Regional Planning Committee
Agenda

Friday, February 1, 2019
12:30 to 2:30 p.m.
SANDAG Board Room
401 B Street, 7th Floor
San Diego

Agenda Highlights

• TransNet Environmental Mitigation Program:
  Annual Status Report and Implementation Actions

• TransNet Environmental Mitigation Program:
  New Memorandum of Agreement

• Regional Housing Needs Assessment Update

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Regional Planning Committee
Friday, February 1, 2019

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Recommendation</th>
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<tbody>
<tr>
<td>+1.</td>
<td>Approve</td>
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<tr>
<td>Approval of Meeting Minutes</td>
<td>The Regional Planning Committee is asked to review and approve the minutes from its December 7, 2018, meeting.</td>
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<tr>
<td>Public Comments/Communications/Member Comments</td>
<td>Members of the public shall have the opportunity to address the Regional Planning Committee 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 Clerk prior to speaking. Public speakers should notify the Clerk if they have a handout for distribution to Regional Planning Committee members. Public speakers are limited to three minutes or less per person. Regional Planning Committee members also may provide information and announcements under this agenda item.</td>
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Reports

+3. TransNet Environmental Mitigation Program
+3A. Annual Status Report and Implementation Actions | Information |
Staff will present an annual update on key achievements of the TransNet Environmental Mitigation Program, with a focus on work completed in FY 2018.

+3B. New Memorandum of Agreement | Recommend |
The Regional Planning Committee is asked to recommend that the Board of Directors approve the proposed TransNet Environmental Mitigation Program Memorandum of Agreement (MOA) and authorize the Executive Director to sign the MOA on behalf of the agency.

+4. Regional Housing Needs Assessment Update (Seth Litchney) | Information |
Staff will present an update on the development of the Regional Housing Needs Assessment Plan for the San Diego region.

+5. Metropolitan Transit System Joint Development Program (Sharon Cooney, Metropolitan Transit System) | Information |
Sharon Cooney, Metropolitan Transit System (MTS), will provide an overview of MTS Board Policy No. 18, which guides the MTS Joint Development Program.

6. 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.
7. Upcoming Meetings
   The next Regional Planning Committee meeting is scheduled for Friday, March 1, 2019, at 12:30 p.m.

8. Adjournment

+ next to an item indicates an attachment
December 7, 2018, Regional Planning Committee Meeting Minutes

Chair Mary Salas (South County) called the meeting of the Regional Planning Committee to order at 12:33 p.m.

1. Approval of Meeting Minutes (Approve)

Action: Upon a motion by Mayor David Zito (North County Coastal) and a second by Vice Chair Kristine Alessio (East County), the Regional Planning Committee approved the minutes from its November 2, 2018, meeting. Yes: Chair Salas, Vice Chair Alessio, Supervisor Ron Roberts (County of San Diego), Mayor Zito, and Mayor Sam Abed (North County Inland). No: None. Abstain: None. Absent: City of San Diego.

2. Public Comments/Communications/Member Comments

Chair Salas thanked Regional Planning Committee Members Mayor Abed, Supervisor Roberts and Councilmember Zapf for their service at the Regional Planning Committee.

Consent

3. TransNet Environmental Mitigation Program Land Management Grant Program Quarterly Update and Amendment Request (Approve)

Action: Upon a motion by Mayor Abed and a second by Supervisor Roberts, the Regional Planning Committee approved a six-month extension for the San Diego Audubon Society’s Silverwood Sanctuary Project (Contract No. 5004951) under the TransNet Environmental Mitigation Program Land Management Grant Program. Yes: Chair Salas, Vice Chair Alessio, Councilmember Lorie Zapf (City of San Diego), Supervisor Roberts, Mayor Zito, and Mayor Abed. No: None. Abstain: None. Absent: None.

4. TransNet Smart Growth Incentive Program and Active Transportation Grant Program: Quarterly Status Update (Information)

This report provided an overview of progress made by TransNet Smart Growth Incentive Program and Active Transportation Grant Program recipients.

Action: This item was presented for information.

Reports

5. Regional Plan Performance Monitoring Report (Approve)

Seth Litchney, Senior Regional Planner, presented this item.

Jon Gardner, a member of the public, spoke about various transportation matters.

Action: Upon a motion by Mayor Abed and a second by Councilmember Zapf, the Regional Planning Committee approved the release of the draft 2018 Regional Plan Performance Monitoring Report for public review. Yes: Chair Salas, Vice Chair Alessio, Councilmember Zapf, Supervisor Roberts, Mayor Zito, and Mayor Abed. No: None. Abstain: None. Absent: None.
6. SANDAG Regional Electric Vehicle Charging Program (Information)

Susan Freedman, Senior Regional Planner, presented an update on development of the SANDAG Regional Electric Vehicle Charging Program.

Jon Gardner, a member of the public, spoke about various electric vehicle charging matters.

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

7. SANDAG Roadmap Program – Project Highlight: City of Carlsbad (Information)

Anna Lowe, Regional Planner, and Mike Grim, City of Carlsbad, presented an overview of a Feasibility Study that was funded through the SANDAG Roadmap Program for the City’s Public Safety and Service Center Complex.

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

8. Continued Public Comments

There were no continued public comments.

9. Upcoming Meetings

The meeting originally scheduled for Friday, January 4, 2019, has been cancelled. The next Regional Planning Committee meeting is scheduled for Friday, February 1, 2019, at 12:30 p.m.

10. Adjournment

Chair Salas adjourned the meeting at 1:48 p.m.
### Confirmed Attendance at SANDAG Regional Planning Committee Meeting

December 7, 2018

<table>
<thead>
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<th>Jurisdiction</th>
<th>Name</th>
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<tr>
<td>City of San Diego</td>
<td>Lorie Zapf</td>
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<td>Mark Kersey</td>
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<td>County of San Diego</td>
<td>Ron Roberts</td>
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<td>Greg Cox</td>
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<td>East County</td>
<td>Kristine Alessio, Vice Chair</td>
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<td>North County Coastal</td>
<td>David Zito</td>
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<td>Sam Abed</td>
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<td>John Aguilera</td>
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<td>South County</td>
<td>Mary Salas, Chair</td>
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<td>Carrie Downey</td>
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#### Advisory Members

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<td>Caltrans, District 11</td>
<td>Cory Binns</td>
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<td>Ann Fox</td>
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<td>Metropolitan Transit System</td>
<td>Ronn Hall</td>
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<td>North County Transit District</td>
<td>Dave Drucker</td>
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<td>Port of San Diego</td>
<td>Ann Moore</td>
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<td>Regional Planning Technical Working</td>
<td>Karen Brindley</td>
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<td>San Diego County Water Authority</td>
<td>Ed Gallo</td>
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<td>Eric LaChappa</td>
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<td>Steve Chung</td>
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<td>Mary Beth Dreusike</td>
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<td>Michelle Lynch</td>
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<td>Susan Wynn</td>
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<tr>
<td>Ex-Officio</td>
<td>Steve Vaus, Board Vice Chair</td>
<td>Member</td>
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TransNet Environmental Mitigation Program: Annual Status Report and Implementation Actions

Overview

The TransNet Extension Ordinance and Expenditure Plan, approved by voters in 2004, includes the Environmental Mitigation Program, which provides funding to mitigate habitat impacts from regional and local transportation projects and provides funding for regional land management and biological monitoring.

On February 22, 2008, the Board of Directors authorized a Memorandum of Agreement with Caltrans, U.S. Fish and Wildlife Service, and the California Department of Fish and Wildlife to establish a process to implement the goals of the TransNet Environmental Mitigation Program over a ten-year period.

Key Considerations

Since its inception in 2008, the TransNet Environmental Mitigation Program has played a vital role in habitat conservation, scientific research, and land management across San Diego County. To date, 40 sites have been preserved, totaling 8,780 acres of land. Attachment 1 provides key achievements of the TransNet Environmental Mitigation Program, with a focus on work completed in FY 2018 that includes;

• Habitat Conservation – In June of 2018, SANDAG completed the acquisition of 111 acres of undeveloped land for preservation in Carmel Valley.
• Scientific Research – On-going research on golden eagles is being used to understand how eagles are using the regional open space preserve system.
• Environmental Stewardship – In 2018, a grant-funded project, documented juvenile southwestern pond turtles (a state species of concern) at Sycuan Peak Ecological Reserve for the first time, due in part to the removal of invasive species, which feed on the juvenile turtles.
• Regional Coordination – Established in 2008, the San Diego Management and Monitoring Program, continues to coordinate science-based biological management and monitoring of lands in San Diego County, and has collectively partnered with over 115 organizations and has been involved with over 68 restoration projects covering 12,600 acres of land.

Next Steps

Item 3B is a proposed new Memorandum of Agreement outlining the implementation of the TransNet Environmental Mitigation Program for the next ten years.

