Board of Directors

Agenda

Friday, November 22, 2019
9 a.m. to 12 noon
SANDAG Board Room
401 B Street, 7th Floor
San Diego

Agenda Highlights

- Regional Housing Needs Assessment
- TransNet Proposed 2019 Bond Issuance: New Debt to Support Completion of TransNet Regional Bikeway Program
- City of Coronado Request: TransNet Extension Ordinance

Please silence all electronic devices during the meeting

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Message from the Clerk

In compliance with Government Code §54952.3, the Clerk hereby announces that the compensation for legislative body members attending the following simultaneous or serial meetings is: Executive Committee (EC) $100, Board of Directors (BOD) $150, and Regional Transportation Commission (RTC) $100. Compensation rates for the EC and BOD are set pursuant to the SANDAG Bylaws, and the compensation rate for the RTC is set pursuant to state law.

Mission Statement

The 18 cities and county government are SANDAG serving as the forum for regional decision-making. SANDAG builds consensus; makes strategic plans; obtains and allocates resources; plans, engineers, and builds public transit; and provides information on a broad range of topics pertinent to the region’s quality of life.
Welcome to SANDAG. Members of the public may speak to the Board of Directors on any item at the time the Board is considering the item. Please complete a Request to Comment form located in the lobby. Members of the public may address the Board on any issue under the agenda item entitled Public Comments/Communications/Member Comments. Public speakers are limited to three minutes or less per person. The Board may take action on any item appearing on the agenda.

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

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### Board of Directors
Friday, November 22, 2019

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<tr>
<th>Item no.</th>
<th>Recommendation</th>
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<td>Approval of Meeting Minutes</td>
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The Board of Directors is asked to approve the minutes from its October 25, 2019, meeting.

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

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<tr>
<td>Policy Advisory Committee Chairs' Report</td>
<td>Information</td>
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Policy Advisory Committee Chairs will provide updates on key Committee activities.

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<tr>
<td>Executive Director's Report</td>
<td>Discussion</td>
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Hasan Ikhrata, SANDAG

An update on key programs, projects, and agency initiatives, including San Diego Forward: The 2021 Regional Plan will be presented.

### Consent

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<tr>
<td>Approval of Construction Agreement</td>
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Julie Wiley, SANDAG

The Board of Directors is asked to authorize the Executive Director to award an agreement for the Uptown: Fourth & Fifth Avenue Bikeways project.

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<tr>
<td>Policy Advisory Committee Actions</td>
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Tessa Lero, SANDAG

The Board of Directors is asked to ratify the actions taken by the Policy Advisory Committees since the last Board Business meeting.
+7. **Transportation Development Act Audit Extension Request:**

City of Chula Vista

*Marcus Pascual, SANDAG*

The Board of Directors is asked to approve a Transportation Development Act audit extension request for the City of Chula Vista until March 27, 2020, as permitted by the California Public Utilities Code and the California Code of Regulations.

+8. **2020 Board and Policy Advisory Committee Meeting Calendar**

*Tessa Lero, SANDAG*

The Board of Directors is asked to approve the 2020 Board and Policy Advisory Committee meeting calendar.

+9. **Review of Draft Board Agenda**

*Victoria Stackwick, SANDAG*

The Board of Directors is asked to approve the draft agenda for the December 13, 2019, Board Policy meeting.

+10. **Release of Cost Contribution Funds: UTC Transit Center**

*Ryan Kohut, SANDAG*

The Board of Directors is asked to approve amendments to both SANDAG’s Escrow Agreement with the Westfield Group, and SANDAG’s Contribution Agreement with the City of San Diego, to release SANDAG and the City’s cost contributions towards the construction of the UTC Transit Center.

+11. **Executive Director Delegated Actions**

*André Douzdjian, SANDAG*

In accordance with various Board Policies, this report summarizes delegated actions taken by the Executive Director since the last Board of Directors Business meeting.

+12. **Meetings and Events Attended on Behalf of SANDAG**

*Tessa Lero, SANDAG*

Board members will provide brief reports on external meetings and events attended on behalf of SANDAG.

+13. **Quarterly Progress Report on Transportation Projects through September 2019**

*Michelle Smith, SANDAG*

This quarterly report provides an update on the status of major SANDAG and Caltrans projects and programs in the San Diego region.
Reports

+14. **Regional Housing Needs Assessment Final Methodology and Draft Allocation**

*Seth Litchney, SANDAG*

The Board of Directors is asked to adopt Resolution No. 2020-13, adopting the Final Regional Housing Needs Assessment Methodology.


*André Douzdjian, SANDAG*

*Peter Schellenberger, Public Financial Management*

*Victor Hsu, Norton Rose Fulbright US LLP*

The Board of Directors, acting as the San Diego County Regional Transportation Commission (RTC), is asked to adopt Resolution No. RTC-2020-14, authorizing the refunding of certain outstanding bonds and the execution and distribution of the documents that are attached in substantially final form.


*André Douzdjian and Linda Culp, SANDAG*

*Peter Schellenberger, Public Financial Management*

The Board of Directors, acting as the San Diego County Regional Transportation Commission (RTC), is asked to adopt Resolution No. RTC 2020-15, authorizing the issuance of up to $90 million of fixed-rate tax-exempt bonds to support completion of the TransNet Regional Bikeway Program.

+17. **Regional Transportation Improvement Program Amendment No. 8 Review**

*John Kirk, SANDAG*

Staff will present its findings on the impact of Regional Transportation Improvement Program Amendment No. 8 on SANDAG’s ability to comply with state law, including Regional Transportation Plan and Sustainable Communities Strategy requirements. Staff also will review how Executive Order N-19-19, issued by Governor Newsom on September 20, 2019, could impact future funding of Regional Transportation Improvement Program Amendment No. 8 activities.

+18. **City of Coronado Request: TransNet Extension Ordinance***

The Board of Directors is asked to provide direction to staff regarding a request from the City of Coronado to repurpose $25 million included in the 2004 TransNet Extension Ordinance for the Coronado Tunnel Project to a project that will relieve congestion along the approaches to Naval Base Coronado.
19. 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.

20. Upcoming Meetings

The next Board Policy meeting is scheduled for Friday, December 13, 2019, at 10 a.m. The next Board Business meeting is scheduled for Friday, December 20, 2019, at 9 a.m. Please note, this meeting is scheduled for the third Friday of the month due to the holiday schedule.

21. Adjournment

+ next to an agenda item indicates an attachment

* next to an agenda item indicates that the Board of Directors also is acting as the San Diego County Regional Transportation Commission for that item
Chair Steve Vaus (Poway) called the meeting of the Board of Directors to order at 9:02 a.m.

2. Public Comments/Communications/Member Comments

Martha Welch, a member of the public, spoke regarding various transit concerns.
Dan Summers, Ramona Community Planning Group, spoke regarding safety issues along State Route 67.
Jim Cooper, Ramona Community Planning Group, spoke regarding safety issues along State Route 67.
Mayor Faulconer introduced Assistant Secretary of the Navy (Energy, Installations and Environment) Lucian Niemeyer, who provided an update on the Memorandum of Agreement between the Department of the Navy and SANDAG.
Chair Vaus presented Consul General Carlos González Gutiérrez with a plaque in recognition of the Consulate of Mexico in San Diego 140th anniversary of service to the community.
Chair Vaus recognized the outstanding work of SANDAG, Caltrans, and MTS project teams that recently received awards. For the I-5/Genesee Avenue Interchange project and the Mid-City Centerline Rapid Transit Stations project. He also recognized Bruce April, Caltrans Environmental Deputy District Director, who recently was awarded the Caltrans Emerson Rhyner Award.

3. Policy Advisory Committee Chairs’ Report (Information)
None.
Action: Information only.

4. Executive Director’s Report (Discussion)
Hasan Ikhrata, Executive Director, presented an update on key programs, projects, and agency initiatives.
Action: Discussion only.

1. Approval of Meeting Minutes

Action: Upon a motion by Mayor John Minto (Santee), and a second by Mayor Alejandra Sotelo-Solis (National City), the Board of Directors approved the minutes from its September 6, 2019, Board Policy meeting, and its September 27, 2019, Board Business meeting. Yes: Chair Vaus, Councilmember Cori Schumacher (Carlsbad), Mayor Mary Salas (Chula Vista), Mayor Richard Bailey (Coronado), Deputy Mayor Ellie Haviland (Del Mar), Mayor Bill Wells (El Cajon), Mayor Paul McNamara (Escondido), Councilmember Mark West (Imperial Beach), Councilmember Kristine Alessio (La Mesa), Mayor Racquel Vasquez (Lemon Grove), Mayor Sotelo-Solis, Deputy Mayor Jack Feller (Oceanside), Mayor Kevin Faulconer (City of San Diego), Supervisor Kristin Gaspar (County of San Diego), Mayor Rebecca Jones (San Marcos), Mayor Minto, Mayor David Zito (Solana Beach), and Mayor Judy Ritter (Vista). No: None. Abstain: Councilmember Joe Mosca (Encinitas). Absent: None.
5. **Proposed FY 2020 Program Budget Amendment: GObyBIKE San Diego: Education and Encouragement Start-Up Program** (Approve)

The Transportation Committee recommended that the Board of Directors approve an amendment to the FY 2020 Program Budget to create a new Capital Improvement Program (CIP) Project No. 1223093 to establish the GObyBIKE San Diego: Construction Outreach Program, accept $1.381 million from the State of California Active Transportation Program, and amend the CIP project budgets to provide matching funds.

6. **Proposed FY 2020 Program Budget Amendment: Fourth and Fifth Avenue Bikeways** (Approve)

The Transportation Committee recommended that the Board of Directors approve an amendment to the FY 2020 Program Budget to accept $1,116,984 from the City of San Diego to fund the construction of additional community-requested features as part of the Fourth and Fifth Avenue Bikeways project (CIP Project No. 1223022).

7. **Approval of Contract Awards** (Approve)

The Board of Directors was asked to authorize the Executive Director to award agreements for On-Call Planning Services.

8. **Policy Advisory Committee Actions** (Approve)

The Board of Directors was asked to ratify the delegated actions taken by the Policy Advisory Committees.

9. **TransNet Environmental Mitigation Program: FY 2020 Annual Funding for Regional Land Management and Monitoring** (Approve)

The Transportation Committee recommended that the Board of Directors approve the annual allocation of $4 million in funding for FY 2020 for regional land management and monitoring.

10. **Proposed FY 2020 Program Budget Amendment: Old Town West Transit Center Project** (Approve)

The Transportation Committee recommended that the Board of Directors approve an amendment to the FY 2020 Program Budget to create new Capital Improvement Program Project No. 1147200 for the Old Town Transit Center West Improvements project, accept $4.604 million from Metropolitan Transit System to fund the project, adopt Resolution No. 2020-11 authorizing the use of the Construction Manager/General Contractor construction delivery method for the project, and authorize the Executive Director to negotiate and execute a construction change order with Mid-Coast Transit Constructors for the project.

11. **Regional Transportation Improvement Program Amendment No. 8** (Adopt)

The Board of Directors was asked to adopt Regional Transportation Commission (RTC) Resolution No. RTC-2020-03, approving Amendment No. 8 to the 2018 Regional Transportation Improvement Program.

12. **Executive Director Delegated Actions** (Information)

In accordance with various SANDAG Board Policies, this report summarized delegated actions taken by the Executive Director since the last Board Business meeting.

13. **Meetings and Events Attended on Behalf of SANDAG** (Information)

Board members provided brief reports on external meetings and events attended on behalf of SANDAG since the last Board Business meeting.

Jennifer Hunt, San Diego County Bicycle Coalition, invited the Board members to attend an open streets event in San Diego neighborhoods of Normal Heights, Kensington, and City Heights on Sunday, October 27, from 10 a.m. to 3 p.m.
Action: Upon a motion by Councilmember Alessio, and a second by Mayor Sotelo-Solis, the Board of Directors approved Consent Items Nos. 5 through 13. Yes: Chair Vaus, Mayor Salas, Mayor Bailey, Deputy Mayor Haviland, Mayor Wells, Councilmember Mosca, Mayor McNamara, Councilmember West, Councilmember Alessio, Mayor Vasquez, Mayor Sotelo-Solis, Deputy Mayor Feller, Mayor Faulconer, Mayor Jones, Mayor Minto, Mayor Zito, Supervisor Gaspar, and Mayor Ritter. No: None. Abstain: Councilmember Schumacher. Absent: None.

Chair Vaus directed staff to complete a legal and technical analysis of funding and impacts of Amendment No. 8 to the 2018 Regional Transportation Improvement Program and report the results to the Board at a future meeting.

Reports


Rachel Kennedy, Senior Regional Planner, presented the item.

Action: Upon a motion by Mayor Faulconer, and a second by Mayor Sotelo-Solis, the Board of Directors adopted 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. Yes: Chair Vaus, Councilmember Schumacher, Mayor Salas, Mayor Bailey, Deputy Mayor Haviland, Councilmember Mosca, Mayor McNamara, Councilmember West, Councilmember Alessio, Mayor Vasquez, Mayor Sotelo-Solis, Deputy Mayor Feller, Mayor Faulconer, Mayor Jones, Mayor Zito, Supervisor Gaspar, and Mayor Ritter. No: Mayor Minto. Abstain: None. Absent: El Cajon.

15. Regional Housing Needs Assessment Methodology and Allocation (Discussion/Possible Action)

This item was deferred to a future meeting.


André Douzdjian, Chief Financial Officer; and Ray Mayor, Chief Data Analytics Officer, presented an update on the financial markets, economy, and SANDAG investments, including all money under the direction or care of SANDAG as of September 30, 2019.

Action: Information only.

17. TransNet Proposed 2019 Series A Bond Issuance: Refunding and New Debt* (Information)

André Douzdjian presented an overview of a proposed bond strategy and financing schedule to advance refund up to $600 million of existing debt and issue up to $100 million of tax-exempt bonds for the TransNet Regional Bikeway Early Action Program.

Action: Information only.

18. Continued Public Comments

None.

19. Upcoming Meetings

The next Board Policy meeting is scheduled for Friday, November 8, 2019, at 10 a.m. The next Board Business meeting is scheduled for Friday, November 22, 2019, at 9 a.m.

20. Adjournment

Chair Vaus adjourned the meeting at 11:19 a.m.
## Confirmed Attendance at SANDAG Board of Directors Meeting

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Name</th>
<th>Attended Open Session</th>
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<tr>
<td>City of Carlsbad</td>
<td>Cori Schumacher (Primary)</td>
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<td>City of Chula Vista</td>
<td>Mary Salas (Primary)</td>
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<td>City of Coronado</td>
<td>Richard Bailey (Primary)</td>
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<td>City of Del Mar</td>
<td>Ellie Haviland (Primary)</td>
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<td>City of El Cajon</td>
<td>Bill Wells (Primary)</td>
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<td>City of Encinitas</td>
<td>Joe Mosca (2nd Alt.)</td>
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<td>Paul McNamara (Primary)</td>
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<td>City of La Mesa</td>
<td>Kristine Alessio (Primary)</td>
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<td>Racquel Vasquez (Primary)</td>
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<td>Alejandra Sotelo-Solis (Primary)</td>
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<td>Jack Feller (Primary)</td>
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<td>Steve Vaus (Primary)</td>
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<td>Monica Montgomery (Primary)</td>
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<td>Rebecca Jones (Primary)</td>
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<td>John Minto (Primary)</td>
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<td>Metropolitan Transit System</td>
<td>Mona Rios (Primary)</td>
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<td>North County Transit District</td>
<td>Tony Kranz (Primary)</td>
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<td>Sup. Jesus Escobar (Primary)</td>
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<td>U.S. Department of Defense</td>
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<td>San Diego County Water Authority</td>
<td>Ron Morrison (Primary)</td>
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<td>San Diego County Regional Airport Authority</td>
<td>April Boling (Primary)</td>
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<td>Mexico</td>
<td>Carlos González Gutiérrez (Primary)</td>
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<td>Southern California Tribal Chairmen’s Association</td>
<td>Cody Martinez (Primary)</td>
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Approval of Construction Agreement

Overview
Pursuant to Board direction, construction agreements valued at $5 million or more require approval by the Board of Directors.

Key Considerations
In August 2019, SANDAG conducted an invitation for bids (IFB) to seek qualified contractors who could construct the Uptown: Fourth & Fifth Avenue Bikeways project. The project consists of constructing bikeways in the City of San Diego along Fourth and Fifth Avenues between B Street and Washington Street. The scope of work includes separated bike lanes; buffered bike lanes; ramps meeting requirements in the Americans with Disabilities Act; pavement marking and striping; and installation of signage, street lighting, and rapid flashing pedestrian beacons. An engineer’s estimate of $12,241,215 was prepared prior to issuance of the IFB.

Four bids were received as a result of the IFB. SANDAG staff proposes to award Palm Engineering Construction Company, Inc., the lowest responsive and responsible bidder, a construction contract for the Uptown: Fourth & Fifth Avenue Bikeways project in the amount of $11,930,022.30.

Next Steps
Upon approval by the Board of Directors, an agreement will be sent to the contractor for signature.

Hasan Ikhrata, Executive Director
Key Staff Contact: Julie Wiley, (619) 699-6966, julie.wiley@sandag.org

Action: Approve
The Board of Directors is asked to authorize the Executive Director to award an agreement for the Uptown: Fourth & Fifth Avenue Bikeways project.

Fiscal Impact:
The Uptown: Fourth & Fifth Avenue Bikeways project agreement will utilize funding from Capital Improvement Program Project No. 1223022.

Schedule/Scope Impact:
The Uptown: Fourth & Fifth Avenue Bikeways project will take approximately 350 working days to complete.
Policy Advisory Committee Actions

Overview

Board Policy No. 001 delegates certain responsibilities to the Policy Advisory Committees to allow SANDAG to effectively address key public policy and funding responsibilities. All items delegated to the Policy Advisory Committees are subject to Board ratification.

Below are the delegated actions taken by the Policy Advisory Committees subject to ratification.

Regional Planning Committee: November 1, 2019

Approved an amendment to the Community-Based Organizations Working Group charter to extend its sunset date to coincide with the adoption of San Diego Forward: The 2021 Regional Plan.

Hasan Ikhrata, Executive Director

Key Staff Contact: Tessa Lero, (619) 595-5629, tessa.lero@sandag.org

Action: Approve

The Board of Directors is asked to ratify the delegated actions taken by the Policy Advisory Committees.
Transportation Development Act Audit Extension Request:
City of Chula Vista

Overview
In accordance with California Public Utilities Code Section 99245, each Transportation Development Act (TDA) claimant must submit an audit within 180 days of the end of the fiscal year. SANDAG, acting as the Regional Transportation Planning Agency for the San Diego region, may grant up to a 90-day extension, moving the deadline from December 27, 2019, to no later than March 27, 2020. No further extensions are permitted.

Key Considerations
SANDAG has engaged an independent certified public accounting firm to perform the required FY 2019 TDA compliance audits. While every effort is being made to complete each audit prior to December 27, the City of Chula Vista may not meet this deadline due to delays in the audit process caused by staff turnover at this member agency.

Next Steps
Approval of the extension request would allow the City of Chula Vista to continue receiving allocated TDA funds in FY 2020.

Hasan Ikhrata, Executive Director
Key Staff Contact: Marcus Pascual, (619) 699-1988, marcus.pascual@sandag.org
Attachments: 1. City of Chula Vista Extension Request

Action: Approve
The Board of Directors is asked to approve a Transportation Development Act audit extension request for the City of Chula Vista until March 27, 2020, as permitted by the California Public Utilities Code and the California Code of Regulations.

Fiscal Impact:
If extension is not granted and the audit is not completed by December 27, 2019, the City of Chula Vista will no longer be eligible to receive TDA funds in FY 2020.

Schedule/Scope Impact:
Pending approval by the Board, submission of the audited Transportation Development Act financial report will be extended to March 27, 2020.
November 12, 2019

Andre Douzdjian  
Chief Financial Officer  
401 B Street, Suite 800  
San Diego, CA 92101

Dear Mr. Douzdjian,

Please accept this letter as a request for an extension to submit the TDA Financial Report for the City of Chula Vista for the fiscal year ended June 30, 2019.

The auditors at Crowe LLP are working with City Staff to complete the necessary review process, and the City believes the TDA Financial Report will be filed prior to December 31, 2019. However, our agency would like to take a conservative approach and file an extension until the March 31, 2020 deadline.

If you have questions or concerns, please contact Rachelle Barrera at 619-409-5444 or via email at rbarrera@chulavistaca.gov

Thank you,

David Bilby  
Director of Finance
<table>
<thead>
<tr>
<th>Board of Directors – Policy or Business</th>
<th>Board of Directors – Business</th>
<th>Transportation Committee</th>
<th>Regional Planning Committee</th>
<th>Executive Committee</th>
<th>Public Safety Committee</th>
<th>Borders Committee</th>
<th>Audit Committee</th>
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<tr>
<td>Second Friday, 10 a.m. to 12 noon</td>
<td>Fourth Friday, 9 a.m. to 12 noon</td>
<td>First and third Fridays, 9 a.m. to 12 noon</td>
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<td>March 11-13, 2020 (Board Retreat)</td>
<td>March 27, 2020</td>
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<td>Nov 6, 2020 (First Friday, 9 a.m.)</td>
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</tr>
<tr>
<td>Dec 4, 2020 (First Friday)</td>
<td>Dec 18, 2020 (Third Friday)</td>
<td>No meeting</td>
<td>Dec 4, 2020</td>
<td>Dec 4, 2020</td>
<td>Dec 18, 2020</td>
<td>No meeting</td>
<td></td>
</tr>
</tbody>
</table>

Changes to normal meeting schedule shown in **bold**.
Draft December 13, 2019, Board Policy Agenda

Item no. | Recommendation
--- | ---
+1. | **Approval of Meeting Minutes**

1A. November 8, 2019, Board Policy meeting
1B. November 22, 2019, Board Business meeting

1. **Public Comments/Communications/Member Comments**

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

2. **Policy Advisory Committee Chairs’ Report**

Policy Advisory Committee Chairs will provide updates on key Committee activities.

3. **Executive Director’s Report**

*Hasan Ikhrata, SANDAG*

An update on key programs, projects, and agency initiatives, including San Diego Forward: The 2021 Regional Plan will be presented.

**Consent**

+4. **TransNet Smart Growth Incentive Program and Active Transportation Grant Program: Amendment Request**

*Tracy Ferchaw, SANDAG*

The Board of Directors is asked to approve a Smart Growth Incentive Program no-cost, time extension amendment for Civic San Diego’s 14th Street Pedestrian Promenade Demonstration Block project.

+5. **2020 Transit and Intercity Rail Capital Program Project Submittal**

*Linda Culp, SANDAG*

The Board of Directors is asked to approve submission of the proposed SDConnect regional project to the 2020 Transit and Intercity Rail Capital Program and direct staff to submit all required materials by the January 16, 2020, deadline.
+6. **Regional Early Action Planning Grant Funds Submission**
   
   *Seth Litchney, SANDAG*
   
   The Board of Directors will be asked to adopt a resolution, authorizing SANDAG to request approximately $1.7 million in Regional Early Action Planning Grant Funds from the California Department of Housing and Community Development to support implementation of the Cycle 6 Regional Housing Needs Assessment.

---

**Report**

+7. **TransNet Proposed 2019 Bond Issuance: New Debt to Support Completion of TransNet Regional Bikeway Program***
   
   *André Douzdjian and Linda Culp, SANDAG; Peter Schellenberger, Public Financial Management*
   
   The Board of Directors, acting as the San Diego County Regional Transportation Commission (RTC), is asked to adopt Resolution No. RTC 2020-15, authorizing the issuance of up to $90 million of fixed-rate tax-exempt bonds to support completion of the TransNet Regional Bikeway Program.

---

+8. **Organization Effectiveness Plan**
   
   *Loree Goffigon and Reza Ahmadi, Performance Works*
   
   SANDAG initiated a strategic planning effort earlier this year. This work includes an opportunity to clarify the agency’s purpose, focus, and priorities, and create a comprehensive roadmap for organization effectiveness to ensure SANDAG delivers on its commitments to the region. The Board of Directors is asked to provide input on two key elements of the plan related to a SANDAG vision and the working relationship between Board members and SANDAG staff.

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9. **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.

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10. **Upcoming Meetings**
   
   The next Board Business meeting is scheduled for Friday, December 20, 2019, at 9 a.m. Please note, this meeting is scheduled for the third Friday of the month due to the holiday schedule.

---

11. **Adjournment**
   
   + next to an agenda item indicates an attachment
   
   * next to an agenda item indicates that the Board of Directors also is acting as the San Diego County Regional Transportation Commission for that item
Release of Cost Contribution Funds: UTC Transit Center

Overview

On July 29, 2008, the City of San Diego approved the redevelopment of the Westfield University Towne Center shopping center. As a condition of this approval, the Westfield Group (Westfield) was required to contribute land and construct a Bus Transit Center (UTC Transit Center) on Genesee Avenue. The UTC Transit Center is a regional bus transit center that is located adjacent to the UTC Westfield Blue Line Station currently under construction as part of the Mid-Coast Trolley project. The City and SANDAG agreed to share the cost of constructing the transit center with Westfield since the transit center is a regional transportation connection as well as a mitigation measure to alleviate traffic impacts from Westfield’s redevelopment.

Key Considerations

On October 6, 2017, SANDAG entered into a Bus Transit Contribution and Escrow Agreement (Escrow Agreement) with Westfield that specifically described SANDAG’s cost contribution toward the now-completed UTC Transit Center. At that time, Westfield was unable to demonstrate compliance with certain requirements of the California Labor Code related to the payment of prevailing wages. In order to satisfy its cost contribution obligations, SANDAG deposited its remaining $4.2 million cost contribution into an escrow account where Westfield would be entitled to the funds upon a demonstration that it had satisfied California Labor Code prevailing wage requirements. SANDAG also entered into a Contribution Agreement with the City in order to allow the City to pass its $4 million cost contribution into escrow under the same terms as SANDAG.

Westfield now represents that they have substantially complied with the Labor Code’s prevailing wage requirements and have requested both the City and SANDAG to release their cost contributions held in escrow. On October 29, 2019, the San Diego City Council approved the first reading of an ordinance approving the release of the City’s funds held in escrow1.

The transit center has been in operation for more than two years without any allegations of Labor Code violations by the Department of Industrial Relations (DIR). A DIR complaint at this late juncture seems highly unlikely. Furthermore, Westfield has agreed to indemnify and hold harmless both SANDAG and the City of San Diego from any DIR or third-party claims, liability, penalties, and fees related to the construction of the UTC Transit Center. SANDAG staff has reviewed and concurs that Westfield has undertaken all reasonable efforts to resolve its labor compliance issues with the State and that funds may be released with Board approval.

---

1 As of the drafting of this report, the City Council has docketed a second reading of this ordinance for final approval on November 19, 2019.
**Next Steps**

Pending approval from the Board, staff would process amendments to both the Escrow Agreement with Westfield and the Contribution Agreement with the City to release the City and SANDAG’s cost contributions toward the construction of the UTC Transit Center from escrow.

**Hasan Ikhrata, Chief Executive Officer**

Key Staff Contact:  
Ryan Kohut, (619) 595-5339, ryan.kohut@sandag.org  
John Haggerty, (619) 699-6937, john.haggerty@sandag.org
Executive Director Delegated Actions

Overview
Various Board Policies require the Executive Director to report certain actions to the Board of Directors on a monthly basis or upon taking specified actions.

Delegated Actions

Investment Transactions: Board Policy No. 003 states that a monthly report of all investment transactions shall be submitted to the Board. Attachment 1 contains the reportable investment transactions for October 2019.

Legal Matters
Board Policy No. 008 authorizes the Office of the General Counsel or outside counsel to file documents and make appearances on behalf of the agency in court proceedings.

In the matter of SANDAG v. Gateway Center (Superior Court Case No. 2016-00018096), the following action was taken by Best Best & Krieger on behalf of SANDAG:

- On October 18, 2019, a Stipulation to Continue December 13, 2019 Trial Date; Proposed Order Thereon was filed.
- On October 30, 2019, a Notice of Entry of Judgment was filed.

In the matter of SANDAG v. Colony La Paz Condominium Association (Superior Court Case No. 2016-00030407), the following actions were taken by Nossaman on behalf of SANDAG:

- On October 3, 2019, an Application for Final Order of Condemnation was filed.

In the matter of SANDAG v. 8650 Villa La Jolla Square (Superior Court Case No. 2017-00039831), the following actions were taken by Nossaman on behalf of SANDAG:

- On October 21, 2019, an Ex Parte re Meet and Confer Informal Discovery Meeting was filed
- On October 22, 2019, appeared at hearing on Ex Parte re Meet and Confer Informal Discovery Meeting

In the matter of Quintero v. SANDAG (Superior Court Case No. 2019-00017834), the following actions were taken by Nossaman on behalf of SANDAG:

- On October 9, 2019, a Notice of Rescheduled Hearing was filed.
- On October 25, 2019, a Reply to Opposition of Noticed Motion and Supporting Declarations was filed.

In the matter of Wahlstrom v. SANDAG (Superior Court Case No. 2019-00027143), the following action was taken by Best Best & Krieger on behalf of SANDAG:

- On October 30, 2019, a Stipulation and Order to Continue Case Management Conference was filed.

Board Policy No. 008 also authorizes the Executive Director to take action on claims filed against SANDAG.

- On October 9, 2019, the Claim of Raymond Rivera was rejected. Mr. Rivera claimed $659.67 in damages after his vehicle was struck by a large rock while driving in the I-15 Express Lanes. Upon investigation of the claim, it was determined that SANDAG was not liable for the alleged damages.
On October 22, 2019, the Claim of Allstate Northbrook Indemnity Company (Allstate) was rejected. Allstate claimed $240 in damages to its insured’s vehicle after it was splashed with liquid cement. Mid-Coast Transit Constructors confirmed it would make payment to Allstate on this claim.

**Budget Modifications:** Board Policy No. 017 authorizes the Executive Director to enter into agreements currently not incorporated in the budget, and to make other budget modifications in an amount up to $300,000 per transaction so long as the overall budget remains in balance. The actions for October 2019 are reflected in Attachment 2.

**Right-of-Way:** Board Policy No. 017, Section 4.15, authorizes the Executive Director to execute all right-of-way property transfer documents, including rights of entry, licenses, leases, deeds, easements, escrow instructions, and certificates of acceptance. The list below reflects the approved documents for this reporting period.

<table>
<thead>
<tr>
<th>No.</th>
<th>Address</th>
<th>Nature of Activity</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>8610 Genesee Avenue, San Diego, CA 92122; Regency Centers, LP (multi-tenant shopping center)</td>
<td>Possession and User Agreement for revised property rights for construction and operation of Mid-Coast</td>
<td>10/3/19</td>
</tr>
<tr>
<td>2.</td>
<td>4282 Esplanade Court, San Diego, CA 92122; Regency Centers, LP (restaurant)</td>
<td>Possession and User Agreement for revised property rights for construction and operation of Mid-Coast</td>
<td>10/3/19</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No.</th>
<th>Address</th>
<th>Nature of Activity</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Northeast side of Harbor Drive, San Diego, CA 92101; San Diego Gas &amp; Electric</td>
<td>Administrative Settlement Memorandum</td>
<td>10/29/19</td>
</tr>
</tbody>
</table>

**Board Policy No. 035**

Board Policy No. 035: Competitive Grant Program Procedures, authorizes the Executive Director to approve requests by grantees for project schedule extensions of up to six months.

The delegated action to report to the Board is summarized below.
Active Transportation Program

<table>
<thead>
<tr>
<th>Contract</th>
<th>Grantee</th>
<th>Project</th>
<th>Extension (in months)</th>
<th>From</th>
<th>To</th>
<th>Amendment Execution</th>
</tr>
</thead>
<tbody>
<tr>
<td>5005458</td>
<td>City of National City</td>
<td>Waterfront to Homefront Connectivity Study</td>
<td>6</td>
<td>12/6/2019</td>
<td>6/6/2020</td>
<td>10/2/2019</td>
</tr>
<tr>
<td>5005459</td>
<td>City of San Diego</td>
<td>Move Free, SD Education, Encouragement, and Awareness Campaign</td>
<td>6</td>
<td>1/7/2020</td>
<td>7/7/2020</td>
<td>11/5/2019</td>
</tr>
</tbody>
</table>

Hasan Ikhrata, Executive Director
Key Staff Contact: André Douzdjian, (619) 699-6931, andre.douzdjian@sandag.org
Attachments: 1. October 2019 Investment Securities Transactions Activity
2. October 2019 Budget Transfers and Amendments
## MONTHLY ACTIVITY FOR INVESTMENT SECURITIES TRANSACTIONS
### OCTOBER 1 THROUGH OCTOBER 31, 2019

<table>
<thead>
<tr>
<th>Transaction Date</th>
<th>Security/Coupon/Maturity Date</th>
<th>Par Value</th>
<th>Original Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BOUGHT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/17/2019</td>
<td>JPMORGAN CHASE CO 2.550% 3/01/21</td>
<td>$4,000,000.00</td>
<td>$4,030,960.00</td>
</tr>
<tr>
<td>10/25/2019</td>
<td>F N M A 1.375% 9/06/22</td>
<td>5,300,000.00</td>
<td>5,262,158.00</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL BOUGHT:</strong></td>
<td>$9,300,000.00</td>
<td>$9,293,118.00</td>
</tr>
<tr>
<td><strong>MATURED</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/4/2019</td>
<td>PEPSICO INC 1.350% 10/04/19</td>
<td>$3,900,000.00</td>
<td>$3,881,748.00</td>
</tr>
<tr>
<td>10/7/2019</td>
<td>INTL BK 1.875% 10/07/19</td>
<td>1,835,000.00</td>
<td>1,844,909.00</td>
</tr>
<tr>
<td>10/15/2019</td>
<td>ALLY AUTO 1.780% 8/16/21</td>
<td>37,188.61</td>
<td>37,184.22</td>
</tr>
<tr>
<td>10/15/2019</td>
<td>TOYOTA AUTO 1.730% 2/16/21</td>
<td>13,061.12</td>
<td>13,059.58</td>
</tr>
<tr>
<td>10/15/2019</td>
<td>TOYOTA AUTO 1.930% 1/18/22</td>
<td>86,636.88</td>
<td>86,628.89</td>
</tr>
<tr>
<td>10/15/2019</td>
<td>TOYOTA AUTO 1.140% 8/17/20</td>
<td>21,770.93</td>
<td>21,770.34</td>
</tr>
<tr>
<td>10/15/2019</td>
<td>NISSAN AUTO 1.320% 1/15/21</td>
<td>18,535.90</td>
<td>18,533.02</td>
</tr>
<tr>
<td>10/15/2019</td>
<td>JOHN DEERE OWNER 1.780% 4/15/21</td>
<td>34,022.08</td>
<td>34,017.24</td>
</tr>
<tr>
<td>10/15/2019</td>
<td>HYUNDAI AUTO 1.760% 8/16/21</td>
<td>22,752.20</td>
<td>22,750.36</td>
</tr>
<tr>
<td>10/15/2019</td>
<td>HYUNDAI AUTO 1.770% 1/18/22</td>
<td>81,168.59</td>
<td>81,154.52</td>
</tr>
<tr>
<td>10/15/2019</td>
<td>HYUNDAI AUTO 1.290% 4/15/21</td>
<td>52,604.57</td>
<td>52,597.49</td>
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<tr>
<td>10/15/2019</td>
<td>ALLY AUTO 1.990% 3/15/22</td>
<td>98,060.83</td>
<td>98,053.22</td>
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<tr>
<td>10/15/2019</td>
<td>ALLY AUTO 1.700% 6/15/21</td>
<td>34,828.30</td>
<td>34,825.26</td>
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<tr>
<td>10/21/2019</td>
<td>HONDA AUTO 1.720% 7/21/21</td>
<td>17,867.95</td>
<td>17,866.89</td>
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<tr>
<td>10/21/2019</td>
<td>HONDA AUTO 2.050% 11/22/21</td>
<td>59,518.59</td>
<td>59,510.20</td>
</tr>
<tr>
<td>10/22/2019</td>
<td>JPMORGAN CHASE 2.200% 10/22/19</td>
<td>4,000,000.00</td>
<td>3,971,480.00</td>
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<tr>
<td>10/24/2019</td>
<td>F N M A 1.000% 10/24/19</td>
<td>4,215,000.00</td>
<td>4,155,357.75</td>
</tr>
<tr>
<td>10/28/2019</td>
<td>F H L M C M T N 1.250% 10/28/19</td>
<td>5,000,000.00</td>
<td>5,000,000.00</td>
</tr>
<tr>
<td>10/30/2019</td>
<td>HONEYWELL 1.800% 10/30/19</td>
<td>545,000.00</td>
<td>544,574.90</td>
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<tr>
<td></td>
<td><strong>TOTAL MATURSED:</strong></td>
<td>$20,073,016.55</td>
<td>$19,976,020.88</td>
</tr>
<tr>
<td><strong>SOLD</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>NO REPORTABLE SECURITIES FOR THIS MONTH</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### OCTOBER 2019 BUDGET TRANSFERS AND AMENDMENTS

in '000s

<table>
<thead>
<tr>
<th>PROJECT NUMBER</th>
<th>PROJECT NAME</th>
<th>CURRENT BUDGET</th>
<th>NEW BUDGET</th>
<th>CHANGE</th>
<th>EXPLANATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>7500000</td>
<td>Service Bureau - Main Project FY 2020</td>
<td>$63.2</td>
<td>$30.3</td>
<td>$(32.9)</td>
<td>Transferred funds from the Main Service Bureau project (7500000) to establish a new project.</td>
</tr>
<tr>
<td>7515500</td>
<td>Transportation Modeling for Port of San Diego Master Plan Upd</td>
<td>$0.0</td>
<td>$32.9</td>
<td>$32.9</td>
<td>New Service Bureau project for Transportation Modeling for Port of San Diego Master Plan Update</td>
</tr>
</tbody>
</table>
Meetings and Events Attended on Behalf of SANDAG

Board members participated in the following meetings and events on behalf of SANDAG. Key topics of discussion also are summarized.

