveness and revitalization
- Social equity, inclusion, and access to opportunity
- Energy use and climate change
- Public health and environmental impact

The Program requires that a consortium include entities that have the capacity to carry out a comprehensive regional planning process and at a minimum includes: the metropolitan planning organization (MPO); the local government with the largest population located within the region; and additional local jurisdictions, and/or Indian Tribes. The consortium must represent no less than 50 percent of the population residing within the region. It also must include a nonprofit organization, foundation, or educational institution within the region that has the capacity to engage a diverse representation of the general population, and the ability to work in partnership with the local governments and the MPO to advance the program objectives of the Sustainable Communities Planning Grant Program.

Grant Proposal

SANDAG, on behalf of the consortium partners, proposes to apply for $5 million from this Program for a comprehensive RCP update and to advance local implementation of the RCP. The activities would include:

- Incorporation of the six Livability Principles into the RCP to provide more transportation choices; promote equitable, affordable housing; enhance economic competitiveness; support existing communities; coordinate policies and leverage investment; and value communities and neighborhoods.
- Expanded role of the regional Smart Growth Concept Map though preparation of a regional Transit-Oriented Development strategy to evaluate the role of individual transit stations and smart-growth areas within the regional network in support of the Livability Principles.
- Support for catalyst plans and projects with regional significance in the City of San Diego that foster economic development and affordable housing in areas with the greatest needs and support the Livability Principles.
- Support catalyst plans and projects in smaller jurisdictions, rural villages, and tribal land areas for non-gaming tribes that support the Livability Principles.
- Development and implementation of a participatory outreach program based upon a methodology developed with our Social Equity Partners (described below) and facilitated by a social equity advisory agency (to be determined).
- Incorporation of additional measures into the existing RCP monitoring program to measure progress toward meeting the goals of the RCP and the six Livability Principles.
Proposed Consortium

SANDAG is proposing an initial consortium of partners including:

- The City of San Diego – the region’s largest and most populous city with 1.37 million people
- The County of San Diego – the jurisdiction with the largest land area and responsible for land use in the unincorporated/rural portion of the region with a population of 500,000
- The Southern California Tribal Chairmen’s Association – representing the 17 federally-recognized tribal governments in the region
- The San Diego Housing Commission – the Public Housing Authority within the City of San Diego
- Social Equity Partners – made up of community-based collaboratives which would include social institutions, social service providers, ethnic associations, schools, churches, chambers of commerce, and other community-based organizations representing residents in identified low-income/minority communities in the region. These would include but are not limited to our existing partners from the 2050 Regional Transportation Plan process:
  - Casa Familiar
  - Chula Vista Community Collaborative
  - El Cajon Community Collaborative
  - Jacobs Center for Neighborhood Innovation
  - Linda Vista Collaborative

Attachment 3 is a draft of a “Partnership Agreement, Letter of Intent” which fulfills the grant requirements for the full application. If funded, the consortium partners would need to enter into a formal agreement within 120 days of the effective start date of the cooperative agreement with HUD.

Next Steps

Pending Executive Committee action, staff from the proposed consortium partners will be working on the various elements of the full application in anticipation of the announcement that the San Diego region is eligible and invited to apply. The deadline for the full application is September 26, 2011.

CHARLES ‘MUGGS’ STOLL
Director of Land Use and Transportation Planning

Attachments: 1. Sustainable Communities Regional Planning Grant, Category 2 Pre-Application Narrative Statement
  2. Partnership for Sustainable Communities/Federal Livability Principles

Key Staff Contact: Coleen Clementson, Principal Planner (619) 699-1944, ccl@sandag.org
San Diego Regional Sustainability Strategy
Submitted by the San Diego Association of Governments on Behalf of the San Diego Regional Sustainability Partnership

The San Diego region is home to 3.1 million people. Most of the homes and jobs are located in the western third of the region, along the Pacific Ocean. The eastern two-thirds of the region are largely open space, consisting of park land, habitat preserve areas, and environmentally-constrained lands. We are a one-county binational region with 18 cities, and the busiest border crossing in the world with Mexico. The region is home to 17 federally-recognized tribal governments with jurisdiction over 18 reservations, more than any county in the United States. The San Diego Association of Governments (SANDAG), the Metropolitan Planning Organization (MPO) for the region, is governed by a Board of Directors composed of elected officials from the 18 cities and County of San Diego (a map of the region showing the project geography has been uploaded in this pre-application).

In 2004, SANDAG adopted a Regional Comprehensive Plan (RCP), which serves as the foundation for integrating land uses, transportation systems, infrastructure needs, and public investment strategies within a regional smart-growth framework. It provides a regional vision and a broad context in which local and regional decisions can be made that foster a healthy environment, a vibrant economy, and a high quality of life for all San Diegans. It balances regional population, housing, and employment growth with habitat preservation, agriculture, open space, and infrastructure needs. It strives to move the region toward a more sustainable future through smart-growth planning principles and policies - improving the quality of life for all San Diegans - regardless of age, race, color, national origin, income, or physical agility. The RCP is based upon three key themes: 1) improving the links between land use and transportation planning; 2) using land use and transportation plans to guide other infrastructure investments; and 3) making it happen through incentives and collaboration (a PDF of the RCP has been uploaded in this pre-application).

In 2009, the San Diego region initiated work on a comprehensive update of our Regional Transportation Plan (RTP). This RTP is subject to new California climate change mandates requiring that all RTPs include a Sustainable Communities Strategy (SCS) demonstrating how regions will meet greenhouse gas emission targets set by the state. The San Diego region is the first MPO in the state to develop an integrated RTP and SCS. Slated for adoption in October 2011, the 2050 RTP/SCS includes land use and transportation management strategies as well as improvements to public transit and active transportation that will enable the region to reduce greenhouse gas emissions and plan for a more sustainable future. It sets forth a number of bold actions that will need to be implemented; the actions are the basis for this grant request.