Charles “Muggs” Stoll, Director of Land Use and Transportation Planning

Key Staff Contacts: Kim Smith, (619) 699-6949, kim.smith@sandag.org
Keith Greer, (619) 699-7390, keith.greer@sandag.org

Attachment: 1. TransNet Environmental Mitigation Program 2018 Status Report
**Habitat Conservation**

The open space conserved by the EMP helps to expand existing parks and preserves and create continuous wildlife corridors that benefit a variety of animal species, including the coastal California gnatcatcher, Ridgway’s rail, Hermes copper butterfly, Least Bell’s vireo, arroyo toad, mountain lion, burrowing owl, coastal cactus wren, and plants such as the Otay Mesa mint. The land acquisitions are located in strategic areas countywide, helping to close gaps between conserved areas.

In its early years, the EMP focused on acquisition of uplands. Focus has shifted to the acquisition and restoration of wetlands, including coastal lagoons identified under the North Coast Corridor Public Works Plan. Additional efforts will aim to identify and restore freshwater wetlands.

**Overview**

Since its inception in 2008, the TransNet Environmental Mitigation Program (EMP) has played a vital role in habitat conservation, scientific research, and land management across San Diego County.

Through the TransNet EMP, the San Diego Association of Governments (SANDAG) purchases, conserves, and restores native habitat to offset potential impacts from the development of transportation projects. TransNet, a regional half-cent sales tax for transportation approved by San Diego County voters, sets aside $850 million to fund the EMP. The TransNet Independent Taxpayer Oversight Committee closely monitors program expenditures to ensure public accountability.

As of January 2019, the EMP has helped acquire 8,780 acres of valuable open space in partnership with other government agencies and conservation groups. The program also has provided 117 grants to local organizations and jurisdictions for land management efforts, such as native habitat restoration and invasive species removal.

**Accomplishments**

40 sites preserved
8,780 total acres preserved by TransNet EMP and partners
5,421 acres preserved by TransNet
$161 million (including leveraged funds) in open space investments
$41 million in leveraged funds from conservation partners
117 land management grants totaling $16.6 million awarded to local organizations

To see pictures and locations of all the land acquisitions, check out the TransNet interactive story map on KeepSanDiegoMoving.com.

Videos of conservation projects also are available on the same website.

An eight-episode mini web series on California Mountain Lions is also available on Youtube. https://youtu.be/MGEdiCLPOGs

**Scientific Research**

EMP funds are making it possible for scientists to conduct a host of cutting-edge field studies in the San Diego region. These studies include regional monitoring of coastal California gnatcatchers across the U.S. range, including a separate study to determine how well gnatcatchers are recovering from the 2003, 2007, and 2014 wildfires in San Diego County. These studies have identified characteristics of habitat used by gnatcatchers to guide coastal sage scrub restoration by land managers.

A five-year study is being completed to determine how habitat quality, drought, predation, insect food supply, and other factors are affecting cactus wren reproduction and population size. This study along with genetic testing will help to reverse the decline of coastal cactus wren.

**How big is 8,780 acres?**

Preserved by TransNet EMP and partners

8,780 acres

San Diego Zoo
160 acres

City of Solana Beach
2,003 acres

Mission Bay Park
4,600 acres

Accomplishments as of January 2019

Development of a region-wide monitoring strategy for the arroyo toad will help coordinate future regional surveys and priority objectives for land managers.

Telemetry research on golden eagles is being used to develop habitat selection models related to land use and terrain.
Environmental Stewardship

EMP grants support land management activities, coordination, and collaboration across the region. Activities funded by the grants include but are not limited to invasive plant removal, trail restoration, protective fencing, habitat restoration, and monitoring of animals and plants.

In 2018, photos of basking juvenile southwestern pond turtles were documented at Sycuan Peak Ecological Reserve. The U.S. Geological Survey has been removing invasive species at this location to promote the continued existence of these species with EMP funding.

Invasive plants, which adversely affect the nesting sites for the California least tern and other rare plant species such as Nuttall’s lotus, were removed by volunteers from the sand dunes at Mission Bay funded by an EMP grant to the San Diego Audubon.

The annual monitoring of over 30 rare plant species continues with workshops held to train land managers and land owners on rare plant monitoring protocols. These surveys are used to create a monitoring baseline to track future changes for these species and prioritize management needs.

Regional Coordination

As part of the EMP, a working group of land managers and conservationists meet regularly to discuss regional environmental issues, share insights and findings with each other, and collaborate on strategic planning for species and habitat management.

In addition, the EMP established the San Diego Management and Monitoring Program (SDMMP) in 2008 to coordinate science-based biological management and monitoring of lands in San Diego County that have been protected through various conservation planning and mitigation efforts. The SDMMP works collaboratively with over 115 partner organizations, many of which own conserved lands, to create more efficient strategies for managing and monitoring plants and animals. These partners include local, state and federal government agencies, non-profit organizations, and research and education organizations.

115 partner organizations, including 14 research and education, 32 government and wildlife agencies, and 69 NGOs.

Over 1,800 documents are available on the SDMMP website, including the Management & Monitoring Strategic Plan.

132 projects submitted to the website from 16 collaborators. SDMMP has been involved with over 68 restoration projects covering 12,600+ acres.

Over 500 geographic datasets gathered and formatted for stakeholder use. Over 1,000 rare plant surveys stored in a uniform database.

Held over 27 trainings and workshops for land managers, researchers, and policy makers, as well as over 80 monthly Management and Monitoring Coordination Meetings.
Regional Planning Committee

February 1, 2019

TransNet Environmental Mitigation Program: New Memorandum of Agreement

Overview

In March 2008, the Board of Directors entered a Memorandum of Agreement (MOA) with Caltrans, the U.S. Fish and Wildlife Service, and the California Department of Fish and Wildlife for the implementation of the TransNet Environmental Mitigation Program. The MOA was amended in August 2013 to clarify the economic benefit provisions of the Environmental Mitigation Program. To help guide future work, SANDAG has been working with its partner agencies to develop a new MOA; the previous version expired in February 2018.

Key Considerations

The 2008 MOA was used as a starting point to initiate discussion regarding the new MOA. Included in Attachment 1 are the proposed changes to clarify points that arose over the first ten-years, which are shown in red text.

The proposed MOA would support implementation of the TransNet Environmental Mitigation Program for the next ten years and clarifies the flow of funds for transportation mitigation, as well as regional land management and biological monitoring.

In particular, it would:

- Extend the MOA for another ten years – through FY 2029.
- Continue funding for the Habitat Conservation Fund, including the San Diego Management and Monitoring Program at the same level ($4 million annually) for the next ten years.
- Capture all the Board actions approved during the first ten years into the MOA as attachments.
- Update the timing and release of funding related to a provision of the TransNet Environmental Mitigation Program referred to as Economic Benefit.

Fiscal Impact:
The TransNet Environmental Mitigation Program provides $4 million dollars annually in TransNet funding for regional land management and monitoring.

Schedule/Scope Impact:
The proposed TransNet Environmental Mitigation Program Memorandum of Agreement would be effective through FY 2029.


Environmental Mitigation Program Working Group

The Environmental Mitigation Program Working Group discussed the proposed MOA at its November 2018 meeting and recommended approval of the proposed MOA at its January meeting with the modifications, as shown on Attachment 1, page 7, to clarify when written authorization was required from the federal and state wildlife agencies.

Action Requested: Recommend

The Regional Planning Committee is asked to recommend that the Board of Directors approve the proposed TransNet Environmental Mitigation Program Memorandum of Agreement (MOA) and authorize the Executive Director to sign the MOA on behalf of the agency, in substantially the same form as shown in Attachment 1.
Next Steps

Execution of the new MOA would allow continuation of the TransNet Environmental Mitigation for regional land management and biological monitoring for the next ten years.

