Regional Planning Technical Working Group

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

>>> Please note adjusted start time. A joint meeting of the TWG and the Regional Energy Working Group will follow this meeting. <<<

Thursday, November 8, 2018

12:30 to 1 p.m.

SANDAG, Board Room
401 B Street, Suite 800
San Diego, CA 92101

Please take the elevator to the 8th floor to access the meeting room.

Staff Contact: Carolina Ilic Seth Litchney
(619) 699-1989 (619) 699-1943
carolina.lic@sandag.org seth.litchney@sandag.org

Agenda Highlights

• Proposed Amendment to SANDAG Board Policy No. 31: TransNet Ordinance and Expenditure Plan Rules

• Housing Element Annual Progress Report Proposed Changes

Please silence all electronic devices 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.
Welcome to SANDAG. Members of the public may speak to the Working Group on any item at the time the Working Group is considering the item. Please complete a Request to Comment form and then present the form to the Working Group coordinator. Members of the public may address the Working Group 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 Working Group may take action on any item appearing on the agenda.

Both agenda and non-agenda comments should be sent to SANDAG via comment@sandag.org. Please include the Working Group name and meeting date, agenda item, your name, and your organization. Any comments, handouts, presentations, or other materials from the public intended for distribution at the meeting should be received by the Working Group coordinator no later than 5 p.m. two working days prior to the meeting. All public comments and materials received by the deadline become part of the official public record and will be provided to the members for their review at the meeting.

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### Regional Planning Technical Working Group

**November 8, 2018**

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Recommendation</th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Welcome and Introductions</td>
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<tr>
<td>2.</td>
<td>Public Comments and Communications</td>
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<tr>
<td></td>
<td>Members of the public shall have the opportunity to address the Regional Planning Technical Working Group (TWG) on any issue within the jurisdiction of SANDAG that is not on this agenda. Anyone desiring to speak shall reserve time by completing a Request to Comment form and giving it to the meeting coordinator prior to speaking. Public speakers should notify the meeting coordinator if they have a handout for distribution to TWG members. Public speakers are limited to three minutes or less per person. TWG members also may provide information and announcements under this agenda item.</td>
</tr>
<tr>
<td>+3.</td>
<td>Approval of Meeting Minutes</td>
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<tr>
<td></td>
<td>The TWG is asked to review and approve the minutes from its October 11, 2018, meeting.</td>
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<tr>
<td><strong>Consent</strong></td>
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<tr>
<td>+4.</td>
<td>Funding Recommendations for Cycle 4 TransNet Smart Growth Incentive Program Capital Grants (Carolina Illic)</td>
</tr>
<tr>
<td></td>
<td>At their October 26, 2018, meeting, the Board of Directors approved the proposed funding awards for the Cycle 4 TransNet Smart Growth Incentive Program Capital grants. This report includes a table of the final awards.</td>
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<tr>
<td><strong>Reports</strong></td>
<td></td>
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<tr>
<td>+5.</td>
<td>Proposed Amendment to SANDAG Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules (John Kirk)</td>
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<tr>
<td></td>
<td>Staff will present amendments being proposed to Rule 23 of Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules, providing clarification to application of the “Guest Dwelling” exception to the TransNet Extension Ordinance Regional Transportation Congestion Improvement Program fee. The TWG is asked to provide input on the impact of the proposed amendments to their jurisdictions.</td>
</tr>
<tr>
<td>+6.</td>
<td>Housing Element Annual Progress Report Proposed Changes (Seth Litchney)</td>
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<td></td>
<td>In response to recent legislation, the California Department of Housing and Community Development (HCD) is considering adding new data requirements to the Housing Element Annual Progress Report. HCD is accepting comments on its draft APR forms and instructions until November 17, 2018.</td>
</tr>
</tbody>
</table>
7. **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.

8. **Upcoming Meetings Information**
   The next TWG meeting is scheduled for Thursday, December 13, 2018, at 1:15 p.m.

9. **Adjournment**

+ next to an item indicates an attachment
October 11, 2018, Meeting Minutes

Please note: The audio file of the meeting is available on the SANDAG website, sandag.org, on the Regional Planning Technical Working Group (TWG) page.

Chair Karen Brindley (City of San Marcos) called the meeting of the TWG to order at 1:18 p.m.

1. Welcome and Introductions
Self-introductions were made.

2. Public Comments and Communications
Barby Valentine (Caltrans) stated that the Caltrans Transportation Planning Grant applications are now open and that the Transportation Planning Grant Workshop will be held on Monday, October 15, 2018, from 9 to 10:30 a.m. at Caltrans.

3. Approval of Meeting Minutes (Approve)
Action: Upon a motion by Mike Hansen (City of San Diego) and a second by Vice Chair Tony Shute (City of El Cajon), the TWG approved the minutes from the August 8, 2018, meeting. Yes: Chair Brindley, Vice Chair Shute, Don Neu (City of Carlsbad), Scott Donaghe (City of Chula Vista), Rich Grunow (City of Coronado), Shaun McMahon (City of Del Mar), Jim Nakagawa (City of Imperial Beach), Kerry Kusiak (City of La Mesa), Jeff Hunt (City of Oceanside), David De Vries (City of Poway), Mr. Hansen, Melanie Kush (City of Santee), John Conley (City of Vista), and Noah Alvey (County of San Diego). No: None. Abstain: None. Absent: City of Encinitas, City of Escondido, City of Lemon Grove, City of National City, and City of Solana Beach.

Chair’s Report

4. Election of Second Vice Chair (Recommend)
Action: Mr. Conley nominated Mr. Hansen for Second Vice Chair. Vice Chair Shute seconded the nomination. Mr. Hansen accepted the nomination. No other nominations were made. Yes: Chair Brindley, Vice Chair Shute, Mr. Neu, Mr. Donaghe, Mr. Grunow, Mr. McMahon, Mr. Nakagawa, Mr. Kusiak, Mr. Hunt, Mr. De Vries, Mr. Hansen, Ms. Kush, Mr. Conley, and Mr. Alvey. No: None. Abstain: None. Absent: City of Encinitas, City of Escondido, City of Lemon Grove, City of National City, and City of Solana Beach.

Reports

5. Revised Schedule for San Diego Forward: The 2019–2050 Regional Plan (Information)
Coleen Clementson, Principal Regional Planner, provided an update on the decision to extend the timeline for the preparation of San Diego Forward: The 2019–2050 Regional Plan to allow for additional public input on the transportation network concepts and scenarios.
6. **Board Direction of the Regional Housing Needs Assessment and the Role of the Regional Planning Technical Working Group (Discussion)**

Seth Litchney, Senior Regional Planner, welcomed the housing stakeholders in attendance. At the August 9, 2018, TWG meeting, members asked staff to invite housing stakeholders to participate in discussions on the Regional Housing Needs Assessment (RHNA) and other housing issues. The stakeholders joined the TWG for the discussion on this item. Mr. Litchney provided an update on the discussion by the Board of Directors of the RHNA objectives and factors used to determine the distribution of housing units in the region. Mr. Litchney presented the recommendation of the Board of Directors to create a RHNA ad hoc working group and discussed the timeline for the RHNA cycle. The TWG and housing stakeholders were asked to discuss methodologies that could be used to meet the RHNA objectives and factors. TWG members and stakeholders provided the following comments and suggestions:

- Stakeholder participation in the TWG meeting should be expanded to include additional stakeholders
- The Board of Directors Ad Hoc Working Group should include representatives from larger jurisdictions
- The consequences of not meeting RHNA goals include increased homelessness, substandard housing, disease outbreaks, etc.
- The sites identified for future housing must be viable according to the presentation by the Department of Housing and Community Development (HCD) at the American Planning Association conference held in San Diego
- Statement of support for the RHNA factor that addresses proximity to transit when determining RHNA allocation
- Fairness should be evaluated during the RHNA allocation, especially with the RHNA factor based on jurisdictional housing capacity
- Consider sea level rise and how it can affect housing development
- Greenhouse gas reduction is a factor worth considering

7. **TransNet Routine Accommodation Requirement Evaluation (Discussion)**

Chris Kluth, Senior Regional Planner, discussed how Section 4(E)(3) of the TransNet Ordinance requires all new congestion-related projects to accommodate the needs of pedestrians and bicyclist where applicable. Mr. Kluth described how Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules, implements this provision. TWG members were asked how the process has worked in their jurisdictions and to discuss potential improvements. The following comments were made:

- The system is now old and does not acknowledge changes in transportation planning. There is no system tracking how this policy has worked; this policy should be improved
- Concern about additional reporting requirements for the TransNet funds; suggestion to make it part of an already-established reporting program

8. **Upcoming Agenda Topics and Potential Ad Hoc Working Groups (Discussion)**

TWG members were encouraged to participate in the upcoming Mobility Management Toolbox Workshop on November 7, 2018, the joint meeting with the Regional Energy Working Group on November 8, 2018, and the Regional Housing Needs Assessment Discussion on December 13, 2018. The TWG discussed the need for additional ad hoc working groups to consider upcoming items. The following suggestions were made:
• A separate mobility toolbox working group focused on urban parking issues

• Subregional RHNA ad hoc working groups

Ms. Clementson suggested that ad hoc meetings could focus on the methodology for providing baseline vehicle miles traveled data to each jurisdiction as well as a meeting to discuss the letter from SANDAG Board of Directors to HCD regarding RHNA.