**October 21, 2019: Los Angeles-San Diego-San Luis Obispo Rail Corridor Agency Board Meeting**
Orange, CA

Del Mar Deputy Mayor Ellie Haviland participated in the Los Angeles-San Diego-San Luis Obispo Rail Corridor Agency Board meeting as the SANDAG representative. The Board approved a budget amendment to the Pacific Surfliner operations contract and participated in discussions related to upcoming rail grant submittals.

**October 20-25, 2019: San Diego Regional EDC Mission to Germany**
Frankfurt and Munich, Germany

Vice Chair Catherine Blakespear participated with the San Diego Regional EDC Mission to Germany as the SANDAG representative. The delegation of San Diego region officials and executives participated in meetings and workshops to capitalize on the increasing economic connectivity between our region and Germany to position the region as a global innovation hub, and to create new partnership opportunities in technology and intelligent mobility to inform the 5 Big Moves and Regional Plan Vision.

**October 29-30, 2019: National Association of Regional Councils Board of Directors Retreat**
Scottsdale, AZ

National City Councilmember Ron Morrison attended the National Association of Regional Councils (NARC) Board Retreat as the SANDAG representative. The NARC Board Retreat provides an opportunity for the leadership to conduct annual business and network. Sessions were held on topics ranging from organizational structure, innovative best practices, and new developments in technology.

**November 15, 2019: California Association of Councils of Governments Board of Directors Meeting**
Sacramento, CA

San Marcos Mayor Rebecca Jones attended the California Association of Councils of Governments (CALCOG) Board meeting as the SANDAG representative. The CALCOG Board was briefed on the past year in review, discussed the Executive Director’s performance, received an update on legislation, and discussed strategic priorities for 2020. The Board also received the annual financial committee report and an update on the progress of the Leadership Academy.

Hasan Ikhrata, Executive Director

Key Staff Contact: Tessa Lero, (619) 595-5629, tessa.lero@sandag.org
Quarterly Progress Report on Major Transportation Projects - Through September 2019

Overview
This quarterly report provides an update on the status of major SANDAG and Caltrans projects and programs funded by the TransNet one-half cent local sales tax and other local, state, and federal revenue sources.\(^1\)

Key Considerations
In the San Diego region, there are currently 74 major SANDAG and/or Caltrans projects underway or will be started in the next five years, as shown in Attachment 1. Since the September report, 8 Transit projects, 4 Express/HOV Lane projects, 3 Highway projects, and 11 Comprehensive Multimodal Corridor Plans have been added to reflect the Board-approved FY 2020 Program Budget Amendment in September 2019.

As of the date of this report, 18 projects are in the Environmental phase, 26 projects are in the Design phase, 19 projects are in the Construction phase, and 11 will be conducting Corridor Studies.

Major Project / Program Highlights
- On July 31, 2019, a groundbreaking event was held for the SR 11 Segment 2A and SR 11, SR 905, and SR 125 Southbound Connectors Project in Otay Mesa (Project No. 58).
- In July 2019, the Orange Bikeway project (Project No. 39) received its final environmental document and is currently in the design phase; also, the Fourth and Fifth Avenue Bikeway project (Project No. 39) was advertised and is expected to begin construction in December 2019 (see Item No. 6).
- In September 2019, the Georgia-Meade Bikeway project (Project No. 38) successfully started construction. This project is anticipated to be open to users in spring 2022.
- In September 2019, the I-5 Voigt Drive Improvement Project (Project No. 48) started the construction phase and is expected to be complete by summer 2021.
- All planned milestones for the first quarter of FY 2020, as stated in the September report, were completed.
- The Transportation Demand Management (TDM) Program known as iCommute continues to see success by providing approximately 634 vanpools providing a cost-effective alternative to driving alone. Attachment 2 provides more information regarding TDM programs.

\(^1\) The projects in this report are a subset of projects shown in the FY 2020 Program Budget. This report does not include projects already open to traffic or that are in the close out phase.
Schedule Changes

The schedules for the following projects have been revised within the last quarter:

- The construction phase for the I-805/SR 94 Bus on Shoulder project (Project No. 2) has been updated to occur by March 2020. All phases of the project are expected to be completed by fall 2020.

- The final environmental phase for the Carlton Oaks Segment Bikeway (Project No. 29) is now expected to be complete by summer 2020 due to the additional time required to prepare and review a federal NEPA environmental analysis in coordination with Caltrans.

Next Steps

During the next quarter (October – December), one project is expected to complete the Environmental phase, one is expected to complete the Design phase, two projects are expected to begin the Construction phase, and one is expected to open to traffic.

Hasan Ikhrata, Executive Director

Key Staff Contact:  Michelle Smith, (619) 595-5608, michelle.smith@sandag.org
Attachments: 1. Major Transportation Projects in the San Diego Region
               2. Transportation Demand Management Progress Report
<table>
<thead>
<tr>
<th>Project No.</th>
<th>Description/Limits</th>
<th>Phase</th>
<th>FY2020 Budget Phase Completion Date</th>
<th>Updated Phase Completion Date</th>
<th>Est. Open to Public Date</th>
<th>FY2020 Budget ($1,000’s)</th>
<th>Updated Approved Budget ($1,000’s)</th>
<th>Est. Cost at Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Downtown Multiuse and Bus Stopover Facility</td>
<td>Design</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>$45,975</td>
<td>$45,975</td>
<td>TBD</td>
</tr>
<tr>
<td>2</td>
<td>I-805/SR 94 Bus on Shoulder Demonstration</td>
<td>Begin Construction</td>
<td>Sep-19</td>
<td>Mar-20</td>
<td>2020</td>
<td>$30,900</td>
<td>$30,900</td>
<td>$30,900</td>
</tr>
<tr>
<td>3*</td>
<td>Mid-Coast Light Rail Transit (LRT) Old Town to University Towne Centre</td>
<td>Construction</td>
<td>Sep-21</td>
<td>Sep-21</td>
<td>2021</td>
<td>$2,171,201</td>
<td>$2,171,201</td>
<td>$2,171,201</td>
</tr>
<tr>
<td>4</td>
<td>Rose Canyon 3 Bridge Replacements</td>
<td>Draft Environmental</td>
<td>Sep-19</td>
<td>Sep-22</td>
<td>TBD</td>
<td>$77</td>
<td>$77</td>
<td>$14,545</td>
</tr>
<tr>
<td>5</td>
<td>San Onofre 3 Bridge Replacements</td>
<td>Draft Environmental</td>
<td>Sep-19</td>
<td>Sep-22</td>
<td>TBD</td>
<td>$62</td>
<td>$62</td>
<td>$13,641</td>
</tr>
<tr>
<td>6</td>
<td>San Onofre to Pulgas Double Track, Phase 2</td>
<td>Design</td>
<td>Sep-20</td>
<td>Sep-20</td>
<td>TBD</td>
<td>$1,177</td>
<td>$1,177</td>
<td>$27,218</td>
</tr>
<tr>
<td>7</td>
<td>Poinsettia Station Improvements</td>
<td>Construction</td>
<td>Dec-19</td>
<td>Dec-19</td>
<td>2019</td>
<td>$33,748</td>
<td>$33,748</td>
<td>$33,748</td>
</tr>
<tr>
<td>8</td>
<td>Eastbrook to Shell Double Tracking</td>
<td>Design</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>$10,526</td>
<td>$10,526</td>
<td>TBD</td>
</tr>
<tr>
<td>9</td>
<td>Elvira to Morena Double Tracking</td>
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<td>Nov-20</td>
<td>Nov-20</td>
<td>2020</td>
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<td>$186,925</td>
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<td>10</td>
<td>Sorrento-Miramar Curve Realignment &amp; 2nd Track - Phase II</td>
<td>Design</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>$29,440</td>
<td>$29,440</td>
<td>TBD</td>
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<tr>
<td>11</td>
<td>San Dieguito Lagoon Double Track and Platform</td>
<td>Design</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>$16,445</td>
<td>$16,445</td>
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<tr>
<td>12</td>
<td>San Diego River Bridge Rail Improvements</td>
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<td>Nov-20</td>
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<td>2020</td>
<td>$93,866</td>
<td>$91,666</td>
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<tr>
<td>13</td>
<td>Batiquitos Lagoon Double Track</td>
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<td>Sep-20</td>
<td>TBD</td>
<td>$14,853</td>
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**North Coast Corridor/LOSSAN**

<table>
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<tr>
<th>Project No.</th>
<th>Description/Limits</th>
<th>Phase</th>
<th>FY2020 Budget Phase Completion Date</th>
<th>Updated Phase Completion Date</th>
<th>Est. Open to Public Date</th>
<th>FY2020 Budget ($1,000’s)</th>
<th>Updated Approved Budget ($1,000’s)</th>
<th>Est. Cost at Completion</th>
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<tr>
<td>4</td>
<td>Rose Canyon 3 Bridge Replacements</td>
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<td>Nov-20</td>
<td>2020</td>
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<td>TBD</td>
<td>TBD</td>
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<td>$16,445</td>
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<td>12</td>
<td>San Diego River Bridge Rail Improvements</td>
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*Project changes from previous report are in bold*
## Transit, continued

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<th>Total Project Budget &amp; Cost ($1,000's)</th>
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<td>14</td>
<td>Del Mar Bluffs IV</td>
<td>Begin Construction</td>
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<tr>
<td>15</td>
<td>Del Mar Bluffs V</td>
<td>Draft</td>
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<td>16</td>
<td>LOSSAN Corridor Improvements</td>
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<td>17</td>
<td>COASTER Train Sets</td>
<td>Open to Users</td>
<td>May-24</td>
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<td>18</td>
<td>Palomar Street Rail Grade Separation</td>
<td>Final</td>
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<td>19</td>
<td>Low-Floor Light Rail Transit Vehicles</td>
<td>Open to Users</td>
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<td>I-15 Transit Priority Lanes and Direct Access Ramp at Clairemont Mesa Blvd.</td>
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<tr>
<td>21</td>
<td>I-805 Transit Priority Lanes From SR 15 to SR 52</td>
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</tr>
<tr>
<td>22</td>
<td>I-805/SR 94/SR 15 Transit Connection From SR 94 to SR 15</td>
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<td>23</td>
<td>Central Mobility Station Old Town Transit Center to San Diego Airport</td>
<td>Draft</td>
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</tbody>
</table>

-T indicates project is funded with TransNet funds
*Project funding includes eligible finance costs associated with project

---

Project changes from previous report are in bold

November 2019
## Active Transportation

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<thead>
<tr>
<th>Project No.</th>
<th>Description/Limits</th>
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<th>FY2020 Budget Phase Completion Date</th>
<th>Updated Phase Completion Date</th>
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</thead>
<tbody>
<tr>
<td><strong>24</strong> T</td>
<td>Inland Rail Trail - Phases 2 &amp; 3 N. Melrose Drive to County Line</td>
<td>Construction</td>
<td>Mar-22</td>
<td>May-26</td>
<td>2026</td>
<td>47,345</td>
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<td><strong>25</strong> T</td>
<td>Central Avenue Bikeway Adams Ave to Landis Street</td>
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<td>Jul-20</td>
<td>2021</td>
<td>3,174</td>
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<tr>
<td><strong>26</strong> T</td>
<td>Border to Bayshore Bikeway Along Palm Ave</td>
<td>Design</td>
<td>Jan-21</td>
<td>Jan-21</td>
<td>2023</td>
<td>13,366</td>
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<tr>
<td><strong>27</strong> T</td>
<td>Pershing Drive Bikeway Landis Street to C Street</td>
<td>Design</td>
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<td>Mar-20</td>
<td>2021</td>
<td>18,982</td>
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<tr>
<td><strong>28</strong> T</td>
<td>Downtown to Imperial Avenue Bikeway Along Imperial Ave. - 21st St to 47th St.</td>
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### San Diego River Trail

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<tr>
<td><strong>29</strong> T</td>
<td>Stadium Segment Fenton Parkway to Rancho Mission Road</td>
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<td>TBD</td>
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<td><strong>30</strong> T</td>
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### Coastal Rail Trail

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<th>Phase</th>
<th>FY2020 Budget Phase Completion Date</th>
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<tbody>
<tr>
<td><strong>31</strong> T</td>
<td>Rose Creek South of SR 52 to Mission Bay</td>
<td>Construction</td>
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### Bayshore Bikeway

<table>
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<th>Phase</th>
<th>FY2020 Budget Phase Completion Date</th>
<th>Updated Phase Completion Date</th>
<th>Est. Open to Public Date</th>
<th>Total Project Budget &amp; Cost ($1,000's)</th>
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<tbody>
<tr>
<td><strong>32</strong> T</td>
<td>Segment 8B Main St. to Palomar</td>
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<td>Jul-21</td>
<td>2022</td>
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<td><strong>33</strong> T</td>
<td>Barrio Logan Park Boulevard to 32nd Street</td>
<td>Design</td>
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<td>Feb-20</td>
<td>2021</td>
<td>24,675</td>
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*Project changes from previous report are in bold*
# Active Transportation

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<tr>
<th>Project No.</th>
<th>Description/Limits</th>
<th>Phase</th>
<th>FY2020 Budget Phase Completion Date</th>
<th>Updated Phase Completion Date</th>
<th>Est. Open to Public Date</th>
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<th>Est. Cost at Completion</th>
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<tbody>
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<td>Robinson Bikeway</td>
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<td>35</td>
<td>Howard Bikeway</td>
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<td>Meade Avenue, along 44th Street/Monroe Avenue to Collwood Boulevard</td>
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<td>Apr-22</td>
<td>2022</td>
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<td>Winona Avenue to 70th Street</td>
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<table>
<thead>
<tr>
<th>Project No.</th>
<th>Description/Limits</th>
<th>Phase</th>
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<tbody>
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<td>Nov-20</td>
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Project changes from previous report are in bold

November 2019
## Express/HOV Lanes and Direct Access Ramp (DAR)

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<th>Description/Limits</th>
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<td>I-5 High Occupancy Vehicle (HOV) Manchester Avenue to Palomar Airport Road 2 HOV Lanes/Noise Barriers</td>
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<td>2022</td>
<td>$127,641</td>
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<td>I-5/Voigt Drive Improvements La Jolla Village Drive and Genessee Avenue</td>
<td>Construction</td>
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<td>Jul-21</td>
<td>2021</td>
<td>$29,380</td>
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<td>I-5/805 HOV Conversion to Express Lanes Express Lanes along I-5 and I-805</td>
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<td>Mar-21</td>
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<td>State Route 94 2 HOV Lanes &amp; Connectors at SR 94/I-805</td>
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### Highway

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<tr>
<td>55</td>
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<td>Construction</td>
<td>Jul-21</td>
<td>Jul-21</td>
<td>2021</td>
<td>$7,249</td>
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<tr>
<td>56 T</td>
<td>I-5/ SR 56 Interchange West-North and South-East Interchanges</td>
<td>Design</td>
<td>Jul-20</td>
<td>Nov-21</td>
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<td>Aug-20</td>
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<td>Dec-21</td>
<td>2021</td>
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-T indicates project is funded with TransNet funds

Project changes from previous report are in bold
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<th>Project Information</th>
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<td>Corridor Study</td>
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<td>Airport to Airport Connection</td>
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Project changes from previous report are in bold
iCommute Program: iCommute is the Transportation Demand Management (TDM) division of SANDAG, and promotes the use of transportation alternatives by providing services such as the SANDAG Regional Vanpool Program, employer outreach, bicycle encouragement programs, support for carpooling, support for transit, and a Guaranteed Ride Home service.

SANDAG Regional Vanpool Program: The Regional Vanpool Program provides commuters with a cost-effective alternative to driving alone. The first quarter ended with 634 vanpools.

Employer Outreach: iCommute works with employers throughout the region to develop and implement commuter programs that encourage their employees to carpool, vanpool, bike or walk to work, take transit, or telework. During the first quarter, 119 employers actively participated in the iCommute employer services program and 16 employers joined the program.

Try Transit is a program that provides eligible employees with a 30-Day transit pass to try the bus, train, or Trolley. During the first quarter, 42 commuters at six employer sites registered to try transit for the first time.

Bike Encouragement Program: iCommute provides access to secure bike parking at over 60 transit stations and Park & Ride lots throughout the region. At the end of September, there were 497 commuters enrolled in the Regional Bike Parking Program, of which 63 are new.

Guaranteed Ride Home: The Guaranteed Ride Home program provides commuters who carpool, vanpool, take transit, walk, or bike to work, a free ride home from work in the event of an emergency, illness, or unscheduled overtime. During the first quarter of FY 2020, 1,482 new participants enrolled in the Guaranteed Ride Home program.
Regional Housing Needs Assessment Final Methodology and Draft Allocation

Overview
On September 6, 2019, the Board of Directors directed staff to submit the Draft 6th Cycle Regional Housing Needs Assessment Methodology to the California Department of Housing and Community Development (HCD) for review.

Key Considerations
HCD reviewed the Draft RHNA Methodology and submitted a letter to SANDAG on November 1, 2019 (Attachment 1). HCD found that the methodology furthers the five statutory objectives in Government Code section 65584(d), and did not provide any proposed amendments to the methodology for the Board’s consideration.

The Board is asked to adopt the Final RHNA Methodology by adopting Resolution No. 2020-13 (Attachment 2). Following adoption, state law requires that SANDAG distribute a draft housing unit allocation (Attachment 3) to each local jurisdiction in the region based on the Final RHNA Methodology.

Fiscal Impact:
Development of the Regional Housing Needs Assessment Plan is funded through Overall Work Program No. 3102000 in the FY 2020 Program Budget.

Schedule/Scope Impact:
The RHNA Plan is scheduled to be adopted by the Board of Directors in early 2020. Local jurisdictions will have until April 2021 to update their housing elements to accommodate the housing unit allocations.

Next Steps
Upon adoption, staff will send the Final RHNA Methodology and Draft RHNA Allocation to each jurisdiction in the region and HCD and post the adopting resolution and Final RHNA Methodology, including its underlying data and assumptions, an explanation of how information about local government conditions was used to develop the final methodology, how each of the factors required by state law were considered, and how the final methodology furthers the objectives in state law (Attachment 4), on the SANDAG website.

Any appeals received during the 45-day period following distribution of the Draft RHNA Allocation will be posted to the SANDAG website and each jurisdiction and HCD will be notified at the conclusion of the 45-day appeals period. Once the appeals process outlined in Government Code section 65584.05 is completed, the RHNA Plan, including the Final RHNA Methodology and Final RHNA Allocation, will be presented to the Board for adoption.

Hasan Ikhra, Executive Director
Key Staff Contact: Seth Litchney, (619) 699-1943, seth.litchney@sandag.org
Attachments: 1. HCD Letter dated November 1, 2019
2. Resolution No. 2020-13
3. Draft RHNA Allocation based on Proposed Final RHNA Methodology
4. Proposed Final 6th Cycle Regional Housing Needs Assessment Methodology

Action: Adopt
The Board of Directors is asked to adopt Resolution No. 2020-13, adopting the Final Regional Housing Needs Assessment Methodology.
November 1, 2019

Hasan Ikharta, Executive Director
San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101-4231

Dear Director Ikharta:

RE: Review of Draft Regional Housing Need Allocation (RHNA) Methodology

Thank you for submitting the draft San Diego Association of Governments (SANDAG) Sixth Cycle Regional Housing Need Allocation (RHNA) Methodology. Pursuant to Government Code Section 65584.04(i), the California Department of Housing and Community Development (HCD) is required to review draft RHNA methodology to determine whether the methodology furthers the statutory objectives described in Government Code Section 65584(d).

The draft SANDAG methodology uses jobs and transit to set the overall RHNA number for a city and uses an equity adjustment to adjust for income distribution among the sub-categories of RHNA by income. HCD has completed its review and finds that the draft SANDAG RHNA Methodology furthers the five statutory objectives of RHNA.\(^1\)

Below is a brief summary of findings related to each statutory objective described within Government Code Section 65584(d):

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.

HCD’s analysis shows that this methodology generally allocates more lower income RHNA in jurisdictions with more single-family homes, which will encourage higher density planning in these jurisdictions and a mix of housing types. Also, in support of the affordability objective, the draft methodology allocates more lower income RHNA in more costly areas of the region.

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.

The draft allocation furthers the infill and environmental principles of this objective, as the overall allocation is based on the location of jobs and transit access. Particularly relevant to supporting infill development and climate change goals is the fact that this methodology...
does not consider land capacity or vacant land as a determinant of RHNA, and instead focuses on where housing is needed to encourage transit ridership and reduced commutes.

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.**

Overall jobs, rather than low-wage jobs, are included as a factor in the methodology, but further analysis shows that using overall jobs combined with the equity adjustment in the methodology leads to a strong overlap between low-wage jobs and lower income RHNA as a percentage of the region’s lower income RHNA.

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.**

This objective is furthered directly by the equity adjustment included in the draft methodology. The SANDAG equity adjustment provides an upward adjustment toward the regional average for jurisdictions that have a lower percentage of households in a given income category compared to the region. While the equity adjustment explicitly responds to objective four, it also assists in the methodology furthering each of the other objectives.

5. **Affirmatively furthering fair housing, which 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.**

To evaluate this objective HCD used the [2019 HCD/TCAC Opportunity Maps](https://treasurer.ca.gov/ctcac/opportunity.asp), which evaluate access to opportunity, racial segregation, and concentrated poverty on 11 dimensions, which are all evidence-based indicators related to long term life outcomes. The six jurisdictions that would receive the highest percentage of lower income RHNA under this methodology are also the jurisdictions that have no segregated concentrated areas of poverty or lowest resource census tracts, and compared to other jurisdictions in the region have the highest percentage of area in high or highest resource census tracts (76-100% of the jurisdiction). Conversely, the jurisdictions with large amounts of area in low resource census tracts or census tracts that demonstrate high segregation and concentrations of poverty generally receive less lower income RHNA than the regional average.

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2 Created by the California Fair Housing Task Force and commissioned by HCD and the California Tax Credit Allocation Committee (TCAC) to assist public entities in affirmatively furthering fair housing. The version used in this analysis is the 2019 HCD/TCAC Opportunity Maps available at treasurer.ca.gov/ctcac/opportunity.asp.
HCD appreciates the active role of SANDAG staff in providing data and input throughout the draft methodology development and review period, as well as developing a methodology that is clear and transparent. HCD especially thanks Seth Litchney and Coleen Clementson for their significant efforts and assistance.

Public participation in the development and implementation of the RHNA process is essential to effective housing planning. HCD applauds SANDAG on its efforts to date and the region should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available while considering and incorporating comments where appropriate.

HCD looks forward to continuing our partnership with SANDAG to assist its member jurisdictions meet and exceed the planning and production of the region’s housing need.

Just a few of the support opportunities available for the SANDAG region this cycle include:

- SB 2 Planning Grants and Technical Assistance (Available now, application deadline November 30, 2019, technical assistance available now through June 2021)
- Regional and Local Early Action Planning Grants (25% of Regional funds available now, all other funds available early 2020)
- SB 2 Permanent Local Housing Allocation (Available April – July 2020)

If HCD can provide any additional assistance, or if you, or your staff, have any questions, please contact Megan Kirkeby, Assistant Deputy Director for Fair Housing, megan.kirkeby@hcd.ca.gov.

Megan Kirkeby  
Assistant Deputy Director for Fair Housing
A Resolution Adopting the Final Regional Housing Needs Assessment Methodology for the Sixth Housing Element Cycle (2021 - 2029) for the San Diego Region

WHEREAS, California state housing element law requires that the San Diego Association of Governments (SANDAG) adopt a methodology for distributing the existing and projected regional housing need to the local jurisdictions within the San Diego region; and

WHEREAS, the California Department of Housing and Community Development (HCD) is required to consult with SANDAG in determining the existing and projected housing need for the region prior to each housing element cycle; and

WHEREAS, HCD provided SANDAG with a regional housing need number of 171,685 units distributed to four income categories, very-low (24.7%), low (15.5%), moderate (17.3%), and above-moderate (42.5%) for the 6th Housing Element Cycle (2021-2029) (collectively, RHNA Determination); and

WHEREAS, SANDAG with the assistance of the Regional Housing Needs Assessment (RHNA) Subcommittee, which is a subcommittee of the SANDAG Board of Directors, and also with input from the Regional Planning Committee and Regional Planning Technical Working Group, developed a draft methodology based on comparable data available for all affected jurisdictions and accepted planning methodology and allocating the region’s housing needs by jurisdiction and distributing the housing need by income category; and

WHEREAS, at its September 14, 2018, meeting, the SANDAG Board of Directors was surveyed to determine each member jurisdiction’s priorities for the upcoming RHNA cycle, including which RHNA objectives and factors would be most important when determining the distribution of housing units in the region; and

WHEREAS, on July 26, 2019, the SANDAG Board of Directors released for public comment the Draft 6th Cycle RHNA Methodology, including its underlying data and assumptions, an explanation of how information about local government conditions was used to develop the draft methodology, how each of the factors required by state law were considered, and how the draft methodology furthers the objectives in state law; and

WHEREAS, on September 6, 2019, the SANDAG Board of Directors hosted a public hearing to receive additional oral and written comments on the draft methodology and closed the 42-day public comment period; and

WHEREAS, in considering the public comments received, the SANDAG Board of Directors also authorized at its September 6, 2019 meeting, the transmittal of the Draft 6th Cycle Regional Housing Needs Assessment Methodology to HCD for a 60-day review period; and

WHEREAS, on November 1, 2019, HCD determined that the draft methodology furthers the objectives set forth in state law;
NOW THEREFORE BE IT RESOLVED THAT the SANDAG Board of Directors adopts the following as the final regional housing needs assessment methodology for the sixth housing element cycle (2021 - 2029) for the San Diego region pursuant to state law:

1. Of the total housing units, 65% will be allocated to jurisdictions with access to transit, including rail stations, Rapid transit vehicle stations, and major transit stops. Significant investments in transit have been made throughout the region, and the methodology prioritizes housing growth in those areas with access to transit. Encouraging housing growth near transit can promote infill development (developing vacant or under-used land within existing urban areas that are already largely developed) and preserve open space, as most transit is located in urbanized areas. Improved access to transit also can lower the vehicle miles traveled in a car and reduce greenhouse gas emissions.

2. Within the housing units allocated for jurisdictions with access to transit, 75% of the units will be allocated to jurisdictions with rail stations and Rapid transit vehicle stations and 25% will be allocated to jurisdictions with major transit stops. To ensure future growth is located near transit, the methodology prioritizes 75% of the housing units in areas with rail and Rapid transit vehicle stations. Rail stations and Rapid transit vehicle stations are usually located along fixed routes that require significant capital investment to construct. Unlike bus stops or routes, rail and Rapid stations and routes are not amended or eliminated on a regular basis. The remaining 25% of the housing units will be allocated in jurisdictions with major transit stops. Major transit stops, as defined in state law, have two intersecting bus routes that arrive at 15-minute intervals during peak commute hours.

3. Of the total housing units, 35% will be allocated to jurisdictions based on the total number of jobs in their jurisdiction. Jurisdictions should plan for housing to provide opportunities for more residents to live near their place of employment, promoting infill development, and improving the intraregional relationship between jobs and housing.

4. The methodology further applies an equity adjustment. The RHNA Determination divided the number of housing units needed in the region into four income categories based on the region’s current percentages of households in each income category. The equity adjustment includes a calculation of the existing households in each jurisdiction in each income category. To promote equity and fair housing, as well as to meaningfully address patterns of segregation, the methodology will allocate more housing units within each income category to jurisdictions with a percentage of households in that same category that is lower than the regional percentage.

PASSED AND ADOPTED this 22nd day of November 2019.

Attest:

Chair

Secretary

Member Agencies: Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, San Marcos, Santee, Solana Beach, Vista, and County of San Diego.

Advisory Members: California Department of Transportation, Metropolitan Transit System, North County Transit District, Imperial County, U.S. Department of Defense, Port of San Diego, San Diego County Water Authority, Southern California Tribal Chairmen’s Association, and Mexico.
The RHNA Determination, provided by the Department of Housing and Community Development (HCD) in July 2018, requires the San Diego region to plan for 171,685 housing units in the 6th Housing Element Cycle (2021-2029). The Draft Allocation distributes the regional housing need according to the Final Methodology adopted by the SANDAG Board of Directors on November 22, 2019.

### Definitions:
- **Stations served by rail (NCTD COASTER & SPRINTER; and MTS Trolley, including planned MidCoast Trolley stations) and Rapid bus routes (NCTD BREEZE Route 350; MTS Rapid Routes 215, 225, & 235 and Rapid Express Routes 280 & 290).**
- A stop served by two or more major bus routes with 15 minute frequencies in the peak period (Public Resource Code 21064.3)

### Weighting Units

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<th>Jobs</th>
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### Weighting

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<tr>
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The Draft Allocation, adopted by SANDAG Directors of Board, requires the SANDAG Regional Growth Forecast distributes the regional housing according to the Final Methodology adopted by SANDAG Directors of Board. The Draft Allocation distributes the regional housing need according to the Final Methodology adopted by SANDAG Board of Directors on November 22, 2019.

### Allocation by Income Category

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<th>Jurisdiction</th>
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<th>Low</th>
<th>Moderate</th>
<th>Above Mod.</th>
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Proposed Final
6th Cycle
Regional Housing Needs Assessment Methodology

November 22, 2019
# Table of Contents

Overview .................................................................................................................................................. 2  
Final Regional Housing Needs Assessment Methodology ................................................................. 2  
Underlying Data and Assumptions ..................................................................................................... 3  
  Transit .................................................................................................................................................. 3  
  Jobs ....................................................................................................................................................... 5  
  Equity Adjustment ............................................................................................................................... 6  
Local Government Conditions ........................................................................................................... 8  
  Board of Directors ............................................................................................................................. 9  
  Regional Housing Needs Assessment Subcommittee ....................................................................... 9  
  Regional Planning Technical Working Group .................................................................................... 9  
  Regional Planning Committee ........................................................................................................... 10  
Regional Housing Needs Assessment Objectives and Factors ......................................................... 10  
  Objectives ....................................................................................................................................... 10  
  Factors ............................................................................................................................................. 13  
Appendix ............................................................................................................................................... 20  
  1. Supplemental Information dated August 23, 2019 ........................................................................ 20  
  2. Frequently Asked Questions dated September 5, 2019 ............................................................... 20  
  3. Response to Public Comments on Draft Methodology ............................................................... 20  
  4. HCD Letter dated November 1, 2019 ........................................................................................... 20
Overview

On July 5, 2018, the State Department of Housing and Community Development (HCD) determined the San Diego region would need to plan for 171,685 housing units (Regional Housing Needs Assessment [RHNA] Determination) during the 6th Housing Element Cycle (2021-2029). As the council of governments for the San Diego region, the San Diego Association of Governments (SANDAG) is responsible for developing a methodology for allocating the regional housing need among the region's 19 jurisdictions. The methodology must distribute each jurisdiction's housing unit allocation among the four income categories - low, very-low, moderate, and above moderate - and further the objectives set forth in state law.

State housing element law requires SANDAG to provide a discussion of the methodology that includes the data and assumptions relied upon, and an explanation of how information about local government conditions and how each of the factors required by law was used to develop the draft methodology. (See Government Code Section 65584.04.) SANDAG must also describe how the methodology would further the five objectives in Government Code Section 65584. This document is meant to provide the information required by statute.

State law also prohibits consideration of certain criteria. The following justifications have not been used in development of the methodology and cannot be the basis for a determination of a jurisdiction’s share of the regional housing need:

1. Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
2. Prior underproduction of housing in a city or county from the previous regional housing need allocation.
3. Stable population numbers in a city or county from the previous regional housing needs cycle.

In addition to state housing element law, state law associated with development of Regional Transportation Plans (RTPs) requires that there be consistency between transportation planning, development of housing, and reduction of greenhouse gas (GHG) emissions. (See Government Code Sections 65080 and 65584.) Increased use of public transportation leads to reduced GHG emissions compared to driving alone. This is why the methodology was developed with an eye toward maximizing access between public transportation and all housing types.

On July 26, 2019, the SANDAG Board of Directors released a draft methodology for public review. The Board held a public hearing and concluded the public review period on September 6, 2019. SANDAG received over 2,000 comments on the draft methodology from jurisdictions, organizations, and members of the public. SANDAG posted all supplemental information, a series of frequently asked questions (FAQs), all public comments received during the public comment period, and responses to comments online. The supplemental information, FAQs, and responses to comments are included for reference in the Appendix.

After consideration of the comments received, the Board authorized staff to submit the draft methodology to HCD for review on September 6, 2019. HCD reviewed the draft methodology and submitted a letter to SANDAG on November 1, 2019. HCD found that the methodology furthers the five statutory objectives in Government Code section 65584(d), and did not provide any proposed amendments to the methodology for the Board’s consideration.

On November 22, 2019, the Board adopted the final methodology.

Final Regional Housing Needs Assessment Methodology

The final methodology adopted by the Board on November 22, 2019, includes the following components.