Charles “Muggs” Stoll, Director of Land Use and Transportation Planning

Key Staff Contacts: Kim Smith, (619) 699-6949, kim.smith@sandag.org
Keith Greer, (619) 699-7930, keith.greer@sandag.org

Attachment: 1. Draft Memorandum of Agreement
Memorandum of Agreement (MOA XXXX) among the San Diego Association of Governments (SANDAG), the California Department of Fish and Wildlife (CDFW), the California Department of Transportation (Caltrans), and the United States Fish & Wildlife Service (USFWS) (collectively “the signatories”) Regarding the Mitigation for Transportation Projects Under the TransNet Extension Ordinance Environmental Mitigation Program

WHEREAS, the San Diego Association of Governments (SANDAG), as the designated Regional Transportation Planning Agency, is required to prepare a Regional Transportation Plan (RTP) for the San Diego region pursuant to Section 65080 of the Government Code;

WHEREAS, in October 2015, the SANDAG Board of Directors adopted San Diego Forward: The Regional Plan (2015 Regional Plan) as the regional RTP;

WHEREAS, the RTP includes a list of transportation network improvements and other transportation policies and programs that are intended to improve the mobility of people and goods throughout the region which are further clarified in the Regional Transportation Improvement Program (RTIP), which covers five fiscal years and was most recently adopted in 2016;

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

WHEREAS, the TransNet Extension Ordinance was approved by the voters on November 2, 2004;

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

WHEREAS, in January 2005, the SANDAG Board approved a set of projects for accelerated implementation referred to as the TransNet Early Action Program (EAP);

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

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

WHEREAS, proactive mitigation of transportation projects would provide an opportunity to implement the TransNet EMP by providing opportunities for early large-scale conservation, permit streamlining, and certain cost savings;
WHEREAS, the need for biological monitoring and management of the habitat preserve areas is critical to maintain habitats and ecosystem processes for the persistence and resilience of native flora and fauna;

WHEREAS, the signatories to this MOA agree that SANDAG will continue to include updates to funding for the biological mitigation of transportation projects to implement the currently adopted RTP, and additional funding for regional management and monitoring to implement the Regional Management Strategic Plan;

WHEREAS, the TransNet Extension Ordinance contains the provision that the EMP could yield an economic benefit of $200 million (estimated in 2002 dollars) through the benefits of incorporating specified regional and local transportation projects into applicable habitat conservation plans, thereby allowing mitigation requirements for covered species to be fixed, and allowing mitigation requirements to be met through purchase of land in advance of need in larger blocks at a lower cost;

WHEREAS, on March 19, 2008, SANDAG, the California Department of Transportation (Caltrans), the United States Fish and Wildlife Service (USFWS), and the California Department of Fish and Wildlife (CDFW) entered into a MOA regarding the mitigation for transportation projects under the TransNet Extension Ordinance EMP;

WHEREAS, on September 26, 2008, the SANDAG Board approved the attached process and criteria for SANDAG staff to utilize in evaluating and acquiring mitigation lands under the TransNet EMP, included as part of the Construction and Mitigation Strategy (CMS) shown in Attachment A;

WHEREAS, in October 2011, the Governor of California signed Senate Bill 468, which states that “SANDAG shall commit to dedicate a portion of the TransNet Regional Habitat Conservation Fund for regional habitat acquisition, management, and monitoring activities necessary to implement habitat conservation plans based on the estimated economic benefits derived from permitting and approval efficiencies on the north coast corridor project as a result of the procedures of this section, with that funding to be released by SANDAG in phases based upon the proportion of project work that has been issued permits, consistency reviews, or other applicable approvals, and in accordance with any other criteria as deemed appropriate by SANDAG taking into account the purpose and intent of TransNet”;

WHEREAS, in August 2013, the signatories amended the MOA originally signed in March 2008, to clarify the process and phasing of the release of economic benefit funding utilizing the existing process identified in the original MOA and subsequent SANDAG Board actions;

WHEREAS, the signatories have determined that entering into this MOA does not constitute a project as that term is used in the California Environmental Quality Act (CEQA), California Public Resource Code section 21000, et seq., that entering into this MOA does not constitute a major federal action significantly affecting the human environment as those terms are used in the National Environmental Policy Act (NEPA), 42 U.S.C. section 4321, et seq., and that CEQA and NEPA compliance are conditions precedent to any signatory being committed to carry out any obligations set forth in this MOA for which such compliance is required;

1 The Regional Management Strategic Plan is a comprehensive plan to promote the management and monitoring of at-risk native species and their habitat in the San Diego region.
NOW THEREFORE, BE IT RESOLVED that the signatories agree as follows:

1. The signatories agree to continue to implement the CMS (Attachment A, and incorporated by reference as if fully restated here) as the method for identifying priority habitat acquisition, creation, and restoration opportunities that will be designed to fully mitigate the range of anticipated wildlife habitat, natural communities, fisheries, and sensitive species\(^2\) impacts resulting from projects in the currently adopted RTP, as well as for local transportation projects that are funded through TransNet. The CMS aligns the estimated impacts of these transportation project(s) to mitigation opportunities, which are intended to be the basis for determining subsequent agreements identified under Section 7 below, and the parties agree that such agreements may provide regulatory assurances under the authority and jurisdiction of the signatory agencies.

2. SANDAG agrees to continue to include in future budget updates, a cash flow for mitigation of TransNet regional and local transportation projects totaling no less than $440 million (nominal dollars) through the expiration of this MOA pursuant to a SANDAG-approved budget that can be amended through an annual process.

   Funding can be used for: (1) acquisition; (2) restoration and enhancement; and (3) monitoring and management, as required to meet each transportation project’s full mitigation needs. Funds not utilized in any given year could be rolled over into the next fiscal year. Borrowing to the degree necessary to meet this objective would be implemented consistent with the adopted Plan of Finance (POF), with debt service to be paid from annual EMP revenues. Up to $82 million in interest-free fund transfers from transportation categories could be provided as a loan to finance the early acquisitions. Additionally, $30 million in debt-service assistance as identified in the TransNet Extension Ordinance also could be provided. Interest-free fund transfers from transportation project categories could be allowed in such a way that transportation projects are not delayed. Such transferred funds would be returned for use on transportation projects by the end of the TransNet Extension in 2048.

3. SANDAG has allocated $4 million a year, starting at the beginning of FY 2008 and will continue to allocate this amount annually until the end of FY 2029 to be used for regional management and monitoring. The source of the funds allocated for regional management and monitoring are attributed to the Regional Conservation Fund as described in TransNet Extension EMP Principle 4.

4. SANDAG will continue to provide an annual report analyzing the status and progress of the MOA in implementing the goals of the TransNet EMP for presentation to the SANDAG Board.

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\(^2\) Sensitive species are generally those that have been covered, or are anticipated to be covered, by approved or in progress Natural Communities Conservation Program (NCCP)/Habitat Conservation Program (HCP) planning efforts.
5. The signatories agree to evaluate and SANDAG would modify, if necessary, the POF no later than ten years after execution of this MOA to accommodate any insufficiencies identified in the tri-annual Independent Taxpayer Oversight Committee performance audit, SANDAG Audit Committee recommendations, and/or ten-year TransNet comprehensive review to address potential variations in funding, changes to the adopted RTP, and changes to the CMS.

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

   a. Advanced Permittee Responsible Mitigation Agreements (e.g. Interstate 5 North Coast Corridor Agreement)

   b. Letter of Concurrence and Commitments (e.g., Sage Hill agreement)

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

   d. Advanced Conservation Banking Agreement (e.g., Hidden Valley Memorandum of Understanding [MOU])

   e. Programmatic Consultation (e.g., Rail Corridor from Orange County to Oceanside)

   f. Early Federal Endangered Species Act Section 7 Consultation

   g. Project(s) Specific Agreement(s)

   h. Natural Community Conservation Plan/Habitat Conservation Plan NCCP/HCP

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

   j. Regional Conservation Investment Strategy

7. The focus of the initial mitigation efforts under this CMS will be on those projects identified in the latest adopted RTP and approved by the SANDAG Board. The focus will be on projects identified as EAP projects followed by other regional projects included in the RTP. Mitigation opportunities for the remaining transportation projects will be initiated if the signatories of this MOA agree that an environmental mitigation opportunity has arisen to satisfy a non-EAP project consistent with Section 2 above.
8. SANDAG will work with the local jurisdictions to identify the mitigation needs for local transportation projects identified in the most currently adopted RTIP and utilize existing lands acquired for local streets and roads or assist the jurisdictions with acquisition, restoration and management to meet their mitigation needs. Existing credits are currently memorialized in the Conservation Credit Agreement dated November 25, 2014. Mitigation lands for local streets and roads projects will occur in the permitted subarea plan or with written approval of the United States Fish and Wildlife Service and the California Department of Fish and Wildlife (Wildlife Agencies) within the associated subregional NCCP plan area, with written approval of the Wildlife agencies.

9. Economic Benefit will be released in accordance with the implementation policies identified in Attachment C of this MOA or a similar mutually agreed upon methodology developed over the life of the MOA, after repayment of the debt financing has been fulfilled on existing bonds issued to promote advance mitigation during the first ten years of the program.

10. The mitigation requirements for each project(s) will be addressed on a case-by-case basis and incorporated into a specific agreement pursuant to Section 6 above to be executed by the signatories. The signatories hereto intend that if a project(s) conforms to the scope, general alignment, and biological effects analysis described in an executed agreement pursuant to Section 6 above, no additional compensatory mitigation to satisfy the Federal Endangered Species Act (ESA), the California Endangered Species Act (CESA), the California NCCP, or Fish and Game Code section 1600 et seq., are anticipated; however, final determination of project impacts and necessary mitigation will be determined through applicable statutory permitting processes. The parties agree to follow the CMS process for identification and acquisition of mitigation property as described in Attachment A of the MOA.