9. Member Communications (Information)
No member communications were made.

10. Upcoming Meetings (Information)
The next TWG meeting will be a joint meeting with the Regional Energy Working Group and is scheduled for Thursday, November 8, 2018, at 1:15 p.m.

11. Adjournment
Chair Brindley adjourned the meeting at 2:37 p.m.
## Confirmed Attendance at SANDAG Regional Planning Technical Working Group Meeting

**Confirmed Attendance at SANDAG Regional Planning Technical Working Group Meeting**

**October 11, 2018**

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Name</th>
<th>Attended</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Carlsbad</td>
<td>Don Neu</td>
<td>Yes</td>
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<td></td>
<td>David De Cordova, Alternate</td>
<td>Yes</td>
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<tr>
<td>City of Chula Vista</td>
<td>Kelly Broughton</td>
<td>No</td>
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<td></td>
<td>Scott Donaghe, Alternate</td>
<td>Yes</td>
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<tr>
<td>City of Coronado</td>
<td>Rich Grunow</td>
<td>Yes</td>
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<td></td>
<td>Jesse Brown, Alternate</td>
<td>No</td>
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<tr>
<td>City of Del Mar</td>
<td>Kathy Garcia</td>
<td>No</td>
<td>Shaun McMahon attended as delegate for Kathy Garcia</td>
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<td></td>
<td>Amanda Lee, Alternate</td>
<td>No</td>
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<tr>
<td>City of El Cajon</td>
<td>Tony Shute, Vice Chair</td>
<td>Yes</td>
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<td></td>
<td>Melissa Devine, Alternate</td>
<td>No</td>
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<tr>
<td>City of Encinitas</td>
<td>Brenda Wisneski</td>
<td>No</td>
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<td>Roy Sapa’u, Alternate</td>
<td>No</td>
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<td>Diane S. Langager, Alternate</td>
<td>No</td>
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<td>City of Escondido</td>
<td>Bill Martin</td>
<td>No</td>
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<td>Michael (Mike) Strong, Alternate</td>
<td>No</td>
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<td>City of Imperial Beach</td>
<td>Steve Dush</td>
<td>No</td>
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<td>Jim Nakagawa, Alternate</td>
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<td>Tyler Foltz, Alternate</td>
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<td>City of La Mesa</td>
<td>Kerry Kusiak</td>
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<td>Allyson Kinnard, Alternate</td>
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<td>City of Lemon Grove</td>
<td>Mike Viglione</td>
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<td>City of National City</td>
<td>Brad Raulston</td>
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<td>Ray Pe, Alternate</td>
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<td>City of Oceanside</td>
<td>Jeff Hunt</td>
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<td>Russ Cunningham, Alternate</td>
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<td>City of Poway</td>
<td>Robert (Bob) Manis</td>
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<td>David De Vries (AICP)</td>
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<tr>
<td>City of San Diego</td>
<td>Mike Hansen, Second Vice Chair</td>
<td>Yes</td>
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<td></td>
<td>Laura Black, Alternate</td>
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<td>Brian Schoenfisch, Alternate</td>
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<tr>
<td>City of San Marcos</td>
<td>Karen Brindley, Chair</td>
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<td></td>
<td>Saima Qureshy, Alternate</td>
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<tr>
<td>City of Santee</td>
<td>Melanie Kush</td>
<td>Yes</td>
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<td>John O'Donnell, Alternate</td>
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<tr>
<td>City of Solana Beach</td>
<td>Joseph Lim</td>
<td>Yes</td>
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<td></td>
<td>Corey Andrews, Alternate</td>
<td>No</td>
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<tr>
<td>City of Vista</td>
<td>John Conley</td>
<td>Yes</td>
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<td></td>
<td>Patsy Chow, Alternate</td>
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<tr>
<td>County of San Diego</td>
<td>Eric Lardy</td>
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<td>Noah Alvey, Alternate</td>
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**Advisory Members**

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<tr>
<th>Organization</th>
<th>Name</th>
<th>Alternate</th>
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<tbody>
<tr>
<td>Air Pollution Control District</td>
<td>Kathy Keehan</td>
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<td></td>
<td>Ann Fox</td>
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<td>No</td>
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<td></td>
<td>Barby Valentine, Alternate</td>
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<td>Yes</td>
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<td>Caltrans</td>
<td>Robert Barry, AICP</td>
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<td>Keene Simonds, Alternate</td>
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<td>No</td>
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<tr>
<td>Local Agency Formation Commission</td>
<td>Denis Desmond</td>
<td></td>
<td>No</td>
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<tr>
<td>Metropolitan Transit System</td>
<td>Katie Persons</td>
<td></td>
<td>Yes</td>
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<tr>
<td>North County Transit District</td>
<td>Brendan Reed</td>
<td></td>
<td>No</td>
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<tr>
<td>San Diego County Regional Airport Authority</td>
<td>Seevani Bista</td>
<td></td>
<td>No</td>
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<tr>
<td>San Diego County Regional Water Authority</td>
<td>Lesley Nishihira</td>
<td></td>
<td>No</td>
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<tr>
<td>San Diego Unified Port District</td>
<td>Mary Beth Dreusike</td>
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<td>No</td>
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<td></td>
<td>David Zajac</td>
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<td>Yes</td>
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**Housing Stakeholders**

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<th>Name</th>
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<tr>
<td>Affordable Housing Advocates</td>
<td>Catherine Rodman</td>
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<td>Yes</td>
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<tr>
<td>Housing You Matters</td>
<td>Mary Lydon</td>
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<tr>
<td>South County Economic Development Council</td>
<td>Doug Kerner</td>
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<td>Yes</td>
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</table>

**Other Attendees**

Leilani Hines, City of Chula Vista
Michael Prinz, City of San Diego

**SANDAG Staff**

Audrey Porcella
Carolina Ilic
Chris Kluth
Coleen Clementson
John Delmer
Seth Litchney
Tracy Ferchaw
Funding Recommendations for Cycle 4 TransNet Smart Growth Incentive Program Capital Grants

Overview
The TransNet Extension Ordinance provides funding for the Smart Growth Incentive Program (SGIP). During each cycle, the SANDAG Board takes action on two critical steps — releasing the call for projects and approving the funding recommendations.

Key Considerations
In June 2018, the Regional Planning and Transportation Committees reviewed project rankings and funding recommendations and asked that the scoring for two capital projects be reviewed. The results of the independent review were reported to the committees earlier this month. In addition, one project was found ineligible and another project was withdrawn. Collectively, these items resulted in changes to project rankings and funding recommendations.

Attachment 1 describes the results of the review process, proposed process improvements to avoid similar challenges in future funding cycles, and comments from the committees. Attachment 2 includes the updated project rankings and funding recommendations.

Next Steps
Pending approval of the SGIP Capital grant awards, SANDAG will have awarded more than $80 million to more than 140 SGIP and Active Transportation Grant Program projects throughout the San Diego region, leveraging approximately $54 million in matching funds. This represents a total investment of more than $134 million for smart growth and active transportation projects in local communities since 2009.

Kim Kawada, Chief Deputy Executive Director
Key Staff Contact: Carolina Illic, (619) 699-1989, carolina.illic@sandag.org
Attachments: 1. Discussion Memo
               2. SGIP Capital Grants: Final Project Rankings and Funding Recommendations
Discussion Memo

Background

In December 2017, the Board of Directors approved the criteria and released the call for projects for the fourth cycle of the TransNet Smart Growth Incentive Program (SGIP). The application period closed in March 2018. Application descriptions are included on the Cycle 4 web page at sandag.org/cycle4grants and there is $22.3 million available for award.

Smart Growth Incentive Program Capital Grant Evaluation Process and Review

To ensure transparency and provide an opportunity for review and comment, SANDAG posts all quantitative and qualitative scores online. The quantitative scores are calculated by SANDAG staff based on numerical calculations generated from forecast and Geographic Information System data. The qualitative scores are calculated by evaluation panel members, which include planning and public works directors from local agencies that did not submit applications, Caltrans staff, transit agency staff, and SANDAG staff.