Amount of Housing and Urbanized Development Funds Requested

The San Diego Regional Sustainability Partnership is requesting $5 million to support a comprehensive RCP update and to advance local implementation. The update is necessary to integrate the 2050 RTP and its SCS with the RCP and to strengthen integration of the six Livability Principles established by the U.S. Partnership for Sustainable Communities at the regional and local level. As the MPO, SANDAG, in collaboration with our consortium partners, is responsible for ensuring delivery of all grant-related activities.
List of Core Consortium Partners

SANDAG will serve as the lead agency, with consortium partners including:

- The City of San Diego – the region’s largest and most populous city with 1.37 million people.
- The County of San Diego – the jurisdiction with the largest land area and responsible for land use in the unincorporated/rural portion of the region with a population of 500,000.
- The Southern California Tribal Chairmen’s Association – representing the 17 federally-recognized tribal governments in the region.
- The San Diego Housing Commission – the public housing authority within the City of San Diego.
- Social Equity Partners – made up of community-based collaboratives which include social institutions, social service providers, ethnic associations, schools, churches, chambers of commerce, and other community-based organizations representing residents in identified low-income/minority communities in the region. These include:
  - Casa Familiar
  - Chula Vista Community Collaborative
  - El Cajon Community Collaborative
  - Jacobs Center for Neighborhood Innovation
  - Linda Vista Community Collaborative

Grant-Funded Activities

The grant funds would support a comprehensive update to the RCP that will include:

1. Development and implementation of a participatory outreach program based upon a methodology developed with our Social Equity Partners and facilitated by a social equity advisory agency (to be determined).

2. Incorporation of the six Livability Principles into the RCP to provide more transportation choices, promote equitable, affordable housing; enhance economic competitiveness; support existing communities; coordinate policies and leverage investment; and value communities and neighborhoods.

3. Expand the role of the regional Smart Growth Concept Map though preparation of a regional Transit-Oriented Development strategy to evaluate the role of individual transit stations and smart-growth areas within the regional network in support of the Livability Principles.

4. Support for catalyst plans and projects with regional significance in the City of San Diego that foster economic development and affordable housing in areas with the greatest needs and support the Livability Principles.

5. Support catalyst plans and projects in smaller jurisdictions, rural villages, and tribal land areas that support the Livability Principles.

6. Incorporate additional measures into the existing RCP Monitoring program to measure progress toward meeting the goals of the RCP and the six Livability Principles.

Submitted 8/25/2011
Partnership for Sustainable Communities/Federal Livability Principles

The Partnership for Sustainable Communities (Partnership) was conceived to advance development patterns and infrastructure investment programs that achieve improved economic prosperity and healthy, environmentally sustainable, and opportunity-rich communities. Recognizing the fundamental role that public investment plays in achieving these outcomes, the Administration charged three agencies whose programs most directly impact the physical form of communities, Housing and Urbanized Development (HUD), Department of Transportation (DOT), and Environmental Protection Agency (EPA), to lead the way in reshaping the role of the Federal Government in helping communities obtain the capacity to embrace a more sustainable future. As a result, HUD, DOT, and EPA formed the Partnership.

In this interagency partnership, each agency is incorporating the Livability Principles into their policies and funding programs, to the degree possible.

Livability Principles

A. Provide More Transportation Choices. Develop safe, reliable, and affordable transportation choices to decrease household transportation costs, reduce energy consumption and dependence on foreign oil, improve air quality, reduce greenhouse gas emissions, and promote public health.

B. Promote Equitable, Affordable Housing. Expand location- and energy-efficient housing choices for people of all ages, incomes, races, and ethnicities to increase mobility and lower the combined cost of housing and transportation.

C. Enhance Economic Competitiveness. Improve economic competitiveness through reliable and timely access to employment centers, educational opportunities, services, and other basic needs by workers, as well as expanded business access to markets.

D. Support Existing Communities. Target federal funding toward existing communities through strategies like transit-oriented, mixed-use development, and land recycling to increase community revitalization and the efficiency of public works investments and safeguard rural landscapes.

E. Coordinate Policies and Leverage Investment. Align federal policies and funding to remove barriers to collaboration, leverage funding, and increase the accountability and effectiveness of all levels of government to plan for future growth, including making smart energy choices such as locally-generated renewable energy.

F. Value Communities and Neighborhoods. Enhance the unique characteristics of all communities by investing in healthy, safe, and walkable neighborhoods, rural, urban, or suburban.

DRAFT LETTER OF INTENT REGARDING THE FORMATION OF A SAN DIEGO MULTI-JURISDICTIONAL WORKING PARTNERSHIP

This Letter of Intent (“LOI”) regarding the formation of a San Diego Multi-Jurisdictional Working Partnership (“WORKING PARTNERSHIP”) is made by and between the City of San Diego (“San Diego”), the County of San Diego (“County”), the Southern California Tribal Chairmen’s Association (“SCTCA”), the San Diego Housing Commission (“SDHC”), Casa Familiar, the Chula Vista Community Collaborative, the El Cajon Collaborative, the Jacobs Center for Neighborhood Innovation, the Linda Vista Collaborative, and the San Diego Association of Governments (“SANDAG”), collectively referred to herein as the “Parties,” and individually as a “Party,” as follows:

RECOLLATIONS

A. This Working Partnership is made to express the general willingness of the Parties to form a Working Partnership on terms to be negotiated by the Parties, and to express the Parties’ general intent to form and participate in the Working Partnership, pursuant to attached “San Diego Regional Partnership: Organizational and Governance Structure.”

B. This LOI shall not be a legally binding agreement, or an amendment to any existing agreement. However, it contains some initial principles that may form the basis for the formation of the Working Partnership.

C. Each Party will carry out its program responsibilities as described in the approved application.

D. Each Party authorizes SANDAG to act in the representative capacity with the United States Department of Housing and Urban Development (“HUD”) on behalf of all members of the Working Partnership and to assume administrative responsibility for ensuring that the Working Partnership’s program is carried out in compliance with all HUD requirements.

E. SANDAG would hold fiscal and administrative responsibility for regular interaction with HUD, however, this would not restrict the Parties from developing a governance structure that reflects the diversity of its partners and allows for maximum participation in strategy development and decision-making.

F. The Parties agree that a formal agreement(s) will be executed no later than 120 days after the effective start date of the grant award. Such agreement(s) will include each Party’s specific activities under the program, timetables for completion, and amount and use of grant funds.

NOW, THEREFORE, IN CONSIDERATION OF THE RECITALS ABOVE, the Parties support the potential for the formation of the Working Partnership, as follows:

1. The Working Partnership will ensure timely and accurate reporting of all reporting mandated by HUD, and/or any local reporting requirements associated therewith.