11. Each project will be reviewed by the Wildlife Agencies through applicable statutory and regulatory processes. In addition, the Wildlife Agencies will determine each project’s consistency with executed agreements. The Wildlife Agencies will contact, in writing, the signatories within 60 days of receipt of the SANDAG request for concurrence regarding conformance with the executed agreements. If the project does not conform, the Wildlife Agencies will identify necessary actions required for consistency with the approved agreement(s). For projects that conform to the approved agreements, the Wildlife Agencies will expedite issuance of the permits, as staffing resources allow. Notwithstanding this section or any other provision of this MOA, nothing in this MOA is intended or will be interpreted to pre-determine the outcome of any applicable statutory and regulatory processes under ESA, NEPA, CEQA, NCCP, or other applicable federal or state laws.

12. Principals of federal or state “Safe Harbor” agreements pursuant to 50 CFR §§ 17.22(c) and at 17.32(c), or Section 2089 of California Fish and Game Code, may be included, as appropriate, and as determined by the relevant parties, in any agreement that improves resources in advance of project impacts for resources that may be affected by the transportation project (e.g., coastal lagoon restoration).
13. Local jurisdictions with approved NCCP/HCPs and incidental take authorizations/exemptions that include local transportation projects as covered activities, have received regulatory assurances regarding mitigation for such projects, as provided for in the federal No Surprises Rule (e.g., cities of Chula Vista, San Diego, La Mesa, Poway, Carlsbad, and the County of San Diego). Other jurisdictions may obtain such assurances for covered transportation projects upon approval by the Wildlife Agencies of their NCCPs/HCPs and issuance of corresponding incidental take authorizations.

14. Mitigation for projects identified in Attachment B may be substituted for other TransNet projects as identified in the most recently adopted RTP. Substituted projects must have impacts equal to or less than the original project and the exchange must be approved by the Wildlife Agencies. The amount of use of mitigation credits would be addressed by subsequent agreements as identified in Section 6 above.

15. The Wildlife Agencies will actively cooperate with SANDAG and Caltrans during the permitting process for TransNet projects impacting wetlands, and waters of the United States, which are regulated by the U.S. Army Corps of Engineers, EPA, Regional Water Quality Control Board, and/or CDFW through wetland banking agreements, master streambed alteration agreements, regional general permits, or mechanisms, as appropriate. The signatories support wetland creation, where appropriate and feasible, and restoration projects for use as advance mitigation and, as appropriate will mutually assist with identifying and/or obtaining funding for planning and permitting of the creation and restoration projects.

16. USFWS will support and, if appropriate, present the federal Consistency Determination for federal projects to the California Coastal Commission for coastal wetland restoration agreement(s) provided USFWS determines the projects meet the Consistency Determination requirements under federal and state law.

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

18. The signatories agree in good faith to expend the technical, and staff resources necessary to implement the provisions of this MOA. However, nothing in this MOA shall be construed as obligating the signatories to expend funds, or for the future payment of money, in excess of appropriations authorized by law, nor does this MOA pre-determine the outcome of any future statutory or regulatory process under federal or state law or the execution of further agreements between the signatories. In addition, nothing in this MOA will be construed to establish a limit on the funds necessary to provide mitigation as required under the ESA and the CESA, or any other applicable law or regulation; all mitigation costs set forth in this MOA, including Attachments A and B, and the documents referred to herein are estimates only.
19. The signatories agree to review and modify this MOA, if necessary, after ten years from its execution by all signatories based upon its performance in providing advanced mitigation, enhanced project delivery, and overall availability of TransNet funding. Based upon the results of this review, all signatories retain the right to obtain mitigation of individual projects on a project-by-project basis pursuant to Section D and Principle 11 of the TransNet Extension Ordinance, the ESA, and the CESA.

20. Nothing in this MOA shall supersede those provisions adopted by the voters in November 2004 under the TransNet Extension Ordinance.

21. Any notice required or permitted under this MOA may be personally served on another party, by the party giving notice, or may be served by certified mail, return receipt requested, to the following addresses:

   For SANDAG: For USFWS:
   401 B Street, Suite 800 2177 Salk Avenue, Suite 250
   San Diego, CA 92101 Carlsbad, CA 92008
   Attention: Hasan Ikhrata Attention: Field Supervisor

   For CDFW: For Caltrans:
   3838 Ruffin Road 4050 Taylor Street
   San Diego, CA 92123 San Diego, CA 92110
   Attention: Ed Pert Attention: Cory Binns

22. That unless it is amended by the parties in writing, this MOA shall terminate ten years after execution of this agreement, or on such earlier or later date as the parties may agree to in writing. This MOA shall continue in effect unless and until a party to the MOA gives 60 days written notice of its desire to withdraw from the MOA. If such notice is given, the MOA shall continue to be binding on those parties who have not formally withdrawn.

23. No Member of Congress shall be entitled to any share or part of this Agreement, or to any benefit that may arise from it.

24. This MOA shall be interpreted in accordance with the laws of the State of California and applicable federal laws.

25. All terms, conditions, and provisions hereof shall inure to and shall bind each of the parties hereto, and each of their respective successors, and assigns.

26. For purposes of this MOA, the relationship of the parties is that of independent entities and not as agents of each other or as joint venturers or partners. The parties shall maintain sole and exclusive control over their personnel, agents, consultants, and operations.

27. No alteration or variation of the terms of this MOA shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.

28. Nothing in the provisions of this MOA is intended to create duties or obligations to or rights in third parties to this MOA, to accord to any third party a right to sue pursuant to this MOA, or to affect the legal liability of the parties to this MOA to third parties.
29. This MOA may be executed in any number of identical counterparts, each of which shall be
deemed to be an original, and all of which together shall be deemed to be one and the
same instrument when each party has signed one such counterpart.

IN WITNESS WHEREOF, the Parties hereto have executed this MOA effective on the day and
year first above written.

SAN DIEGO ASSOCIATION OF GOVERNMENTS

HASAN IKHRATA
Executive Director

CALTRANS

CORY BINNS
District 11 Director

UNITED STATES FISH AND WILDLIFE SERVICE

Carlsbad Fish and Wildlife Service
Field Supervisor

ED PERT
Deputy Director

CALIFORNIA DEPARTMENT OF FISH
AND WILDLIFE

Attachments: A. TransNet Conservation and Mitigation Strategy
            B. Estimated Mitigation Need and Cost by Project
            C. TransNet Economic Benefit Implementation Policy Points
**TransNet Conservation and Mitigation Strategy**

The goal of the TransNet Conservation and Mitigation Strategy (CMS) is to: (1) identify conservation opportunities for habitat acquisition, creation, and restoration that promotes regional habitat conservation planning; and (2) align these opportunities in such a way to fully mitigate the range of potential wildlife habitat, natural communities, fisheries, and sensitive species impacts resulting from transportation projects in the currently adopted Regional Transportation Plan (RTP) pursuant to Section 14 of the TransNet EMP Memorandum of Agreement (MOA).

A. **Identification of Conservation Opportunities**

The United States Fish and Wildlife Service and the California Department of Fish and Wildlife (Wildlife Agencies) will partner with SANDAG and Caltrans to identify conservation opportunities that promote the regional conservation of biodiversity, thereby implementing San Diego’s regional habitat plans that have been adopted (or will be adopted) under the Natural Community Conservation Planning Act (NCCP), and as Habitat Conservation Plans (HCPs) under the Endangered Species Act. Implementation of these NCCPs/HCPs will collectively promote San Diego Forward: The Regional Plan’s (2015 Regional Plan) policy objectives to, “focus growth in areas that are already urbanized, allowing the region to set aside and restore more open space in our less developed areas,” and “protect and restore our region’s urban canyons, coastlines, beaches and water resources,” and also will provide certainty and streamlined regulatory permitting of future transportation projects.

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

In assisting with the development of the conservation opportunities, the Wildlife Agencies will use the basic fundamental tenets of habitat reserve design based upon the recommendations of the NCCP scientific advisors¹, and specific objectives² based upon the current needs of the regional NCCPs/HCPs, as well as the opportunities to leverage TransNet funds with non-TransNet funding. While the fundamental tenets will not change over time, the objectives will be subject to periodic reassessments as the regional NCCP/HCP matures.

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² Specific objectives could include, as examples, preservation of vernal pool and maritime succulent scrub habitat, restoration of quino checkerspot butterfly and burrowing owl habitat, and creation of coastal wetland habitat.
B. **Alignment with Regional Transportation Plan Mitigation Needs**

Based upon a review of the projects in the most currently adopted RTP and current Regional Transportation Improvement Program (RTIP), and the estimated impacts (Attachment B), as amended, the Wildlife Agencies will partner with SANDAG and Caltrans, and other federal and state regulatory agencies, to align mitigation needs of the RTP project(s) with the identified conservation opportunities, with an emphasis on transportation projects belonging to the Early Action Program (EAP) and then to other projects. The conservation opportunity will meet the mitigation needs of the project(s) and be formalized in an appropriate agreement as identified in the MOA prior to the release of funds for acquisition of such property. The Wildlife Agencies will not mandate a specific opportunity as the required mitigation, but instead will provide a range of options for SANDAG and Caltrans to consider based upon cost, timeliness, and respect for private property rights, other state and federal regulatory requirements, and other considerations.