1. Of the total housing units, 65% will be allocated to jurisdictions with access to transit, including rail stations, Rapid bus stations, and major transit stops. Significant investments in transit have been made throughout the region, and the methodology prioritizes housing growth in those
areas with access to transit. Encouraging housing growth near transit can promote infill development (developing vacant or under-used land within existing urban areas that are already largely developed) and preserve open space, as most transit is located in urbanized areas. Improved access to transit also can lower the vehicle miles traveled in a car and reduce GHG gas emissions.

2. **Within the housing units allocated for jurisdictions with access to transit, 75% of the units will be allocated to jurisdictions with rail stations and Rapid bus stations and 25% will be allocated to jurisdictions with major transit stops.** To ensure future growth is located near transit, the methodology prioritizes 75% of the housing units in areas with rail and Rapid bus stations. Rail stations and Rapid bus stations usually are located along fixed routes that require significant capital investment to construct. Unlike bus stops or routes, rail and Rapid stations and routes are not amended or eliminated on a regular basis.

The remaining 25% of the housing units will be allocated in jurisdictions with major transit stops. Major transit stops, as defined in state law, have two intersecting bus routes that arrive at 15-minute intervals during peak commute hours.

3. **Of the total housing units, 35% will be allocated to jurisdictions based on the total number of jobs in their jurisdiction.** Jurisdictions should plan for housing to provide opportunities for more residents to live near their place of employment, promoting infill development, and improving the intraregional relationship between jobs and housing.

4. **The methodology further applies an equity adjustment.** The RHNA Determination divided the number of housing units needed in the region into four income categories based on the region’s current percentages of households in each income category. The equity adjustment includes a calculation of the existing households in each jurisdiction in each income category. To promote equity and fair housing, as well as to meaningfully address patterns of segregation, the methodology will allocate more housing units within each income category to jurisdictions with a percentage of households in that same category that is lower than the regional percentage.

**Underlying Data and Assumptions**

The methodology consists of a transit component, jobs component, and equity adjustment. The underlying data and assumptions used in each component and the equity adjustment are discussed below.

**Transit**

Of the total housing units, 65% (111,595 housing units) will be allocated based on each jurisdiction’s share of regional transit services. Because most transit infrastructure is located in the urbanized areas of the San Diego region, heavily weighting the transit component will promote infill development, preserve open space, lower-vehicle miles traveled, and reduce GHG emissions.

The transit component measures each jurisdiction’s share of rail & Rapid Stations and major transit stops, which are defined below.

- **Rail & Rapid (R&R) Stations:** Stations served by rail (North County Transit District [NCTD] COASTER; NCTD SPRINTER; and Metropolitan Transit System [MTS] Trolley, including planned Mid-Coast stations) and Rapid bus routes (NCTD BREEZE Route 350; MTS Rapid Routes 215, 225, and 235; and MTS Rapid Express Routes 280 and 290).
- **Major Transit Stops:** The intersection of two or more major local bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods.

Of the units allocated based on the transit component, 75% (83,696 housing units) will be allocated based on each jurisdiction’s share of R&R Stations, while 25% (27,899 housing units) will be allocated based on
each jurisdiction’s share of major transit stops. This reflects the significant investment the region has made to build and improve rail lines and Rapid routes as well as the permanency of rail lines relative to local bus service. Additionally, rail and Rapid routes have higher capacities and are among the more popular transportation services in the region. Therefore, the methodology assumes these services can have a larger impact on changing commute behavior and achieving mode shift goals.

Data Source

The data source for the transit component is the SANDAG Activity Based Model (ABM). For R&R stations, SANDAG ABM Forecast Year 2025 No Build was used in order to capture the Mid-Coast Trolley stations currently under construction and anticipated to be open for service to the public by 2021. For major transit stops, SANDAG ABM Forecast Year 2020 was used as the specific data source to align with the start of the 6th Housing Element Cycle planning period.

For Rapid stations and major transit stops that have stops on either side of the road, which correspond to northbound/southbound or eastbound/westbound travel, stop pairs were counted as one station or stop. Stations that serve more than one rail and/or Rapid route were counted once in the R&R data. For example, the Oceanside Transit Center, which is served by two rail lines (NCTD COASTER and NCTD SPRINTER), accounts for only one of the seven R&R stations in Oceanside. Some R&R stations are also considered major transit stops because they are also served by two or more bus lines with 15-minute frequencies during peak commute. The Old Town Transit Center in the City of San Diego, for example, is both a R&R station (served by the NCTD COASTER and MTS Trolley) and major transit stop (served by MTS Bus routes 10, 30, 35, and 44, which have 15-minute peak period frequencies).

The data underlying the proximity to transit component is included in Table 1.

Table 1: Transit Data

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Rail &amp; Rapid Stations</th>
<th>Major Transit Stops</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>Regional Share (%)</td>
</tr>
<tr>
<td>Carlsbad</td>
<td>2</td>
<td>1.3%</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>9</td>
<td>5.8%</td>
</tr>
<tr>
<td>Coronado</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Del Mar</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>El Cajon</td>
<td>3</td>
<td>1.9%</td>
</tr>
<tr>
<td>Encinitas</td>
<td>1</td>
<td>0.6%</td>
</tr>
<tr>
<td>Escondido</td>
<td>14</td>
<td>9.1%</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>La Mesa</td>
<td>5</td>
<td>3.2%</td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>2</td>
<td>1.3%</td>
</tr>
<tr>
<td>National City</td>
<td>2</td>
<td>1.3%</td>
</tr>
<tr>
<td>Oceanside</td>
<td>7</td>
<td>4.5%</td>
</tr>
<tr>
<td>Poway</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>San Diego</td>
<td>100</td>
<td>64.9%</td>
</tr>
<tr>
<td>San Marcos</td>
<td>3</td>
<td>1.9%</td>
</tr>
<tr>
<td>Santee</td>
<td>1</td>
<td>0.6%</td>
</tr>
<tr>
<td>Solana Beach</td>
<td>1</td>
<td>0.6%</td>
</tr>
<tr>
<td>Unincorporated County</td>
<td>2</td>
<td>1.3%</td>
</tr>
<tr>
<td>Vista</td>
<td>2</td>
<td>1.3%</td>
</tr>
<tr>
<td><strong>Region</strong></td>
<td><strong>154</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

Sources: R&R Stations - SANDAG ABM, Forecast Year 2025 No Build; Major Transit Stops - SANDAG ABM, Forecast Year 2020.

Jobs

Of the total housing units, 35% (60,090 units) will be allocated based on each jurisdiction’s share of jobs in the region.

Data Source

The data source for the jobs component is the SANDAG Employment Estimates, which are also being used to develop the latest Regional Growth Forecast. SANDAG Employment Estimates are derived from Quarterly Census of Employment and Wages (QCEW) data from the Economic Development Department (EDD) and the Longitudinal Employer-Household Dynamics Origin-Destination Employment Statistics (LODES) data from the Center for Economic Studies at the U.S. Census Bureau. The LODES data combines federal, state, and Census Bureau survey data on employers and employees and SANDAG uses the QCEW dataset for its detailed geographic information on businesses to geolocate “job spaces” throughout the region. Then LODES data (average of the last five years), which are available at the census block level, are used to fill the job spaces to determine total jobs within various geographies. SANDAG Employment Estimates are also supplemented by other data sources including the San Diego Military Advisory Council (SDMAC) and Defense Manpower Data Center (DMDC). Of note, SDMAC and DMDC assign jobs associated with a Navy ship to the installation that is the ship’s homeport. Finally, the jobs data are validated against published job totals for the County from the EDD Labor Market Information’s yearly data.

The jobs data consists of all job types and includes jobs that are classified as a primary source of income, which can be part-time or full-time, year-round or seasonal. The data underlying the jobs component is included in Table 2.

Table 2: Jobs Data

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Total Jobs</th>
<th>Regional Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad</td>
<td>76,779</td>
<td>4.6%</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>72,403</td>
<td>4.4%</td>
</tr>
<tr>
<td>Coronado</td>
<td>27,594</td>
<td>1.7%</td>
</tr>
<tr>
<td>Del Mar</td>
<td>4,484</td>
<td>0.3%</td>
</tr>
<tr>
<td>El Cajon</td>
<td>45,468</td>
<td>2.7%</td>
</tr>
<tr>
<td>Encinitas</td>
<td>27,871</td>
<td>1.7%</td>
</tr>
<tr>
<td>Escondido</td>
<td>55,059</td>
<td>3.3%</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>4,936</td>
<td>0.3%</td>
</tr>
<tr>
<td>La Mesa</td>
<td>29,773</td>
<td>1.8%</td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>7,492</td>
<td>0.5%</td>
</tr>
<tr>
<td>National City</td>
<td>37,497</td>
<td>2.3%</td>
</tr>
<tr>
<td>Oceanside</td>
<td>45,178</td>
<td>2.7%</td>
</tr>
<tr>
<td>Poway</td>
<td>36,349</td>
<td>2.2%</td>
</tr>
<tr>
<td>San Diego</td>
<td>921,054</td>
<td>55.6%</td>
</tr>
<tr>
<td>San Marcos</td>
<td>40,964</td>
<td>2.5%</td>
</tr>
<tr>
<td>Santee</td>
<td>18,634</td>
<td>1.1%</td>
</tr>
<tr>
<td>Solana Beach</td>
<td>9,151</td>
<td>0.6%</td>
</tr>
<tr>
<td>Unincorporated County</td>
<td>154,686</td>
<td>9.3%</td>
</tr>
<tr>
<td>Vista</td>
<td>40,629</td>
<td>2.5%</td>
</tr>
<tr>
<td><strong>Region</strong></td>
<td><strong>1,656,001</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

Source: SANDAG Employment Estimates and/or SANDAG 2019 Regional Growth Forecast; U.S. Department of Defense
Equity Adjustment

In addition to distributing the RHNA Determination among jurisdictions, SANDAG must distribute units for each jurisdiction among the four income categories defined by HCD. Each income category is defined as a range of household incomes that represents a percentage of the area median income (AMI). The AMI for the San Diego region is $66,529, as provided by HCD. Table 3 provides the definition for each income category and the income ranges for San Diego region households per category.

Table 3: Income Categories

<table>
<thead>
<tr>
<th>Income Category</th>
<th>Definition</th>
<th>Income Range*</th>
<th>Percent of Regional Households (RHNA Determination)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Low</td>
<td>Less than 50% of AMI</td>
<td>$33,259 or less</td>
<td>24.7%</td>
</tr>
<tr>
<td>Low</td>
<td>50-80% of AMI</td>
<td>$33,260 - $53,219</td>
<td>15.5%</td>
</tr>
<tr>
<td>Moderate</td>
<td>80-120% of AMI</td>
<td>$53,220 - $79,829</td>
<td>17.3%</td>
</tr>
<tr>
<td>Above Moderate</td>
<td>Over 120% of AMI</td>
<td>$79,830 or more</td>
<td>42.5%</td>
</tr>
</tbody>
</table>

Source: HCD Determination Letter; 2012-2016 American Community Survey 5-Year, DP03

Household income data was used to determine the number of households per category in each jurisdiction and subsequently each jurisdiction’s percentage breakdown of households per category, which is included in Table 4. The jurisdictional percentages were then compared to the regional percentages for each income category to determine a multiplier, which is an “adjustment” toward the regional percentages.

A jurisdiction’s multiplier for a given income category is applied to the total RHNA units allocated to the jurisdiction to determine how many of its total RHNA units are allocated to that income category.

Jurisdictions that have a higher percentage of existing households in a given income category than the region receive a downward adjustment toward the regional percentage, which results in a smaller share of the allocated housing units within that income category than if no adjustment were applied. Jurisdictions that have a lower percentage of households in a given income category than the region receive an upward adjustment toward the regional percentage, which results in a greater share of the allocated housing units within that income category than if no adjustment were applied.
Table 4: Households per Income Category

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Total Households</th>
<th>Very Low</th>
<th>%</th>
<th>Low</th>
<th>%</th>
<th>Moderate</th>
<th>%</th>
<th>Above Moderate</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad</td>
<td>42,926</td>
<td>6,981</td>
<td>16.3%</td>
<td>4,644</td>
<td>10.8%</td>
<td>5,940</td>
<td>13.8%</td>
<td>25,360</td>
<td>59.1%</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>77,804</td>
<td>19,459</td>
<td>25.0%</td>
<td>11,987</td>
<td>15.4%</td>
<td>13,643</td>
<td>17.5%</td>
<td>32,715</td>
<td>42.0%</td>
</tr>
<tr>
<td>Coronado</td>
<td>8,986</td>
<td>1,506</td>
<td>16.8%</td>
<td>1,109</td>
<td>12.3%</td>
<td>1,442</td>
<td>16.1%</td>
<td>4,929</td>
<td>54.9%</td>
</tr>
<tr>
<td>Del Mar</td>
<td>2,258</td>
<td>430</td>
<td>19.0%</td>
<td>102</td>
<td>4.5%</td>
<td>248</td>
<td>11.0%</td>
<td>1,478</td>
<td>65.5%</td>
</tr>
<tr>
<td>El Cajon</td>
<td>32,937</td>
<td>12,434</td>
<td>37.8%</td>
<td>5,754</td>
<td>17.5%</td>
<td>5,615</td>
<td>17.0%</td>
<td>9,135</td>
<td>27.7%</td>
</tr>
<tr>
<td>Encinitas</td>
<td>23,695</td>
<td>4,287</td>
<td>18.1%</td>
<td>2,168</td>
<td>9.2%</td>
<td>3,182</td>
<td>13.4%</td>
<td>14,058</td>
<td>59.3%</td>
</tr>
<tr>
<td>Escondido</td>
<td>45,217</td>
<td>13,880</td>
<td>30.7%</td>
<td>8,239</td>
<td>18.2%</td>
<td>8,245</td>
<td>18.2%</td>
<td>14,853</td>
<td>32.8%</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>9,044</td>
<td>2,888</td>
<td>31.9%</td>
<td>2,105</td>
<td>23.3%</td>
<td>1,726</td>
<td>19.1%</td>
<td>2,325</td>
<td>25.7%</td>
</tr>
<tr>
<td>La Mesa</td>
<td>23,767</td>
<td>6,368</td>
<td>26.8%</td>
<td>4,468</td>
<td>18.8%</td>
<td>4,609</td>
<td>19.4%</td>
<td>8,322</td>
<td>35.0%</td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>8,465</td>
<td>2,316</td>
<td>27.4%</td>
<td>1,643</td>
<td>19.4%</td>
<td>1,730</td>
<td>20.4%</td>
<td>2,776</td>
<td>32.8%</td>
</tr>
<tr>
<td>National City</td>
<td>15,870</td>
<td>6,436</td>
<td>40.6%</td>
<td>3,271</td>
<td>20.6%</td>
<td>2,848</td>
<td>17.9%</td>
<td>3,315</td>
<td>20.9%</td>
</tr>
<tr>
<td>Oceanside</td>
<td>61,480</td>
<td>16,148</td>
<td>26.3%</td>
<td>11,348</td>
<td>18.5%</td>
<td>11,297</td>
<td>18.4%</td>
<td>22,687</td>
<td>36.9%</td>
</tr>
<tr>
<td>Poway</td>
<td>15,797</td>
<td>2,418</td>
<td>15.3%</td>
<td>1,675</td>
<td>10.6%</td>
<td>2,281</td>
<td>14.4%</td>
<td>9,422</td>
<td>59.6%</td>
</tr>
<tr>
<td>San Diego</td>
<td>490,219</td>
<td>119,014</td>
<td>24.3%</td>
<td>75,283</td>
<td>15.4%</td>
<td>82,616</td>
<td>16.9%</td>
<td>213,305</td>
<td>43.5%</td>
</tr>
<tr>
<td>San Marcos</td>
<td>29,125</td>
<td>7,707</td>
<td>26.5%</td>
<td>4,212</td>
<td>14.5%</td>
<td>5,043</td>
<td>17.3%</td>
<td>12,163</td>
<td>41.8%</td>
</tr>
<tr>
<td>Santee</td>
<td>19,517</td>
<td>3,493</td>
<td>17.9%</td>
<td>2,812</td>
<td>14.4%</td>
<td>3,683</td>
<td>18.9%</td>
<td>9,528</td>
<td>48.8%</td>
</tr>
<tr>
<td>Solana Beach</td>
<td>5,750</td>
<td>883</td>
<td>15.4%</td>
<td>698</td>
<td>12.1%</td>
<td>854</td>
<td>14.9%</td>
<td>3,315</td>
<td>57.7%</td>
</tr>
<tr>
<td>Unincorporated County</td>
<td>159,642</td>
<td>35,996</td>
<td>22.5%</td>
<td>26,493</td>
<td>16.6%</td>
<td>27,598</td>
<td>17.3%</td>
<td>69,555</td>
<td>43.6%</td>
</tr>
<tr>
<td>Vista</td>
<td>30,629</td>
<td>9,016</td>
<td>29.4%</td>
<td>5,746</td>
<td>18.8%</td>
<td>6,112</td>
<td>20.0%</td>
<td>9,754</td>
<td>31.8%</td>
</tr>
<tr>
<td>Region</td>
<td>1,103,128</td>
<td>271,661</td>
<td>24.6%</td>
<td>173,760</td>
<td>15.8%</td>
<td>188,713</td>
<td>17.1%</td>
<td>468,995</td>
<td>42.5%</td>
</tr>
</tbody>
</table>

Source: 2012-2016 American Community Survey (ACS) 5-Year, B19001 “Household Income In The Past 12 Months (In 2016 Inflation-Adjusted Dollars)"
Table 5 below shows this inverse relationship by using plus (+) and minus (-) signs in the Adjustment (Adjust) column. The regional percentages of household per income category are included in the first row and shaded in blue. The jurisdictions’ percentages of household per income category are included in the “Percent of Households” (% of HH) and shaded in grey.

Table 5: Determining an Equity Adjustment

<table>
<thead>
<tr>
<th>Region</th>
<th>Very Low</th>
<th>24.7%</th>
<th>Low</th>
<th>15.5%</th>
<th>Moderate</th>
<th>17.3%</th>
<th>Above Mod.</th>
<th>42.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jurisdiction</td>
<td>% of HH</td>
<td>Adjust.</td>
<td>% of HH</td>
<td>Adjust.</td>
<td>% of HH</td>
<td>Adjust.</td>
<td>% of HH</td>
<td>Adjust.</td>
</tr>
<tr>
<td>Carlsbad</td>
<td>16.3% +</td>
<td>10.8% +</td>
<td>13.8% +</td>
<td>59.1% -</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chula Vista</td>
<td>25.0% -</td>
<td>15.4% +</td>
<td>17.5% -</td>
<td>42.0% +</td>
<td></td>
<td></td>
<td></td>
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Source: 2012-2016 American Community Survey (ACS) 5-Year, B19001

Data Source

SANDAG used data from the 2012-2016 ACS 5-Year, Table B19001 “Household Income In The Past 12 Months (In 2016 Inflation-Adjusted Dollars)” to determine the jurisdictions’ household breakdown among income categories. This dataset was also used by HCD to calculate the unit distribution across income category for the San Diego region’s RHNA Determination.

Local Government Conditions

The methodology was developed with input and recommendation from the Board of Directors, RHNA Subcommittee (a subcommittee of the SANDAG Board), the Regional Planning Technical Working Group (including planning directors from each jurisdiction and housing stakeholders), the SANDAG Regional Planning Committee (a policy advisory committee of the Board), and public stakeholders. Several meetings were held with each stakeholder group and meetings were open to the public. Attendees at each meeting provided information regarding the types of data SANDAG should use, assumptions that should be made, as well as information regarding conditions in their individual jurisdictions that should be taken into consideration. Jurisdictions and stakeholders also provided written comments during the process.

There was general consensus at the meetings that the approach chosen should keep the methodology simple and easy to explain to the public. Nuanced adjustments that may have modified the methodology in marginal ways in relation to the overall objectives and factors were discussed and considered. Factors and adjustments
that would have created a complicated formula, however, ultimately were not pursued since the methodology was developed with the intent to keep it transparent and understandable.

A discussion of each stakeholder group and their major contributions to the development of the methodology is included below.

**Board of Directors**

At its September 14, 2018, meeting, the Board was surveyed to determine each member jurisdiction’s priorities for the upcoming RHNA cycle, including which RHNA objectives and factors would be most important when determining the distribution of housing units in the region. The member jurisdictions requested that their initial set of priorities be further discussed by the Regional Planning Technical Working Group (TWG), which consists of the planning or community development director from each jurisdiction, among other members. The Board also directed the formation of a RHNA Subcommittee to 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. The Board received an update on the preliminary methodology in May 2019 and approved the release of the draft methodology for public comment at its July 26, 2019, meeting. The Board also conducted a public hearing for the draft methodology on September 6, 2019, and adopted the final methodology on November 22, 2019, following HCD’s review.

**Regional Housing Needs Assessment Subcommittee**

In December 2018, the Board formed the RHNA Subcommittee, which was comprised of Board members from each SANDAG subregion to reflect the diversity of geography, jurisdiction size, and other attributes of member jurisdictions. To develop its recommendation, the RHNA Subcommittee explored options for how to build consensus around a RHNA methodology that complies with state law while best achieving the goals of the Board. The RHNA Subcommittee held six meetings prior to the Board releasing the draft methodology. All meetings were publicly noticed and open to the public. Critical direction provided by the RHNA Subcommittee included the following:

- Create a narrative around housing that promotes regional unity in addressing the housing need
- Establish a framework that incorporates transit and jobs to further the objective of increasing transit use, reducing vehicle miles traveled and GHG emissions, and relieving traffic congestion
- Include an equity adjustment to ensure the allocation furthered fair housing and increased affordability in all cities and the County of San Diego
- Evaluate opportunities for the military installations within the region to provide housing for military and their families

**Regional Planning Technical Working Group**

The TWG is a SANDAG working group that consists of the planning or community development director from each jurisdiction and representatives from other single-purpose regional agencies, such as the transit operators. The TWG advises the Regional Planning Committee and Board on the development and implementation of San Diego Forward: The 2021 Regional Plan, which includes, and must be consistent with, the RHNA plan. The TWG discussed and provided input on the development of the methodology at 11 meetings, including two workshops specifically focused on RHNA.

Information on local government conditions provided by TWG members included:

- Preserved open space, agricultural lands, and airports and associated safety zones
Universities and community colleges
Military installations
Low-wage jobs
Voter requirements

Feedback provided by TWG members for which there was general consensus that was incorporated into the methodology included:

- Prioritizing transit, with greater weight given to major transit investments (R&R stations) over local bus service
- Improving the job-housing relationship
- Encouraging the development of a mix of housing types across the region and addressing historical patterns of inequity in housing development

Regional Planning Committee

The Regional Planning Committee (RPC) is one of the SANDAG policy advisory committees, which provides oversight for the preparation and implementation of San Diego Forward: The 2021 Regional Plan. The RPC discussed the RHNA process at two of their meetings.

Information on local government conditions provided by RPC members included:

- Airport safety zones
- Housing development opportunities at major employment centers
- Sea level rise

Feedback received from the RPC that informed the development of the methodology included:

- Aligning priorities for the RHNA methodology with priorities adopted by jurisdictions through other planning efforts such as climate action plans

Regional Housing Needs Assessment Objectives and Factors

Objectives

The methodology and allocation further the five objectives listed in Government Code Section 65584.

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.

   Per state law, the methodology allocates units in all four income categories to each of the region’s 19 jurisdictions. The methodology does so equitably, ensuring each jurisdiction receives an allocation for low- and very low-income units, and further, allocating a higher share of low- and very-low units to jurisdictions that currently have a smaller share of low- and very low-income households than the regional share. State law requires jurisdictions to zone at higher densities to accommodate their low- and very low-income housing allocations. As jurisdictions plan for and build housing, the mix of housing types will increase.
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 GHG gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.

The methodology prioritizes transit and jobs to encourage efficient development patterns and reduce GHG emissions. By allocating housing units based on these two factors, SANDAG sets a guiding principle for local jurisdictions to zone and build housing near transit and jobs. Transit and job centers are located in the urbanized areas of the region. Therefore, an allocation based on transit and jobs will lead to more infill development while protecting natural resources and open space. Because infill development does not rely on available space and can occur in areas that already have a dense population, the methodology supports provision of housing even in areas that are currently considered built-out.

SANDAG’s GHG reduction target, as set by the California Air Resources Board, is to reduce the region’s per capita emissions of GHG from cars and light trucks by 15% by 2020, compared with a 2005 baseline. By 2035, the target is to reduce GHG emissions by 19% per capita. The methodology encourages the development of housing near jobs and transit, which will provide the region’s residents with opportunities to live where they work and/or readily access transit, which can facilitate shorter commutes, reduce vehicle miles traveled, and increase trip-taking by transit or alternative modes.

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.

SANDAG conducted an analysis of the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction. The analysis shows that the number of low-wage jobs far exceeds the number of existing housing units affordable to low-wage workers in each jurisdiction.

The methodology allocates 35% of the 171,685-unit regional housing need based on each jurisdiction’s share of existing regional total jobs to encourage development of housing near job centers so that jurisdictions can improve the jobs-housing relationship.

The methodology’s Equity Adjustment (see Objective 4) also improves the balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction by allocating a higher share of low- and very low-income housing units to jurisdictions that currently have a smaller share of low-and very low-income households than the regional share.

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 ACS.

This objective guided the development of the Equity Adjustment used to ensure the methodology will result in allocation of housing units to each of the income categories. This adjustment results in a jurisdiction receiving a lower proportion of its total housing units within an income category when it has a higher share of households within that income category compared to the region. This method shifts units across income categories, rather than adding units to a jurisdiction’s total housing unit allocation, allowing for a mix of housing types and affordability near transit and jobs.
5. Affirmatively furthering fair housing. 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.

During development of the methodology, SANDAG reviewed the California Tax Credit Allocation Committee (TCAC) 2019 Opportunity Map for the San Diego region. The TCAC map demonstrates how public and private resources are spatially distributed within the region. The map is part of a larger study that shows how communities with better air quality, higher educational attainment, and better economic indicators are communities that have higher “opportunity”, or pathways that offer low-income children and adults the best chance at economic advancement. The study finds that historically communities with higher opportunity - through plans, policies, and practices - may have systematically denied equal opportunity to low socioeconomic and minority populations.

Areas of “low resource” and “high segregation & poverty” on the TCAC maps are also many of the same areas with a high concentration of low-income households in the San Diego region. The Equity Adjustment within the methodology addresses the disparities in access to resource-rich areas by providing housing opportunities for people in all income levels to reside in any given community. This is meant to foster and maintain compliance with civil rights and fair housing laws. The Equity Adjustment in the methodology also assists in overcoming patterns of discrimination and transforming racially and ethnically concentrated areas of poverty into areas of opportunity by allocating a higher proportion of low-income housing units to jurisdictions with a lower share of low-income households, which tend to be jurisdictions with a high concentration of resource-rich areas. The six jurisdictions that will receive the highest percentage of low- and very low-income housing units under the methodology also do not contain areas of high segregation and poverty or low resource census tracts, and compared to other jurisdictions in the region have the highest percentage of area in high or highest resource census tracts (76-100% of the jurisdiction). Conversely, the jurisdictions that currently have more area in low resource census tracts or census tracts that demonstrate high segregation and concentrations of poverty, generally receive a lower percentage of low- and very low-income housing units than the regional percentage.
In addition to furthering the objectives outlined above, state law requires that SANDAG consider several factors in the development of the methodology, to the extent sufficient data is available pertaining to each factor. See Government Code Section 65584.04(e). The RHNA factors and how each were considered in the development of the methodology are described below.

1. Each 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.

   The methodology prioritizes jobs as a factor in allocating the regional housing need. The jobs factor seeks to encourage development of housing near job centers so that jurisdictions can achieve greater jobs-housing balance. The jobs factor uses current data on existing jobs instead of a projection. Given the housing shortage within the region, it is critical that housing is built where existing jobs are located to begin to address the current jobs-housing imbalance. Although data for projected job and household growth by income level for the next Regional Plan update is not yet available, SANDAG used the most recent readily available data for projected job growth and projected household growth by income level within each member jurisdiction to conduct its analysis.
SANDAG analyzed the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction. The analysis showed that the number of low-wage jobs far exceeds the number of existing housing units affordable to low-wage workers in each jurisdiction. The methodology is expected to increase the supply of affordable housing by allocating each jurisdiction low- and very low-income housing units. The methodology’s Equity Adjustment (see Objective 4) also should improve the balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction by allocating a higher share of low- and very low-income housing units to jurisdictions that currently have a smaller share of low- and very low-income households than the regional share.

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.

SANDAG notes that general plans for some jurisdictions may account for constraints to housing development arising from lack of capacity for sewer or water service. For example, rural areas may rely more heavily on well water and septic systems, which constrains housing development due to lack of sufficient infrastructure. For the methodology, however, the transit factor allocates housing units based on each jurisdiction’s share of regional rail and Rapid bus stations as well as major transit stops. Rail and Rapid bus stations are located in the region’s more developed areas where land uses generate enough ridership to support the investment to the transit infrastructure. Major transit stops also are located in the region’s urbanized areas and surrounded by land uses that support higher service frequencies. By prioritizing transit connectivity, the methodology encourages infill development in urban areas that are likely to have existing capacity for sewer or water service.

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 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.

The methodology is not constrained by existing zoning ordinances and land use restrictions. Instead the methodology prioritizes transit and jobs, which aligns with several beneficial land use planning principles, such as promoting infill and increasing residential densities. 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 are accounted for due to the methodology’s use of the jobs and transit factors. When development of housing is promoted near transit and jobs in areas that are already more densely populated and developed than other areas of each jurisdiction, it allows the jurisdictions to focus on infill development that can occur without reliance on the availability of additional land, but instead on underutilized land that can be converted to uses that allow for increased residential density.
The transit factor allocates housing units based on each jurisdiction’s share of regional rail and Rapid bus stations as well as major transit stops. Rail and Rapid bus stations are located in the region’s urbanized areas where land uses generate enough ridership to support the investment to the transit infrastructure. Major transit stops are also located in the region’s urbanized areas and surrounded by land uses that support higher service frequencies. By prioritizing transit, the methodology encourages infill development in areas that are suitable for urban development. A transit-focused methodology also promotes increased densities as jurisdictions must plan for housing in urban areas already served by high quality transit.

The methodology aligns with the region’s priorities for growth. As shown in Figure 3.1, general plans in the San Diego region have focused growth and development in existing urban areas, preserved more land for habitat and open space, and looked to accommodate more housing near transit and key destinations.

**Figure 3.1: Priorities for Growth Then and Now**

- **1999**
  - Open Space: 33%
  - New Housing: 48%
  - Total Housing: 43%

- **2015**
  - Open Space: 18%
  - New Housing: 45%
  - Total Housing: 47%

General plans for individual jurisdictions may account for constraints to housing development arising from lands preserved or protected from urban development under existing federal or state programs. As shown in the figures below though, preserved land, farmland, and habitats are primarily in the eastern portion of San Diego County. The methodology focuses housing units in areas with access to transit and jobs, which are located in existing urbanized areas. Therefore, the methodology will not encourage encroachment upon open space areas.
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.

The County of San Diego General Plan accounts for some constraints to housing development arising from policies to preserve prime agricultural land and incorporates local ballot measure provisions prohibiting or restricting the conversion of agricultural to non-agricultural uses. The methodology allocates housing units based on access to jobs and transit, which are located in existing urbanized areas. Therefore, this constraint is not expected to impact the methodology’s capacity to allow for development of additional housing.

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.

As shown in Figure 3.1, plans for growth are focused on the urbanized areas of the region. The methodology prioritizes transit as a factor – specifically high-quality transit, which is located in the urbanized areas. The emphasis on transit allows local jurisdictions that have invested in transit the opportunity to maximize the use of 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 the jurisdiction that prohibits or restricts conversion to non-agricultural uses.

Regional planning undertaken by SANDAG and its member agencies during the past 15 to 20 years, has focused the region’s growth in the western third of the region, primarily in its incorporated cities and near transit service (Figure 3.1). SANDAG has funded “smart growth” grants to encourage growth in incorporated areas of the county with sufficient density to support transit-oriented development. Consistent with this, the methodology prioritizes transit and jobs. High-quality transit service and a high concentration of the region’s jobs are located in the urbanized, incorporated areas of the region. Thus, the methodology is consistent with agreements between SANDAG, the County of San Diego, and the cities to develop public transportation infrastructure and supporting land uses away from areas that are zoned or designated for agricultural protection or preservation. Interjurisdictional agreements may account for some development constraints; however, those agreements are not expected to be in conflict with the methodology due to the prioritization of transit and jobs.

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.

The data for these units is not readily available and varies by jurisdiction. The loss of assisted housing developments for lower income households is an issue that should be addressed by the jurisdictions when preparing their housing elements.

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% and more than 50% of their income in rent.

This factor was not included in state law at the time the HCD was making its determination on the regional housing need of the San Diego region, and sufficient data for this factor is not readily available. The San Diego region received its largest RHNA Determination this cycle, however, and it is expected that an influx of housing units in each income category will help alleviate the rent burden in the region.
7. The rate of overcrowding.

HCD used the 2012-2016 ACS to determine the rate of overcrowding in the San Diego region when making its RHNA Determination. HCD then compared the San Diego region’s overcrowding rate (6.43% of all households) to the national rate (3.34% of all households). To address the needs of overcrowding in the region, HCD’s RHNA Determination included an overcrowding adjustment of 3.09%, which added 38,700 housing units to the regional housing need to alleviate overcrowding in the region. Thus, this factor has already been accounted for in the methodology.

8. The housing needs of farmworkers.

The methodology prioritizes jobs as a factor in allocating the regional housing need. Farmworkers are included in the data on existing jobs. Therefore, their housing needs along with the housing needs of all the region’s workers are considered.

The methodology increases the supply of affordable housing by allocating each jurisdiction low- and very low-income housing units. The methodology’s Equity Adjustment (see Objective 4) also improves the balance between the number of low-wage jobs, including farming jobs, and the number of housing units affordable to low-wage workers in each jurisdiction by allocating a higher share of low- and very low-income housing units to jurisdictions that currently have a smaller share of low- and very low-income households than the regional share. Although the low-income housing needs of farmworkers are unique given their low wages and job locations, the allocation expected from the methodology is expected to provide more low-income housing in every jurisdiction and accordingly should provide farmworkers the ability to live in more areas of the region and commute shorter distances to their seasonal jobs.

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.

The major universities and community colleges in the San Diego region are located in urban areas served by the existing transportation network. The City of San Diego is home to San Diego State University; University of California San Diego; University of San Diego; Point Loma Nazarene University; various smaller, private universities; and three community colleges: San Diego City College, San Diego Mesa College, and San Diego Miramar College. It also has the greatest share of the region’s transportation system in part because of transportation investments near universities and colleges located within its jurisdiction.

Similarly, the cities of Chula Vista (Southwestern Community College), El Cajon (Cuyamaca College), Oceanside (Mira Costa College), and San Marcos (California State University San Marcos and Palomar College) have made transportation investments to improve access to transit near colleges and universities. By prioritizing transit, the methodology encourages housing development near existing transit and the key destinations that transit links, including the region’s universities and colleges. The methodology will result in additional housing units being allocated based on transit. This will help these jurisdictions address the housing needs of students, faculty, and staff beyond what these colleges or universities may provide.

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.

Jurisdictions report demolished units to the Department of Finance on an annual basis. Demolished units include those lost during a state of emergency. Between 2011 and 2018, states of emergency in the San Diego region declared by the Governor pursuant to the California Emergency Services Act, and in
which homes were lost, include the following wildfires: the 2014 wildfires (Cocos Fire and Poinsettia Fire), 2017 Lilac Fire, and 2018 West Fire.