2. The Working Partnership will ensure coordination of each Party’s programs and services.
3. The Working Partnership agrees that SANDAG is the managing lead agency of the partnership, responsible for its administration and fiscal management.

4. While this LOI represents the good faith intentions of each Party to form the partnership, this LOI shall not be construed as a final commitment to approve the formation of the Working Partnership by any Party. Any Party may, at any time prior to the execution and delivery of any formal agreement(s), propose different terms from those summarized here, and may unilaterally terminate all negotiations without any liability whatsoever to the other Parties. Each Party shall pay its own fees, costs, and other expenses incurred in conjunction with the negotiation and preparation of this LOI and the negotiation and preparation of formal agreement(s) made following this LOI.

5. The Parties reserve their rights to exercise their discretion as to all matters which they are by law entitled or required. In addition, any agreements, amendments, or approvals processed by a Party’s governing authority shall be subject to, and considered in accordance with, all applicable legal requirements.

6. The Working Partnership will not constitute an agreement to joint liability among the Parties. The Parties are independent legal entities and will remain as such during the course of performance of all activities associated with this LOI.

7. This LOI may be executed in any number of counterparts, each of which shall be deemed an original, and shall collectively constitute one and the same document.

8. This LOI represents the entire understanding of the Parties regarding the subject matter herein. Any modification of this LOI shall be in writing and signed by the Parties.
9. Each individual executing this LOI on behalf of another person or legal entity represents and warrants that they are authorized to execute and deliver this LOI on behalf of such person or entity in accordance with duly adopted resolutions or other authorizing actions which are necessary and proper and under such legal entity's articles, charter, bylaws, or other written rules of conduct or governing agreement. Each person executing this LOI on behalf of another person or legal entity shall, upon request of another Party, provide satisfactory evidence that such authority is valid.

IN WITNESS WHEREOF, this LOI shall be effective as of the Effective Date.

SAN DIEGO ASSOCIATION OF GOVERNMENTS  
A California Municipal Corporation

BY: ____________________________________________  Date: ____________
    Gary Gallegos, Executive Director

CITY OF SAN DIEGO  
A California Municipal Corporation

BY: ____________________________________________  Date: ____________
    Jay M. Goldstone, Chief Operating Officer

COUNTY OF SAN DIEGO  
A Health and Human Services Agency

BY: ____________________________________________  Date: ____________
    Nick Macchione, Director of HHSA

SOUTHERN CALIFORNIA TRIBAL CHAIRMEN'S ASSOCIATION  
A Multi-Service Tribal Organization

BY: ____________________________________________  Date: ____________
    Denis Turner, Executive Director
SAN DIEGO HOUSING COMMISSION
A California Municipal Organization

BY: _______________________________ Date: ________
    Richard Gentry, President and CEO

CASA FAMILIAR
A Non-Profit Service Organization

BY: _______________________________ Date: ________
    Andrea Skorepa, Executive Director

CHULA VISTA COMMUNITY COLLABORATIVE

BY: _______________________________ Date: ________
    Margarita Holguin, Executive Director

EL CAJON COLLABORATIVE

BY: _______________________________ Date: ________
    Suzanne Moser, Executive Team Chair

JACOBS CENTER FOR NEIGHBORHOOD INNOVATION
A Non-Profit Service Organization

BY: _______________________________ Date: ________
    Roque Barros, Interim President

LINDA VISTA COLLABORATIVE

BY: _______________________________ Date: ________
    Monica Fernandez, Coordinator
ADDITIONAL PARTNERS (to be included as part of the final application submittal)

BY: __________________________ Date: ________

APPROVED AS TO FORM AND LEGALITY:

JAN I. GOLDSMITH, San Diego City Attorney

BY: __________________________ Date: ________
Andrea Contreras-Dixon, San Diego Deputy City Attorney

COUNTY OF SAN DIEGO, County Counsel

BY: __________________________ Date: ________
Deputy County Counsel

SAN DIEGO ASSOCIATION OF GOVERNMENTS

BY: __________________________ Date: ________
JULIE D. WILEY, SANDAG General Counsel
2012 ANNUAL SANDAG BOARD SUMMIT/RETREAT

Introduction

The SANDAG annual Summit/Retreat is scheduled to start on Wednesday, February 1, 2012, and conclude on Friday morning, February 3, 2012. The venue is Barona Resort in the community of Lakeside.

The primary objective of the Summit/Retreat is to afford participants the opportunity to strategize about regional public policies and programs. During these Summit/Retreat discussions, participants develop ideas for the future direction of SANDAG. Board members also may want to consider some of these issues during the ensuing months as they develop the FY 2013 Overall Work Program and associated budget.

The Executive Committee serves as the working group to help the Board of Directors and SANDAG staff set the Summit/Retreat agenda and format. Staff is requesting that the Executive Committee recommend agenda topics, speakers, and the format for the Summit/Retreat to the Board of Directors for approval at its September 23, 2011, Board meeting.

Discussion

To date, staff has gathered the following suggested topics as potential Summit/Retreat agenda items:

- Regional Comprehensive Plan update
- Federal Transportation Program update
- State legislative update
- Regional Beach Sand Project II
- Keynote speaker or speakers

During past events, participants also have found it useful to include a primer on the agency’s vision, mission, and functions; and the roles and responsibilities of a Board member (important for new members beginning their service on the Board, as well as a refresher for veteran Board members).

In addition, staff welcomes suggestions the Executive Committee might have regarding a particular topic or specific keynote speaker for the Summit/Retreat.
Format

It has been suggested that the entire Summit/Retreat be conducted in one group setting. In addition, working dinners are recommended for the Summit/Retreat.

Why Have a Summit/Retreat?

A Summit/Retreat provides the opportunity for Board members and alternates to collaborate on critical regional issues of great importance in a relaxed and informal atmosphere, allowing time for more in-depth discussions. Clear goals will be established for the Summit/Retreat to make implementation more effective. A well-planned, well-executed Summit/Retreat provides the time for reflection on, and evaluation of, the worthiness of existing programs, as well as the development of new initiatives. For example, initiatives from past gatherings have resulted in the development of the Regional Comprehensive Plan, the Regional Economic Prosperity Strategy, and the creation of the Public Safety Committee. In addition, a well-organized Summit/Retreat enhances team building, program planning, commitment to goal accomplishment, and organizational development.