The quantitative and qualitative scores are combined and result in project rankings for each evaluator. The project rankings from each evaluator are then added and result in a “sum of ranks,” which is used as the basis for overall project rankings and funding recommendations presented to the committees. The projects with the lowest sum of ranks are the ones with the highest-project rankings.

At its June 1, 2018, meeting, the Regional Planning Committee raised concerns about evaluator scores for two Escondido capital applications. In the review process, the City of Escondido noted that one evaluator awarded zero points across the board for both of its applications, and two evaluators gave zeros across the board for one of its applications. At the meeting, the City of Escondido requested that SANDAG staff review these scores. Staff made a commitment to examine the qualitative scores associated with these two projects and return with additional information.

Results of Review

An independent review was conducted by SANDAG General Counsel, which included interviews with all eight evaluators, a review of the evaluation criteria, and a review of the eligibility criteria. The independent review concluded the following:

- Assigning zero scores in all qualitative categories by some evaluators was inconsistent with the intended evaluation procedures.
- The remaining evaluators who provided qualitative scores for the Escondido projects do not appear to have been unduly influenced by the evaluators that assigned the scores of zero.
- There was some confusion among evaluators on their role in determining grant project eligibility. Although SANDAG staff had previously determined both Escondido projects to be eligible for the grant program, some of the evaluators nonetheless questioned the eligibility of the Escondido projects.
- Limited scoring instructions were provided to the evaluators, and at least one evaluator suggested that an in-person orientation and more specific written instructions be provided.

The independent review recommended that the scores provided by the three evaluators that gave “zero” scores to the Escondido projects be removed from consideration, and either using the scores of the remaining five evaluators or discarding all scores and re-starting the process. The first of these options would avoid use of the irregular scores and allow delivery of smart growth capital projects without the 4- to 6-month delay that would be needed for a full repetition of the evaluation process.
Rankings and Unprecedented Three-Way Tie

Based on the recommendation resulting from the independent review, the scores provided by the three evaluators that gave “zero” scores to the Escondido projects were removed. Collectively, the removal of these evaluators’ scores, the elimination of an ineligible project¹, and the withdrawal of one project², shifted several project rankings and resulted in an unprecedented three-way tie at the funding cutline.

Table 1 provides a comparison of the original project rankings and the revised project rankings. The final funding recommendations are provided further below and are included in Attachment 2. The detailed scores are posted on the SGIP web page at sandag.org/cycle4grants. Of note is that all projects now recommended for full funding also were recommended for full funding in the original rankings.

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Abbreviated Project Name</th>
<th>Final Rank</th>
<th>Requested Funding</th>
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</thead>
<tbody>
<tr>
<td>National City</td>
<td>Roosevelt Ave SG Revit. Plan</td>
<td>1</td>
<td>$2,080,000</td>
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<tr>
<td>Vista</td>
<td>Paseo Santa Fe Phase 3</td>
<td>2</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>El Cajon</td>
<td>El Cajon Transit Ctr. Connections</td>
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<td>San Diego</td>
<td>DT Mobility Cycle Way P1&amp;2</td>
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<td>El Cajon</td>
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<td>$2,500,000</td>
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<td>Lemon Grove</td>
<td>Connect Main St Phase 1&amp;2</td>
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<td>Highland Ave Mob. Mini-Hubs</td>
<td>7</td>
<td>$1,863,665</td>
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<td>San Diego</td>
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<td>$1,376,948</td>
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<td>SD River Trail-Town Center</td>
<td>19</td>
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<td>La Mesa</td>
<td>Grossmont Center Dr Bridge</td>
<td>20</td>
<td>$2,085,900</td>
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</table>

*Potential request for withdrawal

Recommended for full funding
Recommended for partial funding
Eligibility pending
Recommended for potential partial funding
Not recommended for funding

All three projects tied for No. 10 originally requested the maximum funding amount of $2.5 million. After the first nine highest-ranked projects receive full funding, there is a total of $3,119,244 left to distribute to the three tied projects, which collectively requested a total of $7.5 million.

1 The SANDAG Board determined that the Free Rides Everywhere Downtown (FRED) fleet expansion application was ineligible on July 27, 2018.

2 The City of Chula Vista withdrew its F Street Promenade Phase 1 application.
Proposed Resolution to Addressing Three-Way Tie and Final Funding Recommendations

There is no precedent for a three-way tie at the cut-line in administering the SANDAG SGIP grant program, and the scoring guidelines do not include a process for breaking ties. As a result, SANDAG offered all three applicants $1.04 million, with the requirement that each jurisdiction provide an additional match of $1.46 million to make their projects whole. The response from two of the jurisdictions was that $1.46 million in matching funds was not possible.

In an effort to arrive at an outcome that would allow the three tied projects to be built as proposed, SANDAG invited the three jurisdictions to develop an alternative proposal that all of them could support. Together, the three cities arrived at the following recommendation:

- The City of National City declines funding for its fully-funded Highland Avenue Mobility Mini-Hub project (ranked No. 9) with the condition that its Sweetwater Protected Bikeway project (ranked No. 10) receive full funding (this would release $1,863,665 of funding that would cover the $1,460,252 shortfall for the Sweetwater Protected Bikeway project, and result in an additional $403,413 of funding for the two remaining projects in San Diego and Escondido).
- The City of San Diego allows the additional $403,413 to go to Escondido to help meet its funding shortfall.
- The cities of San Diego and Escondido provide additional matching funds to make their projects whole.

The three jurisdictions expressed hope that these concessions would help move the process forward, so they could all benefit from these important smart growth projects. The proposed consensus-based recommendation is consistent with the TransNet Extension Ordinance goals of maximizing local match funding and funding as many projects as possible.

Table 2: Final Project Rankings and Funding Recommendations

<table>
<thead>
<tr>
<th>Final Rank</th>
<th>Jurisdiction</th>
<th>Abbreviated Project Name</th>
<th>Match Fund Amount</th>
<th>Requested Funding</th>
<th>Recommended Funding</th>
<th>Remaining Funding</th>
<th>Additional Match Required to Accept Partial Funding</th>
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<td>$20,202,909</td>
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<td>2</td>
<td>Vista</td>
<td>Paseo Santa Fe Phase 3</td>
<td>$6,370,000</td>
<td>$2,500,000</td>
<td>$2,500,000</td>
<td>$17,702,909</td>
<td>$17,702,909</td>
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<tr>
<td>3</td>
<td>San Diego</td>
<td>DT Mobility Cycle Way P1&amp;2</td>
<td>$2,100,000</td>
<td>$2,500,000</td>
<td>$2,500,000</td>
<td>$15,202,909</td>
<td>$15,202,909</td>
</tr>
<tr>
<td>4</td>
<td>El Cajon</td>
<td>El Cajon Transit Ctr. Connections</td>
<td>$301,200</td>
<td>$2,500,000</td>
<td>$2,500,000</td>
<td>$12,702,909</td>
<td>$12,702,909</td>
</tr>
<tr>
<td>5</td>
<td>El Cajon</td>
<td>Main St-Green St Gateway</td>
<td>$1,000</td>
<td>$2,500,000</td>
<td>$2,500,000</td>
<td>$10,202,909</td>
<td>$10,202,909</td>
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<tr>
<td>6</td>
<td>Lemon Grove</td>
<td>Connect Main St Phase 1&amp;2</td>
<td>$1,000</td>
<td>$2,500,000</td>
<td>$2,500,000</td>
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<td>10</td>
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<td>$2,482,909</td>
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<tr>
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<td>Grand Ave CS 1 (Rd Diet, SW, Env)</td>
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<td>$1,443,161</td>
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<td>($6,052,893)</td>
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<tr>
<td>16</td>
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<tr>
<td>17</td>
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<td>Grossmont Center Dr Bridge</td>
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<td>$2,085,900</td>
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<td>($10,204,593)</td>
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<tr>
<td>18</td>
<td>Santee</td>
<td>SD River Trail-Town Center</td>
<td>$0</td>
<td>$2,460,525</td>
<td>$0</td>
<td>($12,665,118)</td>
<td>($12,665,118)</td>
</tr>
</tbody>
</table>

- Recommended for full funding
- Recommended for partial funding
- Not recommended for funding
Proposed Process Improvements for Future Grant Cycles

Toward the end of each grant cycle, staff reflects upon the process, and develops lessons learned for consideration in the next cycle. Based upon the recent assessment, the following improvements are recommended.

- **Tie Breaker**: Add instructions for how tied projects at the cutline would be resolved.
- **Eligibility**: Clarify the steps in the eligibility determination process to ensure that: (1) the Independent Taxpayer Oversight Committee makes recommendations on the eligibility of projects before the projects are presented to the Regional Planning and Transportation Committees; and (2) ineligible projects are not ranked.
- **Evaluator Training**: Hold a mandatory training session for evaluators to review the scoring process (currently, staff emails the evaluators the scoring guidance document concurrently with the applications).

