SAN DIEGO FORWARD: THE 2019 FEDERAL REGIONAL TRANSPORTATION PLAN

Board of Directors Item 14 | October 25, 2019

Moving Towards a Bold New Vision

- February 2019: Action plan to develop bold new vision and 2021 Regional Plan
- Actions to preserve the flow of transportation funds
  - Assembly Bill 1730
  - 2019 Federal Regional Transportation Plan
Federal SAFE Rule

- Revokes California’s ability to enforce stricter greenhouse gas standards and zero-emission vehicle mandates
- Effective November 26, 2019
- SANDAG and other metropolitan planning organizations will be unable to make air quality conformity determinations
  - Cannot adopt Regional Transportation Plans
  - Cannot adopt new Regional Transportation Improvement Programs and some types of amendments

2019 Federal Regional Transportation Plan

- Updated revenue estimates and project costs
- Updated travel modeling tools and new Regional Growth Forecast
- $208 billion in investments
- Carries forward the projects, programs, and policies in the 2015 Regional Plan
Social Equity Analysis

- Collaboration with Community Based Organizations in Disadvantaged Communities
- Analysis of Disadvantaged Populations
- Assessment of equitable access to transportation choices
- Assessment of the distribution of transportation improvements
- No disparate impacts or disproportionate effects for minorities or low-income populations were found

Public Involvement

- SANDAG Board of Directors
- SANDAG Working Groups
- Tribal Consultation
- Public hearing
- Network of Community Based Organizations
- Open houses
- Online comment tool, eblasts, social media
Public Comments

• Proposed Draft Transportation Network
  – 57 comments received
• Draft 2019 Federal RTP
  – More than 180 comments received
• Comment themes:
  – Support for 2019 Federal RTP & 5 Big Moves
  – Need for more frequent and new transit services
  – Concerns regarding congestion and travel times
  – Support of specific projects/corridors

Action

Adopt Resolution No. 2019-12, adopting the air quality conformity determination, finding that the Revenue Constrained Plan is in conformance with the State Implementation Plan for air quality, adopting the 2019 Federal Regional Transportation Plan and its supporting analyses, and adopting findings in support of a Notice of Exemption under the California Environmental Quality Act.
Overview of the Financial Markets and Quarterly Finance Report as of September 30, 2019

Board of Directors Item 16
October 25, 2019

Key updates

**Commission:**
Senior Lien - AAA ratings Affirmed
Subordinate Lien – AA ratings Affirmed
Junior Lien – Upgraded A to A+

**SR 125:**
SR 125 Toll Road – Upgraded A- to A
Key updates

**SANDAG:**
Successfully closed on $335M GANS
- Orders placed 51 investors for $3.1B
- Lowered stated yield to 1.91%
- Expected yield is 1.57%
- Financing for Mid-Coast is complete

**Interest Rate Swaps:**
- Mark-to-Market is in a negative position
- However, performing as intended and no reason to terminate swaps

**Investment Portfolio:**
- Currently $1.24 billion in investments
- Yield of 2.03%, expected to drift lower
Local Economy and Sales
Tax Revenue Update

The region’s economy remains strong

Total employment

Peaks (Dec-07)
Recovery (Jun-14)
Trough (Jan-10)

115+ Months
178 Months

Employment by industry
Change Jan 2010- Sept 2019

Venture capital investment

Unemployment rate

Source: BLS

Information
Mining and Logging
Financial Activities
Other Services
Manufacturing
Trade, Transp. & Utilities
Government
Construction
Edu. & Health Services
Leisure &Hospitality
Prof. & Bus. Services

Source: EDD

Source: PwC/CBInsights MoneyTree™
Possible signs of economic weakness

Total employment
(YOY Percent Change)

Source: BLS

Residential permits

12,000 needed annually to support population growth

Source: Real Estate Research Council of Southern California

Average hourly wages
(2018 $)

Source: BLS

Median house prices

$0 $100,000 $200,000 $300,000 $400,000 $500,000 $600,000 $700,000

Source: California Association of Realtors

Sales tax revenue collection
(California Department of Tax and Fee Administration—Methodology change)

Source: California Department of Tax and Fee Administration

Fiscal years

Millions $

$294.5 M $301.5 M $305.5 M $312.3 M

2016 2017 2018 2019 2020
### Sales tax revenue by sector
#### 2018 Q2 to 2019 Q1

- **General Retail:** $85, +1%
- **Transportation:** $63, +3%
- **Business To Business:** $61, +5%
- **Restaurants:** $44, +3%
- **Construction:** $28, 0%
- **Other food:** $17, +2%

### Impact of past recessions on **TransNet** revenues
#### (Year of collection dollars)

- **1991 recession:** GDP -1.4%
- **2001 recession:** GDP -0.3%
- **Great recession:** GDP -5.1%

- **1991 recession:** 4 years to recover
- **2001 recession:** 6 1/2 years to recover
**Current TransNet forecast (2016-2026)**

(Year of collection dollars)

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<th>Fiscal years</th>
<th>Historical data</th>
<th>Forecast</th>
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Forecast +/-5%

![Graph showing forecast and historical data](image)
Recession scenario

Fiscal years

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<th>1991 like recession</th>
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6 years to recover

Summary

+ Low unemployment
+ Resilient sectors
+ Record employment levels

- Employment growth slowing
- Housing market slowing
- Global/national recession risks