Where Is the Best Location?

The key to any Summit/Retreat is participation. It is important to afford participants a different physical setting that is away from the routine and pressures of their daily workplaces. The best location is a place that lends itself to clear, creative thought. Barona Resort, located in the community of Lakeside, has been selected as the 2012 SANDAG Summit/Retreat venue.

What’s the Proper Duration for the Summit/Retreat?

A one and one-half to two-day Summit/Retreat offers the best opportunity to incorporate work time and team building, according to the California Association of Chambers of Commerce. A two-day session may allow time for a presentation by an outside speaker, reports on various committees and projects, brainstorming, and development of annual priorities.

Conclusion

The annual Summit/Retreat has been of immense value for SANDAG Board members and alternates in setting the direction of the agency. Based on the Executive Committee’s discussions, staff will draft an agenda report for Board consideration at its September 23, 2011, meeting. Once the Board approves the Summit/Retreat agenda, a letter of invitation, along with an RSVP card, will be mailed to Board members by mid-December 2011. The final agenda, background materials, and Summit/Retreat logistics will be mailed to participants by late January 2012.

DAVID HICKS
Acting Communications Director

Key Staff Contact: David Hicks, (619) 699-6939, dhic@sandag.org
Matters to be Communicated in Accordance with Auditing Standards

Introduction

The independent certified public accounting audit firm of Mayer Hoffman McCann P.C. will be performing the annual audit of SANDAG for the fiscal year ended June 30, 2011. Mayer Hoffman McCann P.C. was selected through a competitive procurement process, with the FY 2011 audit encompassing the second year of a multiyear contract for independent auditing services.

Discussion

Professional auditing standards require that as part of an audit the auditor inquire of those in governance to ascertain whether those in governance have knowledge of matters that might have a bearing on the auditor’s risk assessment for the annual audit of SANDAG’s financial statements. Additionally, in compliance with the Statement of Auditing Standards (SAS) No. 114, the auditor is required to communicate certain matters to the governing body, including an overview of the planned scope and timing of the audit. In summary, the required communication contains audit risk areas identified by the auditors and the planned audit approach to address those risks. Mayer Hoffman McCann P.C. will present to the Executive Committee the SAS No. 114 letter included as Attachment 1.

Also, in accordance with SAS No. 114, the auditor should communicate with those charged with governance significant findings from the completed audit. Significant findings will be communicated in an additional SAS No. 114 letter after the audit is complete and the FY 2011 Comprehensive Annual Financial Report (CAFR) is issued. The CAFR is anticipated for presentation at the January 2012 Executive Committee and Board of Directors meetings.

Lauren Warrem
Director of Finance

Attachment: 1. SAS No. 114 Required Audit Communications Letter

Key Staff Contact: Lauren Warrem, (619) 699-6931, lwa@sandag.org
September 9, 2011

Executive Committee
San Diego Association of Governments
San Diego, California

We are in the process of planning the audit of the San Diego Association of Governments (“SANDAG”) for the year ending June 30, 2011.

Professional auditing standards require that, as a part of our audit, we inquire of those in governance to ascertain whether or not the Executive Committee (the “Committee”) has knowledge of matters that might have a bearing on the auditor’s risk assessment for the annual audit of SANDAG’s financial statements.

Examples of these matters are:

- Known or suspected instances of employee fraud
- Areas in which the internal controls of SANDAG are thought by the Committee to be weak
- Known or suspected misstatements in the accounting records of SANDAG
- Known or suspected use of improper accounting practices by SANDAG
- Any awareness of pressure upon SANDAG or SANDAG management with respect to achieving certain financial results
- Matters that warrant particular attention during the audit
- Information about unusual transactions or other matters relevant to the audit

Please email Jennifer Farr at JFarr@cbiz.com within 45 days from the date of this letter if the Committee has any matters to report that meet the above criteria.

Statement on Auditing Standards No. 114 requires the auditors to communicate the planned scope and timing of the audit. Additionally, at the conclusion of the audit, we plan to meet with the Committee to communicate the auditor’s responsibilities under generally accepted auditing standards and significant findings from the audit.

**Timing of Audit**

We began the interim audit procedures in June 2011. We plan to begin final audit fieldwork for Sourcepoint, and the Automated Regional Justice Information System in September 2011 and for SANDAG and the San Diego County Regional Transportation Commission in November 2011. We began fieldwork on TDA and TransNet agency recipients in August 2011.

**Planned Scope of Audit**

In addition to our standard audit approach, we have identified the following risk areas for SANDAG and plan to modify our audit approach as follows:
• Risk of management override of purchasing controls: As a result of recent abuses of public funds by management in the government industry, we plan to select the 10 largest vendor payments during the year and compare the amounts paid to the approved contracts. In addition, we will review credit card transactions to ensure purchasing policies are not being diverted through the use of credit cards and that all credit card activity is supported by receipts and documentation of the business purpose.

• Risk of errors in recording new debt transactions: New debt was issued in fiscal year ended June 30, 2010. Therefore, we will review the bond official statement and journal entry to record the new debt to ensure proper recording. We will review bond covenants and ensure the financial statement footnotes are appropriately modified.

• Risk of errors implementing GASB Statement No. 54 Fund Balance: GASB Statement No. 54 is a new accounting standard required to be implemented for the fiscal year ended June 30, 2010. We plan to evaluate SANDAG’s reserve policies to determine which of the new fund balance categories apply. We will also review the purpose of each Special Revenue Fund to determine if it meets the criteria for Special Revenue Fund reporting under GASB 54.

• Risk of errors recording interest rate swaps: The accounting for interest rate swap agreements is complex and involves significant estimates. We plan to independently calculate the fair market values of SANDAG’s interest rate swap agreements to ensure the amounts reflected in the financial statements are fairly stated and properly disclosed. We will also review SANDAG’s hedge effectiveness calculations.

• Revenue recognition risk: Revenue recognition is an audit risk for most agencies, and becomes more important when multiple significant sources of revenues are received. We plan to summarize the transaction cycle for all major revenues and perform tests of revenue cutoff to ensure revenue is recorded in the correct fiscal year.