Feedback from Transportation and Regional Planning Committees

The Regional Planning and Transportation Committees discussed the proposed recommendations and process improvements at their October 5, 2018, meetings. Both committees expressed appreciation for the consensus-based solution developed by the three jurisdictions, and unanimously recommended that the Board of Directors approve the proposed funding awards included in Attachment 2. In addition, both committees added the proposed process improvements into their motions, thus formalizing the process improvements, including the addition of a tie breaker into the grant guidelines, clarifications to the eligibility determination process, and a more robust educational process for future evaluators.

In addition, Transportation Committee members asked if any projects currently proposed to receive full funding are unable to use their awarded funds, whether the remaining funding would be offered to the partially-funded projects first before being offered to the next highest-ranked projects. Staff responded yes, confirming that any unused funds relinquished by any projects unable to use their awarded funding would be offered to the projects that received partial funding first. This information was reported to the Regional Planning Committee, which agreed with this approach. Other comments included suggested approaches for breaking future ties, and support for an in-depth review and potential streamlining of the criteria for Cycle 5.

Quality Control and Social Equity Analysis

SANDAG staff conducted quality control on the revised SGIP funding recommendations as part of the Peer Review Process and confirmed the accuracy of the formulas, calculations, quantitative scores, and project rankings. In addition, staff performed a social equity analysis of the funding recommendations to ensure that the funding for projects recommended for award would be distributed such that low-income and minority communities would receive an equitable proportion of the benefits. The analysis confirmed that the SGIP Capital funds would be distributed in an equitable manner based on the recommended funding allocations.

Contingency Projects

If awarded jurisdictions are not able to complete the tasks included in the scope of work of their grant agreements or need to withdraw from funding, the recommendation includes the requested authority to offer funding to the next highest-ranked project(s) and for staff to execute grant agreements, with the understanding, as discussed above, that funding would be offered to the partially funded projects first. This would be included in the regular report to the Board of Directors summarizing delegated actions taken by the Executive Director, and in subsequent SGIP and Active Transportation Grant Program (ATGP) quarterly monitoring reports presented to the Regional Planning and Transportation Committees. If this were to occur, a project that fails to meet its deliverables would forfeit the unspent portion of its grant funds. The contingency list would expire after the initiation of the next TransNet grant cycle call for projects.
Grant Agreement Process

Upon approval by the Board of Directors, the SGIP Capital projects will be amended into the 2018 Regional Transportation Improvement Program in early 2019. Grant agreement executions for jurisdictions that have adopted climate action plans (CAPs) and complete streets policies are anticipated in February-March 2019. The execution of grant agreements for jurisdictions that are awarded funding but have not yet adopted CAPs or complete streets policies will be put on hold for up to one year from Board approval of the funding awards (anticipated on October 26, 2018). If those jurisdictions have not adopted their CAPs and/or complete streets strategies within one year of the Board’s approval of the funding awards, funding will be offered to the next highest-ranked project(s) or reserved for the next funding cycle, and results would be reported in the SGIP and ATGP quarterly reports.
### Smart Growth Incentive Program Capital Grants - Final Project Rankings and Funding Recommendations - October 2018

<table>
<thead>
<tr>
<th>Final Rank</th>
<th>Jurisdiction</th>
<th>Abbreviated Project Name</th>
<th>Climate Action Plan (CAP)?</th>
<th>Complete Streets Policy (CS)?</th>
<th>Sum of Ranks</th>
<th>Final Rank</th>
<th>Match Fund Amount</th>
<th>Requested Funding</th>
<th>Recommended Project Funding</th>
<th>Cumulative Funds Allocated</th>
<th>Remaining Funding</th>
<th>Additional Match Req. to Accept Partial Funding</th>
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**Recommended for full funding**

**Recommended for partial funding**

**Recommended for no funding**

* Rollover from SGIP Planning includes unspent funds of $292,909 and an additional $165,000 from St. Joseph’s Park and $175,000 from Valley Center, totaling $632,909.

Notes:
1. The SANDAG Board of Directors deemed the City of San Diego FRED Fleet Expansion project as ineligible on July 27, 2018. This project is not shown on the table.
2. The City of Chula Vista requested the withdrawal of its F Street Promenade Phase 1 application. This project is not shown on the table.
3. The City of National City has declined funding of its Highland Avenue Mobility Mini-Hub application. This project is crossed out in red.

Jurisdictions must have an adopted Climate Action Plan (CAP) and an adopted Complete Streets (CS) Policy to receive grant funding. Jurisdictions that have not yet adopted these documents have up to one year from the Board’s action on the final funding awards to adopt them before funding is transferred to the next highest-ranked project.

**Summary**

- **SGIP Capital Grants- Fully Funded:** $19,800,000
- **SGIP Capital Grants- Partially Funded:** $2,482,909
- **Total SGIP Capital Grant Funds Awarded:** $22,282,909
- **Unspent Capital Funds (Rollover to SGIP Planning):** $0

---

**Notes:**

- The SANDAG Board of Directors deemed the City of San Diego FRED Fleet Expansion project as ineligible on July 27, 2018. This project is not shown on the table.
- The City of Chula Vista requested the withdrawal of its F Street Promenade Phase 1 application. This project is not shown on the table.
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Proposed Amendment to SANDAG Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules

Introduction

The TransNet Extension Ordinance (Ordinance) includes a requirement that each local jurisdiction collect a Regional Transportation Congestion Improvement Program (RTCIP) fee for each newly constructed residential housing unit in that jurisdiction. The purpose of this fee is to ensure that future development contributes its proportional share of the funding needed to pay for the Regional Arterial System and related regional transportation facility improvements.

The RTCIP provisions of the Ordinance exempt specified types of developments from payment of the RTCIP fee. “Guest Dwellings” are included among these exceptions, but that term is not otherwise defined in the Ordinance or Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules, which provides interpretation and clarification of the Ordinance. This has created uncertainty among local jurisdictions when considering application of the RTCIP fee to “granny flats,” “companion units,” “accessory dwelling units,” or other reasonably synonymous types of development.

The proposed amendment to Rule 23 of Board Policy No. 031, reflected in redline form in Attachment 1, would define a “Guest Dwelling” as not more than one attached or detached residential dwelling unit on the same parcel as an existing single-family dwelling which provides independent living facilities for one or more persons. This is generally based on Government Code 65852.2’s definition of an “accessory dwelling unit” and is intended to provide clarity to member agencies.

Next Steps

TWG members are asked to discuss the impacts of this proposed amendment to their jurisdictions. This item is scheduled to be discussed by the SANDAG Executive Committee at its December 7, 2018, and January 11, 2019, meetings and considered for approval by the SANDAG Board of Directors in early 2019. Staff will relay TWG comments to the Executive Committee as part of the amendment process.

John Kirk, General Counsel

Key Staff Contact: John Kirk, (619) 699-1997, john.kirk@sandag.org
Attachment: 1. SANDAG Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules Redline
TransNet ORDINANCE AND EXPENDITURE PLAN RULES

The following rules have been adopted and amended by the SANDAG Board of Directors in its role as the San Diego County Regional Transportation Commission (RTC). The purpose of these rules is to implement the provisions of the original TransNet Ordinance (87-1) and the TransNet Extension Ordinance (04-01) and amendments thereto.

Rule #23: Application of TransNet Extension Ordinance Regional Transportation Congestion Improvement Program (RTCIP) Requirements

Adoption Date: July 10, 2009

Amendment: Amended January 22, 2010, November 19, 2010, and ____ 2018

A. Section 9 of Ordinance 04-01 provides that starting on July 1, 2008, each local agency in the San Diego region shall contribute $2,000 in exactions from the private sector, for each newly constructed residential housing unit in that jurisdiction to the RTCIP. Each agency is required to establish its own collection program, known as its RTCIP Funding Program. Each jurisdiction is required to either establish a new Fund for the RTCIP or to set up accounts specific to the RTCIP for tracking purposes. Interest earned on RTCIP revenues received by the jurisdiction must be allocated to the RTCIP Fund.

B. Local agencies, SANDAG staff, hired auditors, and the Independent Taxpayers Oversight Committee (ITOC) are subject to the timelines set forth in Rule #17, Section I (Fiscal and Compliance Audit Procedures) in this Board Policy, Ordinance 04-01, and the attachment to Ordinance 04-01 entitled “REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM” (RTCIP Attachment). Section 9 of Ordinance 04-01 states that any local agency that does not provide its “full” RTCIP contribution in a given fiscal year will not be eligible to receive funding for local streets and roads for the immediately following fiscal year. It further provides that any funding not allocated under 4(D)(1) as a result of this requirement shall be reallocated to the remaining local agencies that are in compliance with Section 9. This Rule #23 is intended to provide clarification regarding how this language will be implemented.