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

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

C. **TransNet**

The following process and criteria were adopted by the SANDAG Board of Directors on August 1, 2008, to guide SANDAG and Caltrans staff with the identification and acquisition of mitigation property when implementing the TransNet Environmental Mitigation Program (EMP). They will be used to implement the identification and acquisition of land under the EMP.

1. **Conservation and Mitigation Strategy**

   Compensatory mitigation for RTP projects will require the following general types of habitats: coastal wetlands, freshwater wetlands, and uplands. During the development of the TransNet EMP, a planning level estimate was made for the amount of acres to be acquired, restored, and managed for these habitat types and an estimated cost. In addition, depending on the number of regulatory permits and size of expenditures; various levels of assurances will be required. The following outlines the process and criteria for advanced mitigation; an illustrative flowchart is provided (see Section D.1). Those transportation projects included in the RTIP that have identified or are in the process of identifying environmental mitigation through various regulatory permitting processes are not subject to the process and criteria set out in this document, and therefore, will not be postponed.

3 Pursuant to the MOA, the RTP referenced in these guidelines is the 2015 Regional Plan. Projects may be substituted in future RTP updates following the provisions of Section 14 of the MOA.
2. Identification of Opportunities
   a. SANDAG, Caltrans, USFWS, and CDFG will work on identifying opportunities that meet the mitigation needs of future RTP projects per the MOA.
   b. The above agencies will be working with outside organizations (for example, local jurisdictions, nonprofits, private land owners, consultants) to identify opportunities and will develop a strategic alliance with the State Wildlife Conservation Board (WCB) and California State Coastal Conservancy (SCC) to leverage funding and achieve larger mutual goals while providing advanced mitigation for RTP Projects.

3. Strategy for Mitigation of Coastal Wetlands
   a. SANDAG, Caltrans, USFWS, and CDFG have agreed that the mitigation solution for the projects in the coastal zone will require a unique approach. The agencies, along with partners from the California Coastal Commission, SCC, U.S. Army Corps of Engineers, and local stakeholders have developed an Advanced Permittee Responsible Mitigation Agreement that complements the Public Works Plan for projects in the coastal Interstate 5 (I-5) Corridor. This approach consists of a strategy that looks at the existing ecological health of the coastal wetlands in San Diego County, and the opportunities for “ecological lift” by creation/restoration, enhancement, and capital improvement activities that improve the ecological functioning of the wetland. These activities will be assigned mitigation credits equivalent to the ecological lift resulting from the action compared to existing conditions of the wetlands. This may include acquisitions for the creation of wetlands where possible.
   b. Agreements will be entered into by SANDAG, Caltrans, and the regulatory agencies that comprise the Resource Enhancement Mitigation Program of the Public Works Plan/Transportation and Resource Enhancement Program for the I-5 North Coast Corridor to implement the Advanced Permittee Responsible Mitigation Agreement.
   c. Acquisition of property could occur prior to the signing of a new agreement provided that all parties agree in writing that the site would become part of the coastal wetland mitigation strategy and agree to the value of mitigation credits.

4. Strategy for Mitigation of Non-Coastal Wetlands and Uplands
   a. SANDAG and Caltrans will seek assurances through a wetland mitigation bank agreement, conservation agreement, or alternative agreements as determined to the satisfaction of SANDAG and Caltrans.
   b. A letter of concurrence and commitment from USFWS and CDFG stating that a property is suitable for mitigation will be required prior to an appraisal of the property.
c. It is the intent of SANDAG to have all assurances from the regulatory agencies in place prior to expenditures of any funds necessary for acquisition. SANDAG may rely upon a letter of concurrence and commitment from the Wildlife Agencies to secure the property in fee title, easement, option, or lease. Restoration, if necessary, would come after additional assurances (for example, mitigation bank agreement, approved restoration plans) from the regulatory agencies are in place.

D. Process and Criteria for Mitigation

SANDAG and Caltrans staff will pursue mitigation opportunities consistent with the strategies above and secure opportunities as illustrated in Section 3. Section 4 describes the criteria that will guide SANDAG and Caltrans staff in the acquisition of conservation opportunities. SANDAG and Caltrans staff will formalize in writing how the proposed acquisition/restoration of the proposed property conforms to these criteria.

Pursuant to Section 7 of the MOA, “the focus of the initial mitigation efforts under this CMS will be on those projects identified in the latest adopted RTP and approved by the SANDAG Board. The focus will be on projects identified as EAP projects followed by other regional projects included in the RTP. Mitigation opportunities for the remaining transportation projects will be initiated if the signatories of this MOA agree that an environmental mitigation opportunity has arisen to satisfy a non-EAP project . . .”
1. **Conceptual Implementation Flow Chart**

To be used for acquisition/restoration of properties for advanced mitigation.

Additional assurances are described in Section 6 of the MOA and include but are not limited to advance mitigation agreements, mitigation banks, and programmatic consultations.
2. *TransNet EMP Mitigation Evaluation Criteria*

   **a.** RTP Mitigation: The property will satisfy one or more RTP projects as identified in the MOA with a focus on projects identified as EAP followed by other regional projects in the RTP. Mitigation opportunities to meet other RTP projects and local street and road projects will be considered under the terms of the MOA. The regulatory agencies will be required to provide assurance in the form of a letter of concurrence and commitment that the land is adequate for mitigation prior to appraisal of the property. Additional assurance such as conservation or mitigation bank agreements may be required prior to execution of a purchase agreement and/or the restoration of the property.

   **b.** Jurisdictional Land Use Plans: Use of the site as habitat mitigation/open space is consistent with the long-range land use and transportation policies of one or more local jurisdictions. If the use of the site as habitat mitigation/open space is not consistent, the jurisdiction(s) does not object to the site being purchased for mitigation.

   **c.** Willing Seller: Owner of the property is a willing seller with clear title to the property and any hazardous material identified in a Phase I environmental site assessment has been evaluated and addressed.

   **d.** Appraisal: The property must be appraised by a qualified licensed appraiser in accordance with established acquisition and appraisal standards and the first written offer will reflect the fair market value of the property.

   **e.** Promotes Natural Community Conservation Planning: The proposed mitigation will contribute to the success of the San Diego regional NCCP by acquiring and restoring unique habitat areas, key populations of endangered species, lands adjacent to existing conserved habitat lands, and/or promoting wildlife linkages with the goal of establishing mitigation ratios in subsequent agreements pursuant to the adopted habitat conservation plans.

   **f.** Owner/Manager: Perpetual ownership of the land has been identified, as well as a qualified land manager. The identified owner is a public agency or nonprofit willing to provide a conservation easement or deed restriction to SANDAG or Caltrans upon transfer of title that contains a reversionary clause back to SANDAG or Caltrans if the land is not being managed and monitored pursuant to a Resource Management Plan acceptable to the Wildlife Agencies. SANDAG, Caltrans, and the land manager have agreed upon the annual cost to manage the land and the method for funding the annual management costs.
Cost: The cost of the mitigation is consistent with the estimates established under the TransNet Extension Ordinance as adjusted for inflation in the TransNet Plan of Finance. The Executive Director or designee shall have the authority to expend funds for mitigation up to 10 percent above the planning level estimates, subject to SANDAG Board Policy No. 017. Staff shall track and monitor any cost savings on a program-wide basis. The Executive Director shall have the authority to approve expenditures of funds for mitigation above 10 percent of the planning level estimates if there are enough cost savings accumulated on a program-wide basis to cover the expected costs as verified through an analysis prepared by staff and verified by the TransNet Program Manager. Expenditures for mitigation that exceed the planning level estimate or the appraised value of the property by 10 percent and above any accumulated programmatic cost savings would require approval by the SANDAG Board to proceed, subject to SANDAG Board Policy No. 017. SANDAG staff will track the expenditures and cost savings of the mitigation and provide an annual report to the Independent Taxpayer Oversight Committee and SANDAG Board with any recommendations for adjustments to ensure that the program-wide costs are consistent with the estimates established under the TransNet Extension Ordinance.
## Estimated Mitigation Need and Cost by Project

<table>
<thead>
<tr>
<th>Major Regional Projects</th>
<th>From</th>
<th>To</th>
<th>Coastal Wetlands</th>
<th>Non-Coastal Wetlands</th>
<th>Uplands</th>
<th>Estimated Mitigation Costs (TPMF)</th>
<th>Estimated Economic Benefit (EB)</th>
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**Notes:**

These projects are from the 2030 Regional Transportation Plan approved March 2003, which was in effect at the time of the TransNet Ordinance. Projects may change pursuant to future RTP updates approved by the SANDAG Board. Following the adoption of each new RTP the attachment will be revised.