HCD analyzed the most recent ten-year average rate of demolition within the San Diego region based on jurisdictions’ annual reports to the Department of Finance. The ten-year average rate of demolition in the San Diego region is 0.32% of the total housing stock. The RHNA Determination included HCD’s minimum replacement adjustment of 0.5%, which exceeds the region’s demolition rate. This adjustment added 6,255 housing units to the RHNA Determination. SANDAG does not have readily available data broken down by jurisdiction to use for this factor and has therefore relied on HCD’s data and adjustment to address this factor at a regional level.

11. The region’s GHG emissions targets provided by the State Air Resources Board pursuant to Section 65080.

SANDAG’s GHG reduction target, as set by the California Air Resources Board, is to reduce the region’s per capita emissions of GHG from cars and light trucks by 15% by 2020, compared with a 2005 baseline. By 2035, the target is to reduce GHG emissions by 19% per capita. The methodology encourages the development of housing near jobs and transit, which will provide the region’s residents with opportunities to live where they work and/or readily access transit, which can facilitate shorter commutes, reduce GHG emissions, and increase trip-taking by transit or alternative modes.

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.

No other factors were included in the methodology.
Appendix

1. Supplemental Information dated August 23, 2019
2. Frequently Asked Questions dated September 5, 2019
3. Response to Public Comments on Draft Methodology
4. HCD Letter dated November 1, 2019
Regional Housing Needs Assessment: Response to Board Requests – August 23, 2019

On July 26, 2019, the Board of Directors released for public comment a draft methodology for the 6th Cycle Regional Housing Needs Assessment (RHNA). The estimated allocation based upon the draft methodology is shown in Table 1. The estimated allocation is subject to changes if the draft methodology is modified by the Board of Directors due to comments from the public or the review for consistency with RHNA laws that will be performed by the California Department of Housing and Community Development. The RHNA laws can be found in the California Government Code starting at Section 65584.

Table 1: Estimated Allocation Per Income Category based on the Draft 6th Cycle RHNA Methodology

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<td>3,873</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>2,750</td>
<td>1,777</td>
<td>1,911</td>
<td>4,667</td>
<td>11,105</td>
</tr>
<tr>
<td>Coronado</td>
<td>343</td>
<td>185</td>
<td>174</td>
<td>299</td>
<td>1,001</td>
</tr>
<tr>
<td>Del Mar</td>
<td>37</td>
<td>64</td>
<td>31</td>
<td>31</td>
<td>163</td>
</tr>
<tr>
<td>El Cajon</td>
<td>481</td>
<td>414</td>
<td>518</td>
<td>1,867</td>
<td>3,280</td>
</tr>
<tr>
<td>Encinitas</td>
<td>469</td>
<td>369</td>
<td>308</td>
<td>408</td>
<td>1,554</td>
</tr>
<tr>
<td>Escondido</td>
<td>1,864</td>
<td>1,249</td>
<td>1,527</td>
<td>4,967</td>
<td>9,607</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>233</td>
<td>127</td>
<td>190</td>
<td>825</td>
<td>1,375</td>
</tr>
<tr>
<td>La Mesa</td>
<td>859</td>
<td>487</td>
<td>577</td>
<td>1,874</td>
<td>3,797</td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>295</td>
<td>166</td>
<td>193</td>
<td>705</td>
<td>1,359</td>
</tr>
<tr>
<td>National City</td>
<td>645</td>
<td>506</td>
<td>711</td>
<td>3,575</td>
<td>5,437</td>
</tr>
<tr>
<td>Oceanside</td>
<td>1,268</td>
<td>718</td>
<td>883</td>
<td>2,574</td>
<td>5,443</td>
</tr>
<tr>
<td>Poway</td>
<td>468</td>
<td>268</td>
<td>241</td>
<td>342</td>
<td>1,319</td>
</tr>
<tr>
<td>San Diego</td>
<td>27,510</td>
<td>17,311</td>
<td>19,297</td>
<td>43,783</td>
<td>107,901</td>
</tr>
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<td>San Marcos</td>
<td>728</td>
<td>530</td>
<td>542</td>
<td>1,316</td>
<td>3,116</td>
</tr>
<tr>
<td>Santee</td>
<td>406</td>
<td>200</td>
<td>188</td>
<td>425</td>
<td>1,219</td>
</tr>
<tr>
<td>Solana Beach</td>
<td>316</td>
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<td>160</td>
<td>240</td>
<td>875</td>
</tr>
<tr>
<td>Unincorporated County</td>
<td>1,834</td>
<td>992</td>
<td>1,165</td>
<td>2,709</td>
<td>6,700</td>
</tr>
<tr>
<td>Vista</td>
<td>515</td>
<td>321</td>
<td>369</td>
<td>1,356</td>
<td>2,561</td>
</tr>
<tr>
<td>Region (Totals)</td>
<td>42,332</td>
<td>26,627</td>
<td>29,734</td>
<td>72,992</td>
<td>171,685</td>
</tr>
</tbody>
</table>

Several SANDAG Board members requested that staff provide additional information during the public comment period on potential modifications to the draft methodology. These requests pertain to the following topics:

1. Equal Weighting to Transit and Jobs Component
2. High Frequency Transit Stop Dataset
3. Increase Equity Adjustment

A description of each request, how each may or may not further the objectives in state law, and how each would change the estimated allocation are included below.

Several SANDAG Board members requested staff apply a methodology that recognizes challenges for small cities by potentially reducing the number of housing units in small cities. SANDAG staff consulted with the California Department of Housing Community Development (HCD) on the potential for small cities to receive a reduced allocation. HCD expressed concerns about an adjustment based on the size of a city rather than being an alteration to the methodology driven by data showing that the adjustment would further the objectives in RHNA law. HCD advised that such an adjustment would be seen as a red flag in the methodology that would likely lead to a negative response. HCD suggested that a small cities adjustment would not be justifiable or consistent with RHNA laws. Therefore, a description of a small cities’ adjustment is not included in the information below.
Request #1: Equal Weighting to Transit and Jobs Component

More than one SANDAG Board member requested that staff apply a methodology that would weigh the transit and jobs components equally such that each would allocate 50 percent of the RHNA Determination (171,685 housing units). Table 2 shows an estimated allocation based on this request. Since 171,685 housing units cannot be split evenly, the component with one more housing unit is the jobs component.

Considerations

Providing equal weighting to the transit and jobs components could meet the objectives in state law as both the transit and jobs components can lead to reduced greenhouse gas reductions, promote infill development, and provide a mix of housing types to all jurisdictions.

Table 2: Estimated Allocation based on Request #1: Equal Weighting to Transit and Jobs Component

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Transit Weighting: 50%</th>
<th>Jobs Weighting: 50%</th>
<th>Total Estimated Allocation</th>
<th>Difference from Draft Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad</td>
<td>836</td>
<td>3,980</td>
<td>4,816</td>
<td>943</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>6,522</td>
<td>3,753</td>
<td>10,275</td>
<td>(830)</td>
</tr>
<tr>
<td>Coronado</td>
<td>-</td>
<td>1,430</td>
<td>1,430</td>
<td>429</td>
</tr>
<tr>
<td>Del Cajon</td>
<td>-</td>
<td>232</td>
<td>232</td>
<td>69</td>
</tr>
<tr>
<td>El Cajon</td>
<td>1,254</td>
<td>2,357</td>
<td>3,611</td>
<td>331</td>
</tr>
<tr>
<td>Encinitas</td>
<td>418</td>
<td>1,445</td>
<td>1,863</td>
<td>309</td>
</tr>
<tr>
<td>Escondido</td>
<td>5,853</td>
<td>2,854</td>
<td>8,707</td>
<td>(900)</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>920</td>
<td>256</td>
<td>1,176</td>
<td>(199)</td>
</tr>
<tr>
<td>La Mesa</td>
<td>2,090</td>
<td>1,543</td>
<td>3,633</td>
<td>(164)</td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>836</td>
<td>388</td>
<td>1,224</td>
<td>(135)</td>
</tr>
<tr>
<td>National City</td>
<td>3,135</td>
<td>1,944</td>
<td>5,079</td>
<td>(358)</td>
</tr>
<tr>
<td>Oceanside</td>
<td>2,926</td>
<td>2,342</td>
<td>5,268</td>
<td>(175)</td>
</tr>
<tr>
<td>Poway</td>
<td>-</td>
<td>1,884</td>
<td>1,884</td>
<td>565</td>
</tr>
<tr>
<td>San Diego</td>
<td>57,290</td>
<td>47,747</td>
<td>105,037</td>
<td>(2,864)</td>
</tr>
<tr>
<td>San Marcos</td>
<td>1,254</td>
<td>2,123</td>
<td>3,377</td>
<td>261</td>
</tr>
<tr>
<td>Santee</td>
<td>418</td>
<td>966</td>
<td>1,384</td>
<td>165</td>
</tr>
<tr>
<td>Solana Beach</td>
<td>418</td>
<td>474</td>
<td>892</td>
<td>17</td>
</tr>
<tr>
<td>Unincorporated County</td>
<td>836</td>
<td>8,019</td>
<td>8,855</td>
<td>2,155</td>
</tr>
<tr>
<td>Vista</td>
<td>836</td>
<td>2,106</td>
<td>2,942</td>
<td>381</td>
</tr>
<tr>
<td>Region (Totals)</td>
<td>85,842</td>
<td>85,843</td>
<td>171,685</td>
<td>-</td>
</tr>
</tbody>
</table>

Request #2: High Frequency Transit Stop Dataset

One SANDAG Board member requested that staff apply a methodology that uses “high frequency transit stops” instead of “major transit stops” to calculate the proximity to transit component. The definitions for “high frequency transit stops” and “major transit stops” are included below.

- **High Frequency Transit (HFT) Stops:** Stops or stations served by high frequency transit as defined as local bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods.

- **Major Transit Stops:** The intersection of two or more major local bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods.

The high frequency transit stops and major transit stops data are included in Table 3 for reference. Table 4 shows an estimated allocation based on this request.
Considerations

Using high frequency transit stops instead of major transit stops to calculate the proximity to transit component could meet the objectives in state law, as housing units would be allocated to areas with access to transit. Major transit stops are recognized in state law as places where development can occur with fewer environmental impacts including fewer vehicle miles traveled. For these reasons, the use of major transit stops was recommended by both the RHNA Subcommittee and the Regional Planning Technical Working Group.

Table 3: Transit Data – High Frequency Transit and Major Transit Stops

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>High Frequency Transit Stops</th>
<th>Share of High Frequency Stops</th>
<th>Major Transit Stops</th>
<th>Share of Major Transit Stops</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>126</td>
<td>11.07%</td>
<td>18</td>
<td>12.86%</td>
</tr>
<tr>
<td>Coronado</td>
<td>29</td>
<td>2.55%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Del Mar</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>El Cajon</td>
<td>22</td>
<td>1.93%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Encinitas</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Escondido</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>26</td>
<td>2.28%</td>
<td>6</td>
<td>4.29%</td>
</tr>
<tr>
<td>La Mesa</td>
<td>7</td>
<td>0.62%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>National City</td>
<td>78</td>
<td>6.85%</td>
<td>15</td>
<td>10.71%</td>
</tr>
<tr>
<td>Oceanside</td>
<td>41</td>
<td>3.60%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Poway</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>San Diego</td>
<td>789</td>
<td>69.33%</td>
<td>101</td>
<td>72.14%</td>
</tr>
<tr>
<td>San Marcos</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Santee</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Solana Beach</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unincorporated County</td>
<td>9</td>
<td>0.79%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Vista</td>
<td>11</td>
<td>0.97%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Region (Totals)</td>
<td>1,138</td>
<td>100%</td>
<td>140</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 4: Estimated Allocation based on Request #2: High Frequency Transit Stops Data Set

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Transit Weighting: 65%</th>
<th>Jobs Weighting: 35%</th>
<th>Total Estimated Allocation</th>
<th>Difference from Draft Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad</td>
<td>1,087</td>
<td>2,786</td>
<td>3,873</td>
<td>-</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>7,980</td>
<td>2,627</td>
<td>10,607</td>
<td>(498)</td>
</tr>
<tr>
<td>Coronado</td>
<td>711</td>
<td>1,001</td>
<td>1,712</td>
<td>711</td>
</tr>
<tr>
<td>Del Mar</td>
<td>-</td>
<td>163</td>
<td>163</td>
<td>-</td>
</tr>
<tr>
<td>El Cajon</td>
<td>2,170</td>
<td>1,650</td>
<td>3,820</td>
<td>540</td>
</tr>
<tr>
<td>Encinitas</td>
<td>543</td>
<td>1,011</td>
<td>1,554</td>
<td>-</td>
</tr>
<tr>
<td>Escondido</td>
<td>7,609</td>
<td>1,998</td>
<td>9,607</td>
<td>-</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>637</td>
<td>179</td>
<td>816</td>
<td>(559)</td>
</tr>
<tr>
<td>La Mesa</td>
<td>2,889</td>
<td>1,080</td>
<td>3,969</td>
<td>172</td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>1,087</td>
<td>272</td>
<td>1,359</td>
<td>-</td>
</tr>
<tr>
<td>National City</td>
<td>2,999</td>
<td>1,361</td>
<td>4,360</td>
<td>(1,077)</td>
</tr>
<tr>
<td>Oceanside</td>
<td>4,810</td>
<td>1,639</td>
<td>6,449</td>
<td>1,006</td>
</tr>
<tr>
<td>Poway</td>
<td>-</td>
<td>1,319</td>
<td>1,319</td>
<td>-</td>
</tr>
<tr>
<td>San Diego</td>
<td>73,692</td>
<td>33,423</td>
<td>107,115</td>
<td>(786)</td>
</tr>
<tr>
<td>San Marcos</td>
<td>1,630</td>
<td>1,486</td>
<td>3,116</td>
<td>-</td>
</tr>
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<td>Santee</td>
<td>543</td>
<td>676</td>
<td>1,219</td>
<td>-</td>
</tr>
<tr>
<td>Solana Beach</td>
<td>543</td>
<td>332</td>
<td>875</td>
<td>-</td>
</tr>
<tr>
<td>Unincorporated County</td>
<td>1,308</td>
<td>5,613</td>
<td>6,921</td>
<td>221</td>
</tr>
<tr>
<td>Vista</td>
<td>1,357</td>
<td>1,474</td>
<td>2,831</td>
<td>270</td>
</tr>
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<td>Region (Totals)</td>
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<td>60,090</td>
<td>171,685</td>
<td>-</td>
</tr>
</tbody>
</table>
Request #3: Increase Equity Adjustment

A SANDAG Board member requested that staff apply a methodology that intensifies the equity adjustment. The equity adjustment increases a jurisdiction’s share of its housing allocation in an income category where the jurisdiction has a smaller share of households in that category than the region and vice versa. A potential application of this request could apply a 20 percent weighting to the equity adjustment to increase the relative difference between a jurisdiction’s share and the region’s share, therefore, amplifying the effect.

To demonstrate how an increase to the equity adjustment might be accomplished, a weight of 20 percent was chosen to intensify the effects of the equity adjustment while still allowing for an allocation that improves the mix, tenure, and affordability of housing in each jurisdiction, as required in Government Code Section 65584.

Table 5 shows an estimated allocation based on this request, which assigns a weighting of 20 percent to the equity adjustment.

Considerations

Using a 20 percent weighting to the equity adjustment could meet the objectives in state law. State law objectives for RHNA include promotion of socioeconomic equity and allocation of a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income area compared to the countywide distribution in that category.

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Very Low</th>
<th>Low</th>
<th>Moderate</th>
<th>Above Moderate</th>
<th>Total Estimated Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad</td>
<td>1,385</td>
<td>819</td>
<td>793</td>
<td>876</td>
<td>3,873</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>1,939</td>
<td>1,858</td>
<td>1,347</td>
<td>5,961</td>
<td>11,105</td>
</tr>
<tr>
<td>Coronado</td>
<td>365</td>
<td>195</td>
<td>185</td>
<td>256</td>
<td>1,001</td>
</tr>
<tr>
<td>Del Mar</td>
<td>39</td>
<td>65</td>
<td>33</td>
<td>26</td>
<td>163</td>
</tr>
<tr>
<td>El Cajon</td>
<td>312</td>
<td>265</td>
<td>505</td>
<td>2,198</td>
<td>3,280</td>
</tr>
<tr>
<td>Encinitas</td>
<td>495</td>
<td>386</td>
<td>325</td>
<td>348</td>
<td>1,554</td>
</tr>
<tr>
<td>Escondido</td>
<td>1,314</td>
<td>871</td>
<td>1,077</td>
<td>6,345</td>
<td>9,607</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>157</td>
<td>84</td>
<td>128</td>
<td>1,006</td>
<td>1,375</td>
</tr>
<tr>
<td>La Mesa</td>
<td>614</td>
<td>344</td>
<td>412</td>
<td>2,427</td>
<td>3,797</td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>209</td>
<td>115</td>
<td>136</td>
<td>899</td>
<td>1,359</td>
</tr>
<tr>
<td>National City</td>
<td>421</td>
<td>326</td>
<td>463</td>
<td>4,227</td>
<td>5,437</td>
</tr>
<tr>
<td>Oceanside</td>
<td>917</td>
<td>513</td>
<td>638</td>
<td>3,375</td>
<td>5,443</td>
</tr>
<tr>
<td>Poway</td>
<td>494</td>
<td>280</td>
<td>254</td>
<td>291</td>
<td>1,319</td>
</tr>
<tr>
<td>San Diego</td>
<td>29,926</td>
<td>18,619</td>
<td>20,993</td>
<td>38,363</td>
<td>107,901</td>
</tr>
<tr>
<td>San Marcos</td>
<td>482</td>
<td>520</td>
<td>538</td>
<td>1,576</td>
<td>3,116</td>
</tr>
<tr>
<td>Santee</td>
<td>462</td>
<td>226</td>
<td>142</td>
<td>389</td>
<td>1,219</td>
</tr>
<tr>
<td>Solana Beach</td>
<td>334</td>
<td>167</td>
<td>169</td>
<td>205</td>
<td>875</td>
</tr>
<tr>
<td>Unincorporated County</td>
<td>2,107</td>
<td>751</td>
<td>1,338</td>
<td>2,504</td>
<td>6,700</td>
</tr>
<tr>
<td>Vista</td>
<td>360</td>
<td>223</td>
<td>258</td>
<td>1,720</td>
<td>2,561</td>
</tr>
<tr>
<td>Region (Totals)</td>
<td>42,332</td>
<td>26,627</td>
<td>29,734</td>
<td>72,992</td>
<td>171,685</td>
</tr>
</tbody>
</table>
Regional Housing Needs Assessment: Frequently Asked Questions

1. **What data and assumptions did SANDAG rely on in developing the draft RHNA methodology?**

   SANDAG relied on the data it maintains on jobs, housing and transportation for the region and on data provided by the jurisdictions, community based organizations, and the public during the many public meetings it held on the topic of the RHNA Plan. The information relied upon is described in the draft methodology for the 6th Cycle Regional Housing Needs Assessment (RHNA).

2. **Do the RHNA laws require that SANDAG have a public comment period on the draft RHNA methodology that lasts for a particular number of days?**

   No. Although prior versions of the RHNA laws contained a particular number of days, the section of the law that provides for a public comment period (Section 65584.04(d)) no longer requires that the comment period last for a particular length of time.

3. **Why isn’t the breakdown (or allocation) of RHNA units to each city included in the draft methodology?**

   Housing law provides two separate approval processes for the methodology and the allocation, which is why the allocation is not included in the methodology document. Following the Board of Director’s adoption of a methodology, the draft allocation will be distributed to the jurisdictions consistent with Section 65584.05.

4. **Can SANDAG decide on a number of housing units to allocate to jurisdictions first and then back into a methodology that results in the predetermined number of units?**

   No. This is not the way the Legislature designed the RHNA laws. SANDAG is required to determine the methodology first using the factors and objectives in Sections 65584 and 65584.04. Then, after SANDAG submits the methodology to the California Department of Housing and Community Development and adopts the final methodology, SANDAG is required to distribute the allocations to the jurisdictions pursuant to Section 65584.05. The methodology and allocation procedures are separated into different statutes with two different review processes. Right now, SANDAG is in the RHNA Plan phase of determining the methodology, not the allocation.

5. **Can SANDAG limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality?**

   No. See Section 65584.04(e)(2)(B).

6. **When developing the methodology can SANDAG consider a jurisdiction’s ordinances, policies, voter-approved measures or standards that directly or indirectly limits the number of residential building permits issued?**

   No. See Section 65584.04(g)(1).
7. Can a jurisdiction’s prior inability to meet its RHNA allocation numbers in a prior RHNA cycle be taken into consideration when SANDAG is preparing its methodology?

No. See Section 65584.04(g)(2).

8. Can information received by SANDAG from a local government be used as a basis for reducing the total housing need established for the region?

No. See Section 65584.04(b)(4). The regional housing need (also known as the RHNA Determination) for the San Diego region is 171,685 housing units. It was determined by the Department of Housing and Community Development in consultation with SANDAG and cannot be changed. The Board of Directors voted to accept the HCD RHNA Determination at its June 8, 2018, meeting.

9. Can SANDAG take Federal Emergency Management Agency (FEMA) or Department of Water Resources information regarding areas subject to flooding into consideration when determining what land is suitable for urban development?

Yes. See Section 65584.04 (e)(2)(B). SANDAG reviewed FEMA data on flood plains to determine the acreage of floodplain land areas in each jurisdiction as a share of the jurisdiction’s land acres. The table below shows the percentage of land acres within a flood plain. With the exception of the cities of Del Mar and Imperial Beach, the acreage of land at risk of flooding in each jurisdiction makes up less than ten percent of the jurisdiction’s land acres. Following allocation of housing units, individual jurisdictions will undergo the process of updating their general plans to accommodate the housing need. It is during this local planning process that jurisdictions may consider limitations such as risk of flooding when planning for where housing can be accommodated.

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Total Acres</th>
<th>Land Acres</th>
<th>Land Acres in Flood Plain</th>
<th>% of Land Acres in a Flood Plain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad</td>
<td>25,028</td>
<td>24,189</td>
<td>1,202</td>
<td>5.0%</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>33,354</td>
<td>31,967</td>
<td>1,629</td>
<td>5.1%</td>
</tr>
<tr>
<td>Coronado</td>
<td>9,021</td>
<td>5,132</td>
<td>168</td>
<td>3.3%</td>
</tr>
<tr>
<td>Del Mar</td>
<td>1,144</td>
<td>1,078</td>
<td>397</td>
<td>36.8%</td>
</tr>
<tr>
<td>El Cajon</td>
<td>9,303</td>
<td>9,303</td>
<td>161</td>
<td>1.7%</td>
</tr>
<tr>
<td>Encinitas</td>
<td>12,531</td>
<td>12,292</td>
<td>752</td>
<td>6.1%</td>
</tr>
<tr>
<td>Encinitas</td>
<td>23,971</td>
<td>23,905</td>
<td>714</td>
<td>3.0%</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>2,842</td>
<td>2,797</td>
<td>868</td>
<td>31.0%</td>
</tr>
<tr>
<td>La Mesa</td>
<td>5,783</td>
<td>5,783</td>
<td>15</td>
<td>0.3%</td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>2,504</td>
<td>2,504</td>
<td>51</td>
<td>2.0%</td>
</tr>
<tr>
<td>National City</td>
<td>5,908</td>
<td>4,801</td>
<td>387</td>
<td>8.1%</td>
</tr>
<tr>
<td>Oceanside</td>
<td>26,991</td>
<td>26,909</td>
<td>1,339</td>
<td>5.0%</td>
</tr>
<tr>
<td>Poway</td>
<td>25,039</td>
<td>25,037</td>
<td>708</td>
<td>2.8%</td>
</tr>
<tr>
<td>San Diego</td>
<td>219,200</td>
<td>210,757</td>
<td>15,611</td>
<td>7.4%</td>
</tr>
<tr>
<td>San Marcos</td>
<td>15,595</td>
<td>15,595</td>
<td>646</td>
<td>4.1%</td>
</tr>
<tr>
<td>Santee</td>
<td>10,686</td>
<td>10,686</td>
<td>539</td>
<td>5.0%</td>
</tr>
<tr>
<td>Solana Beach</td>
<td>2,184</td>
<td>2,181</td>
<td>37</td>
<td>1.7%</td>
</tr>
<tr>
<td>Unincorporated County</td>
<td>2,283,964</td>
<td>2,276,211</td>
<td>54,183</td>
<td>2.4%</td>
</tr>
<tr>
<td>Vista</td>
<td>11,944</td>
<td>11,944</td>
<td>267</td>
<td>2.2%</td>
</tr>
<tr>
<td>Region (Totals)</td>
<td>2,726,992</td>
<td>2,703,071</td>
<td>79,674</td>
<td>2.9%</td>
</tr>
</tbody>
</table>
10. Can SANDAG consider factors to develop the methodology that are not specifically listed as factors in the RHNA laws?

Yes, as long as the factor considered will still further the objectives in Section 65584(d), if the additional factor is unrelated to the objectives in state law, then the Board of Directors must establish that the additional factor does not undermine the objectives in state law, the factor is applied equally across all household income levels, and SANDAG can make a finding that the factor is necessary to address significant health and safety conditions. See Section 65584.04(e)(12).

11. Can SANDAG take sea level rise into consideration when determining what land is suitable for urban development?

Sea level rise is not specifically included among the objectives and factors in state law that must be considered in the development of a RHNA methodology. The Board of Directors, at its discretion, may pursue sea level rise as a factor pursuant to Government Code Section 65584.04(e)(12). See response to Question 9.

12. What data and methodology were used to determine the health and safety impacts caused by increased urban development and traffic/congestion/safety/air quality to the jurisdictions?

The draft methodology does not include this factor and it is not required to do so by RHNA laws; however, the Board of Directors, at its discretion, may pursue additional factors pursuant to Government Code Section 65584.04(e)(12). See response to Question 9. SANDAG has included promotion of achievement of the region’s greenhouse gas reduction target into the draft methodology as required by Section 65584(d)(5).

13. What data and methodology were used to determine that military housing was not considered in the equation?

At its July 26, 2019, meeting, the Board of Directors voted to release a draft methodology for public comment that does not include an adjustment for housed military in the jobs data. The Board’s deliberations and reasoning can be heard by listening to the audio recording of the meeting (Item 23).

14. What data and methodology were used to determine if the transit system in Coronado would facilitate shorter commutes considering SANDAG’s regional mass transit plan is not a viable system that facilitates shorter commutes in and out of Coronado to job sites scattered throughout the San Diego Region?

The draft methodology uses existing rail & Rapid stations and major transit stops as part of the transit component. Based on the definitions of these transit services, Coronado does not have any rail, Rapid, or major transit stops within its boundaries and, therefore, does not receive a housing allocation based on the transit component.

15. **NEW** How is the equity adjustment calculated?

In calculating the equity adjustment, a jurisdiction’s share of households in an income category is compared to the region’s share of households in the same income category by determining the relative difference between the two percentages. The relative difference is found by taking the inverse ratio of a jurisdiction’s share of households within an income category to the region’s share. See formula below, with the very low income category as an example.
The relative difference is used as a scaling factor that adjusts the region’s percentage of households in an income category (e.g. 24.7 percent for very low income) and uses this adjusted percentage as the jurisdiction’s share of its housing allocation for that income category. Table 5 demonstrates how the equity adjustment works. In the table, a scaling factor greater than one causes an upward adjustment and a scaling factor less than one causes a downward adjustment. The percentage being adjusted is the region’s share of households in the income category, which also is the regional housing allocation for the income category as determined by HCD. This is included in the top row of Table 1.

The equity adjustment increases a jurisdiction’s share of its housing allocation in an income category if the jurisdiction has a smaller share of households in that category than the region. Conversely, the adjustment decreases a jurisdiction’s share of its housing allocation in an income category if the jurisdiction has a greater share of households in that category than the region. In this way, the equity adjustment seeks to increase jurisdictions’ mix of housing (housing for each income category) and combat historical patterns of segregation. Below are two examples of how the equity adjustment in the draft methodology is applied to the cities of Carlsbad and National City, chosen for comparison purposes.

**Example A**

In Carlsbad, 16.3 percent of households are very low income. In the region, 24.7 percent of households are very low income. Carlsbad’s share of very low income households is less than the region’s. This means, using the equity adjustment in the draft methodology, Carlsbad receives a greater share (greater than 24.7 percent) of its housing unit allocation in the very low income category. In fact, 37.4 percent of Carlsbad’s housing units are in the very low income category.

**Example B**

Conversely, 40.6 percent of households in National City are very low income. This is much greater than the region’s 24.7 percent of households. Therefore, based on the equity adjustment in the draft methodology, National City receives a smaller share (less than 24.7 percent) of its housing unit allocation in the very low income category. Only 15 percent of National City’s housing units are in the very low income category.
Table 1: Equity Adjustment Calculation

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Very Low</th>
<th>24.7%</th>
<th>Low</th>
<th>15.5%</th>
<th>Moderate</th>
<th>17.3%</th>
<th>Above Moderate</th>
<th>42.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% Households</td>
<td>Scaling Factor</td>
<td>% Housing Allocation</td>
<td>% Households</td>
<td>Scaling Factor</td>
<td>% Housing Allocation</td>
<td>% Households</td>
<td>Scaling Factor</td>
</tr>
<tr>
<td>Carlsbad</td>
<td>16.3%</td>
<td>1.52</td>
<td>37.4%</td>
<td>10.8%</td>
<td>1.43</td>
<td>22.2%</td>
<td>13.8%</td>
<td>1.25</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>25.0%</td>
<td>0.99</td>
<td>24.3%</td>
<td>15.4%</td>
<td>1.01</td>
<td>15.6%</td>
<td>17.5%</td>
<td>0.99</td>
</tr>
<tr>
<td>Coronado</td>
<td>16.8%</td>
<td>1.47</td>
<td>36.3%</td>
<td>12.3%</td>
<td>1.26</td>
<td>19.5%</td>
<td>16.1%</td>
<td>1.08</td>
</tr>
<tr>
<td>Del Mar</td>
<td>19.0%</td>
<td>1.29</td>
<td>31.9%</td>
<td>4.5%</td>
<td>3.44</td>
<td>53.3%</td>
<td>11.0%</td>
<td>1.58</td>
</tr>
<tr>
<td>El Cajon</td>
<td>37.8%</td>
<td>0.65</td>
<td>16.1%</td>
<td>17.5%</td>
<td>0.89</td>
<td>13.8%</td>
<td>17.0%</td>
<td>1.02</td>
</tr>
<tr>
<td>Encinitas</td>
<td>18.1%</td>
<td>1.36</td>
<td>33.6%</td>
<td>9.2%</td>
<td>1.69</td>
<td>26.3%</td>
<td>13.4%</td>
<td>1.29</td>
</tr>
<tr>
<td>Escondido</td>
<td>30.7%</td>
<td>0.80</td>
<td>19.8%</td>
<td>18.2%</td>
<td>0.85</td>
<td>13.2%</td>
<td>18.2%</td>
<td>0.95</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>31.9%</td>
<td>0.77</td>
<td>19.0%</td>
<td>23.3%</td>
<td>0.67</td>
<td>10.3%</td>
<td>19.1%</td>
<td>0.91</td>
</tr>
<tr>
<td>La Mesa</td>
<td>26.8%</td>
<td>0.92</td>
<td>22.7%</td>
<td>18.8%</td>
<td>0.82</td>
<td>12.8%</td>
<td>19.4%</td>
<td>0.89</td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>27.4%</td>
<td>0.90</td>
<td>22.2%</td>
<td>19.4%</td>
<td>0.80</td>
<td>12.4%</td>
<td>20.4%</td>
<td>0.85</td>
</tr>
<tr>
<td>National City</td>
<td>40.6%</td>
<td>0.61</td>
<td>15.0%</td>
<td>20.6%</td>
<td>0.75</td>
<td>11.7%</td>
<td>17.9%</td>
<td>0.96</td>
</tr>
<tr>
<td>Oceanside</td>
<td>26.3%</td>
<td>0.94</td>
<td>23.1%</td>
<td>18.5%</td>
<td>0.84</td>
<td>13.0%</td>
<td>18.4%</td>
<td>0.94</td>
</tr>
<tr>
<td>Poway</td>
<td>15.3%</td>
<td>1.61</td>
<td>39.7%</td>
<td>10.6%</td>
<td>1.46</td>
<td>22.7%</td>
<td>14.4%</td>
<td>1.20</td>
</tr>
<tr>
<td>San Diego</td>
<td>24.3%</td>
<td>1.02</td>
<td>25.0%</td>
<td>15.4%</td>
<td>1.01</td>
<td>15.7%</td>
<td>16.9%</td>
<td>1.03</td>
</tr>
<tr>
<td>San Marcos</td>
<td>26.5%</td>
<td>0.93</td>
<td>23.0%</td>
<td>14.5%</td>
<td>1.07</td>
<td>16.6%</td>
<td>17.3%</td>
<td>1.00</td>
</tr>
<tr>
<td>Santee</td>
<td>17.9%</td>
<td>1.38</td>
<td>34.0%</td>
<td>14.4%</td>
<td>1.08</td>
<td>16.7%</td>
<td>18.9%</td>
<td>0.92</td>
</tr>
<tr>
<td>Solana Beach</td>
<td>15.4%</td>
<td>1.61</td>
<td>39.6%</td>
<td>12.1%</td>
<td>1.28</td>
<td>19.8%</td>
<td>14.9%</td>
<td>1.17</td>
</tr>
<tr>
<td>Unincorporated County</td>
<td>22.5%</td>
<td>1.09</td>
<td>27.0%</td>
<td>16.6%</td>
<td>0.93</td>
<td>14.5%</td>
<td>17.3%</td>
<td>1.00</td>
</tr>
<tr>
<td>Vista</td>
<td>29.4%</td>
<td>0.84</td>
<td>20.7%</td>
<td>18.8%</td>
<td>0.83</td>
<td>12.8%</td>
<td>20.0%</td>
<td>0.87</td>
</tr>
</tbody>
</table>
16. *NEW* How does the draft methodology take into account companion units and new residential units that have been converted to short term vacation rentals?

The RHNA methodology does not take into account unit types. That is decided by the local jurisdictions through preparation of the housing element in consultation with HCD following the housing unit allocations.
Regional Housing Needs Assessment: Response to Public Comments on Draft Methodology

Public comments on the draft methodology for the 6th Cycle Regional Housing Needs Assessment (RHNA), received between July 26, 2019, and September 5, 2019, at 3:30 p.m., have been posted online at sandag.org/rhna. The public comments were uploaded in three sets and can be viewed by following the direct links below.

View public comments received prior to August 23, 2019, at 5 p.m.
View public comments received between August 23, 2019, at 5:01 p.m. to August 28, 2019, at 5 p.m.
New! View public comments received between August 28, 2019, at 5:01 p.m. to September 5, 2019, at 3:30 p.m.

The following responses have been prepared to address issues that were common to multiple comment letters on the draft methodology.

To the extent that members of the public submitted questions in advance of providing public comment, SANDAG prepared a list of Frequently Asked Questions (FAQs). Some themes arising from public comments are the same or similar to questions answered in the FAQs. These are repeated here along with a reference to the response to FAQ as applicable.