• Risk of errors with TransCore transactions: The accounting and operations for the I-15 FasTrak program is out-sourced to TransCore. We will review documentation at TransCore’s offices to determine if internal controls are effective to produce accurate information for SANDAG. We will review source documents supporting balance sheet amounts and request explanations for significant variances noted from prior year revenues and expenses.

• Risk of noncompliance with American Recovery and Reinvestment Act (ARRA) Grants: The federal government has identified these grants as having higher risk which means auditors are required to test all ARRA grants with expenditures exceeding $300,000 and half of the ARRA grants with expenditures between $100,000 and $300,000.

If any member of the Committee has information relevant to our audit (matters involving amounts that would be significant to the financial statements of SANDAG taken as a whole), please contact the undersigned at JFarr@cbiz.com.

Sincerely,
Mayer Hoffman McCann P.C.

Jennifer Farr, C.P.A.
Shareholder
LEGISLATIVE STATUS REPORT

Introduction

Periodic status reports on legislative activities are provided to the Executive Committee during the year. This status report provides an update on recent federal legislation pertaining to the Budget Control Act (federal debt ceiling), Transportation Investment Generating Economic Recovery III (TIGER III) Discretionary Grant program, federal surface transportation authorization, and state infrastructure banks. This report also includes an overview of the Breaking Down Barriers Act of 2011, for possible Executive Committee action. Introduced by Congressman Gary Miller (R-CA), the bill would allow states to carry out advance construction activities to accelerate delivery of transportation projects and to create jobs.

This report also provides an update on pending state legislation, including Senate Bill 791 (Steinberg) (SB 791), which would provide authority to a metropolitan planning organization (MPO) to impose a regional congestion reduction charge on purchasers of motor vehicle fuel, if approved by the majority of voters.

Discussion

Federal Legislative Update

Budget Control Act of 2011

On Monday, August 2, 2011, President Barack Obama signed into law the Budget Control Act of 2011 (P.L 112-25). The Budget Control Act of 2011 will raise the debt ceiling by between $2.1 trillion and $2.4 trillion, which is expected to cover the Department of Treasury’s borrowing needs until 2013. The legislation is expected to reduce the federal deficit by at least $2.1 trillion over the next decade. In addition, the law creates a bicameral, bipartisan, Joint Select Committee on Deficit Reduction (also known as the “super committee”) whose 12 members are charged with recommending by November 23, 2011, at least $1.2 trillion in additional deficit reduction over ten years. If seven or more members of the super committee approve a deficit reduction proposal by November 23, 2011, a straight up-or-down vote in the House and Senate would occur by December 23, 2011. If the super committee cannot agree on how to achieve the required $1.2 trillion in deficit reduction, or if Congress fails to approve the super committee’s recommendations by December 23, 2011, automatic spending cuts of $1.2 trillion, equally divided between defense and non-defense cuts, would be triggered. These automatic cuts are designed to be significant to all members of Congress, thus giving members a strong incentive to agree on deficit cuts.
Under the law, discretionary funding would be reduced by approximately $900 billion over the next ten years. The reduction of funding will only affect discretionary budget authority. The Highway Trust Fund and the Federal Aviation Administration Airport Improvement program are exempt from these cuts, as both programs are considered mandatory budget spending with a dedicated funding stream. However, if there are discretionary cuts to transportation, they would primarily affect transportation programs that are funded out of general fund revenues. This could include programs like high-speed rail, TIGER III, and the New Starts Discretionary Grant program. Likewise, formula and grant programs that provide funding to local governments, including Community Development Block Grants, the Community Oriented Policing Services programs, Army Corps of Engineers projects, and Department of Education funding also could be at risk of large cuts or elimination.

**Transportation Investment Generating Economic Recovery III Discretionary Grant Program**

The FY 2011 Continuing Appropriations Act appropriated $526.9 million to be awarded by the U.S. Department of Transportation (USDOT) for National Infrastructure Investments. This appropriation is similar but not identical to the two prior TIGER discretionary programs established under the American Recovery and Reinvestment Act of 2009\(^1\) and the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act for FY 2010. Funding will be awarded on a competitive basis for projects that will have a significant impact on the nation, a metropolitan area, or a region. Applications are due on October 31, 2011.

After consulting with our regional partners, SANDAG expects to submit two applications for consideration by the USDOT – one for the Los Peñasquitos Bridges Replacements project, and another for a project located in the vicinity of the planned State Route 11 roadway leading into the Otay Mesa East Port of Entry.

**Federal Surface Transportation Authorization**

Throughout the summer, both the House and Senate committees with jurisdiction over the surface transportation authorization have been waiting for the debt ceiling talks to wrap up in order to release their bills. However, it is expected that neither chamber will release a full draft for consideration until sometime this fall.

In the Senate, Majority Leader Harry Reid (D-NV) indicated that a two-year, $109 billion surface transportation authorization measure could move to the floor in late September. The measure proposes to fund transportation programs at roughly the same levels as the current budget. According to the Majority Leader, one of the main hurdles to the passage of the Senate measure is the additional $12 billion in revenue needed to fund the proposal. While Senate Finance Committee Chairman Max Baucus (D-MT) has indicated that the Committee has identified a revenue source to fund the $12 billion shortfall, no specific details have been released. At this point, the Finance Committee solution and Majority Leader Reid’s support for quick action is favorable news. Senate Environment and Public Works (EPW) Chairwoman Barbara Boxer (D-CA) has announced that on September 15, 2011, she plans to hold a committee markup of the two-year highway authorization bill she developed with EPW Ranking Minority Member Senator Jim Inhofe (R-OK).

\(^1\) The San Diego region was awarded $20.2 million by the USDOT during the first round of TIGER funding for the construction of the State Route 905/Interstate 805 Interchange.
Although finding a revenue source is not specifically needed for the September 15 markup, it would be necessary for the bill to move to the Senate floor. The House has not provided a timeline for consideration of a surface transportation authorization.

Chairwoman Boxer stated that she also wants the Senate EPW Committee to hold a September 8, 2011, markup of a four-month extension of the current authorization bill, which is currently set to expire on September 30, 2011. The Chairwoman stated that she would like to see a “clean” extension, which would keep current funding levels and policy through the end of January 2012. However, bipartisan support will be critical to moving a bill to the Senate floor, where the legislation will need a minimum of 60 votes for passage. The Senate also will need to come to an agreement with the House of Representatives to get a final extension bill passed.