TPMF – Transportation Project Mitigation Fund

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

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

Costs are in 2002 dollars.
TransNet Economic Benefit Implementation Policy Points

1. Economic Benefit consists of those funds that are generated by the mitigation of regional transportation projects and local streets and roads that occur in advance of permit needs that were estimated at $200 million in 2002. SANDAG tracks these funds in its Capital Improvement Project No. 1200300 Regional Habitat Conservation Fund.

2. Economic Benefit would be generated upon a transportation project(s) or phase of a larger project obtaining final regulatory sign off on all federal, state, and local permits, or equivalent consistency reviews or approvals required to develop the transportation infrastructure.

3. Potential Economic Benefit will be reduced by the allocation already approved by the SANDAG Board of Directors ($40 million) and any future allocations under this Memorandum of Agreement (MOA). The remaining Economic Benefit will be evaluated for release at the termination of this MOA when debt service for borrowing for the first ten years of the Environmental Mitigation Program (EMP) has been completed.

4. Economic Benefit for regional transportation projects will be derived by the proportionate amount of actual mitigation cost for the project divided by the total mitigation cost provided under the EMP for all projects and then multiplied by remaining economic benefit. Larger projects developed in phases would release their economic benefit in proportion to the economic benefit calculated for the entire project.

5. Economic Benefit accrued for local streets and minor regional projects would be determined by the total cost of mitigation divided by the total available local street funds then multiplied by the remaining economic benefit.

6. Allocated Economic Benefit funds would be converted to the year of expenditure dollars by the SANDAG Board based upon using growth in TransNet revenues.

7. Economic Benefit can be used for regional habitat acquisition, management, and/or monitoring necessary to implement the regional habitat conservation plans utilizing the established SANDAG processes.

8. SANDAG will utilize the evaluation criteria contained in the CMS, which is Attachment A to the MOA.

9. A committee comprised of representatives from SANDAG, Caltrans, United State Fish and Wildlife Service, California Department of Fish and Wildlife, and U.S. Geological Survey would evaluate all proposals resulting from a call for projects for land acquisitions and provide their recommendation to the SANDAG Board using evaluation criteria approved by the SANDAG Board and the eligibility findings identified in Policy Point No. 8, above.

10. The EMP Working Group would make a recommendation to the Regional Planning Committee for any allocations of economic benefit funds proposed for regional management and monitoring. Economic Benefit funding for management and monitoring would be allocated by the SANDAG Board as part of the annual allocations of funding.
11. Economic Benefit would be calculated after debt service for borrowing for the first ten years of the EMP has been completed, and then as part of the Plan of Finance approval by the SANDAG Board. Economic Benefit would be released in phases so as not to impact the infrastructure improvements previously approved by the Board for design and/or construction. Any bonding required to fund Economic Benefit would be consistent with the TransNet Implementation Guidelines adopted by the SANDAG Board on September 24, 2004, which indicates that borrowing would be limited to $30 million and, to the degree needed, up to $82 million in “intra-program fund transfers from transportation categories.”
Regional Housing Needs Assessment Update

Overview

In July 2018, the Department of Housing and Community Development determined the San Diego region needs to plan for 171,685 housing units between 2021 and 2029. SANDAG is working with the local cities and county to prepare the Regional Housing Needs Assessment (RHNA) Plan, which will include the methodology for allocating these housing units to each jurisdiction in the region.

The methodology must comply with the RHNA objectives and factors outlined in state law (Attachment 1); however, it is up to the region to decide how each of the objectives or factors will be weighted as part of the methodology.¹

Key Considerations

At its September 2018 meeting, the Board of Directors provided direction and guidance on which RHNA objectives and factors were a priority in the development of the RHNA Plan. The Regional Planning Technical Working Group (TWG) and housing stakeholders discussed the objectives at a workshop in December 2018. Generally, the Board and TWG considered the following factors most relevant to the development of the RHNA Plan:

- Greenhouse gas reduction should be considered by locating housing near transit
- Jobs/housing should include an analysis of commute patterns, job wages, and high-traffic areas
- Smart Growth Opportunity Areas provide a basis for an infill/smart growth allocation
- Transit oriented development should include low-income housing and promote equity
- Technology and transportation demand management should be considered, especially with the changing nature of retail and the economy

The Board also has formed a RHNA Subcommittee to review and provide guidance on potential options for developing the RHNA Plan (Attachment 2). The RHNA Subcommittee will be chaired by the Board’s Vice Chair and include members of the Board.

¹ Recent state legislation (Senate Bill 828 [Wiener, 2018] and Assembly Bill 1771 [Bloom, 2018]) added a focus on fair housing and low-income jobs to the RHNA objectives and factors. SANDAG intends to comply with the new requirements in the upcoming RHNA Plan.
Next Steps

Attachment 3 includes the timeline for development of the RHNA Plan. After review by the Department of Housing and Community Development, the Board is scheduled to approve the RHNA Plan for planning purposes in October 2019. Local governments will have until April 2021 to update their housing elements and general plans to accommodate the housing unit allocations from the RHNA Plan.

Charles “Muggs” Stoll, Director of Land Use and Transportation Planning

Key Staff Contact: Seth Litchney, (619) 699-1943, seth.litchney@sandag.org

Attachments:
1. RHNA Plan Statutory Objectives and Factors
2. RHNA Subcommittee Charter
3. Timeline for Preparing the RHNA for the Sixth Housing Element Cycle
Regional Housing Needs Assessment Plan Statutory
Objectives and Factors

Objectives

Government Code Section 65584

(d) The regional housing needs allocation plan shall further all of the following objectives:

1. Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.

2. Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region’s greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.

3. Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.

4. Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.

5. Affirmatively furthering fair housing.

(e) For purposes of this section, “affirmatively furthering fair housing” means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

Factors

Government Code Section 65584.04

(e) To the extent that sufficient data is available from local governments pursuant to subdivision (b) or other sources, each council of governments, or delegate subregion as applicable, shall include the following factors to develop the methodology that allocates regional housing needs:

1. Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on the number of low-wage jobs within the jurisdiction and how many housing units within the jurisdiction are affordable to low-wage workers as well as an estimate based on readily available data, of projected job growth and projected household growth by income level within each member jurisdiction during the planning period.

2. The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following:
(A) Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.

(B) The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.

(C) Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis, including land zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts conversion to non-agricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts its conversion to non-agricultural uses.

(3) The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.

(4) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts its conversion to non-agricultural uses.

(5) The loss of units contained in assisted housing developments, as defined in paragraph (9) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.

(6) The percentage of existing households at each of the income levels listed in subdivision (e) of Section 65584 that are paying more than 30 percent and more than 50 percent of their income in rent.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(9) The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.

(10) The loss of units during a state of emergency that was declared by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2), during the planning period immediately preceding the relevant revision pursuant to Section 65588 that have yet to be rebuilt or replaced at the time of the analysis.

(11) The region’s greenhouse gas emissions targets provided by the State Air Resources Board pursuant to Section 65080.
(12) Any other factors adopted by the council of governments, that further the objectives listed in subdivision (d) of Section 65584, provided that the council of governments specifies which of the objectives each additional factor is necessary to further. The council of governments may include additional factors unrelated to furthering the objectives listed in subdivision (d) of Section 65584 so long as the additional factors do not undermine the objectives listed in subdivision (d) of Section 65584 and are applied equally across all household income levels as described in subdivision (f) of Section 65584 and the council of governments makes a finding that the factor is necessary to address significant health and safety conditions.
Subcommittee Charter
Regional Housing Needs Assessment Subcommittee

Purpose
The purpose of the Regional Housing Needs Assessment (RHNA) Subcommittee is to provide input and guidance to the Board of Directors regarding the RHNA Plan.

Line of Reporting
The RHNA Subcommittee is a subcommittee of the Board and will act in an advisory capacity to the Board. The Subcommittee has no decision-making authority.

The SANDAG Board will make all preliminary and final decisions on the RHNA Plan.

Responsibilities
The RHNA Subcommittee will review and provide input and guidance on potential policy and technical options for developing the RHNA methodology for allocation of housing units to each jurisdiction in the RHNA Plan. To develop its recommendation to the Board of Directors, the RHNA Subcommittee will explore options for how best to build consensus around a methodology that best achieves the goals of the Board and meets state law, and how to incentivize jurisdictions to implement the RHNA Plan.

Membership
The membership of the RHNA Subcommittee will be appointed by the Chair of the Board and will include Board members from each SANDAG subregion to reflect the diversity of geography, jurisdiction size, and other attributes of member jurisdictions.

Meeting Time and Location
The RHNA Subcommittee will meet at SANDAG as frequently as needed to achieve its responsibilities as determined by the RHNA Subcommittee Chair.

Selection of the Chair
The Chair of the RHNA Subcommittee shall be the Vice Chair of the Board. The Subcommittee Chair may appoint a Vice Chair as needed to help manage the group’s workload and responsibilities.