1. By June 30 of each year, which is the last day of SANDAG’s fiscal year, each local agency must record as revenue, the full amount of each RTCIP exaction due for any new residential unit subject to the RTCIP within its jurisdiction. This means that if the RTCIP exaction is not yet collected, the local agency should invoice, but does not need to collect all of the RTCIP exactions due in a given fiscal year by June 30. Each local agency may choose when the exaction is due, but in no event can the local agency allow a residential unit subject to the RTCIP to be occupied by a resident prior to receipt of the RTCIP exaction. The local agency must record the revenue in the fiscal year the exaction is due according to its Funding Program or when the revenue is received, whichever occurs first.

2. Section G(4) of the RTCIP Attachment states that each local agency shall have up to, but no more than seven years after receipt of the revenue to expend the revenues on Regional Arterial System or regional transportation infrastructure projects. To ensure consistency in implementation, this provision shall mean that the seven year term shall begin on the July 1 following the date on which the local agency recorded the exaction as revenue or received
the revenue, whichever occurred first. If it is not spent within seven years it will be subject to the reallocation process in Section G(4) of the RTCIP Attachment.

3. Pursuant to Ordinance 09-01, which amended Ordinance 04-01, the audit reports for all RTCIP Funding Programs are to be completed by June of the fiscal year immediately following the end of the fiscal year being audited. If during the audit process it is determined that a local agency failed to collect the full amount of exactions due under its Funding Program, the local agency may cure the defect by recording the amount due as an account receivable for the fiscal year being audited and avoid losing its TransNet funding. If the local agency has already closed out its books for the fiscal year being audited by the time the RTCIP audit discloses the defect, the local agency may record the revenue and cure the defect in the current fiscal year in order to avoid losing its TransNet funding. The seven-year period discussed in Section B(2) of this Rule will commence from the fiscal year in which the revenue is recorded if this latter situation occurs.

4. The following exceptions will be permitted to the requirement that each local agency record as revenue, the full amount of each RTCIP exaction due for any new residential unit subject to the RTCIP within its jurisdiction by the June 30 deadline. These exceptions are permissible because the purpose of the RTCIP exactions is to mitigate residential traffic impacts on the regional transportation infrastructure. If a new unit subject to the RTCIP is not occupied this impact does not occur.

   a. If litigation, bankruptcy, or other similar situation occurs that delays occupation of a new residential unit pending resolution by the courts or another body assigned to resolve the dispute, and the local agency has invoiced, but been unable to collect amounts due under its Funding Program, the local agency may delay recording the account receivable until the outcome is known or the unit is occupied, whichever occurs first. The local agency shall provide documentation to the auditor establishing litigation, bankruptcy, etc. has occurred that has precluded the local agency from collecting the exaction.

   b. If a local agency records an RTCIP exaction as revenue and subsequently determines that the amount is uncollectible (i.e., the developer never completes the project or goes bankrupt), the local agency may write-off the RTCIP exaction until such time, if ever, the unit is occupied and subject to the RTCIP. The local agency shall provide documentation to the auditor establishing that the write-off was justified.

5. Due to the timeline for completion of RTCIP audits, it may be up to one year after the fiscal year being audited has ended before ITOC adopts a final report that includes a finding that a local agency failed to provide the full amount of RTCIP exactions due under its Funding Program. During this interim audit period, SANDAG will make the payments due to local agencies for local streets and roads pursuant to Section 4(D)(1) of Ordinance 04-01 in good faith by presuming that the audit will establish each local agency is in compliance. If, however, the audit establishes a local agency did not provide its full monetary contribution under the RTCIP and the local agency does not cure defects of which it was notified by the time the audit is finalized and adopted by the ITOC, then the local agency will have forfeited its Section 4(D)(1) contribution. Any amount paid to the local agency in the fiscal year following the year that was the subject of the audit will be retroactively owed to the Commission. SANDAG will deduct any such amount, with interest at the monthly Local Agency Investment Fund (LAIF) rate. This amount will be deducted from the local agency annual allocation during the next fiscal year in which the local agency is eligible for Section 4(D)(1) funding.
C. The purpose of the RTCIP’s requirement that each local agency have a Funding Program is “to provide additional revenue to fund those facility and service improvements on the Regional Arterial System necessitated by development of newly constructed residences.” If a new unit will have a lower impact on the Regional Arterial System (RAS) than a typical residential unit, then it is unlikely to necessitate facility and service improvements on the RAS. The Board has determined that a nursing home, home for the aged, assisted living facility, or similar institutional unit (“institutional unit”) is not the type of unit the RTCIP was intended to cover. Local agencies are not required to charge for a new institutional unit for purposes of compliance with the Ordinance’s RTCIP Funding Program requirements when the local agency documents that it has made the following findings prior to issuance of a final certificate of occupancy:

1. The individual unit¹ will not have both a bathroom and permanent built-in kitchen facilities equipped with a cooking range, refrigerator, and sink; and

2. The principal reason a person will live in the unit is because the person needs medical and/or nursing care; and

3. The unit will cause a lower impact on the RAS than a typical residential unit in a similar location; and

4. The local agency has required that the developer agree that the unit in substance will be used as health care facility rather than as a residence.

Additionally, the Ordinance exempts specified development types from the Funding Program requirements. One such exemption applies to “Guest Dwellings”, which shall mean not more than one attached or detached residential dwelling unit on the same parcel as an existing single-family dwelling which provides independent living facilities for one or more persons.

D. Section G(2) of the TransNet EXTENSION REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM, as amended on July 24, 2009, states that ‘each jurisdiction must submit its Funding Program documents, including an expenditure plan and financial records pertaining to its Funding Program, to the Independent Taxpayer Oversight Committee for a review and audit by December 1 of each year beginning December 1, 2009.

¹ All references to “unit” in these criteria are intended to apply to an individual living unit, not the institutional facility as a whole.

Adopted: February, April, and May 1988; August 1989; March, July, and November 1990; October 1992; September and November 2005

Amended: June and December 1990; February 1991; November 2005; December 2006; December 2007; February 2008; March 2008; September 2008; July 2009; January and November 2010; February and July 2012; October 2013; and January 2017
Housing Element Annual Progress Report Proposed Changes

The California Department of Housing and Community Development (HCD), in response to California Senate Bill 35 (Wiener, 2017) (SB 35) and California Assembly Bill 879 (Grayson, 2017) of the 2017 Housing Package, is considering adding new data requirements to the Housing Element Annual Progress Report (APR). The new APR requirements include local jurisdictions reporting the number of housing unit applications received, the issuance of certificates of occupancy, and projects submitted pursuant to SB 35 streamlining. HCD is accepting comments on its draft APR forms and instructions until November 17, 2018.

Key Staff Contact: Seth Litchney, (619) 699-1943, seth.litchney@sandag.org
Attachments: 1. Draft Annual Progress Report Forms
2. Annual Housing Element Progress Report
General Information

City or County Name: ___________________________ Reporting Calendar Year: ___________________________

Mailing Address: ___________________________

Contact Person: ___________________________ Title: ___________________________

Phone: ___________________________ Email: ___________________________

Housing Element Annual Progress Reports (APRs) forms and tables, must be submitted to HCD and the Governor’s Office of Planning and Research (OPR) on or before April 1, of each year for the prior calendar year; submit separate reports directly to both HCD and OPR (Government Code Section 65400). There are three options for submitting APRs:

1. Use the Online Annual Progress Reporting system; this enters your information directly into HCD’s database, limiting the risk of errors. If you would like to use the online system, email APR@hcd.ca.gov, and HCD will send you the login information for your jurisdiction.

2. If you prefer to submit via email, you can complete the excel Annual Progress Report forms, and submit to HCD at APR@hcd.ca.gov. Please send the excel workbook, not a scanned copy of the tables.