A six-year, $230 billion proposal from House Transportation and Infrastructure Committee Chairman John Mica (R-FL) also is expected to be released, marked up, and given floor time in September. The proposal consolidates or eliminates approximately 70 transportation programs and provides states with more authority over how federal funds are spent. Chairman Mica also plans to encourage more investment from the private sector for transportation projects. The proposal would expand and improve currently authorized programs that provide loan assistance and innovative financing, such as the Transportation Infrastructure Finance and Innovation Act program and Build America Bonds (BAB). It would also provide for developing new programs to encourage private investment. In addition, the bill allows the Highway Trust Fund (HTF) to remain solvent through 2013 by funding transportation programs at 30 percent below the current budget. The Senate and House proposals, which are drastically different, may be tough to reconcile in a bicameral conference. House rules prevent the bill from spending more than the Highway Trust Fund takes in.

**Potential Effect on Federal Gas Tax Levels**

If the current federal gas tax is not extended by September 30, 2011, transportation programs would shut down and most of the 18.4 cents-per-gallon gasoline tax that largely funds the HTF would expire. If the federal gas tax lapses, 14.1 cents of the 18.4 cents gas tax would be eliminated; the remaining 4.3 cents is separately authorized to fund general debt. There are triggers in state law that would recapture some, but not all of the lost federal gas tax (4.7 cents of the 14.1-cent loss if the federal gas tax expires). The state is not required by law to distribute the funds captured through this mechanism in the same manner as the current federal gas tax receipts. Actual distribution of state collected gas tax funds remains unknown.

**Transportation and Regional Infrastructure Project Bonds**

On July 28, 2011, Senator Ron Wyden (D-OR) introduced S. 1436, the Transportation and Regional Infrastructure Project (TRIP) Bonds Act of 2011. If passed, the bill would provide $50 billion in new transportation infrastructure funding through bonding. The legislation is aimed at empowering state and local governments to complete significant infrastructure projects across all modes of transportation, including roads, bridges, rail and transit systems, ports, and inland waterways through the creation of state infrastructure banks. TRIP Bonds would be targeted specifically to new transportation projects. The bill is designed to be folded in to the larger, long-term federal surface transportation authorization bill.
Under the TRIP Bonds Act of 2011, each state infrastructure bank would be authorized to issue $1 billion over six years for projects in their state. In lieu of interest, the bondholders would receive tax credits that could be applied against the bondholders’ federal income tax liability. After all of the bonds have been issued, the annual cost of the tax credits is estimated to be less than $2 billion.

This proposal represents a departure from the BAB program that expired at the beginning of 2011. Many in the U.S. municipal bond market had hoped that Senator Wyden would revive the BAB program’s structure, which gave issuers federal rebates for the taxable bonds they sold. Resistance to reviving the BAB program has been strong, with members of both houses questioning whether the bonds were used for infrastructure and if the steep rebates, equal to 35 percent of interest costs, rewarded inefficiencies.

**Breaking Down Barriers Act**

On August 1, 2011, Representative Gary Miller (R-CA) introduced H.R. 2766, the Breaking Down Barriers Act of 2011. The bill is based on the Orange County Transportation Authority’s “Breaking Down Barriers” initiative, which began two years ago to bring together local and national leaders in the transportation industry to identify opportunities for advancing transportation projects. Key provisions in the Breaking Down Barriers Act of 2011 include:

- Providing pre-award letter of no prejudice authority to the Secretary of Transportation for highway projects
- Extending to all states and making permanent Sec. 6005 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, which allows the states to undertake the environmental review process in lieu of the federal government for all highway projects
- Requiring the United States Comptroller General to conduct a study on methods to consolidate and streamline the environmental impact statement process in order to modernize the procedures to take into account new media and communication techniques
- Requiring development of an expanded list of activities that are categorically excluded from environmental impact statements or environmental assessment requirements
- Establishing a program where the state or local government could assume all the administrative responsibility for highway or transit projects when at least two-thirds of the project will be paid from non-federal sources
- Requiring regulations to establish a set of approval deadlines for projects, which if not followed, would result in the project application being treated as approved

Sponsors believe that the passage of H.R. 2766 would expedite highway and public transportation construction projects.

Staff recommends a support position for the proposed legislation. A support position is consistent with Goal No. 1A of the 2011 SANDAG Legislative Program, which supports process improvements including environmental streamlining. Passage of the bill would improve current transit implementation processes and accelerate project delivery. Pending Executive Committee action on the bill, staff will work with national, state, and regional partners to advocate for the passage of the legislation or its inclusion into the next federal surface transportation authorization.
State Legislative Update

With the end of the 2011 legislative year scheduled for Friday, September 9, 2011, significant changes to state legislation has been occurring in the last two weeks. One common practice seen during this time of the year is called the “gut and amend” process. This is the practice during the final days of a legislative session in which the entire contents of a bill are stripped out and replaced with something new. One such bill that would provide new authorities to MPOs is summarized below for Executive Committee discussion and possible action. Staff will provide an oral update on the status of high-speed rail funding and on Senate Bill 468 (Kehoe), which would include certain requirements for Caltrans, SANDAG, and the California Coastal Commission, with respect to the development of the North Coast Corridor project.

Senate Bill 791 (Steinberg) Regional Congestion Reduction Charge

SB 791 was amended by Senate Pro Tempore Darrell Steinberg (D-Sacramento) on August 25, 2011, and would authorize an MPO to impose a regional transportation congestion reduction charge on purchasers of motor vehicle fuel (gasoline and diesel), in all or part of its jurisdiction. Approval of a regional charge would be subject to majority voter approval. The purpose of the charge would be to fund transportation improvements necessary to reduce vehicular traffic congestion within the MPO region.