Duration of Existence
The work of the RHNA Subcommittee will conclude upon adoption of the RHNA Plan and any related incentives by the Board of Directors.
# Timeline for Preparing the Regional Housing Needs Assessment for the Sixth Housing Element Cycle

**February 2019**

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<td>February 2019</td>
<td>Regional Housing Needs Assessment (RHNA) Subcommittee and Regional Planning Technical Working Group (TWG) Refine RHNA Goals and Priorities</td>
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<td>March 2019 through May 2019</td>
<td>SANDAG develops the <strong>RHNA Plan</strong> (methodology and allocations) with the TWG, stakeholders, RHNA Subcommittee, Regional Planning Committee, and Board of Directors</td>
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<td>June/July 2019</td>
<td><strong>Draft RHNA Plan</strong> with recommended methodology and allocation released for public review</td>
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<td>October 2019</td>
<td>Board adopts <strong>RHNA Plan</strong> for planning purposes</td>
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<td>April 2021</td>
<td>Housing elements due by local jurisdictions</td>
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Regional Planning Committee

February 1, 2019

Metropolitan Transit System Joint Development Program

Overview

On October 11, 2018, the Metropolitan Transit System (MTS) Board of Directors approved and adopted updates to Board Policy No. 18, Joint Development Program.

The purpose of MTS Board Policy No. 18 is to identify and implement joint development opportunities that fulfill the functional needs of transit operations, while promoting increased transit utilization, and achievement of other community development objectives.

Sharon Cooney, MTS Chief of Staff, will discuss the updated policy and some potential applications around the San Diego region.

Muggs Stoll, Director of Land Use and Transportation Planning

Key Staff Contact: Keith Greer, (619) 699-7390, keith.greer@sandag.org
Attachment: 1. MTS October 11, 2019, Staff Report

Action Requested: Information
Sharon Cooney, Metropolitan Transit System (MTS), will provide an overview of MTS Board Policy No. 18, which guides the MTS Joint Development Program.

Fiscal Impact:
None
Schedule/Scope Impact:
None
Agenda Item No. 30

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS

October 11, 2018

SUBJECT:

REVISIONS TO BOARD POLICY NO. 18, “JOINT DEVELOPMENT PROGRAM”
(SHARON COONEY)

RECOMMENDATION:

That the Board of Directors approve and adopt the updated Board Policy No. 18, “Joint Development Program” (Attachment B).

Budget Impact

None at this time.

DISCUSSION:

In collaboration with the Board Chair, staff has been working on an update to Board Policy 18, “Joint Use and Development of Property”, a policy that was last updated in 2007. This policy guides staff’s efforts to develop and utilize property owned and acquired by the Board of Directors. The Executive Committee and the Board discussed revisions to Policy 18 at their meetings in September. Based on those discussions, a revised draft Policy 18 (Attachment B) is being recommended for approval.

/s/ Sharon Cooney for
Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, Sharon.Cooney@sdmts.com

Attachments: A. Current Board Policy No. 18
B. Proposed Revised Board Policy No. 18
SUBJECT: JOINT USE AND DEVELOPMENT OF PROPERTY

PURPOSE:

It is the intention of the MTS to extract the maximum benefits from and utilization of property owned and acquired by the Board consistent with transportation goals and community development objectives.

BACKGROUND:

Technical studies for the South Line and East Urban Corridor indicated that long-term demand was favorable for future joint development activity. The Board supported this conclusion by adopting design criteria that allows for joint development. Joint development of MTS property achieves four major goals:

1. Integration of transportation facilities into existing and proposed developments to meet community needs;
2. Promotion and enhancement of the use of public transportation;
3. Maximization of the recovery of public capital costs and increase of the return on public investment; and
4. Enhancement and protection of the transportation corridor and its environs.

POLICY:

Joint use and development on MTS rights-of-way will be carried out within the following criteria:

1. Projects shall be considered that do not negatively impact present or future public transportation facilities.
2. Projects shall be consistent with regional and local community policies and plans.
3. Projects must demonstrate a fiscal benefit to MTS.

4. Selection between projects will be based on those that can demonstrate:
   a. The greatest economic development potential to MTS and the community.
   b. Increased accessibility to public transportation.
   c. Responsiveness to community needs for housing, employment, services, or recreational facilities.

5. Projects are encouraged that provide rest rooms that are available to transit patrons and the general public.

The intent of these criteria is to foster competition and maximize the return to MTS to the fullest extent possible.

GUIDELINES AND PROCEDURES:

A. Project Proposal Evaluation

Development of property initiated by MTS shall use the standard Request for Proposals (RFP) procedure as set forth in the MTS Policy No. 52 as a general guideline for determining the appropriate process for soliciting the development proposal. Specific procedures for solicitation of each development proposal shall be decided by the Chief Executive Officer based on the nature of the development proposal to be solicited. The Chief Executive Officer may also utilize the services of industry professionals to assist in the solicitation process utilizing the procedures set forth in MTS Policy No. 52 to procure those services.

MTS may also receive unsolicited offers for development from private parties or other agencies. Any entity wishing to propose a joint use or joint development project shall present the proposal to the Chief Executive Officer. The Chief Executive Officer and staff, in consultation with local jurisdictions, will analyze the proposal using the guidelines set forth below. Proposal evaluation procedures and guidelines are as follows:

1. Initial Evaluation of Unsolicited Joint Development Proposals
   a. Proposals for joint development shall be submitted to the Chief Executive Officer along with sufficient information to allow MTS staff to adequately evaluate the proposal for further consideration. The proposal should demonstrate compatibility with the goals and development criteria set by the Board.
b. In addition, the proposal shall include information on the entity proposing the development that demonstrates its mission and vision, financial strength, development capability, successful partnerships and projects, and specific experience with transit oriented development.

c. The Chief Executive Officer will review the proposed project with local agencies having jurisdiction in the project area to determine jurisdictional and community acceptance and support.

d. The Chief Executive Officer shall have a minimum of 60 days in which to perform the initial evaluation and make a recommendation to the MTS Board of Directors to either enter into negotiations for an Exclusive Negotiation Agreement (ENA) with the developer, to reject the proposal, or to propose that additional proposals be solicited for the property development. Additional time may be required to make the determination depending on the complexity of the development proposal. The proposing entity will be notified in writing if additional time is required. If the Chief Executive Officer recommends the MTS Board of Directors enter into negotiations for an ENA without soliciting additional proposals, justification shall be presented to the MTS Board demonstrating the reasons why competition is not in the best interest of MTS.

2. Initial Evaluation of MTS-Solicited Development Proposals

The initial evaluation of MTS-solicited development proposals shall be pursuant to Policy No. 52 or by the procedure utilized by the Chief Executive Officer deemed appropriate based on the nature of the development proposal to be solicited. The evaluation criteria for proposals solicited by MTS shall include those used to evaluate unsolicited proposals. The criteria will be incorporated in the RFP process or other selection method utilized by the Chief Executive Officer.

3. Exclusive Negotiation Agreement

Upon authorization of the MTS Board, the Chief Executive Officer shall execute an ENA with the developer for a period of 180 days or such other term that is mutually acceptable to the parties.

a. Requirements of proposer/developer under the ENA:

   (1) Developer shall provide the Chief Executive Officer with a non-refundable "good-faith deposit," the amount of which shall be determined by staff based on past experience with similar projects, the total estimated value of the project, the estimated costs of necessary consultants, and the estimated length of negotiations. The amount shall be sufficient to cover reasonable expenses incurred by the Chief Executive Officer in carrying out the analysis of the
proposal including staff costs, consultant experts, legal fees, and other direct and indirect expenses incurred by MTS. Alternatively, staff may recommend a monthly rental fee, in lieu of a nonrefundable, good-faith deposit to compensate MTS for the use of its property during the negotiation period.

(2) Developer shall have 120 days or such other mutually agreed-upon duration to provide the Chief Executive Officer with the following information:

(a) A preliminary site plan showing building layout and dimensions, parking, landscaping, and access.

(b) Environmental analysis documents acceptable to MTS and to any other governmental entity that would require the environmental evaluation to approve the project pursuant to the California Environmental Quality Act (CEQA) and/or the National Environmental Policy Act (NEPA).

(c) Cost estimates and project data for the proposal in sufficient detail to permit adequate financial analysis by the Chief Executive Officer. MTS will seek a return on its investment consistent with the market value of the property as determined by a professional appraiser approved by MTS. The Chief Executive Officer shall also have the latitude to recommend a higher or lower rate of return depending on the input from industry experts and contingent on Board approval.

(d) Evidence of a firm financial plan, including:

1. Evidence of construction financing capability.

2. Evidence of long-term financing capability.

3. Evidence of other financial sources necessary to carry out the project.

4. Financial evidence of similar projects completed within the last five years.

(e) Developer shall provide a written offer to MTS for purchase of land, purchase of lease rights, or other development rights as appropriate to the proposal.