3. Or, you can submit your hard copy report by U.S. mail to:

Department of Housing and Community Development
Division of Housing Policy Development
P.O. Box 952053
Sacramento, CA  94252-2053

AND

Governor’s Office of Planning and Research
P.O. Box 3044
Sacramento, CA  95812-3044
## ANNUAL ELEMENT PROGRESS REPORT

**Housing Element Implementation**

(CCR Title 25 § 6202)

### Table A

**Annual Building Activity Report Summary - New Construction**

<table>
<thead>
<tr>
<th>Housing Development Information</th>
<th>Housing with Financial Assistance and/or Deed Restrictions</th>
<th>Housing without Financial Assistance or Deed Restrictions</th>
</tr>
</thead>
<tbody>
<tr>
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</table>

**Entitlement, Permits, and Completed Units**

<table>
<thead>
<tr>
<th>Project Identifier (APN No.)</th>
<th>APN</th>
<th>Street Address</th>
<th>Project Name*</th>
<th>Entitlement Date Approved</th>
<th>Building Permits</th>
<th>Certificate of Occupancy or other forms of readiness (see instructions)</th>
<th>Total Units per Project</th>
<th>Was Project approved using SB 35 Streamlining? Y/N</th>
<th>%Affordable Units? Y/N</th>
<th>Affordability by Household Incomes</th>
</tr>
</thead>
<tbody>
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**For units affordable without financial assistance or deed restrictions, explain how the locally determined the units were affordable.**

### Notes:

- Infill Units?
- N/A

**Total Extremely Low-Income Units***

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Note: These fields are voluntary.
### Table A2

**Housing Development Applications Received**

<table>
<thead>
<tr>
<th>APN</th>
<th>Street Address</th>
<th>Project Name*</th>
<th>Date Application Received</th>
<th>Tenure</th>
<th>Unit Category</th>
<th>Proposed Units Affordability by Household Incomes</th>
<th>Total Proposed Units by Project</th>
<th>Total Approved Units by Project</th>
<th>Was &quot;Application Submitted&quot; Pursuant to SB 35 Streamlining? Y/N</th>
<th>Was Application approved using SB 35 Streamlining? Y/N</th>
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<td>Very Low-Income</td>
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<td>Deed Restricted</td>
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*Note: This field is voluntary*
### Table B

#### Regional Housing Needs Allocation Progress

<table>
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<tr>
<th>Income Level</th>
<th>RHNA Allocation by Income Level</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
<th>Year 8</th>
<th>Year 9</th>
<th>Total Units to Date (all years)</th>
<th>Total Remaining RHNA by Income Level</th>
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<td>Very Low</td>
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<td>Moderate</td>
<td>Non-Deed Restricted</td>
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<td>Above Moderate</td>
<td>Non-Deed Restricted</td>
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Remaining Need for RHNA Period

Note: units serving extremely low-income households are included in the very low-income permitted units totals
## ANNUAL ELEMENT PROGRESS REPORT

**Housing Element Implementation**

(CCPR Title 25 §6202)

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Reporting Year</th>
<th>Identify Shortfall</th>
<th>Shortfall Remaining</th>
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### Table C

Sites Identified or Rezoned to Accommodate Shortfall Housing Need

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</thead>
<tbody>
<tr>
<td><strong>Project Identifier</strong></td>
<td><strong>Date of Rezone</strong></td>
<td><strong>Affordability by Household Income</strong></td>
<td><strong>Type of Shortfall</strong></td>
<td><strong>Parcel Size (Acres)</strong></td>
<td><strong>General Plan Designation</strong></td>
<td><strong>Zoning</strong></td>
<td><strong>Density Allowed</strong></td>
<td><strong>Realistic Capacity</strong></td>
<td><strong>Vacant/Nonvacant</strong></td>
<td><strong>Description of Existing Uses</strong></td>
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<tr>
<td>APN</td>
<td>Street Address</td>
<td>Project Name*</td>
<td>Very-Low Income</td>
<td>Low-Income</td>
<td>Moderate Income</td>
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*Note: This field is voluntary

DRAFT Annual Progress Report

October 2018

26
### ANNUAL ELEMENT PROGRESS REPORT

**Housing Element Implementation**

(CCR Title 25 §6202)

<table>
<thead>
<tr>
<th>Jurisdiction</th>
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<tr>
<td>Reporting Year</td>
<td>0 (Jan. 1 - Dec. 31)</td>
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#### Table D

**Program Implementation Status pursuant to GC Section 65583**

**Housing Programs Progress Report**

Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.

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<th>1</th>
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</thead>
<tbody>
<tr>
<td>Name of Program</td>
<td>Objective</td>
<td>Timeframe in H.E</td>
<td>Status of Program Implementation</td>
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</table>

**General Comments:**

---

**DRAFT Annual Progress Report**

October 2018
## Table E

Commercial Development Bonus Approved pursuant to GC Section 65915.7

<table>
<thead>
<tr>
<th>APN</th>
<th>Street Address</th>
<th>Project Name*</th>
<th>Units Constructed as Part of Agreement</th>
<th>Description of Commercial Development Bonus</th>
<th>Commercial Development Bonus Date Approved</th>
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<tbody>
<tr>
<td></td>
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<td>Very Low</td>
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<td>Low</td>
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<td>Moderate</td>
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<td>Above Moderate</td>
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**Total**

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Table F

<table>
<thead>
<tr>
<th>Activity Type</th>
<th>Affordability by Household Incomes</th>
<th>The description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1</th>
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<tbody>
<tr>
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<td>Extremely Low-Income*</td>
<td>Very Low-Income</td>
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<tr>
<td>Rehabilitation Activity</td>
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<td>Preservation of Units At-Risk</td>
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<tr>
<td>Acquisition of Units</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Units by Income</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

*Note: This field is voluntary
Housing Element Annual Progress Reports (APRs) forms and tables, must be submitted to HCD and the Governor’s Office of Planning and Research (OPR) on or before April 1, of each year for the prior calendar year; submit separate reports directly to both HCD and OPR (Government Code Section 65400). There are three options for submitting APRs:

1. Use the Online Annual Progress Reporting system; this enters your information directly into HCD’s database, limiting the risk of errors. If you would like to use the online system, email APR@hcd.ca.gov, and HCD will send you the login information for your jurisdiction.

2. If you prefer to submit via email, you can complete the excel Annual Progress Report forms, and submit to HCD at APR@hcd.ca.gov. Please send the excel workbook, not a scanned copy of the tables.

3. Or, you can submit your hard copy report by U.S. mail to:

   Department of Housing and Community Development  
   Division of Housing Policy Development  
   P.O. Box 952053  
   Sacramento, CA 94252-2053

   AND

   Governor’s Office of Planning and Research  
   P.O. Box 3044  
   Sacramento, CA 95812-3044
Instructions

Government Code Section 65400 establishes the requirement that each city, county or city, and county planning agency prepare an annual report on the status of the housing element of its general plan and progress in its implementation using forms and definitions adopted by the Department of Housing and Community Development. The following form is to be used for reporting on the status of the housing element and implements Sections 6200, 6201, 6202, and 6203 of the Department of Housing and Community Development California Code of Regulations, Title 25, Division 1, Chapter 6.

As part of the 2017 Housing Package SB 35 and AB 879 incorporated new APR requirements which are now included in the forms and in Government Code Section 65400.

Completing Tables

The following instructions refer to the tables below:

- **General Information**

- **Table A: Annual Building Activity Report Summary for New Construction Entitlements, Permits and Completed Units**

- **Table A2: Housing Development Applications Received**

- **TABLE B: Regional Housing Needs Allocation Progress**

- **TABLE C: Sites Identified or Rezoned to Accommodate Housing Need**

- **TABLE D: Program Implementation Status**

- **Table E: Commercial Development Bonus Approved**

- **TABLE F: Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites**
Definitions:

1. “Above moderate income” means the household income exceeds the moderate-income level.

2. “Annual Progress Report (APR)” means the housing element annual progress report required by Government Code section 65400 and due to the Department April 1 of each year reporting on the prior calendar year’s activities.

3. “Application submitted” means a submission containing such information necessary for the locality to determine whether the development complies with the criteria outlined in Article IV of the Streamlined Ministerial Approval Process Guidelines. This may include a checklist or other application documents generated by the local government pursuant to Section 300(a) that specifies in detail the information required to be included in an application, provided that the information is not information that the locality regularly requires of applicants for discretionary permits, but does not regularly require of applicants for ministerial permits.

4. “Area Median Income (AMI)” means the median family income of a geographic area of the state, as annually estimated by the United States Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937.

5. “Certificate of occupancy date” is the date(s) the certificate(s) of occupancy, or other evidence of readiness for occupancy (e.g., final inspections), was/were issued.

6. “Committed Assistance” is when a local government has entered into a legally enforceable agreement within a specific timeframe spanning from the beginning of the RHNA projection period through the end of the second year of the housing element planning period, obligating funds for affordable units available for occupancy within two years of the agreement.

7. “Entitlement Approved” - means a housing development which has received all the required land use approvals or entitlements necessary for the issuance of a building permit


9. “Department” means the Department of Housing and Community Development.

10. “Extremely low-income” means household earning less than 30 percent of area median income pursuant to Health and Safety Code section 50105.

11. “Infill housing unit” is defined as being located within an urbanized area or within an urban cluster on a site that has been previously developed for urban uses, or a vacant site where the properties adjoining at least two sides of the project site are, or previously have been, developed for urban uses. For the purposes of this definition, an urbanized area or an urban cluster is as defined by the United States Census Bureau.