Timeline and Public Notice

SANDAG received a few inquiries about the timeline of the RHNA process as it pertains to the public comment period and review by the California Department of Housing and Community Development (HCD). State law does not include any time requirements for public participation. State law only requires that a public hearing be held to solicit input on the draft methodology. The public comment period opened on July 26, 2019, and was scheduled to close on the day of the public hearing, August 23, 2019. The public hearing was rescheduled for September 6, 2019, and the public comment period was extended, with the closing date to coincide with the new public hearing date.

Per SANDAG Board Policy No. 025, SANDAG published notifications for the public hearing in newspapers of general circulation. Additionally, SANDAG provided public notice online at sandag.org and emailed members of the Regional Planning Technical Working Group and housing stakeholders. Public notices were published, and emails sent, for the original as well as the rescheduled public hearing date.

See also the response to FAQ #2.

Population, Geographic Size, and Current Density

SANDAG received various comments that suggest geographic size, population, and/or current density of jurisdictions be included in the draft methodology.

During the development process, the RHNA Subcommittee (subcommittee of the Board of Directors), the Regional Planning Technical Working Group (TWG), and other stakeholders evaluated population as a component of a potential methodology. Ultimately, stakeholders requested that population be removed from the methodology because it did not specifically further any objectives or factors in state RHNA laws (Government Code Section 65584 et seq.). Additionally, a jurisdictions’ geographic size was considered and rejected as a component of the methodology for the same reason. State law does not include population, geographic size, or density as factors in developing a RHNA methodology.
Instead, state law includes “promoting infill development” and promoting “the encouragement of efficient development patterns” as an objective (Government Code Section 65584(d)(2)). The draft methodology prioritizes “proximity to transit” and “proximity to jobs”. By allocating housing units based on transit and jobs, the draft methodology sets a guiding principle for local jurisdictions to zone and build housing near transit and jobs. Transit and job centers are located in the urbanized areas of the region. Therefore, the draft methodology encourages infill development. Because infill development does not rely on available space and can occur in areas that already have a dense population, the draft methodology supports provision of housing even in areas that are currently considered built-out.

Available Land

A number of commenters suggested SANDAG consider the availability of land in each jurisdiction. One of the factors in state law requires that SANDAG consider “the opportunities and constraints to development of additional housing in each member jurisdiction” including “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” (Government Code Section 65584.04(e)(2)(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 are accounted for by the draft methodology’s use of the transit and jobs components. When development of housing is promoted near transit and jobs, it allows the jurisdictions to focus on infill development that can occur without reliance on the availability of additional land, but instead on underutilized land that can be converted to uses that allow for increased residential density.

Existing Zoning

SANDAG received a number of comments stating that a jurisdiction’s existing zoning should be considered in the draft methodology. State law (Government Code Section 65584.04(e)(2)(B)) prohibits SANDAG from considering existing zoning in the development of a methodology.

See also the response to FAQ #5.

Military Housing

SANDAG received several comments about how military jobs and housing are considered in the draft methodology. At the July 26, 2019, Board meeting, staff presented a methodology recommended by the RHNA Subcommittee that included an adjustment for housed military in the jobs data. Ultimately, however, the Board voted to release a draft methodology for public comment that does not include an adjustment for housed military in the jobs data. The Board’s deliberations and reasoning can be heard by listening to the audio recording of the meeting.

See also the response to FAQ #13.

SANDAG also received comments suggesting the military build housing on their installations. A representative from the Department of Defense sits on the Board and will have the opportunity to review public comments and provide input on the draft RHNA methodology. The military, however, is not subject to the RHNA laws.

Tribes

SANDAG received a comment stating that the methodology does not account for tribes on tribal land. Tribal land is not subject to the RHNA laws.
Traffic, Congestion, and Parking

A number of commenters cited traffic, congestion, and parking as issues in their communities and expressed concern that these issues will be exacerbated with additional housing. Impact on traffic and parking is not included among the objectives and factors in state law that must be considered in the development of a RHNA methodology. Improving the relationship between jobs and housing and maximizing use of public transit as well as reducing greenhouse gas emission are objectives in state law. The RHNA Subcommittee sought to prioritize these objectives, which led to the development of the transit and jobs components in the draft methodology.

By prioritizing jobs and transit, the draft methodology encourages the development of housing near jobs and transit. Co-location of housing, jobs, and transit will provide the region’s residents with opportunities to live where they work and/or readily access transit, which can facilitate shorter commutes, reduce vehicle miles traveled, and increase trip-taking by transit or alternative modes. With more housing and mobility options, traffic and parking demands may change.

Community Character

A number of commenters also stated additional housing jeopardizes the character of their community. Community character is not included among the objectives and factors in state law that must be considered in the development of a RHNA methodology. Following allocation of housing units, individual jurisdictions will undergo the process of updating their general plans to accommodate the housing need. It is during this local planning process that jurisdictions may consider community characteristics when planning for housing.

Infrastructure and Local Resources

SANDAG received comments referencing aging infrastructure and expressing concerns about the impact of additional housing on local resources such as roads; water services; fire, police, and other public safety services; and schools. With the exception of water and sewer services, the objectives and factors in state law do not include infrastructure and local resources as considerations in developing a methodology.

State law (Government Code Section 65584.04(e)(2)(a)) requires SANDAG to consider “lack of capacity for sewer or water service.” SANDAG notes that general plans for some jurisdictions may account for constraints to housing development arising from lack of capacity for sewer or water service. For example, rural areas may rely more heavily on well water and septic systems, which constrains housing development due to lack of sufficient infrastructure. The draft methodology would allocate housing units based on transit and jobs, which are predominately located in the region’s urbanized area. (All rail and Rapid stations and major transit stops are located in the urbanized area.) By prioritizing transit connectivity and an improved jobs-housing relationship, the draft methodology encourages infill development in urban areas that are likely to have existing capacity for sewer or water service.

Following the allocation of housing units, individual jurisdictions will undergo the process of updating their general plans to accommodate the housing need. It is during this local planning process that jurisdictions may consider infrastructure and local resources when planning for housing.

Exempt California Counties

A number of commenters stated that other counties in California are exempt from the RHNA process and that, because these counties are exempt, the number of housing units the San Diego region must plan for is higher.

All counties and cities in California are subject to RHNA. There are no counties or cities that are exempt. In fact, state law requires that every city and county receive housing units in each of the four income categories: low, very low, moderate, and above moderate.
The HCD performs a housing needs assessment for every region in the state and provides each with a RHNA Determination – the number of housing units the region must plan for to address current and projected housing need. HCD determines a region’s housing need by considering its projected population and household growth, existing vacancy rates and overcrowding, housing replacement needs, and other data. Housing need is determined region by region. One region’s housing need is independent from the housing need of other regions in the state.

Comments about exemptions may have relied on misinformation about housing legislation proposed during the 2019 California state legislative session. The California Legislature introduced numerous bills seeking to address the housing crisis through various avenues including rent control, tenant protections, developer incentives, and zoning densities. For example, Senate Bill (SB) 50 proposed increasing zoning densities around high-frequency transit. The bill underwent numerous revisions as it made its way through various state legislative committees. Ultimately, however, the vote on SB 50 was postponed to 2020, and is not currently in state law.

These comments also may have relied on misinformation about SB 106, passed in 2017. State law (Government Code Section 65583.2(c)) makes a distinction between jurisdictions in a census-defined metropolitan statistical area (MSA) and those in suburban counties when considering appropriate densities for affordable housing. Jurisdictions in an MSA must accommodate lower income housing by zoning at a density of 30 units or more per acre. Jurisdictions in a suburban county must accommodate lower income housing by zoning at a density of 20 units or more per acre. Marin County is within the San Francisco-Alameda MSA. SB 106 recognizes Marin as a suburban county for the purposes of developing affordable housing. Marin, like all other counties and cities in California, is subject to the RHNA process and receives a RHNA Determination from HCD. SB 106 allows Marin County to zone for the affordable housing allocated in its RHNA Determination at a lower density than jurisdictions in an MSA.

Transit Service Area

SANDAG received a comment suggesting that SANDAG take into consideration the broader population and geographic area served by transit stations within the draft methodology. SANDAG recognizes that mobility hub areas include not just the transit station itself but all those services and destinations that are accessible within a 5-minute walk, bike, or drive to/from high-frequency transit. The distance of a 5-minute drive can be much greater than a 5-minute walk or bike, extending the reach and access to transit. Housing proximate to transit, however, increases access to transit by modes other than driving, which helps relieve traffic congestion and reduce greenhouse gas emissions. The transit component of the draft methodology furthers both the objectives in state law and the priorities of the RHNA Subcommittee to maximize use of public transit and reduce greenhouse gas emissions by encouraging transit-oriented development.

Environmental Concerns

SANDAG received comments suggesting the draft methodology account for “the environmental factors that the Coastal Commission will need to assess before coastal regions are further developed.” To the extent that state law (Government Code Section 65584.04(e)(2)(B)) allows SANDAG to consider lands at high risk for flooding when determining the suitability of land available for urban development, SANDAG reviewed flood plain maps by the Federal Emergency Management Agency. See response to FAQ #9.

State law requires SANDAG to allocate housing units to jurisdictions in the region based on a methodology that furthers state law and objectives. This process, and the methodology, does not dictate where within a jurisdiction these housing units are to be located. Following allocation of housing units, individual jurisdictions will undergo the process of updating their general plans to accommodate the housing need. It is during this local planning process that jurisdictions may consider environmental factors such as those affecting coastal zones.
Market Forces and Historic Building Patterns

SANDAG received comments that the draft methodology should account for market forces and the fact the region has not met its RHNA goals from the 5th Cycle. Market forces are not included among the objectives and factors in state law as a consideration in the development of a RHNA methodology. Additionally, state law (Government Code Section 65584.04(g)(2)) prohibits SANDAG from determining or reducing a jurisdiction’s housing unit allocation based on underproduction in previous RHNA cycles.

Public Safety

A number of public commenters expressed concerns about the impact of additional housing on public safety, including the event of a natural disaster or other states of emergency. The Board, at its discretion, may pursue an additional factor that takes this potential impact into consideration as long as it can be established that the factor is necessary to further an objective in state law; if the additional factor is unrelated to the objectives in state law, then it must be established that it does not undermine the objectives in state law, it will apply equally across all household income levels, and it is necessary to address significant health and safety concerns. See Section 65584.04(e)(12). See also the response to FAQ #10.

New!

The following responses are new since the last publication of this document on August 28, 2019.

Major Transit Stops and Vehicle Miles Traveled

SANDAG received several comments about “major transit stops” as a part of the transit component in the draft methodology. Comments state that switching from the “high frequency transit” definition – considered at one point in the development of the methodology – to the “major transit stops” definition resulted in fewer jurisdictions receiving housing units based on this specific transit subcomponent. Comments varied in identifying areas and/or subpopulations this result disproportionately burdened (e.g. communities south of Interstate 8, low-income communities, etc.). Another comment specifically stated that the change in definitions will result in increased vehicle miles traveled.

These comments are addressed within the supplemental information SANDAG provided based on requests from Board members at the July 26, 2019, Board meeting. The response to Request #2 addresses a potential application of using the high frequency transit stop definition and dataset.

5th Cycle Housing Unit Allocation

A number of commenters referenced the housing unit allocations made to jurisdictions through the 5th Cycle RHNA process (2010-2020 planning period) and compared these housing unit allocations to those estimated for the 6th Cycle (2021-2029 planning period) based on the draft methodology. Comments expressed concern about disproportionate increases/decreases in housing unit allocations among jurisdictions from the 5th Cycle to the 6th Cycle.

When SANDAG staff solicited input from the Board on an approach for the methodology in September 2018, the Board expressed a desire to take a different approach than the previous 5th Cycle RHNA Methodology by not relying on existing housing capacities as a starting point. The draft methodology released by the Board for public comment on July 26, 2019, prioritizes proximity to transit and jobs and furthers the objectives in state law.

Housing unit allocations from previous RHNA cycles are not included among the objectives and factors in state law that must be considered in the development of a RHNA methodology. Each RHNA cycle is independent from the previous cycle. In fact, Government Code Section 65584.04(g) states that neither
stable population numbers from a previous cycle, nor prior underproduction of housing, may be considered in determining a jurisdiction’s share of the regional housing need.

Equity Adjustment

SANDAG received several comments regarding the equity adjustment in the draft methodology. One comment suggested that jurisdictions that have a greater or an over-concentration of lower income households receive zero housing units in the low and very-low income category. This would be contrary to state law which requires that each jurisdiction receive housing units in the low and very-low income categories. (See Government Code Section 65584.04(m)(2)).

Other comments indicated that the equity adjustment does not go far enough in addressing the state objective (Objective #4) to allocate 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. These comments are addressed within the supplemental information SANDAG provided based on requests from Board members at the July 26, 2019, Board meeting. The response to Request #3 addresses a potential application of intensifying the equity adjustment.

A specific comment suggested the equity adjustment be modified to redistribute units among jurisdictions rather than adjust the proportion of units in each income category per jurisdiction. The RHNA Subcommittee and TWG prioritized transit and jobs as the basis of distributing the region’s total housing need determined by HCD. The equity adjustment addresses Objective #4 which requires that a RHNA plan allocate 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 region. A detailed description of how the equity adjustment is calculated and applied is included in the response to FAQ #15.

Fair Housing

SANDAG received a few comments inquiring how the state objective of “affirmatively furthering fair housing” (Objective #5) is being met through the draft methodology. Per Government Section 65584.04(d), SANDAG provided a description of how the draft methodology furthers the objectives in state law, which is available online.

Jobs-Housing Ratio

SANDAG received a few comments suggesting SANDAG incorporate each jurisdiction’s jobs-housing ratio (sometimes referred to as jobs-housing balance) in the draft methodology. A jobs-housing ratio represents the relationship between the total number of jobs and total number of housing units within a given jurisdiction. SANDAG calculated the jobs-housing ratio for each jurisdiction and provided this information to stakeholders through outreach. Ultimately, however, the RHNA Subcommittee and TWG supported a methodology that did not incorporate a jobs-housing ratio.
November 1, 2019

Hasan Ikharta, Executive Director
San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101-4231

Dear Director Ikharta:

RE: Review of Draft Regional Housing Need Allocation (RHNA) Methodology

Thank you for submitting the draft San Diego Association of Governments (SANDAG) Sixth Cycle Regional Housing Need Allocation (RHNA) Methodology. Pursuant to Government Code Section 65584.04(i), the California Department of Housing and Community Development (HCD) is required to review draft RHNA methodology to determine whether the methodology furthers the statutory objectives described in Government Code Section 65584(d).

The draft SANDAG methodology uses jobs and transit to set the overall RHNA number for a city and uses an equity adjustment to adjust for income distribution among the sub-categories of RHNA by income. HCD has completed its review and finds that the draft SANDAG RHNA Methodology furthers the five statutory objectives of RHNA.1

Below is a brief summary of findings related to each statutory objective described within Government Code Section 65584(d):

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.

HCD’s analysis shows that this methodology generally allocates more lower income RHNA in jurisdictions with more single-family homes, which will encourage higher density planning in these jurisdictions and a mix of housing types. Also, in support of the affordability objective, the draft methodology allocates more lower income RHNA in more costly areas of the region.

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.

The draft allocation furthers the infill and environmental principles of this objective, as the overall allocation is based on the location of jobs and transit access. Particularly relevant to supporting infill development and climate change goals is the fact that this methodology

1 While HCD finds that this methodology furthers the objectives of RHNA, HCD’s determination may change in regards to a different region or cycle, as housing conditions in those circumstances may differ.
does not consider land capacity or vacant land as a determinant of RHNA, and instead focuses on where housing is needed to encourage transit ridership and reduced commutes.

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.

Overall jobs, rather than low-wage jobs, are included as a factor in the methodology, but further analysis shows that using overall jobs combined with the equity adjustment in the methodology leads to a strong overlap between low-wage jobs and lower income RHNA as a percentage of the region’s lower income RHNA.

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.

This objective is furthered directly by the equity adjustment included in the draft methodology. The SANDAG equity adjustment provides an upward adjustment toward the regional average for jurisdictions that have a lower percentage of households in a given income category compared to the region. While the equity adjustment explicitly responds to objective four, it also assists in the methodology furthering each of the other objectives.

5. Affirmatively furthering fair housing, which 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.

To evaluate this objective HCD used the 2019 HCD/TCAC Opportunity Maps, which evaluate access to opportunity, racial segregation, and concentrated poverty on 11 dimensions, which are all evidence-based indicators related to long term life outcomes. The six jurisdictions that would receive the highest percentage of lower income RHNA under this methodology are also the jurisdictions that have no segregated concentrated areas of poverty or lowest resource census tracts, and compared to other jurisdictions in the region have the highest percentage of area in high or highest resource census tracts (76-100% of the jurisdiction). Conversely, the jurisdictions with large amounts of area in low resource census tracts or census tracts that demonstrate high segregation and concentrations of poverty generally receive less lower income RHNA than the regional average.

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2 Created by the California Fair Housing Task Force and commissioned by HCD and the California Tax Credit Allocation Committee (TCAC) to assist public entities in affirmatively furthering fair housing. The version used in this analysis is the 2019 HCD/TCAC Opportunity Maps available at treasurer.ca.gov/ctcac/opportunity.asp.
HCD appreciates the active role of SANDAG staff in providing data and input throughout the draft methodology development and review period, as well as developing a methodology that is clear and transparent. HCD especially thanks Seth Litchney and Coleen Clementson for their significant efforts and assistance.

Public participation in the development and implementation of the RHNA process is essential to effective housing planning. HCD applauds SANDAG on its efforts to date and the region should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available while considering and incorporating comments where appropriate.

HCD looks forward to continuing our partnership with SANDAG to assist its member jurisdictions meet and exceed the planning and production of the region’s housing need.

Just a few of the support opportunities available for the SANDAG region this cycle include:

- SB 2 Planning Grants and Technical Assistance (Available now, application deadline November 30, 2019, technical assistance available now through June 2021)
- Regional and Local Early Action Planning Grants (25% of Regional funds available now, all other funds available early 2020)
- SB 2 Permanent Local Housing Allocation (Available April – July 2020)

If HCD can provide any additional assistance, or if you, or your staff, have any questions, please contact Megan Kirkeby, Assistant Deputy Director for Fair Housing, megan.kirkeby@hcd.ca.gov.

Megan Kirkeby
Assistant Deputy Director for Fair Housing

Overview

SANDAG staff works with PFM Financial Advisors LLC (PFM), as the financial advisor to SANDAG, to monitor the financial markets and identify opportunities based on market conditions. Interest rates, both tax-exempt and taxable rates, have declined dramatically over the past year and the current market provides a very favorable environment for a taxable advance refunding transaction for a portion of SANDAG’s outstanding bonds. This refunding would provide significant debt service savings. Per Board Policy No.036, San Diego County Regional Transportation Commission Debt Policy, the annual debt service for each sub-program must be less than the annual sales tax revenue allocated to a sub-program on an annual basis. These savings of approximately $3 million annually, would provide some cushion, particularly in the Major Corridor program, if there is a recession in the next few years.

At its October 25, 2019, meeting, the Board of Directors reviewed the strategy for the proposed 2019 Series A and Series B taxable and tax-exempt refunding. In addition, at its November 8, 2019, meeting, the Board of Directors reviewed an overview of current capacity and projections for each of the TransNet funding programs.

Key Considerations

Attachment 1 is a memo from PFM that provides detail on the proposed 2019 refunding Bonds (in the PFM memo that was provided to the Board of Directors at the October 25, 2019, meeting, the savings noted were over $100 million; however, interest rates have increased since that time and currently savings are over $80 million). Also attached to this report for review and approval are the draft bond documents for the proposed 2019 refunding Bonds issuance, including drafts of the Authorizing Resolution, Eighth Supplemental Indenture, Preliminary Official Statement, Bond Purchase Agreements, Continuing Disclosure Agreement and Invitation to Tender Bonds (as Attachments 2 through 7, respectively). Finally, there is a catalogue of outstanding (blank) items (Attachment 8) detailing when the missing information in each of the draft Bond documents would be filled in along with the responsible party and the estimated costs of issuance for the Bonds (Attachment 9).

Responsibilities for Review

The SANDAG Board of Directors has the ultimate responsibility for approving the 2019 transaction. Before making a decision regarding the Bond issuance, Board members should review all the documents to become familiar with their contents. Board members should pay particular attention to the information contained in the Preliminary Official Statement (Attachment 4) to ensure there are no inaccuracies concerning SANDAG.
Board members also should ensure that to the best of their knowledge all the factual statements are true and correct in all material respects and that the information does not contain any untrue or misleading statement of a material fact or omit to state any material fact that would make the information in any of the documents regarding SANDAG misleading. When carrying out their fiduciary responsibilities, public officials may rely upon employees, bond counsel, disclosure counsel, and other professionals to assure that they are in compliance with the antifraud provisions of the federal securities laws, as long as the reliance is reasonable. In order for the reliance to be considered reasonable, the public official must: (1) make complete disclosure to the appropriate professional of any potentially material mistake or omission in the documents; (2) request the professional’s advice as to what disclosure is proper; (3) receive advice regarding the appropriate disclosure; and (4) rely in good faith on that advice.

SANDAG bond and disclosure counsel (Norton Rose Fulbright US LLP), and financial advisor (PFM) will be present at the November 22, 2019, Board of Directors meeting to provide information regarding proper disclosure. The Chief Financial Officer (André Douzdjian), TransNet Department Director (José Nuncio), and General Counsel (John Kirk) have all reviewed the draft Bond documents, and to the best of the staff’s knowledge, all of the statements are true and correct in all material respects, and the information does not contain any untrue or misleading statement of a material fact or omit to state any material fact that would make the information in those documents regarding SANDAG misleading.

Next Steps

The remaining schedule for the planned Series 2019 Bond issuance is as follows:

- November 22: Board of Directors – final review and approval of Bond documents
- Week of November 25: Post Preliminary Official Statement and marketing of bonds
- Week of December 2: Anticipated notification of credit ratings from S&P and Fitch
- Week of December 9: Anticipated pricing date
- Week of December 30: Anticipated closing date

Hasan Ikhrata, Executive Director

Key Staff Contacts: André Douzdjian, (619) 699-6931, andre.douzdjian@sandag.org
José Nuncio, (619) 699-1908, jose.nuncio@sandag.org

Attachments:
1. PFM Bonds Memo
2. Draft Authorizing Resolution
3. Draft Eighth Supplemental Indenture
4. Draft Preliminary Official Statement
5. a. Draft Taxable Bond Purchase Agreement
   b. Draft Tax-Exempt Bond Purchase Agreement
6. Draft Continuing Disclosure Agreement
7. Draft Invitation to Tender Bonds
8. Catalogue of Outstanding Blanks and Bracketed Items by Document
9. Estimated Cost of 2019 Refunding Bonds Issuance
Memorandum

To: SANDAG Board of Directors
From: PFM Financial Advisors LLC

RE: 2019 Bond Refunding Opportunity and New Borrowing Needs

INTRODUCTION

PFM Financial Advisors LLC ("PFM"), as the financial advisor to SANDAG, works with SANDAG staff to monitor the financial markets and identify opportunities to refund outstanding bonds for debt service savings. Current market conditions provide a low-interest rate environment that support refunding a portion of SANDAG’s outstanding bonds. Specifically, we focus on SANDAG’s Series 2012A Bonds, and Series 2014A Bonds. All of these bonds have a 10-year call date and may be refunded prior to their final maturity for potential debt service savings.

Beginning in January of 2018, federal tax reform brought several changes to the municipal bond market, one of which eliminated the ability of municipal issuers, like SANDAG, to refund existing tax-exempt bonds with new tax-exempt bonds in advance of their call date (i.e., “advance refundings”). However, issuers can issue taxable bonds to advance refund tax-exempt bonds under current law. Taxable rates are very low in the current market, and we are seeing attractive savings opportunities in the taxable market. The savings results presented here all assume taxable rates for the potential advance refunding of SANDAG’s bonds in today’s market.

In anticipation of the results discussion below, we summarize our recommendation here. A taxable refunding is a good way to access current low rates to generate refunding savings on bonds that are not callable for several years. SANDAG has two series of tax-exempt, fixed rate bonds that were issued with call features and which provide debt service savings in today’s market: the Series 2012A, and the Series 2014A Bonds. Combined, these two series have $548 million of callable bonds outstanding. If SANDAG were to refund this entire amount, it would generate approximately $82.5 million in debt service savings, or approximately $64 million in present value terms.

The prospect of refunding is not an “all-or-nothing” prospect: SANDAG could and should look at each individual maturity across both series of bonds and select those individual maturities that provide the most attractive candidates for savings in today’s market. In this context, PFM recommends refunding all (i.e., $247 million) of the Series 2012A Bonds and only $35.4 million of the callable Series 2014A Bonds. This would refund a total of $282.3 million in callable bonds, and leave the remaining $265 million of the Series 2014A Bonds outstanding, to be refunded closer to their call date.

A full refunding of the Series 2012A Bonds provides $48 million in debt service savings through 2048, or $35 million on a present value basis. All maturities provide over 3.0% present value savings, with most exceeding 10.0%. Additionally, the escrow efficiency in aggregate is 80%: which is strong.
PFM recommends refunding a smaller and targeted amount of the 2014A Bonds: namely those maturities that will provide escrow efficiency of at least 65% and present value savings in the range of 10% on a maturity-by-maturity basis. This targeted approach reduces the amount of the 2014A refunding candidates to about $35.4 million. By refunding $35.4 million of the 2014A Bonds, SANDAG can realize approximately $7 million in debt service savings, or $5.1 million in present value terms. In aggregate with our recommendation for Series 2012A, the total refunded par across the two series will be approximately $282.4 million, resulting in a debt service savings of $55.5 million or $40 million on a present value basis.

This targeted approach is intended to select the best maturities to refund in the current market, and allows savings on the remaining bonds to increase as we get closer to the call date. While these results are market-sensitive, the team will continue to monitor the best candidates for refunding leading up to the pricing date in early December.

In addition to this refunding opportunity, SANDAG has additional capital needs to support bicycle and pedestrian improvements. There is the opportunity to combine these new borrowing proceeds with the refunding transaction to avoid duplicative transaction costs. Additionally, the new debt service costs associated with new borrowing proceeds can be partially offset by the debt service reduction associated with the refunding. In this context, SANDAG staff is recommending a new bond issuance of up to $90 million for bicycle and pedestrian improvements to be included with this refunding transaction. The new borrowing proceeds bonds would be issued on a tax-exempt basis.

This memorandum provides an overview of current market conditions, SANDAG’s outstanding sales tax bond portfolio, an overview of refunding opportunities and the proposed refunding/borrowing strategy along with next steps.

MARKET UPDATE
For the purpose of tracking tax-exempt municipal interest rates over time, we use the AAA Municipal Market Data Index ("AAA MMD"), which serves as the benchmark against which most tax-exempt, fixed-rate transactions are priced. The chart below tracks the 10-year rate over the last decade. Since all or a majority of the proposed refunding bonds will have to be issued on a taxable basis, the chart also shows the 10-year treasury rate for comparison.

Interest rates, both tax-exempt rates and taxable rates, declined dramatically over the past year with record lows in August 2019. The rates have since ticked up from their lowest levels and have been somewhat volatile. That said, the current market still provides a very favorable environment for a taxable advance refunding transaction. As shown in the chart above the taxable interest rates are low with a 10-year treasury rate at 1.83%, 0.58% lower than its ten-year average. About 12 months ago, in November 2018, the 10-year treasury rate was 3.24%. While tax-exempt rates are currently 28 basis points lower than taxable rates, SANDAG cannot refund the outstanding bonds with tax-exempt bonds until their call date, two to four years away. With that limitation, SANDAG takes on the risk that current low rates will increase and diminish savings over the next 24 months and longer.

SANDAG’S OUTSTANDING DEBT OVERVIEW
SANDAG, serving as the San Diego County Regional Transportation Commission, has $2.23 billion of outstanding long term debt, including the Series 2018A Short Term Notes (Notes) issued in April 2018. Of the total debt portfolio, 18 percent consists of synthetic, fixed-rate bonds (variable rate bonds hedged with fixed-payer interest rate swaps), and the remaining 82 percent are fixed-rate bonds. Currently, the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan is undrawn and does not represent an obligation of SANDAG at this time. A summary of the outstanding bonds is tabulated and graphically presented below.

SANDAG has debt obligations on three separate lien levels, providing different priority of sales tax payment to investors based on their respective lien level. The Series 2008A through 2016A Bonds are senior lien obligations and are paid first. The 2018A Notes and commercial paper obligations are paid second as subordinate lien obligations. SANDAG’s TIFIA loan is a third lien, junior subordinate lien obligation. SANDAG’s potential refunding candidates discussed herein are senior lien obligations (i.e., Series 2012A, 2014A and 2016A Bonds).

SANDAG’s senior lien debt service remains level in aggregate, at about $105.2 million annually through 2048. The 2018A Notes are short-term obligations, with a final maturity in 2021. Assuming SANDAG draws on the TIFIA loan as expected, to complete the Mid-Coast Corridor Transit Project, SANDAG’s aggregate debt service will peak at $163.4 million in FY 2045. Senior lien debt service coverage, using sales tax receipts of $312.3 million for the 12 months ending June 30, 2019, is 2.98 times. Meaning, for every $1 of senior lien debt service, SANDAG received $2.98 of sales tax revenue providing ample coverage, supporting SANDAG senior lien triple-A ratings. Total coverage, when comparing the annual revenues to peak debt service (including assumed debt service on the undrawn TIFIA loan) in FY 2045, is 1.91 times.

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<th>Series</th>
<th>Tax Status</th>
<th>Coupon Type</th>
<th>Original Issue Size</th>
<th>Outstanding Par</th>
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**Summary of TIFIA Loan Commitment**

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*The TIFIA loan will be drawn upon in 2021 to retire the 2018A Notes. The simultaneous draw on the TIFIA loan and the retirement of the 2018A Notes will have an offsetting impact and will not increase the amount of total obligations outstanding.*
The primary benefit to the potential refunding is to reduce debt service costs on SANDAG’s senior lien obligations, increase debt service coverage, and provide additional sales tax dollars to projects in place of existing bonds.

### Aggregate Debt Service schedule

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<td>11.7%</td>
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### REFUNDING OPPORTUNITY

SANDAG has two series of tax-exempt, fixed rate bonds that were issued with call features and which provide debt service savings in today’s market: the Series 2012A, and the Series 2014A Bonds. Each series was issued with a 10-year call feature, meaning those bonds may be called 10-years after their original issuance. A summary of each respective bond’s outstanding par amount, callable par amount (i.e, the principal amount that comes due after the call date) and their respective call dates is listed below.

### SANDAG Taxable Advance Refunding Candidates ($000s)

<table>
<thead>
<tr>
<th>Series</th>
<th>Outstanding Par</th>
<th>Callable Par</th>
<th>Refunded Par</th>
<th>PV Savings ($)</th>
<th>PV Savings (%)</th>
<th>Escrow Efficiency</th>
<th>Call Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012A</td>
<td>$306,545</td>
<td>$246,910</td>
<td>$246,910</td>
<td>$34,954</td>
<td>14.2%</td>
<td>80.3%</td>
<td>4/1/2022</td>
</tr>
<tr>
<td>2014A</td>
<td>$331,070</td>
<td>$301,700</td>
<td>$301,700</td>
<td>$29,107</td>
<td>9.6%</td>
<td>60.3%</td>
<td>4/1/2024</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$637,615</strong></td>
<td><strong>$548,610</strong></td>
<td><strong>$548,610</strong></td>
<td><strong>$64,061</strong></td>
<td><strong>11.7%</strong></td>
<td><strong>69.8%</strong></td>
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</tbody>
</table>

In addition to these two series of bonds, SANDAG also has the series 2016A Bonds currently outstanding in the amount of $312.9 million and are callable in April, 2016. The 2016A Bonds currently do not provide sufficient debt service savings to consider their refunding today.

On December 22, 2017, the Tax Cuts and Jobs Act became law. Federal tax reform brought several changes to the municipal bond market, one of which eliminated the ability of municipal issuers, like SANDAG, to refund existing tax-exempt bonds with new tax-exempt bonds in advance of their call date (i.e., “advance refundings”). Tax-exempt refundings can only be done on a “current” basis: i.e., within 90-days of the bond call date. This change reduced the flexibility of municipal issuers and exposed them to the volatility of market changes – i.e., rates may be higher when the call date arrives. However,
issuers can issue taxable bonds to advance refund tax-exempt bonds under current law. Taxable rates are very low in the current market, and we are seeing attractive savings opportunities in the taxable market. The savings results presented here all assume taxable rates for the potential advance refunding of SANDAG’s bonds in today’s market.

The call dates on the refunding candidates range from 4/1/2022 to 4/1/2024. Since we are two to four years away from the call date, an escrow will be established and funded with the proceeds of new, lower-cost bonds. The principal and interest on the original bonds will need to be funded until the call date. Negative arbitrage occurs when an issuer cannot invest the escrow proceeds at a rate equal to the new borrowing rate. Negative arbitrage is very typical and is usually higher with longer-dated escrows. When bonds are refunded in advance of their call date, we track the “escrow efficiency” to ensure that negative arbitrage is kept to an acceptable level, or the advance refunding is postponed. Typically, escrow efficiency should be 65% to 70% or higher. Similarly, the present value savings of a refunding should be at least 3.0% of the refunded par amount. This is a minimum target and is included in SANDAG’s debt policy.

In reviewing the refunding candidates, the escrow efficiency of the Series 2012A Bonds is approximately 80% and the present value savings is equal to 14.2%. This translates to $48 million in cashflow savings, and $35 million when stated in present value terms (i.e., 2019-dollars). The Series 2014A Bonds have good present value savings at 9.6%, but a lower escrow efficiency at 60%. Cashflow savings when refunding all the Series 2014A Bonds is approximately $34 million, or $29 million in present value terms.

Importantly, the prospect of refunding is not an “all-or-nothing” prospect: SANDAG could and should look at each individual maturity across both series of bonds and select those individual maturities that provide the most attractive candidates for savings in today’s market. The maturity-by-maturity analysis is PFM’s approach and informs our recommendation below.

**REFUNDING RECOMMENDATION**

A taxable refunding is a good way to access current low rates to generate refunding savings. That said, PFM recommends keeping the majority of SANDAG’s debt portfolio as tax-exempt. Under a taxable refunding, SANDAG’s ability to refund these bonds again in the future will be somewhat limited, given how taxable bonds are typically structured (i.e., they have a 10-year par call, but lower coupons). In this context, we want to see higher savings and escrow efficiency with a taxable structure, compared to a tax exempt structure. What SANDAG does not advance refund today, can be refunded on the call date with tax exempt bonds in the future.

With these results, PFM recommends proceeding with an advance refunding of the Series 2012A Bonds. In aggregate, a full refunding of the Series 2012A Bonds provides $48 million in debt service savings through the life of the bonds (i.e., through 2048). All maturities provide over 3.0% present value savings, with most exceeding 10.0%. Additionally, the escrow efficiency in aggregate is 80%: which is strong. While the market can change, PFM recommends monitoring each individual maturity of the 2012A Bonds and making a final determination on specific maturities to refund on the day of pricing, but being prepared to refund the full series in December, 2019.

The present value savings for the Series 2014A Bonds are reasonably strong at $34 million of cashflow savings and $29 million on a present value basis. The escrow efficiency has declined in recent weeks and is currently about 60% in aggregate. When we target only those maturities in the Series 2014A
Bonds that provide an escrow efficiency of 65% of higher, the amount of candidates is $35.4 million and they generate approximately $5.1 million in present value savings. PFM recommends refunding a smaller and targeted amount of the 2014A Bonds: namely those maturities that will provide escrow efficiency of at least 65% and present value savings in the range of 10% on a maturity-by-maturity basis. Those 2014A Bonds that are not refunded as part of this transaction, may be refunded at a later point in time.