Additionally, SB 791 would:

- Require that the regional congestion reduction charge be used for projects and programs that:
  - Are included in the financial element of the adopted Regional Transportation Plan (RTP)
  - Directly and specifically benefit motorists within the region by reducing vehicle congestion for those paying the charge
- Require that the charge be in addition to other levies that the MPO is authorized to impose, and that the charge be implemented for a period not to exceed 30 years
- Allow a separate charge for electric vehicles that do not utilize motor fuel to be imposed on vehicle registration for vehicles with a registration address in that part of the region where the charge of the motor vehicle fuel is imposed
- Allow revenues from the charge to fund the following types of transportation improvements:
  - Transit capital, operations, and maintenance costs
  - Bicycle and pedestrian programs and projects
  - Programs and projects that would demonstrably reduce the region’s rate of growth from 2005 levels in vehicle miles traveled by single-occupant vehicles
  - Conversion of high-occupancy vehicle lanes to high-occupancy toll lanes or other variably tolled express lanes
  - Capital improvements relative to maintenance, safety, and rehabilitation of state highways or local streets and roads
• Require any MPO that is successful in getting the regional congestion reduction charge approved by the voters to establish an independent taxpayers’ oversight committee. The committee would be authorized to audit the expenditure of funds to ensure they are expended in a manner consistent with the measure submitted to voters.

• Comply with the voting requirements of Proposition 26\(^2\), approved by the voters in November 2010.

Background

Senator Steinberg amended SB 791 to provide supplemental funding for transportation and transit through voter-approved gas charges at the regional level. The bill would provide funding to support efforts to comply with Assembly Bill 32 (Nunez, 2006) and SB 375 (Steinberg, 2008).

Two bills similar to SB 791 were introduced in prior years by Senator Mark DeSaulnier (D-Antioch): SB 406 (2009) and SB 1445 (2010). Both bills would have enabled an MPO or Council of Governments to pass a resolution to increase the vehicle license surcharge for motor vehicles registered within its jurisdiction by up to $2 to develop and implement a regional blueprint plan or Sustainable Communities Strategy (SCS) to reduce emissions. In 2009, the Executive Committee adopted an oppose position to SB 406 after discussion and debate. The concern was that SB 375 was a new state mandate, and therefore, it was the state’s responsibility to fund the additional costs for MPOs to prepare the SCS and other work elements required by the new law.

The main purpose of SB 791 is to fund implementation of RTPs while the goal of SB 406 and SB 1445 was to fund the planning and development of the RTP and SCS and allow the funding to carry out applicable transportation-related activities. SB 791 includes specific eligible uses of the new funding such as transit capital, operations, and maintenance costs; bicycle and pedestrian programs and projects; and capital improvements related to roadway maintenance, operation, and rehabilitation.

Pros

This bill would provide SANDAG with the authority to place a regional transportation congestion reduction charge on the ballot to be passed by a majority of voters. Revenues collected by the surcharge could be used to continue the work of SANDAG to implement its RTP. The regional transportation congestion reduction charge provides another tool for regional agencies to provide dedicated funding to transportation, including transit funding, if the region elects to use it.

Cons

This bill was a “gut and amend” bill introduced at the end of the legislative session; it has not had the advantage of moving through the legislative process throughout the year and being thoroughly vetted. Since this is the first year of a two-year session, is there an advantage in having this bill become a two-year bill in order to properly vet it? Additionally, although the language in the bill states that SB 791 complies with the requirements of Proposition 26, there still may be significant legal challenges if an MPO decides to place the measure on a ballot by majority vote.

\(^2\) Proposition 26, passed in November 2010, requires a two-thirds vote threshold for any tax measures occurring after October 2009.
Next Steps

The bill was referred to the Assembly Transportation and Housing Committee during the week of August 29, 2011. The bill is supported by environmental and community groups, including the California League of Conservation Voters, TransForm, Move San Diego, Natural Resources Defense Council, Walk San Diego, and others. Staff will provide an oral update of additional support and opposition at the meeting. SB 791 is consistent with Goal Nos. 3A and 5A of the 2011 SANDAG Legislative Program that supports efforts consistent with financial strategies included in the RTP and pursuing authority for a subregional funding mechanism dedicated to public transit. The Executive Committee is asked to discuss and consider a possible position on SB 791.

KIM KAWADA
TransNet and Legislative Affairs Program Director

Key Staff Contact: Victoria Stackwick, (619) 699-6926, vst@sandag.org
Genevieve Morelos, (619) 699-1994, gmo@sandag.org
REVIEW OF SEPTEMBER 23, 2011, DRAFT BOARD AGENDA

ITEM #

+1. APPROVAL OF MEETING MINUTES
   +A. JULY 8, 2011, BOARD POLICY MEETING MINUTES
   +B. JULY 22, 2011, BOARD BUSINESS MEETING MINUTES
   +C. JULY 29, 2011, BOARD BUSINESS MEETING MINUTES
   +D. AUGUST 26, 2011, BOARD BUSINESS MEETING MINUTES

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Public comments under this agenda item will be limited to five public speakers. Members of the public shall have the opportunity to address the Board on any issue within the jurisdiction of SANDAG that is not on this agenda. Other public comments will be heard during the items under the heading “Reports.” Anyone desiring to speak shall reserve time by completing a “Request to Speak” form and giving it to the Clerk of the Board prior to speaking. Public speakers should notify the Clerk of the Board if they have a handout for distribution to Board members. Public speakers are limited to three minutes or less per person. Board members also may provide information and announcements under this agenda item.

+3. ACTIONS FROM POLICY ADVISORY COMMITTEES

This item summarizes the actions taken by the Borders Committee on July 22, the Transportation Committee on September 2, the Executive Committee on September 9, and the Transportation and Public Safety Committees on September 16, 2011.

CONSENT (4 through X)

+4. REGIONAL MULTIMODAL ANALYSIS STUDY (Heather Adamson)

On March 18, 2011, the Transportation Committee released the draft report of the Regional Multimodal Analysis Study for a 30-day public review period. The draft report has been updated based on comments received. The Transportation Committee recommends that the Board of Directors accept the Regional Multimodal Analysis Study.
5. QUARTERLY INVESTMENT REPORT - PERIOD ENDING JUNE 30, 2011, AND ANNUAL INTEREST RATE SWAP EVALUATION
   (Lisa Kondrat-Dauphin)*

   The SANDAG Investment Policy requires that the Board of Directors be provided a quarterly report of investments held by SANDAG. This report includes all money under the direction or care of SANDAG as of June 30, 2011. Board Policy No. 032: San Diego County Regional Transportation Commission Interest Rate Swap Policy also requires an annual report and evaluation of all outstanding interest rate swaps.