12. “Locality” or “local government” means a city, including a charter city, a county, including a charter county, or a city and county, including a charter city and county.

13. “Lower-income or Low-Income” means households earning less than 80 percent of area median income pursuant to Health and Safety Code section 50079.5.
14. “Moderate income” means the same as defined in Health and Safety Code Section 50093.

15. “Permitted units” mean units for which building permits for new housing construction have been issued by the local government during the reporting calendar year. For this purpose, “new housing unit” means housing units as defined by the Department of Finance for inclusion in the Department of Finance’s annual “E-5 City/County Population and Housing Estimates” report, which is the same as the census definition of a housing unit.

16. “Production report” or “Annual Production Report (APR)” means the information reported pursuant to subparagraph (D) of paragraph (2) of subdivision (a) of Section 65400.

17. “Project” or “Development” refers to a housing related activity where new construction of a unit(s) has had a building permit issued during the reporting calendar year. This may include single family, mixed use, multifamily, second unit, or any other developments where housing units as defined by the US Census Bureau and the California Department of Finance are a component of the project.

18. “RHNA” means the local government’s share of the regional housing need allocation pursuant to Government Code Section 65584 et seq.

19. “Reporting period” means the timeframe for which annual progress reports are utilized to create the determination for which locality is subject to the Streamline Provisions.

20. “Subsidized” means units that are price or rent restricted such that the units are permanently affordable to households meeting the definitions of very low and lower income, as defined in Sections 50079.5 and 50105 of the Health and Safety Code.

21. Unit Category: type of units that are classified under the following categories:

   • **Single-Family House** – a one-unit structure with open space on all four sides or a one-unit structure attached to another unit by a common wall.

   • **2-, 3-, and 4-Plex Units per Structure** - a structure containing two, three, or four units and not classified as single-unit attached structure.

   • **5 or More Units per Structure** - means a housing project or development of 5 or more attached units.

   • **Accessory Dwelling Unit (ADU)** - means an attached or a detached residential dwelling unit which provides complete independent living facilities for one or more persons. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling is situated.

   • **Mobile Home Unit** – a one-unit structure that was originally constructed to be towed on its own chassis.

22. “Very low-income” means households earning less than 50 percent of area median income pursuant to Health and Safety Code section 50105.

## GENERAL INFORMATION

Enter general contact and report information including:

- City or County name
- Reporting calendar year (e.g., 2018). Please note that the reporting year will always be from January 1 – December 31 of the previous year.
- Mailing address
- Contact person
- Title
- Phone
- Email

This sheet includes information about submitting the APR to HCD and OPR.

## TABLE A

### Annual Building Activity Report Summary - New Construction Entitlements, Permits and Completed Units

**Fields 1 through 10 Housing Development Information**

Include data on net new housing units and developments for which an entitlement, a building permit and a certificate of occupancy or other form of readiness was issued during the reporting year. This table requires information for very low, low, moderate and above moderate income housing affordability categories and for mixed-income projects.

For this purpose, “new housing unit” means housing units as defined by the Department of Finance for inclusion in the Department of Finance’s annual “E-5 City/County Population and Housing Estimates” report, which is the same as the census definition of a housing unit.

A house, an apartment, a mobile home, a group of rooms, or a single room occupied as separate living quarters, or if vacant, intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants live separately from any other individuals in the building and which have direct access from outside the building or through a common hall. For vacant units, the criteria of separateness and direct access are applied to the intended occupants whenever possible.

If a building is being torn down to build the new units, the APR should report net new units. For example, if 10 units are being torn down on a site to build a 100-unit building, the APR should report 90 new units. In this case of demolitions or housing losses unrelated to new construction these do not need to be reported on the APR. In the case of new construction where fewer units are being built than were there previously do not report negative permits.
For example, if 10 units are being torn down on a site to build 5 units, this would not count as any new units on the APR and should not be reported as a negative number. Demolitions and other housing losses are reported to Department of Finance on their Annual Housing Unit Survey.

All new unit information is to be listed in the following fields:

1. **Project Identifier:** Include the Assessor Parcel Number (APN) and street address. The project name or other identifier are voluntary.

2. **Unit Category Codes:** Each development should be categorized by one of the following codes: Refer to “Unit Category” in definitions section for more details. Please note dormitories, bunkhouses, and barracks cannot be counted as housing units, but student housing that is set up as separate living quarters per the census definition can be counted.
   - SF (single-family units)
   - 2-4 (two- to four-unit structures)
   - 5+ (five or more unit structure, multifamily)
   - ADU (accessory dwelling unit)
   - MH (mobile homes)

3. **Tenure:** Identify whether the units within the development project are proposed, planned or constructed for either:
   - Renter occupant (R) or
   - Owner occupant (O)

4. **Affordability by Household Income:** For each development, list the number of units including if the units are deed restricted or non-deed restricted that are affordable to the following income levels (refer to definitions for more detail):
   - Very low-income households (VL)
   - Low-income households (L)
   - Moderate-income households (M)
   - Above-moderate households (AM)


5. **Entitlement Date Approved:** Enter the date the entitlement was approved for the project. Refer to definition of “completed entitlements.”

6. **Building permits:** Enter the date the building permit was issued for the project. Refer to definition of “Permitted units.”

7. **Certificates of Occupancy:** Enter the date the certificate of occupancy or other form of readiness (e.g., final inspection, notice of completion) was issued for the project. For most jurisdictions, this is the final step before residents can occupy the unit.

8. **Total units per project:** Report the number of units within the identified development.

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9. **Was project approved using SB 35 streamlining?** Enter “yes” if locality approved the project application pursuant to SB 35 streamlining provisions. Enter “no” for all other situations.

10. **Are these infill units?** To gain a greater understanding of the level of infill housing activity in the state, the Department asks that you clarify if the housing units reported are infill by selecting “yes” or “no.” Although completion of this field is voluntary, your assistance would be greatly appreciated.

**Fields 11 through 13: Please note, if any units are reported as very-low, low, or moderate income in field 4 then information in fields 11, 12 and/or 13 must be completed to demonstrate affordability.**

**Fields 11 and 12 Housing with Financial Assistance and/or Deed Restrictions**

Identify all housing units developed or approved with public financial assistance and/or have recorded affordability deed restriction or covenants.

11. **Assistance Programs Used for Each Development:** Enter information here if units received financial assistance from the city or county and/or other subsidy sources and have affordability restrictions or covenants, and/or recapture of public funds upon resale.

From the list of programs below, select the applicable funding program(s) that apply and include the program in Table A using the acronym(s) as noted.

- TCAC: California Tax Credit Allocation Committee
- CDLAC: California Debit Limit Allocation Committee
- RDA: Redevelopment Agency Low- and Moderate-Income Housing Fund
- HOME: HOME Program (federal or State administered)
- MHP: Multifamily Housing Program (HCD) or local (specify which)
- HCD: Any Other Programs administered by HCD (not HOME, MHP or CDBG)
- CalHFA: California Housing Finance Agency Programs
- MRB: Mortgage Revenue Bond funds
- CDBG: Community Development Block Grant Program (federal or State administered)
- LTF: Local Housing Trust Funds
- Other: Applicable Programs -- list any other programs (including local programs) not listed

12. **Deed Restrictions:** Enter information here if units in the project are considered affordable to very-low, low, and moderate income households due to a local program or policy, such as an inclusionary housing ordinance, regulatory agreement, or a density bonus. This field should not be used to enter the number of deed restricted units. Identify the mechanism used to restrict occupancy based on affordability to produce “deed restricted” units. For example:

- Inclusionary Zoning: Input “Inc” (inclusionary) in the field if the units were approved pursuant to a local inclusionary housing ordinance.
- Density Bonus: Input “DB” (density bonus) if applicable.
- For any other mechanism input the program policy identifier and attach description.
13. **Housing Without Financial Assistance or Deed Restrictions**: Enter information here if the units are affordable to very-low, low and moderate income households without financial assistance and/or deed restrictions. In these cases, affordability must be demonstrated by proposed sales price or rents.

- Sales prices and rents must meet the definition of affordable as defined in Health and Safety Code Section 50052.5.
- Describe how the newly constructed rental or ownership housing units were determined to be affordable to very-low, low, and moderate income households without either public subsidies or restrictive covenants. This may be based on sales prices or rents relative to the income levels of households or demonstrated through a survey of comparable units in the area that show the unit would be affordable to very-low, low, or moderate income households.
  - The locality can consider comparable rental prices or new sales prices (actual or anticipated). The locality should consider costs for renters (i.e., 30% of household income for rent and utilities) or owners (e.g., 30% of household income for principal, interest, taxes, insurance and utilities, pursuant to Title 25 CCR Section 6920).
  - Potential data sources include Zillow, Trulia and Realtor.
- In the absence of justification that the unit is affordable to a very-low, low, and moderate income household, the unit should be counted as above-moderate income.