PFM believes this targeted approach both optimizes savings within the current market opportunity and keeps the majority of SANDAG’s outstanding bonds as tax-exempt securities (assuming a refunding in the future is done on a tax-exempt basis).

NEXT STEPS TO EXECUTE THE REFUNDING

**Team Selection:** SANDAG has selected their underwriting team as well as their bond counsel and disclosure team through a competitive RFP process. All team members are engaged and working on the potential transaction.

**Size and Structure:** The proposed refunding will be executed to reduce debt service costs on existing bonds. The basic structure of the refunding bonds will remain the same, except for lower debt service costs. The final maturity of the bonds will not be extended. The new bonds for new projects will likely be structured as level debt service, the sizing of which will attempt to match the reduced debt service on the refunding bonds in order to keep the existing debt profile very similar to where it stands pre-refunding. The bonds will be issued as senior lien securities with a 10-year par call feature and will not be required to fund a debt service reserve fund. The financing team will continue to work with SANDAG as we approach pricing to evaluate any structural adjustments that would benefit SANDAG.

**Rating Agency Strategy:** SANDAG currently maintains senior lien long-term ratings of “AAA” from S&P and Fitch, and a rating of “AA2” from Moody’s. SANDAG staff and the financing team will meet with S&P and Fitch to highlight the strength in San Diego’s regional economy, recent growth in sales tax revenues, strong debt service coverage, and the well managed TransNet program. Ratings should be received by late November.

**Documents and Schedule:** Staff and the financing team have prepared documents for the Boards consideration at their November 22, 2019 Board meeting. With Board approval, documents will be distributed to potential investors with a targeted sale date for the second week of December. If there are adverse changes in the market, SANDAG preserves the ability to delay the bond sale and monitor conditions until they are favorable and support SANDAG’s objective with the refunding.
Authorizing the Issuance of Not to Exceed $600,000,000 Aggregate Principal Amount of San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds) 2019 Series A (Taxable) and San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds) 2019 Series B (Tax-Exempt) for the Purpose of Refunding Certain Outstanding Bonds, the Execution and Delivery of an Eighth Supplemental Indenture, Bond Purchase Agreements, an Official Statement, a Continuing Disclosure Agreement and an Invitation to Tender Bonds, and Delegating to the Chair and Secretary of the Board and Executive Director of the Commission and Other Authorized Representatives Power to Complete Said Documents, Authorizing Distribution of Said Documents and Authorizing Taking of All Necessary Actions

WHEREAS, the San Diego County Regional Transportation Commission (the “Commission”) adopted the San Diego Transportation Improvement Program Ordinance and Expenditure Plan on July 31, 1987 (as amended, the “1987 Ordinance”), pursuant to the provisions of Sections 132000 through 132314, inclusive of the Public Utilities Code of the State of California (the “San Diego County Regional Transportation Commission Act” or the “Act”), which 1987 Ordinance provided for the imposition of a retail transactions and use tax (the “retail transactions and use tax”) applicable in the incorporated and unincorporated territory of the County of San Diego (the “County”) in accordance with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code of the State of California at the rate of one-half of one percent (1/2%) for a period of not to exceed twenty (20) years;

WHEREAS, by its terms the 1987 Ordinance became effective at the close of the polls on November 3, 1987, the day of the election at which the proposition imposing the retail transactions and use tax was adopted by a majority vote of the electors voting on such proposition;

WHEREAS, in order to provide for the extension of the initial term of the retail transactions and use tax for a period of forty (40) years, the Commission adopted the San Diego Transportation Improvement Program Ordinance and Expenditure Plan on May 28, 2004 (the “Sales Tax Extension Ordinance,” and, together with any amendments thereto and the 1987 Ordinance, hereinafter collectively referred to as the “Ordinance”);

WHEREAS, by its terms the Sales Tax Extension Ordinance became effective on November 3, 2004, the day following the date of the election at which the proposition providing for the extension of the retail transactions and use tax was approved by at least two-thirds of the electors voting on such proposition;
WHEREAS, the Board of Directors (the “Board”) of the Commission, pursuant to the San Diego County Regional Transportation Commission Act (constituting Chapter 2 of Division 12.7 of the California Public Utilities Code) and Chapter 6 of Part 1 of Division 2 of Title 5 of the California Government Code, as referenced in said Act, and Article 10 and Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (Section 53570 et seq.), and other applicable provisions of the laws of the State of California (collectively, the “Law”), is authorized to issue bonds payable from the proceeds of the retail transactions and use tax levied by the Commission pursuant to the Ordinance (“Sales Tax Revenues”);

WHEREAS, the Commission has heretofore issued $600,000,000 in aggregate principal amount of its Sales Tax Revenue Bonds (Limited Tax Bonds), 2008 Series A, 2008 Series B, 2008 Series C and 2008 Series D (the “2008 Bonds”), pursuant to an Indenture dated as of March 1, 2008 (the “Indenture”), as amended and supplemented, including as amended and supplemented by a First Supplemental Indenture and a Second Supplemental Indenture thereto, each entered into by the Commission and U.S. Bank National Association, as trustee (the “Trustee”);

WHEREAS, the Commission has heretofore issued $338,960,000 in aggregate principal amount of its Sales Tax Revenue Bonds (Limited Tax Bonds), 2010 Series A (Taxable Build America Bonds) (the “2010 Series A Bonds”) and $11,040,000 in aggregate principal amount of its Sales Tax Revenue Bonds (Limited Tax Bonds), 2010 Series B (Tax-Exempt Bonds) (the “2010 Series B Bonds” and together with the 2010 Series A Bonds, the “2010 Bonds”), pursuant to the Indenture, as amended and supplemented, including as amended and supplemented by a Third Supplemental Indenture thereto, entered into by the Commission and the Trustee;

WHEREAS, the Commission has heretofore issued $420,585,000 in aggregate principal amount of its Sales Tax Revenue Bonds (Limited Tax Bonds), 2012 Series A (the “2012 Bonds”), pursuant to the Indenture, as amended and supplemented, including as amended and supplemented by a Fourth Supplemental Indenture thereto, entered into by the Commission and the Trustee;

WHEREAS, the Commission has heretofore issued $350,000,000 in aggregate principal amount of its Sales Tax Revenue Bonds (Limited Tax Bonds), 2014 Series A (the “2014 Bonds”), pursuant to the Indenture, as amended and supplemented, including as amended and supplemented by a Fifth Supplemental Indenture thereto, entered into by the Commission and the Trustee;

WHEREAS, the Commission has heretofore issued $325,000,000 in aggregate principal amount of its Sales Tax Revenue Bonds (Limited Tax Bonds), 2016 Series A (the “2016 Bonds”), pursuant to the Indenture, as amended and supplemented, including as amended and supplemented by a Sixth Supplemental Indenture thereto, entered into by the Commission and the Trustee;

WHEREAS, the Commission hereby determines that the issuance of one or more new series or subseries of bonds, to be secured by a lien on the Sales Tax Revenues on a parity with the lien on such revenues that secures the 2008 Bonds, the 2010 Bonds, the 2012 Bonds, the 2014 Bonds and the 2016 Bonds (collectively, the “Existing Bonds”), is necessary to take advantage of market opportunities to refund all or a portion of the 2012 Bonds, the 2014 Bonds or any other Existing Bonds on conditions favorable to the Commission, and to pay costs of issuance incurred in connection with such bonds, and has determined that such bonds shall be issued and entitled, subject to additional series, subseries and other designations, “San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), 2019 Series A (Taxable)” (the “2019 Series A Bonds”);

WHEREAS, the Commission hereby determines that the issuance of one or more new series or subseries of bonds, to be secured by a lien on the Sales Tax Revenues on a parity with the lien on such revenues that secures the Existing Bonds, is necessary to take advantage of market opportunities to refund all or a portion of the 2010 Series B Bonds or any other Existing Bonds on conditions favorable to the Commission, and to pay costs of issuance incurred in connection with such bonds, and has determined that such bonds shall be issued and entitled, subject to additional series, subseries and other designations,
WHEREAS, the Commission hereby further determines that the 2019 Series A Bonds and the 2019 Series B Bonds may be issued in such series or subseries of such bonds as shall be convenient (collectively, the “2019 Bonds”) in an aggregate principal amount of not to exceed Six Hundred Million Dollars ($600,000,000) and shall be issued pursuant to the Indenture and an Eighth Supplemental Indenture thereto (the “Eighth Supplemental Indenture), to be entered into between the Commission and the Trustee, a proposed form of which Eighth Supplemental Indenture has been prepared and presented to the Commission;

WHEREAS, in order to set forth the terms of sale of the 2019 Series A Bonds, the Commission proposes to enter into a bond purchase agreement (the “2019 Series A Bond Purchase Agreement”) with Goldman Sachs & Co. LLC, as representative of itself and Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Stifel, Nicolaus & Company, Incorporated and Wells Fargo Bank, N.A. (collectively, the “Underwriters”), and a proposed form of 2019 Series A Bond Purchase Agreement has been prepared and submitted to the Commission;

WHEREAS, in order to set forth the terms of sale of the 2019 Series B Bonds, the Commission proposes to enter into a bond purchase agreement (the “2019 Series B Bond Purchase Agreement” and together with the 2019 Series A Bond Purchase Agreement, the “Bond Purchase Agreements”) with Goldman Sachs & Co. LLC, as representative of itself and the other Underwriters, and a proposed form of 2019 Series B Bond Purchase Agreement has been prepared and submitted to the Commission;

WHEREAS, in order to provide information about the 2019 Bonds and related matters to purchasers and potential purchasers of the 2019 Bonds, the Commission proposes to execute and deliver an official statement, a proposed form of which has been prepared and presented to the Commission in preliminary form (the “Preliminary official Statement”);

WHEREAS, there has been prepared and presented to the Commission a proposed form of Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) to be executed and delivered by the Commission to assist the Underwriters in satisfying their obligations under Rule 15c2-12 promulgated by the Securities and Exchange Commission;

WHEREAS, there has been prepared and presented to the Commission a proposed form of Invitation to Tender Bonds (the “Invitation to Tender Bonds”) to be executed and delivered by the Commission to provide for a tender offer for certain maturities of certain series of the Existing Bonds;

WHEREAS, Norton Rose Fulbright US LLP is representing the Commission as bond counsel and disclosure counsel ("Bond Counsel") and PFM Financial Advisors LLC is serving as municipal advisor to the Commission in connection with the 2019 Bonds;

WHEREAS, the Commission has been presented with the form of the Eighth Supplemental Indenture, the Bond Purchase Agreements, the Preliminary official Statement, the Continuing Disclosure Agreement and the Invitation to Tender Bonds relating to the financing and refinancing described herein (collectively, the “Financing”) and the Commission has examined and approved each document and desires to authorize and direct the execution of such documents as are specified herein and such other documents as are necessary in connection with the Financing and to authorize and direct the consummation of the Financing; and

WHEREAS, all acts, conditions and things required by the Law and the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the Financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Commission is now
duly authorized and empowered, pursuant to each and every requirement of law, to authorize such Financing
and to authorize the execution of the Eighth Supplemental Indenture, the Bond Purchase Agreements, the
official statement in final form, the Continuing Disclosure Agreement and the Invitation to Tender Bonds for
the purposes, in the manner and upon the terms provided;

NOW, THEREFORE, the SANDAG Board of Directors, ALSO ACTING AS THE SAN DIEGO
COUNTY REGIONAL TRANSPORTATION COMMISSION, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. the issuance by the Commission of San Diego County Regional
Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), 2019 Series A (Taxable) in
accordance with the provisions of the Indenture, in one or more series or subseries, in order to defease and
redeem those portions of the 2012 Bonds, the 2014 Bonds or any other Existing Bonds to be refunded, as
determined by the Executive Director of the Commission, the Chief Financial officer of the Commission or any
designee thereof, and to pay the costs of issuance incurred in connection with the 2019 Series A Bonds, in an
aggregate principal amount, together with the 2019 Series B Bonds, of not to exceed $600,000,000, is
hereby authorized and approved.

Section 2. the issuance by the Commission of San Diego County Regional
Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), 2019 Series B (Tax-Exempt) in
accordance with the provisions of the Indenture, in one or more series or subseries, in order to provide
additional funds to defease and redeem those portions of the 2010 Series B Bonds or any other Existing
Bonds to be refunded, as determined by the Executive Director of the Commission, the Chief Financial officer
of the Commission or any designee thereof, and to pay the costs of issuance incurred in connection with the
2019 Series B Bonds, in an aggregate principal amount, together with the 2019 Series A Bonds, of not to
exceed $600,000,000, is hereby authorized and approved.

Section 3. the proposed form of Eighth Supplemental Indenture, between the
Commission and the Trustee, submitted to the Commission, and the terms and conditions thereof, are
hereby approved. the Secretary of the Board is directed to file a copy of said form of Eighth Supplemental
Indenture with the minutes of this meeting, and any one of the Chair of the Board, the Executive Director of
the Commission or the Chief Financial officer of the Commission or a designee of any such official (each an
"Authorized Representative"), and the Secretary of the Board are authorized and directed to execute and
deliver the Eighth Supplemental Indenture to the Trustee, in substantially such form, and with such additions
thereto or changes therein, as they, with the advice of Bond Counsel, shall approve, such approval to be
conclusively evidenced by the execution and delivery of the Eighth Supplemental Indenture. the structure,
date, maturity date or dates (not to exceed April 1, 2048), interest rate or rates (not to exceed six percent
(6.00%)/annum, and with a not to exceed five and one-half percent (5.50%)/annum true interest
cost), interest payment dates, forms, registration privileges, place or places of payment, terms of redemption,
additional series designation and number or letter thereof and other terms of the 2019 Bonds shall be
(subject to the foregoing limitations) as provided in the Eighth Supplemental Indenture as finally executed
and delivered.

Section 4. the proposed form of the Preliminary official Statement describing the
2019 Bonds, the bond features that may be selected in connection with the issuance of the 2019 Bonds and
related matters, submitted to the Commission, is hereby approved. Each Authorized Representative is hereby
authorized and directed to execute and deliver an official Statement in substantially such form, and with such
additions thereto or changes therein, as the Authorized Representative executing the same, with the advice
of Bond Counsel, shall approve, such approval to be conclusively evidenced by the execution and delivery of
the official Statement; and each Authorized Representative is hereby authorized and directed to execute and
deliver a certificate confirming that the Preliminary official Statement is “deemed final” by the Commission
for purposes of Securities and Exchange Commission Rule 15c2-12. the distribution by the Underwriters of
copies of the official Statement in final form to all actual purchasers of the 2019 Bonds and the distribution
by the Underwriters of the Preliminary official Statement to potential purchasers of the 2019 Bonds are
hereby authorized and approved.
Section 5. the proposed forms of Bond Purchase Agreements providing for the sale of the 2019 Bonds submitted to the Commission, and the terms and conditions thereof, are hereby approved. The Secretary of the Board is directed to file a copy of said forms of the Bond Purchase Agreements with the minutes of this meeting. The sale of the 2019 Bonds to the Underwriters, on one or more sale dates, at par or at a premium or discount to the principal amount thereof, less an underwriters' discount (or subject to an underwriters' fee payable by the Commission to the Underwriters) of not to exceed one-half of one percent (0.50%) of such principal amount (exclusive of any original issue discount) in accordance with said Bond Purchase Agreements and the costs of issuance (exclusive of underwriters' discount) to be financed with respect to any series of 2019 Bonds not to exceed one-half of one percent (0.50%) of the proceeds of the sale of such series of 2019 Bonds, be and is hereby authorized and approved, and each Authorized Representative is authorized and directed to complete, execute and deliver the Bond Purchase Agreements in substantially such forms, providing for the sale of 2019 Series A Bonds and 2019 Series B Bonds in an aggregate principal amount not to exceed $600,000,000, such issues to be at such principal amounts, with such interest rates, maturities and discounts to be specified therein, and with such additions thereto or changes therein, as the Authorized Representative executing the same, with the advice of Bond Counsel, shall approve, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreements.

Section 6. the proposed form of Continuing Disclosure Agreement submitted to the Commission is hereby approved. The Secretary of the Board is directed to file a copy of said form of Continuing Disclosure Agreement with the minutes of this meeting. Each Authorized Representative is hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement in substantially the form before the Commission with such changes and additions as such officer may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. the proposed form of Invitation to Tender Bonds submitted to the Commission is hereby approved. The Secretary of the Board is directed to file a copy of said form of Invitation to Tender Bonds with the minutes of this meeting. Each Authorized Representative is hereby authorized and directed to execute and deliver the Invitation to Tender Bonds in substantially the form before the Commission with such changes and additions as such officer may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. the Chair and the Secretary of the Board, the Executive Director and the Chief Financial officer of the Commission, and other appropriate officers of the Board or the Commission, and all other employees and agents of the Commission, are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Commission, to execute and deliver any and all documents, certificates and representations, including, without limitation, swap terminations or amendments, redemption or defeasance notices, escrow agreements providing for the defeasance and redemption of any Existing Bonds, tender offer documents, including fee agreements with any consultants, information agents and dealer managers involved in such tender offer, credit documents, signature certificates, no-litigation certificates, tax certificates, letters of representation relating to book-entry registration, insurance agreements, reimbursement agreements, investment instructions, including without limitation bidding or other escrow security purchase agreements the terms of which comply with the Indenture, investments in State and Local Government Series (SLGS) treasury securities, certificates concerning the contents of the official Statement and the representations and warranties in the Bond Purchase Agreements and related agreements, and certificates, agreements, and to do any and all things and take any and all actions that may be necessary or advisable, in their discretion, to effectuate the actions that the Commission has approved in this Resolution.

Section 9. All approvals, consents, directions, instructions, notices, orders, requests, indemnifications and other actions permitted or required by any of the documents authorized by this Resolution or executed in connection with the Existing Bonds, including, without limitation, any amendment or substitution of any of the documents authorized by this Resolution or relating to any of the foregoing obligations that may be necessary or desirable in connection with any liquidity or credit facility, any swaps, any reserve facility, any investment of proceeds of any series of bonds, or in connection with any disclosure
document, any agreements with trustees, paying agents, credit providers, liquidity providers, counterparties, remarketing agents, escrow agents, calculation agents or verification agents, may be given or taken by an Authorized Representative, without further authorization or direction by the Commission, and any and all such actions heretofore taken by such officers are hereby ratified, confirmed, and approved, and the Authorized Representatives are each hereby authorized and directed to execute such documents and give any such approval, amendment, consent, direction, instruction, notice, order, request, indemnification or other action and to take any such action that such person, with the advice of Bond Counsel, may deem necessary or desirable to further the purposes of this Resolution.

Section 10. All actions heretofore taken by the officers of the Board or the Commission or the other employees and agents of the Commission with respect to the Financing are hereby ratified, confirmed and approved.

Section 11. In accordance with SB 450, good faith estimates of the following are set forth on Exhibit A attached hereto: (a) the true interest cost of the 2019 Bonds, (b) the sum of all fees and charges paid to third parties with respect to the 2019 Bonds, (c) the amount of proceeds of the 2019 Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the 2019 Bonds, and (d) the sum total of all debt service payments on the 2019 Bonds calculated to the final maturity of the 2019 Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Bonds.

Section 12. This Resolution shall take effect immediately upon its adoption and approval.

Section 11. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 22nd day of November 2019.

Ayes

Noes

Absent

Chair of the Board of Directors
of the San Diego County Regional Transportation Commission

[Seal]

Attest

Secretary of the Board of Directors of the San Diego County Regional Transportation Commission
EXHIBIT A

GOOD FAITH ESTIMATES

The following information was obtained from the Underwriters with respect to the 2019 Bonds approved in the Resolution, and is provided in compliance with Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) with respect to the 2019 Bonds:

1. **True Interest Cost of the 2019 Bonds.** Assuming an aggregate principal amount of $372,920,000 of the 2019 Series A Bonds and $4,765,000 of 2019 Series B Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the 2019 Series A Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the 2019 Series A Bonds, is 3.26%, and a good faith estimate of the true interest cost of the 2019 Series B Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the 2019 Series B Bonds, is 1.36%.

2. **Finance Charge of the 2019 Bonds.** Assuming an aggregate principal amount of $377,685,000 of the 2019 Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the finance charge of the 2019 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2019 Bonds), is $201,654,767.

3. **Amount of Proceeds to be Received.** Assuming an aggregate principal amount of $377,685,000 of the 2019 Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the Commission for sale of the 2019 Bonds less the finance charge of the 2019 Bonds described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the 2019 Bonds, is $378,554,057.

4. **Total Payment Amount.** Assuming an aggregate principal amount of $377,685,000 of the 2019 Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the Commission will make to pay debt service on the 2019 Bonds plus the finance charge of the 2019 Bonds described in paragraph 2 above not paid with the proceeds of the 2019 Bonds, calculated to the final maturity of the 2019 Bonds, is $577,577,672.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from the estimates above due to variations from these estimates in the timing of 2019 Bond sales, the amount of 2019 Bonds sold, the amortization of the 2019 Bonds sold and market interest rates at the time of each sale. The date of sale and the amount of 2019 Bonds sold will be determined by the Commission based on market and other factors. The actual interest rates at which the 2019 Bonds will be sold will depend on the bond market at the time of sale. The actual amortization of the 2019 Bonds will also depend, in part, on market interest rates at the time of sale. Market interest rates are affected by economic and other factors beyond the Commission’s control.
EIGHTH SUPPLEMENTAL INDENTURE

between

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION

and

U.S. BANK NATIONAL ASSOCIATION,

as Trustee

Dated as of December 1, 2019

Relating to

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION

SALES TAX REVENUE BONDS

(LIMITED TAX BONDS)

2019 SERIES A (TAXABLE)

AND

2019 SERIES B (TAX-EXEMPT)

(Supplementing the Indenture dated as of March 1, 2008)
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>ARTICLE</th>
<th>DESCRIPTION</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>XLVI</td>
<td>DEFINITIONS; AMENDMENT TO INDENTURE</td>
<td>1</td>
</tr>
<tr>
<td>Section 46.01</td>
<td>Definitions</td>
<td>1</td>
</tr>
<tr>
<td>XLVII</td>
<td>FINDINGS, DETERMINATIONS AND DIRECTIONS</td>
<td>3</td>
</tr>
<tr>
<td>Section 47.01</td>
<td>Findings and Determinations</td>
<td>3</td>
</tr>
<tr>
<td>Section 47.02</td>
<td>Recital in Bonds</td>
<td>3</td>
</tr>
<tr>
<td>Section 47.03</td>
<td>Effect of Findings and Recital</td>
<td>3</td>
</tr>
<tr>
<td>XLVIII</td>
<td>AUTHORIZATION AND REDEMPTION OF 2019 BONDS</td>
<td>3</td>
</tr>
<tr>
<td>Section 48.01</td>
<td>Principal Amount, Designation and Series</td>
<td>3</td>
</tr>
<tr>
<td>Section 48.02</td>
<td>Purpose and Application of Proceeds</td>
<td>4</td>
</tr>
<tr>
<td>Section 48.03</td>
<td>Form, Denomination, Numbers and Letters</td>
<td>4</td>
</tr>
<tr>
<td>Section 48.04</td>
<td>Execution of Bonds</td>
<td>4</td>
</tr>
<tr>
<td>Section 48.05</td>
<td>Date, Maturities and Interest Rates</td>
<td>5</td>
</tr>
<tr>
<td>Section 48.06</td>
<td>Optional Redemption of the 2019 Bonds</td>
<td>6</td>
</tr>
<tr>
<td>Section 48.07</td>
<td>Mandatory Redemption of 2019 Bonds From Mandatory Sinking Account Payments</td>
<td>7</td>
</tr>
<tr>
<td>Section 48.08</td>
<td>Notice of Redemption of 2019 Bonds</td>
<td>8</td>
</tr>
<tr>
<td>Section 48.09</td>
<td>No Reserve Fund for 2019 Bonds</td>
<td>9</td>
</tr>
<tr>
<td>XLIX</td>
<td>ESTABLISHMENT OF FUNDS AND ACCOUNTS AND APPLICATION THEREOF</td>
<td>9</td>
</tr>
<tr>
<td>Section 49.01</td>
<td>Funds and Accounts</td>
<td>9</td>
</tr>
<tr>
<td>Section 49.02</td>
<td>2019 Project Fund</td>
<td>9</td>
</tr>
<tr>
<td>Section 49.03</td>
<td>2019 Costs of Issuance Account</td>
<td>10</td>
</tr>
<tr>
<td>L</td>
<td>MISCELLANEOUS</td>
<td>10</td>
</tr>
<tr>
<td>Section 50.01</td>
<td>Continuing Disclosure</td>
<td>10</td>
</tr>
<tr>
<td>Section 50.02</td>
<td>Tax Certificate</td>
<td>10</td>
</tr>
<tr>
<td>Section 50.03</td>
<td>Severability</td>
<td>11</td>
</tr>
<tr>
<td>Section 50.04</td>
<td>Parties Interested Herein</td>
<td>11</td>
</tr>
<tr>
<td>Section 50.05</td>
<td>Headings Not Binding</td>
<td>11</td>
</tr>
<tr>
<td>Section 50.06</td>
<td>Notice Addresses</td>
<td>11</td>
</tr>
<tr>
<td>Section 50.07</td>
<td>Notices to Rating Agencies</td>
<td>11</td>
</tr>
<tr>
<td>Section 50.08</td>
<td>Indenture to Remain in Effect</td>
<td>11</td>
</tr>
<tr>
<td>Section</td>
<td>Description</td>
<td>Page</td>
</tr>
<tr>
<td>-----------</td>
<td>-------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>50.09</td>
<td>Effective Date of Eighth Supplemental Indenture</td>
<td>11</td>
</tr>
<tr>
<td>50.10</td>
<td>Execution in Counterparts</td>
<td>12</td>
</tr>
<tr>
<td>EXHIBIT A</td>
<td>FORM OF 2019 BOND</td>
<td></td>
</tr>
<tr>
<td>EXHIBIT B</td>
<td>NOTICE ADDRESSES</td>
<td></td>
</tr>
</tbody>
</table>
EIGHTH SUPPLEMENTAL INDENTURE

THIS EIGHTH SUPPLEMENTAL INDENTURE, dated as of December 1, 2019 (this “Eighth Supplemental Indenture”), between the SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION, a public entity duly established and existing under the laws of the State of California (the “Commission”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the “Trustee”):

WITNESSETH:

WHEREAS, this Eighth Supplemental Indenture is supplemental to the Indenture, dated as of March 1, 2008 (as supplemented and amended from time to time pursuant to its terms, the “Indenture”), between the Commission and the Trustee;

WHEREAS, the Indenture provides that the Commission may issue Bonds from time to time as authorized by a Supplemental Indenture, which Bonds are to be payable from Revenues and from such other sources as may be specified with respect to a particular Series of Bonds in the Supplemental Indenture authorizing such Series; and

WHEREAS, the Commission desires to provide at this time for the issuance of (i) a Series of Bonds to be designated “San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), 2019 Series A (Taxable)” (the “2019 Series A Bonds”) and (ii) a Series of Bonds to be designated “San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), 2019 Series B (Tax-Exempt)” (the “2019 Series B Bonds”), all for the purpose of providing funds to refund certain maturities of Bonds previously issued under the Indenture, to pay for the Costs of the Project and to pay Costs of Issuance, all as provided in this Eighth Supplemental Indenture;

NOW, THEREFORE, the parties hereto hereby agree as follows:

ARTICLE XLVI
DEFINITIONS; AMENDMENT TO INDENTURE

Section 46.01 Definitions.

(a) Definitions. Unless the context otherwise requires, or as otherwise provided in subsection (b) of this Section, all terms that are defined in Section 1.02 of the Indenture shall have the same meanings in this Eighth Supplemental Indenture.

(b) Additional Definitions. Unless the context otherwise requires, the following terms shall, for all purposes of this Eighth Supplemental Indenture, have the following meanings:

“Authorized Denominations” means, with respect to the 2019 Series A Bonds, $1,000 and any integral multiple thereof, and with respect to the 2019 Series B Bonds, $5,000 and any integral multiple thereof.
“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement of the Commission relating to the 2019 Bonds.

“Eighth Supplemental Indenture” means this Eighth Supplemental Indenture, between the Commission and the Trustee, as amended and supplemented from time to time.

“Interest Payment Date” means for the 2019 Bonds each April 1 and October 1, commencing April 1, 2020 and, in any event, the final maturity date or redemption date of each 2019 Bond.

“Issue Date” means, with respect to any Series of the 2019 Bonds, the date on which such Series of the 2019 Bonds are first delivered to the purchasers thereof.

“Record Date” means, with respect to the 2019 Bonds, the fifteenth (15th) day (whether or not a Business Day) of the month preceding the month in which such Interest Payment Date occurs.

“Redemption Price” means, with respect to any [2019 Bond] or a portion thereof, 100% of the principal amount thereof to be redeemed, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or this Eighth Supplemental Indenture.

“___ Escrow Agent” means U.S. Bank National Association, as escrow agent under the ___ Escrow Agreement.

“___ Escrow Agreement” means the ___ Escrow Agreement, dated as of December 1, 2019, between the Commission and the ___ Escrow Agent, providing for the refunding of the ____ Bonds.

“___ Escrow Fund” means the fund by that name established under the ___ Escrow Agreement.


“2019 Costs of Issuance Account” means the 2019 Costs of Issuance Account established pursuant to Section 49.01(b).

“2019 Project Fund” means the 2019 Project Fund established pursuant to Section 49.01(a).

“2019 Series A Bonds” shall mean the San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), 2019 Series A (Taxable), authorized by Article XLVIII of the Indenture.


ARTICLE XLVII
FINDINGS, DETERMINATIONS AND DIRECTIONS

Section 47.01 Findings and Determinations. The Commission hereby finds and determines that the 2019 Bonds shall be issued pursuant to Article III and upon the issuance of the 2019 Bonds, any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the issuance thereof, will exist, will have happened and will have been performed, in due time, form and manner, as required by the Constitution and statutes of the State.

Section 47.02 Recital in Bonds. There shall be included in each of the definitive 2019 Bonds, and also in each of the temporary 2019 Bonds, if any are issued, a certification and recital that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by that 2019 Bond, and in the issuing of that 2019 Bond, exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State and the Act, and that said 2019 Bond, together with all other indebtedness of the Commission payable out of Revenues, is within every debt and other limit prescribed by the Constitution and statutes of the State and the Act, and that such certification and recital shall be in such form as is set forth in the form of the 2019 Bond attached hereto as Exhibit A.

Section 47.03 Effect of Findings and Recital. From and after the issuance of the 2019 Bonds, the findings and determinations herein shall be conclusive evidence of the existence of the facts so found and determined in any action or proceeding in any court in which the validity of the 2019 Bonds is at issue.

ARTICLE XLVIII
AUTHORIZATION AND REDEMPTION OF 2019 BONDS

Section 48.01 Principal Amount, Designation and Series.

(a) Pursuant to the provisions of the Indenture and the provisions of the Act, a Series of Bonds entitled to the benefit, protection and security of such provisions is hereby authorized in the aggregate principal amount of $_____________. Such Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, “San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), 2019 Series A (Taxable).”

(b) Pursuant to the provisions of the Indenture and the provisions of the Act, a Series of Bonds entitled to the benefit, protection and security of such provisions is hereby authorized in the aggregate principal amount of $_____________. Such Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, “San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), 2019 Series B (Tax-Exempt).”
Section 48.02 Purpose and Application of Proceeds.

(a) The 2019 Bonds are issued for the purpose of financing, refinancing and/or reimbursing the Commission for its prior payment of the Costs of the Project and for the refunding of a portion of the Commission’s outstanding Bonds issued for such purpose. In addition, a portion of the proceeds will be applied to pay Costs of Issuance of the 2019 Bonds. The net proceeds from the sale of the 2019 Bonds in the amount of $________________ shall be received by the Trustee, and the Trustee shall deposit such funds as follows:

(i) $______________ of the proceeds of the 2019 Series A Bonds shall be transferred to the ____ Escrow Agent for deposit into the ____ Escrow Fund;

(ii) $______________ of the proceeds of the 2019 Series B Bonds shall be transferred to the ____ Escrow Agent for deposit into the ____ Escrow Fund;

(iii) $______________ of the proceeds of the 2019 Series B Bonds shall be deposited in the 2019 Project Fund;

(iv) $______________ of the proceeds of the 2019 Series A Bonds shall be deposited in the 2019A Subaccount of the 2019 Costs of Issuance Account; and


Section 48.03 Form, Denomination, Numbers and Letters. Each Series of the 2019 Bonds shall be issued as fully registered bonds without coupons in book-entry form and in Authorized Denominations and shall be numbered from one upward in consecutive numerical order preceded by the letter “R” prefixed to the number. Each maturity of each Series of the 2019 Bonds and the certificate of authentication shall be substantially in the form attached hereto as Exhibit A, which form is hereby approved and adopted as the form of the 2019 Bonds and as the form of the certificate of authentication as such form shall be completed based on the terms of each 2019 Bond set forth herein.

Section 48.04 Execution of Bonds. The 2019 Bonds shall be executed in the name and on behalf of the Commission by the facsimile or manual signature of the Chair of the Board of Directors of the Commission and attested by the facsimile or manual signature of the Executive Director of the Commission, the Chief Financial Officer of the Commission or any designee thereof. The 2019 Bonds shall be authenticated by the Trustee by the manual signature of an authorized officer.

If any of the officers who shall have signed any of the 2019 Bonds or whose facsimile signature shall be upon the 2019 Bonds shall cease to be such officer of the Commission before the 2019 Bond so signed shall have been authenticated by the Trustee or delivered, such 2019 Bonds nevertheless may be authenticated, issued and delivered with the same force and effect and
shall be as binding on the Commission as though the person or persons who signed such 2019 Bonds or whose facsimile signature shall be upon the 2019 Bonds had not ceased to be such officer of the Commission; and any such 2019 Bond may be signed on behalf of the Commission by those persons who, at the actual date of the execution of such 2019 Bonds, shall be the proper officers of the Commission, although at the date of such 2019 Bond any such person shall not have been such officer of the Commission.

Section 48.05 Date, Maturities and Interest Rates.

(a) 2019 Series A Bonds. The 2019 Series A Bonds shall be dated their Issue Date and shall bear interest from that date payable on each Interest Payment Date. The 2019 Series A Bonds shall be issued in the aggregate principal amount of $_____________ and shall mature on the following date and in the following amount (subject to the right of prior redemption set forth in Section 48.06(a) and the requirement of mandatory sinking fund redemption set forth in Section 48.07(a)) and shall bear interest at the following rate per annum:

<table>
<thead>
<tr>
<th>Maturity Date (April 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>_____*</td>
<td>$______________</td>
<td>____%</td>
</tr>
</tbody>
</table>

* Term Bond

(b) The 2019 Series B Bonds shall be dated their Issue Date and shall bear interest from that date payable on each Interest Payment Date. The 2019 Series B Bonds shall be issued in the aggregate principal amount of $____________, and shall mature on the following dates and in the following amounts, subject to the right of prior redemption set forth in Section 48.06 and the requirement of mandatory sinking fund redemption set forth in Section 48.07, and shall bear interest at the following rates per annum:

<table>
<thead>
<tr>
<th>Maturity Date (April 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
</table>
Interest on the 2019 Bonds shall be computed on the basis of a 360-day year composed of twelve 30 day months.