6. QUARTERLY PROGRESS REPORT ON TRANSPORTATION PROJECTS - APRIL TO JUNE 2011 (José A. Nuncio)*

   This quarterly report summarizes the current status of major highway, transit, arterial, traffic management, and transportation demand management projects in the SANDAG five-year Regional Transportation Improvement Program for the period of April to June 2011.

7. REPORT SUMMARIZING DELEGATED ACTIONS TAKEN BY EXECUTIVE DIRECTOR (Lauren Warrem)*

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

8. REPORTS ON MEETINGS AND EVENTS ATTENDED ON BEHALF OF SANDAG (Kim Kawada)

   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.

9. DISADVANTAGED BUSINESS ENTERPRISE PROGRAM UPDATE FOR FEDERAL TRANSIT ADMINISTRATION AND FEDERAL HIGHWAY ADMINISTRATION PROJECTS (Laura Cote; Elaine Richardson)*

   SANDAG participates in both the Federal Transit Administration and Federal Highway Administration Disadvantaged Business Enterprise (DBE) programs. The current DBE goals for each program are established over a triennial period (FY 2010 to FY 2012). This report summarizes the current and anticipated participation of DBEs during this period.
CHAIR’S REPORT (11 through XX)

+11. APPOINTMENT OF NOMINATING COMMITTEE FOR SANDAG BOARD OFFICERS

In accordance with the SANDAG Bylaws, the Chair will appoint up to a six-person nominating committee for Board officers, made up of Board members from each of the four subregions and a member from the City of San Diego and the County of San Diego. However, the nominating committee shall not include Board members from jurisdictions that have applicants for the Chair or a Vice Chair position on the Board of Directors. The nominating committee will submit its slate nominees, in writing, for mailing to Board members in or around November.

12.

REPORTS (13 through XX)

+13. PROPOSED FY 2012 BUDGET AMENDMENT: BLUE AND ORANGE LINE TROLLEY IMPROVEMENT PROJECTS (First Vice Chair Jack Dale, Transportation Committee Chair; John Haggerty)*

The Transportation Committee recommends that the Board of Directors approve an amendment to the FY 2012 Budget to fund expanded Trolley rehabilitation work and capacity enhancements.

+14. PROPOSITION 1B CORRIDOR MOBILITY IMPROVEMENT ACCOUNT PROGRAM STATUS AND FUNDING OPPORTUNITY (First Vice Chair Jack Dale, Transportation Committee Chair; José A. Nuncio)*

This report provides an update on the status of the Proposition 1B Corridor Mobility Improvement Account program and describes a funding opportunity for the Interstate 5/Genesee Avenue Interchange and Widening project. The Transportation Committee recommends approval by the Board of Directors.

+15. REGIONAL BICYCLE PLAN PROGRAM IMPLEMENTATION (First Vice Chair Jack Dale, Transportation Committee Chair; Christine Eary)*

In May 2010, the Board of Directors adopted Riding to 2050: San Diego Regional Bicycle Plan (Plan). In April 2011, the Board approved the implementation of several regional bicycle projects and certain other supporting bike programs in the Plan, but requested more information about the proposed safety education and awareness programs prior to any action. The Transportation Committee recommends that the Board of Directors approve the Plan’s safety education and awareness programs in substantially the same form as included in the report.
+16. 2012 ANNUAL SANDAG BOARD SUMMIT/RETREAT
(First Vice Chair Jack Dale; David Hicks)

The annual SANDAG Board of Directors Summit/Retreat is scheduled to
begin on Wednesday, February 1, 2012, and conclude on Friday morning,
February 3, 2012. The primary objective of this public meeting is to afford
participants the opportunity to discuss strategies for some of the agency’s
more important regional policies and programs, and develop ideas for the
future direction of the agency. The Executive Committee recommends that
the Board of Directors approve the topics listed under the Discussion
section of the report as the basis for developing the Summit/Retreat
agenda and format for the 2012 SANDAG Board of Directors
Summit/Retreat.

+17. DRAFT REGIONAL HOUSING NEEDS ASSESSMENT PLAN AND
REVIEW OF COMMENTS ON DRAFT RHNA METHODOLOGY AND
ALLOCATION (Second Vice Chair Jim Janney, Regional Planning
Committee Chair; Susan Baldwin)

At its May 27, 2011, meeting, the Board of Directors accepted the Draft
Regional Housing Needs Assessment (RHNA) Methodology and Allocation
option for a 60-day public comment period. Since then, staff has prepared
the Draft RHNA Plan. In addition to the Draft RHNA Methodology and
Allocation, the RHNA Plan summarizes housing element law; documents
how the regional housing need was determined; and describes the RHNA
methodology, its various components, how it meets the objectives of state
law, and the process used to develop it. The Board of Directors is asked to
review and discuss the Draft RHNA Plan and responses to comments
received on the Draft RHNA Methodology and Allocation.

+18. LOS ANGELES-SAN DIEGO-SAN LUIS OBISPO (LOSSAN)
CORRIDORWIDE STRATEGIC IMPLEMENTATION PLAN AND
GOVERNANCE INITIATIVES (First Vice Chair Jack Dale,
Transportation Committee Chair; Solana Beach Deputy Mayor
Joe Kellejian, SANDAG Representative to LOSSAN; Linda Culp)

In December 2009, the SANDAG Board of Directors approved an
interagency memorandum of understanding to work cooperatively with
other LOSSAN member agencies to enhance and better integrate the
corridor’s passenger rail services. The Board will be briefed on the LOSSAN
Corridorwide Strategic Implementation Plan, including the business case
for new services and analysis of a potential governance initiative to transfer
the authority for intercity passenger rail service from the state to a local
entity.
20. CONTINUED PUBLIC COMMENTS

If the five speaker limit for public comments was exceeded at the beginning of this agenda, other public comments will be taken at this time. Subjects of previous agenda items may not again be addressed under public comment.

21. UPCOMING MEETINGS

INFORMATION

The next Board Policy meeting is scheduled for Friday, October 14, 2011, at 10 a.m. The next Board Business meeting is scheduled for Friday, October 28, 2011, at 9 a.m.

22. ADJOURNMENT

+ next to an agenda item indicates an attachment
* next to an agenda item indicates a San Diego County Regional Transportation Commission item