14. **Total Extremely-Low Income Units (Voluntary)**: To gain a greater understanding of the level of building activity to meet the needs of extremely low-income households in the state, the Department asks that you estimate to the extent possible, the number of units affordable to extremely-low income households. This number will be a subset of the number of units affordable to very-low-income households, as indicated in field 4, above. Although completion of this field is voluntary, your assistance would be greatly appreciated.

### TABLE A2

**Housing Development Applications Received**

Include data only on housing units and developments for which an application was received during the reporting year.

1. **Project Identifier**: Include the Assessor Parcel Number (APN) and street address. The project name or other identifier are voluntary.

2. **Date Application Received**: Enter the date the housing development application was received by local government.

3. **Unit Category Codes**: Each development should be categorized by one of the following codes. Refer to “Unit Category” in definitions section for more details. Please note dormitories, bunkhouses, and barracks cannot be counted as housing units, but student housing that is set up as separate living quarters per the census definition can be counted.

   - SF (single-family units)
   - 2-4 (two- to four-unit structures)

*Draft Annual Progress Report Instructions – October 2018*
• 5+ (five or more unit structure, multifamily)
• ADU (accessory dwelling unit)
• MH (mobile homes)

4. Tenure: Identify whether the units within the development project are either proposed or planned at initial occupancy for either:

• Renter occupant (R) or
• Owner occupant (O)

5. Proposed Units Affordability by Household Incomes: For each development, list the number of units including if the units are deed restricted or non-deed restricted that are affordable to the following income levels (refer to definitions for more detail):

• Very low-income households (VL)
• Low-income households (L)
• Moderate-income households (M)
• Above-moderate households (AM)

To verify income levels, refer to the income limit charts on the Department’s website at http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml (see section for Official State Income Limits).

6. Total Proposed Units by project: Represent the number of units proposed by the identified development.

7. Total Approved Units by Project: Represent the number of units that was approved by the locality by project.

8. Was “application submitted” pursuant to SB 35 streamlining? Enter “yes” if developer submitted the project application pursuant to SB 35 streamlining provisions. Enter “no” for all other situations.

9. Was project approved using SB 35 streamlining? Enter “yes” if locality approved the project application pursuant to SB 35 streamlining provisions. Enter “no” for all other situations.

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**TABLE B**

Regional Housing Needs Allocation Progress

Report the number of units for which permits were issued to demonstrate progress in meeting its share of regional housing need for the planning period.

1. **Regional Housing Needs Allocation by Income Level**: Lists the jurisdiction’s assigned RHNA for the planning cycle by income group.

2. **Year**: For each year of the planning cycle, list the building permit data year by year beginning in the first year and ending with the data from the current reporting year which can be found in Table A and F. This data should be reported as deed restricted, or non-deed restricted, as appropriate.
3. **Total Units to Date (all years):** – Add together the total number of units permitted in each income category.

4. **Total Remaining RHNA by Income Level:** Use the information from the “Total Units to Date” category to deduct from your locality’s assigned RHNA number. In the bottom right hand corner, note the total units remaining to be developed to meet the RHNA allocation.

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**TABLE C**

**Sites Identified or Rezoned to Accommodate Shortfall Housing Need**

Please note this table should only be filled out when a city or county identified a no net loss shortfall, 1233 Carryover or a current shortfall. The data in this inventory should serve as an addendum to the housing element sites inventory.

**Identify Shortfall:** Enter the shortfall in number of units.

**Shortfall Remaining:** This field indicates whether there is a shortfall remaining. Please note this field has a formula (identified shortfall minus total realistic capacity).

1. **Project Identifier:** Include the Assessor Parcel Number (APN) and street address. The project name or other identifier are voluntary.

2. **Date of Rezone:** If rezone was required, identify the date the rezone occurred.

3. **Affordability by Household Income:** For each development, list the number of units that are affordable to the following income levels (refer to definitions for more detail):
   - Very low-income households (VL)
   - Low-income households (L)
   - Moderate-income households (M)
   - Above-moderate households (AM)

4. **Type of Shortfall:** From the dropdown list, select one of the following for each project:
   - No Net Loss Shortfall
   - 1233 Carryover
   - Current shortfall

5. **Parcel Size (Acres):** Enter the size of the parcel in acres.

6. **General Plan Designation:** Enter the zoning as designated on the General Plan.

7. **Zoning:** Indicate the current zoning for the identified parcel.

8. **Density Allowed:** Enter the minimum and maximum density allowed on each parcel.

9. **Realistic Capacity:** Enter the estimated realistic unit capacity for each parcel.
10. **Vacant/Non-vacant:** From the drop-down list enter if the parcel is vacant or non-vacant. If the parcel is non-vacant then enter the description of existing uses.

11. **Description of Existing Uses:** Include a description of existing uses. Description must be specific, i.e. SFR, MF, surplus school site, operating business, vacant commercial building, parking lot. Classifications of uses, i.e. “commercial”, “retail”, “office”, or “residential” are not sufficient.

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**TABLE D**

**Program Implementation Status**

Report the status/progress of housing element program and policy implementation for all programs described in the housing element:

1. **Name of Program:** List the name of the program as described in the element.
2. **Objective:** List the program objective (for example, “Update the accessory dwelling unit ordinance.”).
3. **Timeframe in Housing Element:** Enter the date the objective is scheduled to be accomplished.
4. **Status of Program Implementation:** List the action or status of program implementation.

Include local efforts, as identified in the housing element, to remove governmental constraints to the maintenance, improvement, and development of housing pursuant to paragraph (3) of subdivision (c) of Section 65583(c).

For your information, the following describes the statutory program requirements:

- Adequate sites (65583 (c)(1)) Please note: Where a jurisdiction has included a rezone program pursuant to GC Section 65583.2(h) to address a shortfall of capacity to accommodate its RHNA, Table C must include specific information demonstrating progress in implementation including total acres, brief description of sites, date of rezone, and compliance with by-right approval and density requirements.
- Assist in the development of low- and moderate-income housing (65583 (c)(2))
- Remove or mitigate constraints (65583 (c)(3))
- Conserve and improve existing affordable housing (65583 (c)(4))
- Preserve units at-risk of conversion from low-income use (65583 (c)(6)(a))
- Promote equal housing opportunities (65583 (c)(5))

Please note: Jurisdictions may add additional rows in Table D to provide clarification or information relevant to demonstrating progress towards meeting RHNA objectives.

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**TABLE E**

**Commercial Development Bonus Approved pursuant to Government Code Section 65915.7**

Draft Annual Progress Report Instructions – October 2018
Government Code Section 65915.7 states:

“(a) When an applicant for approval of a commercial development has entered into an agreement for partnered housing described in subdivision (c) to contribute affordable housing through a joint project or two separate projects encompassing affordable housing, the city, county, or city and county shall grant to the commercial developer a development bonus as prescribed in subdivision (b). Housing shall be constructed on the site of the commercial development or on a site that...” meets several criteria.

If the locality has approved any commercial development bonuses during the reporting year, enter the following information:

1. **Project Identifier**: Include the parcel’s APN number. The project name and street address are voluntary.

2. **Units Constructed as Part of the Agreement**: For each development, list the number of units that are affordable to the following income levels (refer to definitions for more detail):
   - Very low-income households (VL)
   - Low-income households (L)
   - Moderate-income households (M)
   - Above-moderate households (AM)

3. **Description of Commercial Development Bonus**: Include a description of the commercial development bonus approved by the locality.

4. **Commercial Development Bonus Date Approved**: Enter the date that the locality approved the commercial development bonus.

### TABLE F

**Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites pursuant to Government Code Section 65883.1(c)(1)**

**Please note this table is optional**: If the locality has units that have been substantially rehabilitated, converted from non-affordable to affordable by acquisition, and preserved consistent with the standards set forth in Government Code Section 65583.1(c)(1) please contact the department at **APR@hcd.ca.gov**. The locality will need to provide information (detailed below) to demonstrate that the units meet the standards set forth in GC Section 65883.1(c)(1).

If the department agrees that the units meet the standards set forth in GC Section 65883.1(c)(1) these units may credit up to 25 percent of their adequate sites requirement per income category.

To count these units towards RHNA, the jurisdiction shall document how the units meet the standards set forth the requirements of the Government Code 65583.1(c) (2).
For the locality to count units in Table F, the locality must have included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in GC Section 65583.1(c)(1). These program requirements are summarized on the Alternative Adequate Sites Checklist.