(c) Payment Provisions. Each 2019 Bond shall be payable as provided in Section 2.10, including Section 2.10(E), or, in the event the use of the Securities Depository is discontinued, the principal of each 2019 Bond shall be payable in lawful money of the United States of America upon surrender thereof at the Corporate Trust Office of the Trustee, and the interest on each 2019 Bond shall be payable on each Interest Payment Date in lawful money of the United States of America by the Trustee to the Holder thereof as of the close of business on the Record Date, such interest to be paid by the Trustee to such Holder in immediately available funds (by wire transfer or by deposit to the account of the Holder if such account is maintained with the Trustee), according to the instructions given by such Holder to the Trustee or, in the event no such instructions have been given, by check mailed by first class mail to the Holder at such Holder’s address as it appears as of the Record Date on the bond registration books kept by the Trustee.

Section 48.06 Optional Redemption of the 2019 Bonds.

(a) Optional Redemption of the 2019 Series A Bonds. The 2019 Series A Bonds maturing on and after April 1, ____ are subject to redemption prior to their respective stated maturities, at the option of the Commission, from any source of available funds, on any date on or after April 1, ____, as a whole, or in part by such maturity or maturities as may be specified by Request of the Commission (and by lot within a maturity), at a Redemption Price equal to 100% of the aggregate principal amount thereof, plus interest accrued thereon to the date fixed for redemption, without premium.

(b) Optional Make-Whole Redemption of 2019 Series A Bonds. [to come]

(c) Optional Redemption of the 2019 Series B Bonds. The 2019 Series B Bonds maturing on and after April 1, ____ are subject to redemption prior to their respective stated maturities, at the option of the Commission, from any source of available funds, on any date on or after April 1, ____, as a whole, or in part by such maturity or maturities as may be specified by Request of the Commission (and by lot within a maturity), at a Redemption Price equal to 100% of the aggregate principal amount thereof, plus interest accrued thereon to the date fixed for redemption, without premium.

(d) Selection of 2019 Bonds for Optional Redemption.

The Commission shall designate which maturities of any 2019 Bonds are to be called for optional redemption pursuant to Section 48.06(a) or (c). If less than all 2019 Bonds maturing by their terms on any one date and bearing the same rate of interest are to be redeemed at any one time, the Trustee shall select the 2019 Bonds of such maturity date and rate to be redeemed by lot and shall promptly notify the Commission in writing of the numbers of the 2019 Bonds so selected for redemption. For purposes of such selection, 2019 Bonds shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed. In the event 2019 Bonds that are Term Bonds are designated for redemption,
the Commission may designate the Mandatory Sinking Account Payments under Section 48.07(a) or (c) or portions thereof, that are to be reduced as allocated to such redemption.

(e) Sufficient Funds Required for Optional Redemption. Any optional redemption of 2019 Bonds and notice thereof may be conditional and rescinded and cancelled pursuant to the provisions of Section 4.02 if for any reason on the date fixed for redemption moneys are not available in the Redemption Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the 2019 Bonds called for redemption.


(a) Mandatory Redemption of 2019 Series A Bonds. The 2019 Series A Bonds maturing on April 1, ____ are Term Bonds and are subject to mandatory redemption from Mandatory Sinking Account Payments for such 2019 Series A Bonds, on each April 1 on and after April 1, ____, and in the principal amount equal to the Mandatory Sinking Account Payment due on such date at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

Mandatory Sinking Account Payments for 2019 Series A Bonds maturing on April 1, ____ shall be due in such amounts and on such dates as follows:

<table>
<thead>
<tr>
<th>Redemption Date (April 1)</th>
<th>Mandatory Sinking Account Payment</th>
</tr>
</thead>
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</tr>
</tbody>
</table>

* Final Maturity

(b) Mandatory Redemption of 2019 Series B Bonds. The 2019 Series B Bonds maturing on April 1, ____ are Term Bonds and are subject to mandatory redemption from Mandatory Sinking Account Payments for such 2019 Series B Bonds, on each April 1 on and after April 1, ____, and in the principal amount equal to the Mandatory Sinking Account Payment due on such date at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

Mandatory Sinking Account Payments for 2019 Series B Bonds maturing on April 1, ____ shall be due in such amounts and on such dates as follows:

<table>
<thead>
<tr>
<th>Redemption Date (April 1)</th>
<th>Mandatory Sinking Account Payment</th>
</tr>
</thead>
</table>
(c) **Selection of 2019 Bonds for Mandatory Sinking Account Redemption.** If less than all 2019 Bonds of a Series maturing by their terms on any one date are to be redeemed at any one time with Mandatory Sinking Account Payments, the Trustee shall select the 2019 Bonds of such Series and maturity date to be redeemed by lot, and the Trustee shall promptly notify the Commission in writing of the numbers of the 2019 Bonds so selected for redemption. For purposes of such selection, 2019 Bonds shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed.

**Section 48.08 Notice of Redemption of 2019 Bonds.** Each notice of redemption of 2019 Bonds shall be mailed by the Trustee, not less than twenty (20) nor more than ninety (90) days prior to the redemption date, to each Holder of 2019 Bonds and each of the Repositories. A copy of such notice shall also be provided to each of the Notice Parties with respect to the 2019 Bonds. Notice of redemption to the Holders of 2019 Bonds, the Repositories and the applicable Notice Parties shall be given by first class mail. Each notice of redemption shall state the date of such notice, the date of issue of the 2019 Bonds, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address or addresses of the Trustee), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity, the distinctive certificate numbers of the 2019 Bonds of such maturity, if any, to be redeemed and, in the case of 2019 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said 2019 Bonds the Redemption Price thereof or of said specified portion of the principal amount thereof in the case of a 2019 Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such 2019 Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice. Neither the Commission nor the Trustee shall have any responsibility for any defect in the CUSIP number that appears on any 2019 Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Commission nor the Trustee shall be liable for any inaccuracy in such CUSIP numbers.

**Section 48.09 No Reserve Fund for 2019 Bonds.** No reserve is established with respect to the 2019 Bonds and the 2019 Bonds are not 2008 Reserve Fund Eligible Bonds.

**ARTICLE XLIX**

**ESTABLISHMENT OF FUNDS AND ACCOUNTS AND APPLICATION THEREOF**

**Section 49.01 Funds and Accounts.** The following funds and accounts are hereby established in connection with the 2019 Bonds:
(a) To ensure the proper application of such portion of proceeds from the sale of the 2019 Series B Bonds to be applied to pay Costs of the Project, there is hereby established the 2019 Project Fund, such fund to be held by the Trustee.

(b) To ensure the proper application of such portion of proceeds from the sale of the 2019 Bonds to be applied to pay Costs of Issuance of the 2019 Bonds, there is hereby established the 2019 Costs of Issuance Account, such account to be established within the 2019 Project Fund and held by the Trustee.

Section 49.02 2019 Project Fund. The Trustee shall establish the 2019 Project Fund. The monies set aside and placed within the 2019 Project Fund shall remain therein until from time to time expended for the purpose of paying the Costs of the Project with respect to the 2019 Series B Bonds and shall not be used for any other purpose whatsoever.

Before any payment from the 2019 Project Fund shall be made by the Trustee, the Commission shall file or cause to be filed with the Trustee a Requisition of the Commission, such Requisition to be signed by an Authorized Representative and to include: (i) the item number of such payment; (ii) the name and address of the person to whom each such payment is due, which may be the Commission in the case of reimbursement for costs theretofore paid by the Commission; (iii) the respective amounts to be paid; (iv) the purpose by general classification for which each obligation to be paid was incurred; (v) that obligations in the stated amounts have been incurred by the Commission and are presently due and payable and that each item thereof is a proper charge against the 2019 Project Fund and has not been previously paid from said fund; and (vi) that there has not been filed with or served upon the Commission notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the amounts payable to any of the persons named in such Requisition, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen’s or mechanics’ liens accruing by mere operation of law.

When the Commission determines that the portion of the Project funded with the 2019 Series B Bonds has been completed, a Certificate of the Commission shall be delivered to the Trustee by the Commission stating: (vii) the fact and date of such completion; (viii) that all of the costs thereof have been determined and paid (or that all of such costs have been paid less specified claims that are subject to dispute and for which a retention in the 2019 Project Fund is to be maintained in the full amount of such claims until such dispute is resolved); and (ix) that the Trustee is to transfer the remaining balance in the 2019 Project Fund, less the amount of any such retention, to the Revenue Fund or, if so directed by the Commission, to the Rebate Fund.

Section 49.03 2019 Costs of Issuance Account. The Trustee shall establish the 2019 Costs of Issuance Account, and shall establish separate subaccounts within the 2019 Costs of Issuance Account called the “2019A Costs of Issuance Subaccount” and the “2019B Costs of Issuance Subaccount.” All money on deposit in each such subaccount within the 2019 Costs of Issuance Account and in the 2019 Costs of Issuance Account itself shall be applied solely for the payment of authorized Costs of Issuance relating to the 2019 Bonds. Before any payment from the 2019 Costs of Issuance Account or any subaccount therein shall be made by the Trustee, the Commission shall file or cause to be filed with the Trustee a Requisition of the Commission, such Requisition to be signed by an Authorized Representative and to include: (i) the item number of
such payment; (ii) the name and address of the person to whom each such payment is due, which may be the Commission in the case of reimbursement for costs theretofore paid by the Commission; (iii) the respective amounts to be paid; (iv) the purpose by general classification for which each obligation to be paid was incurred; (v) that obligations in the stated amounts have been incurred by the Commission and are presently due and payable and that each item thereof is a proper charge against the 2019 Costs of Issuance Account and has not been previously paid from said account.

Any amounts remaining in the 2019 Costs of Issuance Account or any subaccount therein one hundred eighty (180) days after the Issue Date of the 2019 Series B Bonds shall be transferred to the 2019 Project Fund and the 2019 Costs of Issuance Account shall be closed.

ARTICLE L
MISCELLANEOUS

Section 50.01 Continuing Disclosure. The Commission covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement, dated the date of issuance of the 2019 Bonds, executed by the Commission. Notwithstanding any other provision of the Indenture, failure of the Commission to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee shall, at the written request of any Participating Underwriter (as defined in the Continuing Disclosure Agreement) or of the Holders of at least twenty-five (25%) aggregate principal amount of the 2019 Bonds then Outstanding (but only to the extent funds in an amount satisfactory to the Trustee have been provided to it or it has been otherwise indemnified to its satisfaction from any cost, liability, expense or additional charges and fees of the Trustee whatsoever, including, without limitation, reasonable fees and expenses of its attorneys), or any Holder or Beneficial Owner may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Commission to comply with its obligations under this Section.

Section 50.02 Tax Certificate. The Commission will comply with the provisions and procedures of the 2019 Series B Bonds Tax Certificate.

Section 50.03 Severability. If any covenant, agreement or provision, or any portion thereof, contained in this Eighth Supplemental Indenture, or the application thereof to any person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of this Eighth Supplemental Indenture, and the application of any such covenant, agreement or provision, or portion thereof, to other Persons or circumstances, shall be deemed severable and shall not be affected thereby, and this Eighth Supplemental Indenture and the 2019 Bonds issued pursuant hereto shall remain valid, and the Holders of the 2019 Bonds shall retain all valid rights and benefits accorded to them under this Indenture, the Act, and the Constitution and statutes of the State.

Section 50.04 Parties Interested Herein. Nothing in this Eighth Supplemental Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Commission, the Trustee and the Holders of the 2019 Bonds, any right, remedy or claim under or by reason of this Eighth Supplemental Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this
Eighth Supplemental Indenture contained by and on behalf of the Commission shall be for the sole and exclusive benefit of the Commission, the Trustee and the Holders of the 2019 Bonds.

Section 50.05 Headings Not Binding. The headings in this Eighth Supplemental Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Eighth Supplemental Indenture.

Section 50.06 Notice Addresses. Except as otherwise provided herein, it shall be sufficient service or giving of notice, request, complaint, demand or other paper if the same shall be duly mailed by registered or certified mail, postage prepaid, addressed to the Notice Address for the appropriate party or parties as provided in Exhibit B hereto. Any such entity by notice given hereunder may designate any different addresses to which subsequent notices, certificates or other communications shall be sent, but no notice directed to any one such entity shall be thereby required to be sent to more than two addresses. Any such communication may also be sent by Electronic Means, receipt of which shall be confirmed.

Section 50.07 Notices to Rating Agencies. The Trustee shall provide notice to the Rating Agencies of the following events with respect to the 2019 Bonds:

1. Change in Trustee;
2. Amendments to the Indenture; and
3. Redemption or defeasance of any 2019 Bonds.

Section 50.08 Indenture to Remain in Effect. Save and except as amended and supplemented by this Eighth Supplemental Indenture, the Indenture, as heretofore supplemented by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, Sixth Supplemental Indenture and Seventh Supplemental Indenture shall remain in full force and effect.

Section 50.09 Effective Date of Eighth Supplemental Indenture. This Eighth Supplemental Indenture shall take effect upon its execution and delivery.

Section 50.10 Execution in Counterparts. This Eighth Supplemental Indenture may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.
IN WITNESS WHEREOF, the parties hereto have executed this Eighth Supplemental Indenture by their officers thereunto duly authorized as of the day and year first written above.

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION

By: __________________________
    Chair of the Board of Directors

ATTEST:

______________________________
    Clerk

APPROVED AS TO FORM:

______________________________
    General Counsel

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: __________________________
    Authorized Officer
EXHIBIT A

FORM OF 2019 BOND

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered Owner hereof, Cede & Co., has an interest herein.

No. R--

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION
SALES TAX REVENUE BOND
(LIMITED TAX BOND)
[2019 SERIES A (TAXABLE)] [2019 SERIES B (TAX-EXEMPT)]

<table>
<thead>
<tr>
<th>INTEREST RATE</th>
<th>MATURITY</th>
<th>ISSUE DATE</th>
<th>CUSIP</th>
</tr>
</thead>
</table>
| ____%        | April 1, 20 | ____________, 2019 | 797400 |$

REGISTERED OWNER: Cede & Co.
PRINCIPAL AMOUNT: ____________________________ DOLLARS

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION, a public entity duly organized and existing under the laws of the State of California (the “Commission”), for value received, hereby promises to pay (but solely from Revenues as hereinafter referred to) in lawful money of the United States of America, to the registered Holder or registered assigns, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount specified above, together with interest thereon from the Issue Date set forth above until the principal hereof shall have been paid, at the Interest Rate set forth above payable on each April 1 and October 1, commencing April 1, 2020 (each, an “Interest Payment Date”). The principal of and premium, if any, on this Bond are payable to the registered Holder hereof upon presentation and surrender of this Bond at the Corporate Trust Office, in St. Paul, Minnesota or at such other Corporate Trust Office hereinafter designated for the presentation place of Bonds for payment, of U.S. Bank National Association, as trustee (together with any successor as trustee under the hereinafter defined Indenture, the “Trustee”). Interest on this Bond shall be paid by check drawn upon the Trustee and mailed on the applicable Interest Payment Date to the registered Holder hereof as of the close of business on the Record Date at such registered Holder’s address as it appears on the Bond Register. As used herein, “Record Date” means the fifteenth (15th) day (whether or not a Business Day) of the month preceding the month in which such Interest Payment Date occurs.

This Bond is one of a duly authorized issue of bonds of the Commission, designated as “San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax
Bonds) [2019 Series A (Taxable)] [2019 Series B (Tax-Exempt)]” (the “Bonds”), of the series designated above, all of which are being issued pursuant to the provisions of the San Diego County Regional Transportation Commission Act constituting Chapter 2 of Division 12.7 of the California Public Utilities Code (the “Act”), and Chapter 6 of Part 1 of Division 2 of Title 5 of the California Government Code, as referenced in said Act, and Articles 10 and 11 of Chapter 3 of Division 2 of Title 5 of the California Government Code (collectively, and together with the Act, the “Law”), and an Indenture, dated as of March 1, 2008, as supplemented, including as supplemented by an Eighth Supplemental Indenture, dated as of December 1, 2019 (the “Eighth Supplemental Indenture”), each between the Commission and the Trustee, hereinafter referred to collectively as the “Indenture.” Said authorized issue of Bonds is not limited in aggregate principal amount and consists or may consist of one or more series of varying denominations, dates, maturities, interest rates and other provisions, as in the Indenture provided. Capitalized terms used herein and not otherwise defined shall have the meaning given such terms in the Indenture.


Reference is hereby made to the Indenture and the Law for a description of the terms on which the Bonds are issued and to be issued, the provisions with regard to the nature and extent of the pledge of Revenues and certain other funds and the rights of the registered Holders of the Bonds and all the terms of the Indenture are hereby incorporated herein and constitute a contract between the Commission and the registered Holder from time to time of this Bond, and to all the provisions thereof the registered Holder of this Bond, by its acceptance hereof, consents and agrees. Additional Bonds may be issued and other indebtedness may be incurred on a parity with the Series of Bonds of which this Bond is a part, but only subject to the conditions and limitations contained in the Indenture.

This Bond is payable as to both principal and interest, and any premium upon redemption hereof, exclusively from the Revenues and other funds pledged under the Indenture, which consist primarily of the amounts available for distribution to the Commission on and after July 1, 1988 on account of the retail transactions and use tax imposed in the County of San Diego pursuant to the Law, as extended, after deducting amounts payable by the Commission to the State Board of Equalization for costs and expenses for its services in connection with the retail transactions and

56484353.3
use taxes collected pursuant to the Law, all as provided in the Indenture, and the Commission is not obligated to pay the principal of and interest on this Bond except from Revenues and certain other funds pledged thereunder.

This Bond is deliverable in the form of a fully registered Bond in denominations of $5,000 and any multiple thereof (such denominations being referred to herein as “Authorized Denominations”).

Optional and Mandatory Redemption Provisions

The Bonds of the Series of which this Bond is a part shall be subject to optional and mandatory redemption as specified in the Indenture.

Amendments and Modifications

The rights and obligations of the Commission and of the Beneficial Owners and registered Holders of the Bonds may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Indenture, which provide, in certain circumstances, for modifications and amendments without the consent of or notice to the registered Holders of the Bonds.

Transfer and Exchange Provisions

This Bond is transferable or exchangeable as provided in the Indenture, only upon the bond registration books maintained by the Trustee, by the registered Holder hereof, or by his or her duly authorized attorney, upon surrender of this Bond at the Corporate Trust Office of the Trustee, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered Holder or his or her duly authorized attorney, and thereupon a new Bond or Bonds of the same series, maturity and in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Indenture, upon payment of any charges therein prescribed.

Persons Deemed Holders

The person in whose name this Bond is registered shall be deemed and regarded as the absolute Holder hereof for all purposes, including receiving payment of, or on account of, the principal hereof and any redemption premium and interest due hereon.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Bond, and in the issuing of this Bond, exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California and the Law, and that this Bond, together with all other indebtedness of the Commission payable out of Revenue, is within every debt and other limit prescribed by the Constitution and statutes of the State of California and the Act.
This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.
IN WITNESS WHEREOF the San Diego County Regional Transportation Commission has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its duly authorized representatives all as of the Issue Date set forth above.

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION

By: ____________________________
   Chair of the Board of Directors

(Seal)

Attest:

______________________________
   Executive Director

[FORM OF CERTIFICATE OF AUTHENTICATION]

This Bond is one of the 2019 Series [A][B] Bonds described in the within mentioned Indenture and was authenticated on the date set forth below.

Date of Authentication: ______________

U.S. BANK NATIONAL ASSOCIATION,
   as Trustee

By: ____________________________
   Authorized Officer
[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(Please Print or Type Name and Address of Assignee)

PLEASE INSERT SOCIAL SECURITY OR OTHER TAX IDENTIFICATION NUMBER OF ASSIGNEE

______________________________

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoint

to transfer the within Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated:

Signature:

______________________________

(Signature of Assignor)

Notice: The signature on this assignment must correspond with the name of the registered Holder as it appears upon the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

SIGNATURE GUARANTEED:

______________________________

Notice: Signature must be guaranteed by an eligible guarantor firm.
EXHIBIT B

NOTICE ADDRESSES

To the Commission:
San Diego Association of Governments
401 B Street, Suite 800
San Diego, California 92101
Attention: Director of Finance
Telephone: (619) 699-6931
Facsimile: (619) 699-4890

To the Rating Agencies:
Standard & Poor’s Ratings Services
55 Water Street, 38th Floor
New York, New York 10041
Telephone: (212) 438-2000
Facsimile: (212) 438-2157

Fitch Ratings
33 Whitehall Street
New York, New York 10004
Attention: Public Finance Department

To the Trustee:
U.S. Bank National Association
633 West 5th Street, 24th Floor
Los Angeles, California 90071
Attention: Corporate Trust Division
Telephone: (213) 615-6023
Facsimile: (213) 615-6197
NEW ISSUE – BOOK ENTRY ONLY

In the opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel, under existing statutes, regulations, rulings and court decisions, and assuming compliance with the tax covenants in the documents pertaining to the Series 2019B Bonds and requirements of the Internal Revenue Code of 1986, as amended (the "Code"), as described herein, interest on the Series 2019B Bonds is excluded from the gross income of the owners thereof for federal income tax purposes. In the further opinion of Bond Counsel, interest on the Series 2019B Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that, under existing law, interest on the Series 2019 Bonds is exempt from personal income taxes of the State of California. See “TAX MATTERS.”

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION SALES TAX REVENUE BONDS (LIMITED TAX BONDS)

2019 SERIES A (TAXABLE) $_______ *
2019 SERIES B (TAX-EXEMPT) $_______ *

Dated: Date of Delivery
Due as shown on inside cover

The San Diego County Regional Transportation Commission (the “Commission”) will issue the above-captioned respective series of Bonds described herein (together, the “Series 2019 Bonds”) pursuant to an Indenture, dated as of March 1, 2008 (as amended and supplemented, the “Indenture”), between the Commission and U.S. Bank National Association, as trustee.

The Series 2019 Bonds are limited obligations of the Commission payable from the receipts of a one-half of one percent (0.5%) retail transactions and use tax (the “Sales Tax”) imposed in the County of San Diego (the “County”) for transportation and related purposes. Collection of the Sales Tax commenced on April 1, 1988. The Sales Tax is scheduled to expire on March 31, 2048. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS” herein.

The Commission will apply the proceeds of the Series 2019A Bonds to: (i) refund all or a portion of the outstanding San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds) 2012 Series A, currently outstanding in the aggregate principal amount of $_______, and all or a portion of the outstanding San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds) 2014 Series A, currently outstanding in the aggregate principal amount of $_______, and (ii) pay the costs of issuing the Series 2019 Bonds. The Commission will apply the proceeds of the Series 2019B Bonds to: (i) finance, refinance and/or reimburse the Commission for its prior payment of the Costs of the Project, as defined herein, (ii) refund all or a portion of the outstanding San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds) 2010 Series B, currently outstanding in the aggregate principal amount of $_______, and (iii) pay the costs of issuing the Series 2019 Bonds.

The Series 2019 Bonds will be dated their date of delivery. The principal amounts, interest rates, maturity dates, and other information relating to the Series 2019 Bonds are summarized on the inside cover page hereof. The Commission will pay interest on the Series 2019 Bonds on April 1 and October 1 of each year, commencing on April 1, 2020. Investors may purchase the Series 2019 Bonds in book-entry form only. See APPENDIX E – “BOOK-ENTRY ONLY SYSTEM.”

The Series 2019 Bonds are subject to optional and mandatory sinking fund redemption by the Commission prior to maturity as described herein. See “THE SERIES 2019 BONDS – Redemption.”


This cover page contains general information only. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Series 2019 Bonds are offered when, as and if issued by the Commission and received by the Underwriters, subject to the approval of validity by Norton Rose Fulbright US LLP, Bond Counsel to the Commission, and certain other conditions. Certain legal matters will be passed on for the Commission by its General Counsel and by Norton Rose Fulbright US LLP, Disclosure Counsel to the Commission, and for the Underwriters by their counsel, Nixon Peabody LLP. It is expected that the Series 2019 Bonds will be available for delivery through the book-entry facilities of The Depository Trust Company on or about

* Preliminary, subject to change.

94159636.3
<table>
<thead>
<tr>
<th>Goldman Sachs &amp; Co. LLC</th>
<th>Wells Fargo Securities</th>
<th>J.P. Morgan</th>
<th>Stifel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citigroup</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Dated: December __, 2019
SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION
SALES TAX REVENUE BONDS (LIMITED TAX BONDS)
2019 SERIES A (TAXABLE)

$_________ Serial Series 2019A Bonds

<table>
<thead>
<tr>
<th>Maturity (April 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>Yield</th>
<th>Price</th>
<th>CUSIP No. (Base 797400)†</th>
</tr>
</thead>
</table>

$___________ – ___% Term Bonds due April 1, 20__ – Price ______%* – Yield ______%;
CUSIP No.† _____________

* Preliminary, subject to change.
† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed by Standard & Poor’s Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Global Services. None of the Underwriters, the Financial Advisor or the Commission is responsible for the selection or correctness of the CUSIP numbers set forth herein.
$_________

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION
SALES TAX REVENUE BONDS (LIMITED TAX BONDS)
2019 SERIES B (TAX-EXEMPT)

$_______ Serial Series 2019B Bonds

<table>
<thead>
<tr>
<th>Maturity (April 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>Yield</th>
<th>Price</th>
<th>CUSIP No. (Base 797400)†</th>
</tr>
</thead>
</table>

$___________ – ___% Term Bonds due April 1, 20__ – Price ______%* – Yield ______%;
CUSIP No.† __________

* Preliminary, subject to change.
† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed by Standard & Poor’s Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Global Services. None of the Underwriters, the Financial Advisor or the Commission is responsible for the selection or correctness of the CUSIP numbers set forth herein.
This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2019 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. The information set forth herein has been provided by the San Diego County Regional Transportation Commission (the “Commission”) and other sources that are believed by the Commission to be reliable.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Commission or the Underwriters.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2019 Bonds.

This Official Statement speaks only as of its date. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made in conjunction herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Commission or other matters described herein since the date hereof. This Official Statement is submitted with respect to the sale of the Series 2019 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the Commission.

All descriptions and summaries of documents and statutes hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document and statute for complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each such document and statute. Certain capitalized terms used but not defined herein are defined in APPENDIX C – “DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE –Definitions.”

In connection with the offering of the Series 2019 Bonds, the Underwriters may overallot or effect transactions which stabilize or maintain the market prices of such Series 2019 Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Series 2019 Bonds to certain dealers, institutional investors and others at prices lower than the public offering prices stated on the inside cover pages hereof and such public offering prices may be changed from time to time by the Underwriters.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this offering document for purposes of, and as that term is defined in, United States Securities and Exchange Commission Rule 15c2-12, as amended (the “Rule”).
CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute forward-looking statements. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No assurance is given that actual results will meet the forecasts of the Commission in any way, regardless of the level of optimism communicated in the information. The Commission is not obligated to issue nor does it plan to issue any updates or revisions to the forward-looking statements if or when its expectations change, or events, conditions or circumstances on which such statements are based occur.
TransNet Ordinance
Major Corridor Completed / In Progress Projects
January 2018

1. SR 76: Widen highway
2. SR 52: Widen and extend highway
3. Mid-Coast:
   - Transit: Old Town-U.C.S.D.
   - Transit: UTC SuperLoop Rapid
   - I-5/I-8 west to north connector
   - I-5/Genesee Ave interchange
4. I-15:
   - HOV/Express Lanes
   - Transit: Rapid 235
   - Escondido-Downtown San Diego
   - Transit: Rapid 237
   - Rancho Bernardo-Sorrento Valley
5. I-805:
   - HOV/Express Lanes
   - Transit: Otay Mesa-Downtown San Diego
   - SR 94 HOV Lanes Alternative Analysis
6. North Coast:
   - I-5 HOV/Express Lanes
   - Coastal rail double-tracking
   - I-5 SR 56 interchange
7. SPRINTER: Oceanside-Encinitas light rail
8. Blue and Orange Line Trolley:
   - Low-floor vehicles
   - Station upgrades
9. Mid-City Rapid:
   - Transit: Downtown San Diego-SDSU
10. Goods Movement:
    - South Line rail upgrades
    - SR 905
    - SR 905/SR 125/SR 11 connector
    - SR 11
11. SR 94/SR 125: South to east connector
12. SR 125: Toll Road Purchase

*TransNet Lock-box projects
### SAN DIEGO ASSOCIATION OF GOVERNMENTS

#### BOARD MEMBERS

<table>
<thead>
<tr>
<th>Chair</th>
<th>Vice Chair</th>
<th>Executive Director</th>
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</thead>
<tbody>
<tr>
<td>Hon. Steve Vaus</td>
<td>Hon. Catherine Blakespear</td>
<td>Hasan Ikhrata</td>
</tr>
</tbody>
</table>

### City of Carlsbad
- Hon. Cori Schumacher, Councilmember
- (A) Vacant
- (A) Hon. Priya Bhat-Patel, Mayor Pro Tem

### City of Chula Vista
- Hon. Mary Salas, Mayor
- (A) Hon. Steve Padilla, Councilmember
- (A) Hon. John McCann, Councilmember

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- (A) Hon. Bill Sandke, Councilmember
- (A) Hon. Mike Donovan, Councilmember

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- (A) Hon. Dwight Worden, Councilmember
- (A) Hon. Dave Drucker, Mayor

### City of El Cajon
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- (A) Hon. Steve Goble, Deputy Mayor

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- (A) Hon. Joe Mosca, Councilmember

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- (A) Hon. Olga Diaz, Councilmember
- (A) Hon. Mike Morasco, Councilmember

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- (A) Hon. Paloma Aguirre, Councilmember

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- (A) Hon. Colin Parent, Vice Mayor

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- (A) Hon. Jerry Jones, Councilmember

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- (A) Hon. Ron Morrison, Vice Mayor

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- (A) Hon. Christopher Rodriguez, Councilmember
- (A) Hon. Esther Sanchez, Councilmember

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- (A) Hon. John Mullin, Councilmember
- (A) Hon. Caylin Frank, Councilmember

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- (A) Hon. Mark Kersey, Councilmember
- (A) Hon. Chris Cate, Councilmember
- Hon. Georgette Gomez, Council President
- (A) Hon. Barbara Bry, Council President Pro Tem
- (A) Hon. Monica Montgomery, Councilmember

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- (A) Hon. Sharon Jenkins, Mayor Pro Tem
- (A) Hon. Maria Nunez, Councilmember

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- (A) Hon. Romm Hall, Councilmember
- (A) Hon. Rob McNeils, Councilmember

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- (A) Hon. Kristi Becker, Councilmember

### City of Vista
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- (A) Hon. Amanda Rigby, Councilmember
- (A) Hon. John Franklin, Deputy Mayor

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- (A) Hon. Dianne Jacob, Chair
- Hon. Kristin Gaspar, Supervisor
- (A) Hon. Greg Cox, Vice Chair
- (A) Hon. Nathan Fletcher, Supervisor

### Advisory Members

#### Imperial County
- Hon. Jesus Eduardo Escobar, Supervisor
- (A) Mark Baza, Imperial County Transportation Commission

#### California Department of Transportation
- Toks Omishakin, Executive Director
- (A) Gustavo Dallarda, Acting District 11 Director
- (A) Ann Fox, Deputy Director

#### Metropolitan Transit System
- Hon. Mona Rios
- (A) Hon. Nathan Fletcher

#### North County Transit District
- Hon. Tony Kranz
- (A) Hon. Priya Bhat-Patel
- (A) Hon. Jewel Edson

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- (A) Steve Chung, Navy Region Southwest

#### Port of San Diego
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- (A) Hon. Michael Zucchet, Commissioner

#### San Diego County Water Authority
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- (A) Gary Croucher, Vice Chair
- (A) Mel Katz, Director

#### San Diego County Regional Airport Authority
- April Boling, Chair
- (A) Vacant

#### Southern California Tribal Chairmen’s Association
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- Hon. Robert Smith, Chairman, Pala Band of Mission Indians

#### Mexico
- Hon. Carlos González Gutiérrez, Cónsul General of Mexico
- (A) Hon. Mario Figueroa, Deputy Consul General of Mexico
- (A) Hon. Natalia Figueroa, Vice Consul
SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION

MANAGEMENT

EXECUTIVE DIRECTOR
Hasan Ikhrata

GENERAL COUNSEL
John F. Kirk

CHIEF CAPITAL PROGRAMS AND REGIONAL SERVICES OFFICER
Jim Linthicum

CHIEF OPERATIONS OFFICER
Laura Coté

CHIEF PLANNING AND INNOVATION OFFICER
Ray Traynor

CHIEF ANALYTICS OFFICER AND CHIEF ECONOMIST
Ray Major

CHIEF FINANCIAL OFFICER
André Douzdjian

TransNet DEPARTMENT DIRECTOR
José Nuncio

SPECIAL SERVICES

Bond Counsel and Disclosure Counsel
Norton Rose Fulbright US LLP
Los Angeles, California

Municipal Advisor
PFM Financial Advisors, LLC
San Francisco, California

Trustee
U.S. Bank National Association
San Francisco, California

Verification Agent
[_________]
# TABLE OF CONTENTS

INTRODUCTION ....................................................................................................................................... 1  
General............................................................................................................................................ 1  
Authority for Issuance..................................................................................................................... 1  
Application of Series 2019 Bond Proceeds..................................................................................... 1  
[Tender of Certain Series 2012 and Series 2014 Bonds]................................................................. 2  
Security for the Series 2019 Bonds ................................................................................................. 2  
Parity Obligations ........................................................................................................................... 3  
The Commission and SANDAG................................................................................................. 3  

DESCRIPTION OF THE SERIES 2019 BONDS............................................................................... 3  
General............................................................................................................................................ 3  
Redemption..................................................................................................................................... 4  
General Redemption Provisions ..................................................................................................... 7  

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS............................... 8  
Pledge of Sales Tax Revenues ........................................................................................................ 8  
Revenue Fund; Allocation of Sales Tax Revenues ......................................................................... 9  
No Bond Reserve Fund for the Series 2019 Bonds ..................................................................... 11  
Issuance of Additional Series of Bonds ........................................................................................ 11  
Parity Obligations ........................................................................................................................... 12  
Refunding Bonds ............................................................................................................................ 13  

FINANCING PLAN ............................................................................................................................. 13  
General.......................................................................................................................................... 13  
The Project.................................................................................................................................... 13  
The Refundings............................................................................................................................... 13  
[Tender of Certain Series 2012 and Series 2014 Bonds].............................................................. 14  

ESTIMATED SOURCES AND USES OF FUNDS ................................................................................. 14  

OUTSTANDING OBLIGATIONS .......................................................................................................... 15  
Senior Lien Debt............................................................................................................................. 15  
Interest Rate Swap Agreements .................................................................................................... 16  
Liquidity Facilities ........................................................................................................................ 17  
Subordinate Obligations................................................................................................................ 18  
Junior Subordinate TIFIA Loan .................................................................................................... 19  

PROJECTED DEBT SERVICE SCHEDULE ...................................................................................... 25  

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION ......................................... 27  
General.......................................................................................................................................... 27  
The Expenditure Plan....................................................................................................................... 27  
Future Financings.......................................................................................................................... 29  
Executive Staff............................................................................................................................... 30  

94159636.3 i  
47
<table>
<thead>
<tr>
<th>TABLE OF CONTENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>(continued)</td>
</tr>
</tbody>
</table>

| THE SALES TAX | Authorization, Application and Collection of the Sales Tax | 32 |
|               | Historical Sales Tax Revenues | 33 |
|               | Other Sales Taxes Imposed in the County | 35 |

| COMMISSION INVESTMENT PORTFOLIO | 35 |

<table>
<thead>
<tr>
<th>RISK FACTORS</th>
<th>36</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy of the County and the State</td>
<td>36</td>
</tr>
<tr>
<td>Other Sales Taxes</td>
<td>36</td>
</tr>
<tr>
<td>No Acceleration of Series 2019 Bonds</td>
<td>37</td>
</tr>
<tr>
<td>Acceleration of Liquidity Facility Bonds</td>
<td>37</td>
</tr>
<tr>
<td>Parity with Variable Rate Bonds</td>
<td>37</td>
</tr>
<tr>
<td>Loss of Subsidy Payments</td>
<td>37</td>
</tr>
<tr>
<td>Availability of Funds to Pay the 2018 Short-Term Notes</td>
<td>38</td>
</tr>
<tr>
<td>Loss of Tax Exemption on Series 2019B Bonds</td>
<td>38</td>
</tr>
<tr>
<td>Bankruptcy Considerations</td>
<td>38</td>
</tr>
<tr>
<td>Proposition 218</td>
<td>39</td>
</tr>
<tr>
<td>Further Initiatives</td>
<td>40</td>
</tr>
<tr>
<td>Governance and Management – Changes in State Law</td>
<td>40</td>
</tr>
<tr>
<td>Cybersecurity</td>
<td>40</td>
</tr>
<tr>
<td>Climate Change</td>
<td>40</td>
</tr>
</tbody>
</table>

| ABSENCE OF MATERIAL LITIGATION | 41 |

| TAX MATTERS | 41 |

| LEGAL MATTERS | 46 |

| CONTINUING DISCLOSURE | 47 |

| RATINGS | 47 |

<table>
<thead>
<tr>
<th>UNDERWRITING</th>
<th>47</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of the Series 2019 Bonds</td>
<td>47</td>
</tr>
<tr>
<td>Retail Brokerage Arrangements</td>
<td>48</td>
</tr>
</tbody>
</table>

| MUNICIPAL ADVISOR | 49 |

| VERIFICATION OF MATHEMATICAL COMPUTATIONS | 49 |

| RELATIONSHIP OF CERTAIN PARTIES | 49 |

| FINANCIAL STATEMENTS AND INDEPENDENT ACCOUNTANTS | 50 |

| MISCELLANEOUS | 50 |
TABLE OF CONTENTS
(continued)

APPENDIX A – SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019
APPENDIX B – INFORMATION REGARDING THE COUNTY OF SAN DIEGO
APPENDIX C – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE
APPENDIX D – FORM OF CONTINUING DISCLOSURE AGREEMENT
APPENDIX E – BOOK-ENTRY ONLY SYSTEM
APPENDIX F – PROPOSED FORM OF OPINION OF BOND COUNSEL
OFFICIAL STATEMENT
COUNTY REGIONAL TRANSPORTATION COMMISSION
SALES TAX REVENUE BONDS (LIMITED TAX BONDS)

$_____________  *  $_____________
2019 SERIES A (TAXABLE)  2019 SERIES B (TAX-EXEMPT)

INTRODUCTION

General

This Official Statement, including the cover page and all appendices hereto (the “Official Statement”), provides certain information concerning the issuance and sale by the San Diego County Regional Transportation Commission (the “Commission”) of its Sales Tax Revenue Bonds (Limited Tax Bonds), 2019 Series A (Taxable) (the “Series 2019A Bonds”) in the aggregate principal amount of $_________ and Sales Tax Revenue Bonds (Limited Tax Bonds), 2019 Series B (Tax-Exempt) (the “Series 2019B Bonds” and, together the “Series 2019 Bonds”) in the aggregate principal amount of $_________. All capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in APPENDIX C – “DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE” or, if not defined therein, in the Indenture.