(f) Developer shall provide a written commitment to meet MTS’s goals for Disadvantaged and Women's Business Enterprise (DBE and WBE) participation
in construction and operation of the project for a federally funded project consistent with current requirements of MTS and federal regulations.

b. Responsibilities of the MTS under the ENA

(1) MTS shall entertain no other development proposals for the land in question during the period of the ENA. The ENA shall serve as proof of control of land for acquiring letters of financial commitment by the developer.

(2) The Chief Executive Officer shall place the good-faith deposit in an interest-bearing account and shall have the right to draw down from the account payment for reasonable expenses incurred by MTS for such items as land and development rights appraisals, materials, data and other information costs, and other administrative costs expended in the evaluation of the proposal, including staff costs, consultant experts services, and legal fees.

(3) MTS shall ensure that an appraisal for the fair market value of the fee interest or lease rights or other development rights appropriate to the project is performed by a professional appraiser approved by MTS at the sole cost to the developer.

(4) After submittal of all pertinent information by the developer, as listed above, to the satisfaction of the Chief Executive Officer, the Chief Executive Officer shall have 60 days or such other agreed-upon term in which to make a recommendation to the MTS Board to terminate the ENA, to request more information, or to enter into negotiations for a Development Agreement with the developer.

(5) If, at the conclusion of the ENA period, the proposal is terminated, the Chief Executive Officer shall return any remaining balance of the good-faith deposit, including any interest accrued thereon to the developer.

(6) If, at the conclusion of the ENA, a Development Agreement is entered into, the remaining balance of the good-faith deposit, including interest accrued thereon, shall be credited to any additional deposits required as a condition of the Development Agreement, the cost of land, lease, or other development rights conveyed to the developer by the MTS.

c. Extension of ENA

Either the developer or the Chief Executive Officer may request from the MTS Board an extension of the exclusive negotiation
period. The MTS Board will determine whether sufficient progress has been made toward fulfillment of the above requirements in its consideration of extension.

4. Conclusion of Joint Development Evaluation Process

The preceding evaluation process culminates in execution of a Development Agreement to expedite project implementation or in termination and elimination of the proposal.

B. Environmental Documents

MTS will be the lead agency in environmental matters as required by local, state, and federal law. The local jurisdiction may be the lead agency upon approval from the MTS Board.

C. Development Agreements

Development agreements shall describe the rights and responsibilities of both parties and shall contain, but not be limited to, the following elements:

1. Identification of the parties to the agreement, including prohibition against change, transfer, or assignment of ownership, management, and/or control of developer.

2. Description of the site including a map. If the subject of the lease is an airspace development, placement of supports shall be included on the map.

3. Requirement that the developer must secure all necessary permits and approvals from appropriate local agencies.

4. The terms and conditions of the lease including, but not limited to:
   a. Lease price and payment schedule.
   b. Conveyance and delivery for possession.
   c. Payment of taxes and insurance requirement.
   d. Condition of site at time of beginning and end of lease.
   e. Financial statement of developer.
   f. Hold harmless and indemnity clauses.
   g. Limitations of use and terms of lease.
   h. Schedule of the MTS approval of all plans and drawings.

5. If the development incorporates a sale of property, the conditions and terms of such sale including, but not limited to:
a. Sale or purchase price and payment schedule.

b. Escrow instructions.

c. Conditions, covenants, restrictions, and other limitations of use as terms of sale.

d. Conveyance and delivery of possession.

e. Form of deed as approved by MTS counsel.

f. Condition of title and insurance of title.

g. Time and place for delivery of deed.

h. Taxes, assessments, and insurance requirements.

i. Condition of site at time of sales.


k. Prohibition of transfer without prior Board approval.

6. The scope of the development of the site including:

a. Schedule for submission of concept, schematic, construction, grading and landscaping plans and drawings.

b. Schedule for local agency and the MTS review, and approval of plans and drawings. The staff review will include but not be limited to:

   (1) Design of site and improvements.

   (2) Relationship to the urban design of the community both form and scale.

   (3) Architectural design and visual continuity.

   (4) Effects on railway and transit operations.

   (5) Type and quality of building materials.

   (6) Energy considerations.

   (7) Structure location, height, and lot coverage.

   (8) Parking requirements and design.

   (9) Streetscape and landscaping.
Vehicular entrance and exit.

c. Schedule of performance.
d. Insurance requirements.
e. Adherence to antidiscrimination, environmental and all other applicable local, state, and federal laws.

7. Failure of either party to perform, including defaults, remedies, and termination by either party.

8. Ownership of improvements constructed on leased land upon the expiration or termination of lease term.

9. Requirements to restore leased property to original condition upon expiration or termination of lease term.

10. Possible performance bond requirements.

11. Any other general or special provisions deemed necessary by the Board.

D. Inventory of Property

MTS shall identify right-of-way property and facilities and keep such inventory current. All property so inventoried shall be analyzed for its availability for joint use or development by either sale or lease. This inventory shall be reviewed by the MTS Board annually. Included in this inventory will be a listing of all agreements and their current status.

Upon direction from the Board, the inventory shall be assessed and prioritized for potential development opportunities. The ranking should consider potential for investment return, strong developer interest, local agency interest, land use compatibility, and complexity of required land use modifications.

E. Use of Revenue

Revenue obtained from joint use and development of property, including concessions and advertising, will be returned to the MTS General Fund for inclusion in the budget for maintenance, operations, and capital improvement of MTS-owned facilities from which the revenue is generated. Revenue generated from development of property purchased with federal funds will be used by MTS based on approved processes from the federal funding source.

Original Policy approved on 3/8/82.
Policy revised on 12/20/84.
Policy revised on 2/8/96.
Policy revised on 6/26/97.
Policy revised/renumbered on 2/12/04.
Policy revised on 1/18/07.
JOINT DEVELOPMENT PROGRAM

PURPOSE:

MTS manages a portfolio of real property assets whose primary purpose is to fulfill the functional needs of transit operations. These real property assets can also be developed to enhance the financial stability of MTS operations, promote increased transit utilization, and achieve other community development objectives. MTS seeks to work in close partnership with its service area cities and the County of San Diego to identify and implement joint development opportunities. Promoting quality transit oriented development on or near the transit system can generate new opportunities to create direct and indirect revenue for MTS while contributing to environmentally sustainable livable communities that are focused on transit accessibility.

POLICIES:

A. Joint use and development of MTS property shall always prioritize transit operational needs above all other considerations.

1. MTS shall preserve the ability to safely operate and maintain transportation facilities on its properties.

2. For any development project pursued at an MTS park-and-ride, an analysis shall be undertaken to determine the appropriate level at which existing parking should be replaced, with full consideration of the relative growth in future ridership that can result from dense joint development.

3. Development projects pursued under the Joint Development Program shall strive to include physical improvements and/or transit programs (such as free or subsidized transit passes) that encourage utilization of multi-modal transit services and increase long-term ridership.

B. Joint development projects are expected to generate value to MTS, either through direct/indirect revenue generation or through the construction of new transit facilities on behalf of MTS.
1. MTS shall not gift its assets.

2. Projects should minimize financial risk to MTS.

3. Due diligence in entering into a joint development with a third party should be performed to ensure the viability of the project.

C. MTS will seek projects that create vibrant, transit-oriented communities that offer a range of housing types, job opportunities, and services centered around public transit facilities.

1. Residential development projects pursued under the Joint Development Program shall strive to provide the highest possible residential density.

2. Development projects pursued under the Joint Development Program shall comply with all the review and approval policies and procedures of the local jurisdictions in which the respective projects are sited.

3. Development projects pursued under the Joint Development Program shall strive to incorporate the urban design standards of the localities with jurisdiction over them, and the “best practices” identified by industry leaders in transit-oriented development.

4. MTS shall encourage direct connections to transit stops and stations from surrounding development.

5. The Joint Development Program is intended to be consistent with State of California Greenhouse Gas reduction goals.

6. In recognition that residents in affordable housing units have a higher likelihood for transit utilization, residential joint development proposals shall include a minimum set aside of 20% of units for very low (<50% Average Median Income (AMI)) and low (51-80% AMI) income households.

D. In order to promote the best possible projects for joint development, MTS shall engage in an open and competitive solicitation for choosing development partners. In the event that MTS receives an unsolicited proposal, MTS shall publically notice the unsolicited bid and allow for other development interests to submit a competing proposal within 30 days for consideration by the MTS Board of Directors.

IMPLEMENTATION PROCESS:

A. The Chief Executive Officer shall develop written procedures necessary to fully implement this Policy within 3 months of its adoption. The written procedures shall be approved by the MTS Board of Directors.

B. MTS shall identify right-of-way property and facilities and keep such inventory current. All property so inventoried shall be analyzed for its availability for joint use or development by either sale or lease. This inventory shall be reviewed by the MTS
Board annually. Included in this inventory will be a listing of all agreements and their current status.

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