Authority for Issuance

Pursuant to the San Diego County Regional Transportation Commission Act, Chapter 2 of Division 12.7 (Sections 132000 and following) of the Public Utilities Code of the State of California, (the “Act”), the Commission is authorized to issue indebtedness payable in whole or in part from Sales Tax Revenues (defined below). The Series 2019 Bonds will be issued and secured pursuant to the Indenture, dated as of March 1, 2008, between the Commission and U.S. Bank National Association, as trustee (the “Trustee”), as supplemented by a First Supplemental Indenture, dated as of March 1, 2008, a Second Supplemental Indenture, dated as of July 1, 2008, a Third Supplemental Indenture, dated as of October 1, 2010, a Fourth Supplemental Indenture, dated as of June 1, 2012, a Fifth Supplemental Indenture, dated as of September 1, 2014, a Sixth Supplemental Indenture, dated as of August 1, 2016, a Seventh Supplemental Indenture, dated as of June 1, 2017 (the “Seventh Supplemental Indenture”), and an Eighth Supplemental Indenture, dated as of December 1, 2019 (the “Eighth Supplemental Indenture”) and, as so supplemented and as further supplemented from time to time pursuant to its terms, is referred to herein as the “Indenture.”

The Commission is a separate legal entity from the City of San Diego, California (the “City”) and the County of San Diego, California (the “County”). See “SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION.”

Application of Series 2019 Bond Proceeds

The Commission will apply the proceeds of the Series 2019A Bonds to: (i) refund all or a portion of the outstanding San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds) 2012 Series A, currently outstanding in the aggregate principal amount of $__________, and all or a portion of the outstanding San Diego County Regional Transportation

* Preliminary, subject to change.
Commission Sales Tax Revenue Bonds (Limited Tax Bonds) 2014 Series A, currently outstanding in the aggregate principal amount of $_________, and (ii) pay the costs of issuing the Series 2019 Bonds.

The Commission will apply the proceeds of the Series 2019B Bonds to: (i) finance, refinance and/or reimburse the Commission for its prior payment of the Costs of the Project, as defined herein, (ii) refund all or a portion of the outstanding San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds) 2010 Series B, currently outstanding in the aggregate principal amount of $_________, and (iii) pay the costs of issuing the Series 2019B Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” and “FINANCING PLAN.”

No debt service reserve will be funded for the Series 2019 Bonds.

[Tender of Certain Series 2012 and Series 2014 Bonds [if pursued]

In connection with the issuance of the Series 2019 Bonds, and as part of the Commission’s effort to refund certain Series 2012 and Series 2014 Bonds for debt service savings, the Commission is seeking to purchase through a public tender offer certain Series 2012 Bonds and Series 2014 Bonds. The offer to purchase such Series 2012 and Series 2014 Bonds will be made through the Invitation to Tender dated __________, together with the Tender Documents. The Dealer Manager for the tender is Goldman Sachs & Co. LLC. Series 2012 and Series 2014 bondholders considering the Invitation to Tender should read the Tender Documents, which include this Official Statement, in their entirety. Purchase of any tendered Series 2012 and/or Series 2014 Bonds is subject to conditions described in the Tender Documents, including the sale of the Series 2019 Bonds. The Series 2012 and Series 2014 Bonds purchased pursuant to the Invitation to Tender will be described in the final Official Statement.]

Security for the Series 2019 Bonds

The Series 2019 Bonds are limited obligations of the Commission secured by a pledge of sales tax revenues (herein called the “Sales Tax Revenues”) derived from a one-half of one percent (0.5%) retail transactions and use tax (the “Sales Tax”), imposed in accordance with the Act and the California Transactions and Use Tax Law (Revenue and Taxation Code Section 7251 and following), net of an administrative fee paid to the California Department of Tax and Fee Administration (the “CDTFA”) in connection with the collection and disbursement of the Sales Tax. On November 3, 1987, a majority of County voters approved the San Diego County Transportation Improvement Program Ordinance and Expenditure Plan (as amended, the “1987 Ordinance”) which imposed the Sales Tax in the County for a 20-year period. The Taxpayer Transparency and Fairness Act of 2017 restructured the California State Board of Equalization (the “BOE”) into three separate entities: the State Board of Equalization, the CDTFA and the Office of Tax Appeals. The CDTFA handles most of the taxes and fees previously collected by the BOE, including, as of July 1, 2017, the Sales Tax.

Under the 1987 Ordinance, the Sales Tax was scheduled to expire on April 1, 2008. On November 2, 2004, more than two-thirds of County voters approved the San Diego County Transportation Improvement Program TransNet Ordinance and Expenditure Plan (the “Sales Tax Extension Ordinance” and, together with the 1987 Ordinance, the “Ordinance”) which provided for an extension of the Sales Tax through March 31, 2048. The Series 2019 Bonds are further secured by a pledge of certain amounts held by the Trustee under the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS – Pledge of Sales Tax Revenues.”

The Sales Tax is scheduled to expire on March 31, 2048. The final maturity of the Series 2019 Bonds is April 1, 2048. Under the Indenture, the Trustee is required to make monthly deposits of Sales Tax Revenues in the Interest Fund and Principal Fund in advance of the next semiannual or annual payment of debt service becoming due on the Series 2019 Bonds, in amounts sufficient to pay such debt service,
including the final amount becoming due on April 1, 2048. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS – Revenue Fund; Allocation of Sales Tax Revenues” and “THE SALES TAX – Authorization, Application and Collection of the Sales Tax.”

Parity Obligations

The Commission may issue additional Bonds and may issue or incur other obligations secured in whole or in part by a pledge of Sales Tax Revenues on a parity with the Bonds and the regularly scheduled payments on the Initial Swaps (as defined herein), the Basis Swap Overlays (as defined herein) and any other Interest Rate Swap Agreements (as defined herein), subject to compliance with the terms and provisions set forth in the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS – Additional Bonds and Parity Obligations” and APPENDIX C – “DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Issuance of Additional Bonds and Other Obligations.” The Commission has issued Subordinate Commercial Paper Notes secured on a basis subordinate to the Bonds and regularly scheduled payments on the Initial Swaps and the Basis Swap Overlays, as described herein. See “OUTSTANDING OBLIGATIONS.”

The Commission and SANDAG

The Board of Directors of the San Diego Association of Governments (“SANDAG”) is designated under State legislation to serve as the San Diego County Regional Transportation Commission (the “Commission”). The Commission is authorized, acting by motion, resolution or ordinance, to enter into contracts and, by a two-thirds vote to authorize the issuance of bonds payable from proceeds of the Sales Tax.

The Commission is responsible for the implementation and administration of transportation improvement programs funded with the Sales Tax known as “TransNet.” The Commission is authorized to receive sales tax revenues after deduction of required CDTFA costs, approve programs and projects for funding, and adopt implementing ordinances, rules, policies, and take such other actions as may be necessary and appropriate to carry out its responsibilities.

SANDAG is the statutorily created regional transportation planning agency. In 2003, State legislation required the consolidation of the planning, programming, project development, and construction functions of the agencies currently known as San Diego Metropolitan Transit System (“MTS”) and North County Transit District (“NCTD”) into SANDAG. SANDAG is now responsible for transit planning, programming, project implementation, and construction of transit projects in the region and assists in the financing of transit projects. Neither SANDAG nor the Commission operates public transit services. MTS and NCTD operate such services within the County. SANDAG is the operator of certain express lanes on State Route 125 and has issued toll revenue debt to finance the acquisition of such toll road. The liabilities of SANDAG are not liabilities of the Commission. See “SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION.”

DESCRIPTION OF THE SERIES 2019 BONDS

General

The Series 2019 Bonds are being issued by the Commission pursuant to the Indenture and the Act. The Series 2019 Bonds will be dated their date of delivery and will mature on the dates and in the amounts, and will bear interest at the rates, shown on the inside cover page of this Official Statement. Interest on the Series 2019 Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Commission will issue the Series 2019 Bonds as fully registered bonds in denominations of $5,000 or
any integral multiple thereof. The Commission will pay interest on the Series 2019 Bonds on April 1 and
October 1 of each year, commencing on April 1, 2020 (each an “Interest Payment Date”).

The Series 2019 Bonds will be issued in book-entry form only and will be registered in the name
of a nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as
form only. Purchasers (“Beneficial Owners”) of the Series 2019 Bonds will not receive physical certificates
representing their ownership interest in the Series 2019 Bonds purchased. Payments of principal of and
interest on the Series 2019 Bonds will be made to DTC, and DTC will distribute such payments to its Direct
Participants. Disbursement of such payments to Beneficial Owners of the Series 2019 Bonds is the
responsibility of DTC’s Direct and Indirect Participants and not the Commission. See APPENDIX E –
“BOOK-ENTRY ONLY SYSTEM.”

Redemption*

Optional Redemption of Series 2019A Bonds. The Series 2019A Bonds maturing on and after
April 1, 20__, are subject to redemption prior to their respective stated maturities, at the option of the
Commission, from any source of available funds, on any date on or after April 1, 20__, as a whole, or in
part by such maturity or maturities as may be specified by Request of the Commission (and by lot within a
maturity), at a Redemption Price equal to 100% of the aggregate principal amount thereof, plus interest
accrued thereon to the date fixed for redemption, without premium.

Optional Make-Whole Redemption of Series 2019A Bonds. The Series 2019A Bonds are subject
to redemption prior to their respective stated maturities, at the option of the Commission, as a whole or in
part on any date, at a redemption price equal to 100% of the principal amount of the Series 2019A Bonds
called for redemption plus the Series 2019A Make-Whole Premium, if any, together with accrued interest
to the date fixed for redemption, if any.

The “Series 2019A Make-Whole Premium” is the amount calculated by the Calculation Agent
equal to the positive difference, if any, between:

(a) The sum of the present values, calculated as of the date fixed for redemption of:

(1) Each interest payment that, but for the redemption, would have been payable on
the Series 2019A Bonds or portion thereof being redeemed on each regularly scheduled Interest
Payment Date occurring after the date fixed for redemption through the maturity date of such
2019A Bonds (excluding any accrued interest for the period prior to the date fixed for redemption);
provided, that if the date fixed for redemption is not a regularly scheduled Interest Payment Date
with respect to such 2019A Bonds, the amount of the next regularly scheduled interest payment
will be reduced by the amount of interest accrued on such 2019A Bonds to the date fixed for
redemption; plus

(2) The principal amount that, but for such redemption, would have been payable on
the maturity date of the Series 2019A Bonds or portion thereof being redeemed; minus

(b) The principal amount of the Series 2019A Bonds or portion thereof being redeemed.

The present values of the interest and principal payments referred to in clause (a) above will be
determined by discounting the amount of each such interest and principal payment from the date that each
such payment would have been payable but for the redemption to the date fixed for redemption on a

* Preliminary, subject to change.
semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at a discount rate equal to the Series 2019A Comparable Treasury Yield, plus the Series 2019A Spread.

For purposes of calculating the Series 2019A Make-Whole Premium with respect to the Series 2019A Bonds:

“Calculation Agent” means a commercial bank or an investment banking institution of national standing that is a primary dealer of United States government securities (which may be one of the institutions that served as underwriters for the Series 2019A Bonds) designated by the Commission.

“Series 2019A Comparable Treasury Issue” means the United States Treasury security selected by the Calculation Agent as having a maturity comparable to the remaining term to maturity of the Series 2019A Bonds being redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term to maturity of the Series 2019A Bonds being redeemed.

“Series 2019A Comparable Treasury Price” means, with respect to any date on which a Series 2019A Bond or portion thereof is being redeemed, either: (a) the average of five Series 2019A Reference Treasury Dealer quotations for the date fixed for redemption, after excluding the highest and lowest such quotations; and (b) if the Calculation Agent is unable to obtain five such quotations, the average of the quotations that are obtained. The quotations will be the average, as determined by the Calculation Agent, of the bid and asked prices for the Series 2019A Comparable Treasury Issue (expressed in each case as a percentage of principal amount) quoted in writing to the Calculation Agent, at 5:00 p.m. New York City time, at least three Business Days but not more than 45 calendar days preceding the date fixed for redemption.

“Series 2019A Comparable Treasury Yield” means the yield that represents the weekly average yield to maturity for the preceding week appearing in the most recently published statistical release designated “H.15(519) Selected Interest Rates” under the heading “Treasury Constant Maturities,” or any successor publication selected by the Calculation Agent that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded United States Treasury securities adjusted to constant maturity, for the maturity corresponding to the remaining term to maturity of the Senior 2019A Bonds being redeemed. The Series 2019A Comparable Treasury Yield will be determined at least three (3) Business Days but not more than forty-five (45) calendar days preceding the date fixed for redemption. If the H.15(519) statistical release sets forth a weekly average yield for United States Treasury securities that have a constant maturity that is the same as the remaining term to maturity of the Series 2019A Senior Bonds being redeemed, then the Series 2019A Comparable Treasury Yield will be equal to such weekly average yield. In all other cases, the Series 2019A Comparable Treasury Yield will be calculated by interpolation on a straight-line basis, between the weekly average yields on the United States Treasury securities that have a constant maturity: (i) closest to and greater than the remaining term to maturity of the Series 2019A Senior Bonds being redeemed; and (ii) closest to and less than the remaining term to maturity of the Senior 2019A Bonds being redeemed. Any weekly average yields calculated by interpolation will be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward. If, and only if, weekly average yields for United States Treasury securities for the preceding week are not available in the H.15(519) statistical release or any successor publication, then the Series 2019A Comparable Treasury Yield will be the rate of interest per annum equal to the semiannual equivalent yield to maturity of the Series 2019A Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Series 2019A Comparable Treasury Price (each as defined herein) as of the date fixed for redemption.
“Series 2019A Reference Treasury Dealer” means a primary dealer of United States Government securities (which may be one of the institutions that served as underwriters for the Series 2019A Bonds) appointed by the Commission and reasonably acceptable to the Calculation Agent.

“Series 2019A Spread” means__.%

In connection with any optional redemption of the Series 2019A Bonds, the Commission will give the Trustee written notice at least 30 days (or such lesser time period acceptable to the Trustee) before any date fixed for redemption, designating the maturity or maturities of the Series 2019A Bonds to be redeemed, the portions thereof to be redeemed and the fact and date of such redemption. Any optional redemption of the Series 2019A Bonds and notice thereof may be rescinded and cancelled as described further under the caption “—Notice of Redemption of Series 2019A Bonds.”

Optional Redemption of Series 2019B Bonds. The Series 2019B Bonds maturing on and after April 1, 20__, are subject to redemption prior to their respective stated maturities, at the option of the Commission, from any source of available funds, on any date on or after April 1, 20__, as a whole, or in part by such maturity or maturities as may be specified by Request of the Commission (and by lot within a maturity), at a Redemption Price equal to 100% of the aggregate principal amount thereof, plus interest accrued thereon to the date fixed for redemption, without premium.

Selection of Series 2019 Bonds for Optional Redemption. The Commission shall designate which maturities of any Series 2019 Bonds are to be called for optional redemption under the Indenture. If less than all Series 2019 Bonds maturing by their terms on any one date and bearing the same rate of interest are to be redeemed at any one time, the Trustee shall select the Series 2019 Bonds of such maturity date and rate to be redeemed by lot and shall promptly notify the Commission in writing of the numbers of the Series 2019 Bonds so selected for redemption. For purposes of such selection, Series 2019 Bonds shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed. In the event Series 2019 Bonds that are Term Bonds are designated for redemption, the Commission may designate the Mandatory Sinking Account Payments under the Indenture or portions thereof, that are to be reduced as allocated to such redemption.

Mandatory Redemption of Series 2019A Bonds. The Series 2019A Bonds maturing on April 1, 20__ are Term Bonds and are subject to mandatory redemption from Mandatory Sinking Account Payments for such Series 2019A Bonds, on each date a Mandatory Sinking Account Payment for such Series 2019A Bonds is due, and in the principal amount equal to the Mandatory Sinking Account Payment due on such date at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

Mandatory Sinking Account Payments for Series 2019A Bonds maturing on April 1, 20__ shall be due in such amounts and on such dates as follows:

<table>
<thead>
<tr>
<th>Redemption Date (April 1)</th>
<th>Mandatory Sinking Account Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

* Maturity.
**Mandatory Redemption of Series 2019B Bonds.** The Series 2019B Bonds maturing on April 1, 20__ are Term Bonds and are subject to mandatory redemption from Mandatory Sinking Account Payments for such Series 2019B Bonds, on each date a Mandatory Sinking Account Payment for such Series 2019B Bonds is due, and in the principal amount equal to the Mandatory Sinking Account Payment due on such date at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

Mandatory Sinking Account Payments for Series 2019B Bonds maturing on April 1, 20__ shall be due in such amounts and on such dates as follows:

<table>
<thead>
<tr>
<th>Redemption Date (April 1)</th>
<th>Mandatory Sinking Account Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

* Maturity.

**Selection of Series 2019 Bonds for Mandatory Sinking Account Redemption.** If less than all Series 2019 Bonds maturing by their terms on any one date are to be redeemed at any one time with Mandatory Sinking Account Payments, the Trustee shall select the Series 2019 Bonds of such maturity date to be redeemed by lot, and the Trustee shall promptly notify the Commission in writing of the numbers of the Series 2019 Bonds so selected for redemption. For purposes of such selection, Series 2019 Bonds shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed.

**General Redemption Provisions**

**Notice of Redemption.** Each notice of redemption of Series 2019 Bonds shall be mailed by the Trustee, not less than twenty (20) nor more than ninety (90) days prior to the redemption date, to each Holder of Series 2019 Bonds and each of the Repositories. A copy of such notice shall also be provided to each of the Notice Parties with respect to the Series 2019 Bonds. Notice of redemption to the Holders of Series 2019 Bonds, the Repositories and the applicable Notice Parties shall be given by first class mail. Each notice of redemption shall state the date of such notice, the date of issue of the Series 2019 Bonds, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address or addresses of the Trustee), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity, the distinctive certificate numbers of the Series 2019 Bonds of such maturity, if any, to be redeemed and, in the case of Series 2019 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Series 2019 Bonds the Redemption Price thereof or of said specified portion of the principal amount thereof in the case of a Series 2019 Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Series 2019 Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice. Neither the Commission nor the Trustee shall have any responsibility for any defect in the CUSIP number that appears on any Series 2019 Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Commission nor the Trustee shall be liable for any inaccuracy in such CUSIP numbers.
Conditional Notice of Redemption; Rescission. With respect to any notice of optional redemption of Series 2019 Bonds, unless, upon the giving of such notice, such Series 2019 Bonds shall be deemed to have been paid pursuant to the terms of the Indenture, such notice is to state that such redemption will be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of amounts sufficient to pay the principal of, and premium, if any, and interest on, such Series 2019 Bonds to be redeemed, and that if such amounts shall not have been so received said notice will be of no force and effect and the Commission will not be required to redeem such Series 2019 Bonds. In the event that such notice of redemption contains such a condition and such amounts are not so received, the redemption will not be made and the Trustee will within a reasonable time thereafter give notice to the Holders to the effect that such amounts were not so received and such redemption was not made, such notice to be given by the Trustee in the manner in which the notice of redemption was given. The Commission may, at its option, on or prior to the date fixed for redemption in any notice of redemption, rescind and cancel such notice of redemption by Written Request of the Commission to the Trustee, and the Trustee is to mail notice of such cancellation to the recipients of the notice of redemption.

Effect of Redemption. Notice of redemption having been duly given pursuant to the Indenture and moneys for payment of the Redemption Price of, together with interest accrued to the redemption date on, the Series 2019 Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice the Series 2019 Bonds (or portions thereof) so called for redemption shall become due and payable at the Redemption Price specified in such notice, together with interest accrued thereon to the date fixed for redemption. Interest on such Series 2019 Bonds so called for redemption shall cease to accrue, and said Series 2019 Bonds (or portions thereof) shall cease to be entitled to any benefit or security under the Indenture, and the Holders of such Series 2019 Bonds will have no rights in respect thereof except to receive payment of the Redemption Price and interest accrued to the date fixed for redemption from funds held by the Trustee for such payment. All Series 2019 Bonds redeemed pursuant to the provisions described herein shall be cancelled upon surrender.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS

Pledge of Sales Tax Revenues

The Bonds are limited obligations of the Commission and are payable as to principal and interest exclusively from Revenues, consisting of Sales Tax Revenues and Swap Revenues, and from all amounts, including proceeds of the Bonds, held in the funds and accounts established under the Indenture (other than amounts held in the Rebate Fund, any Letter of Credit Account and any Purchase Fund established for Bonds subject to purchase), subject to certain provisions of the Indenture. “Sales Tax Revenues” means the amounts available for distribution to the Commission on and after July 1, 1988, on account of the Sales Tax after deducting amounts payable by the Commission to the BOE for costs and expenses for its services in connection with the Sales Tax. See “THE SALES TAX.”

The 2010 Series A Bonds were issued as “Build America Bonds,” of which $338,960,000 is currently outstanding. The Commission expects to pay a portion of the interest on the 2010 Series A Bonds from a cash subsidy from the United States Treasury (the “Subsidy Payments”) pledged thereto under the Indenture. The Commission covenants in the Indenture to comply with all of the conditions to the receipt of the Subsidy Payments and the Indenture provides that the Commission will cause the Subsidy Payments to be sent to the Trustee for deposit to the Interest Fund. See “OUTSTANDING OBLIGATIONS – Sales Tax Revenue Bonds – Series 2010 Bonds” and “RISK FACTORS – Loss of Subsidy Payments.”

The Indenture provides that the pledge of Revenues for the payment of the Bonds, and any debt or other obligations of the Commission payable from Sales Tax Revenues on a parity with the Bonds (such debt or other obligations being hereinafter referred to as “Parity Obligations”), will constitute a first lien on and security interest in the Revenues and such other amounts and will immediately attach thereto and will
be effective, binding and enforceable from and after initial delivery by the Trustee of the Bonds or Parity Obligations, without the need for any physical delivery, recordation, filing or further act.


Revenue Fund; Allocation of Sales Tax Revenues

As long as any Bonds are Outstanding or any Parity Obligations remain unpaid, the Commission has assigned the Sales Tax Revenues to the Trustee and shall cause the BOE to transmit the same directly to the Trustee each month, net of the BOE administrative fee which is deducted quarterly. The Trustee is required to deposit all Sales Tax Revenues in the Revenue Fund, maintained and held in trust by the Trustee, when and as such Sales Tax Revenues are received by the Trustee. See APPENDIX C – “DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Allocation of Sales Tax Revenues.” The Sales Tax Revenues are to be received and held in trust by the Trustee for the benefit of the Holders of the Bonds and Parity Obligations and will be disbursed, allocated and applied solely for the uses and purposes set forth in the Indenture. Investment income on amounts held by the Trustee (other than amounts held in the Interest Fund, the Series 2008 Bonds Reserve Fund to the extent of any deficiency therein, the Rebate Fund, a Letter of Credit Account or any Purchase Fund or Project Fund or for which particular instructions are provided) will also be deposited in the Revenue Fund.

If five days prior to any principal payment date, Interest Payment Date or mandatory redemption date the amounts on deposit in the Revenue Fund, the Interest Fund, the Principal Fund, including the Sinking Accounts therein, and, as and to the extent applicable, any Bond Reserve Fund established in connection with a Series of Bonds with respect to the payments to be made on such upcoming date are insufficient to make such payments, the Indenture provides that the Trustee shall immediately notify the Commission, in writing, of such deficiency and direct that the Commission transfer the amount of such deficiency to the Trustee on or prior to such payment date. The Commission covenants and agrees in the Indenture to transfer to the Trustee from any Sales Tax Revenues in its possession the amount of such deficiency on or prior to the principal, interest or mandatory redemption date referenced in such notice.

So long as any Bonds remain Outstanding and Parity Obligations, Subordinate Obligations, and all other amounts payable under the Indenture remain unpaid, in each month following receipt and deposit of the Sales Tax Revenues in the Revenue Fund, the Trustee is required under the Indenture to set aside the moneys in the Revenue Fund in the following respective funds, amounts and order of priority (provided that deficiencies in any previously required deposit may be made up prior to the deposit to a fund subsequent in priority and further provided that set asides or transfers required with respect to outstanding Parity Obligations shall be made on a parity basis each month, as provided in the Indenture):

1. **Interest Fund.** The Indenture requires the Trustee to make monthly deposits in the Interest Fund in an amount equal to (a) one-sixth of the aggregate semiannual amount of interest becoming due and payable on Outstanding fixed interest rate bonds during the next ensuing six-
months until the requisite semiannual amount of interest on all such bonds is on deposit, provided that the amounts set aside in such fund with respect to such Series of Bonds shall be sufficient on a monthly pro rata basis to pay the aggregate amount of interest becoming due and payable on the first Interest Payment Date with respect to such fixed interest rate Series of Bonds, plus (b) the aggregate amount of interest to accrue during that month on Outstanding Variable Rate Indebtedness calculated, if the actual rate of interest is not known, at the interest rate specified by the Commission, or if the Commission has not specified an interest rate, at the maximum interest rate borne by such Variable Rate Indebtedness during the month prior to the month of deposit plus one percent (1%); subject to such adjustments as are provided pursuant to the provisions of the Indenture. See APPENDIX C – “DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Allocation of Sales Tax Revenues.” All Subsidy Payments received with respect to the 2010 Series A Bonds and all Swap Revenues received with respect to Interest Rate Swap Agreements that are Parity Obligations are to be deposited in the Interest Fund and credited toward the above-described deposits.

2. Principal Fund; Sinking Accounts. The Indenture also requires the Trustee to make monthly deposits in the Principal Fund in an amount equal to at least (a) one-sixth of the aggregate semiannual amount of Bond Obligation becoming due and payable on the Outstanding Serial Bonds of all Series having semiannual maturity dates within the next six (6) months, plus (b) one-twelfth of the aggregate yearly amount of Bond Obligation becoming due and payable on the Outstanding Serial Bonds of all Series having annual maturity dates within the next twelve (12) months, plus (c) one-sixth of the aggregate of the Mandatory Sinking Account Payments to be paid during the next six-month period into the respective Sinking Accounts for the Term Bonds of all Series for which Sinking Accounts have been created and for which semiannual mandatory redemption is required from said Sinking Accounts, plus (d) one-twelfth of the aggregate of the Mandatory Sinking Account Payments to be paid during the next 12-month period into the respective Sinking Accounts for the Term Bonds of all Series for which Sinking Accounts shall have been created and for which annual mandatory redemption is required from such Sinking Accounts; provided, that if the Commission certifies to the Trustee that any principal payments are expected to be refunded on or prior to their respective due dates or paid from amounts on deposit in a Bond Reserve Fund that would be in excess of the Bond Reserve Requirement applicable to such Bond Reserve Fund upon such payment, no amounts need be set aside towards such principal to be so refunded or paid.

If the Sales Tax Revenues shall not be sufficient to pay in full all Mandatory Sinking Account Payments required to be paid at any one time into all such Sinking Accounts, then payments into all such Sinking Accounts will be made on a proportionate basis, in proportion that the respective Mandatory Sinking Account Payments required to be made into each Sinking Account during the then current 12-month period bear to the aggregate of all of the Mandatory Sinking Account Payments required to be made into all such Sinking Accounts during such 12-month period.

No deposit need be made into the Principal Fund so long as there is in such fund moneys sufficient to pay (i) the Bond Obligations of all Serial Bonds then Outstanding and maturing by their terms within the next twelve (12) months plus (ii) the aggregate of all Mandatory Sinking Account Payments required to be made in such 12-month period, but less any amounts deposited into the Principal Fund during such 12-month period and theretofore paid from the Principal Fund to redeem or purchase Term Bonds during such 12-month period; provided that if the Commission certifies to the Trustee that any principal payments are expected to be refunded on or prior to their respective due dates or paid from amounts on deposit in a Bond Reserve Fund that would be in excess of the Bond Reserve Requirement applicable to such Bond Reserve Fund upon such payment, no amounts need be on deposit with respect to such principal payments. See APPENDIX
3. **Bond Reserve Funds.** The Indenture also requires the Trustee to make deposits to any of the Bond Reserve Funds established pursuant to the provisions of the Indenture as soon as possible in each month in which any deficiency in any Bond Reserve Fund occurs, until the balance in such Bond Reserve Fund is at least equal to the applicable Bond Reserve Requirement. See APPENDIX C – “DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Allocation of Sales Tax Revenues.” The Series 2008 Bonds are currently the only Series of Bonds secured by a Bond Reserve Fund.

4. **Subordinate Obligations Fund.** The Indenture also requires the Trustee to establish a Subordinate Obligations Fund. The Trustee shall deposit in the Subordinate Obligations Fund any Sales Tax Revenues remaining in the Revenue Fund after the transfers described in (1), (2) and (3) above and will transfer such Sales Tax Revenues to the Subordinate Trustee. After the Subordinate Trustee has made the required deposit of Sales Tax Revenues under any Subordinate Indenture, the Subordinate Trustee will transfer any remaining Sales Tax Revenues back to the Trustee.

5. **Fees and Expenses Fund.** The Indenture also requires the Trustee to establish a Fees and Expenses Fund. At the direction of the Commission, after the transfers described above have been made, the Trustee will deposit as soon as practicable in each month in the Fees and Expenses Fund amounts necessary for payment of fees, expenses and similar charges owing in such month or the following month by the Commission in connection with the Bonds or any Parity Obligation and amounts necessary for payment of fees, expenses, and similar charges owing in such month or the following month by the Commission in connection with Subordinate Obligations.

See APPENDIX C – “DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Allocation of Sales Tax Revenues” for a more complete discussion.

After making the foregoing allocations, all Sales Tax Revenues will be transferred to the Commission and may be applied by the Commission for all lawful purposes of the Commission.

**No Bond Reserve Fund for the Series 2019 Bonds**

No Bond Reserve Fund will be established for the Series 2019 Bonds under the Indenture. The Series 2008 Bonds Reserve Fund is not available to pay debt service on the Series 2019 Bonds.

**Issuance of Additional Series of Bonds**

The Commission may by Supplemental Indenture establish one or more Series of Bonds payable from Sales Tax Revenues and secured by the pledge made under the Indenture equally and ratably with all other Bonds Outstanding under the Indenture, but only upon compliance by the Commission with certain provisions of the Indenture. Some applicable provisions of the Indenture are described below:

(a) No Event of Default shall have occurred and then be continuing.

(b) If the Supplemental Indenture providing for the issuance of such Series of additional Bonds requires either (i) the establishment of a Bond Reserve Fund to provide additional security for such Series of Bonds or (ii) that the balance on deposit in an existing Bond Reserve
Fund be increased, forthwith upon the receipt of the proceeds of the sale of Bonds of such Series, to an amount at least equal to the Bond Reserve Requirement with respect to such Series of Bonds and all other Bonds secured by such Bond Reserve Fund to be considered Outstanding upon the issuance of such additional Series of Bonds, the supplemental indenture providing for the issuance of such additional Series of Bonds shall require deposit of the amount necessary. Said deposit may be made from the proceeds of the sale of Bonds of such Series or from other funds of the Commission or from both such sources or in the form of a Reserve Facility as described under APPENDIX C – “DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Definitions” and “Establishment and Application of Funds and Accounts – Funding and Application of Bond Reserve Funds.”

(c) The Commission shall have placed on file with the Trustee a Certificate of the Commission, certifying that the amount of Sales Tax Revenues collected during the Fiscal Year for which audited financial statements are available preceding the date on which such additional Series of Bonds will become outstanding was equal to at least 2.0 times Maximum Annual Debt Service on all Series of Bonds and Parity Obligations then Outstanding and the additional Series of Bonds then proposed to be issued. For purposes of calculating Maximum Annual Debt Service, principal and interest payments on Obligations are excluded to the extent such payments are to be paid from Revenues then held on deposit by the Trustee or from other amounts on deposit, including Investment Securities and interest to be payable thereon, with the Trustee or other fiduciary in escrow specifically therefor and interest payments are excluded to the extent that such interest payments are to be paid from the proceeds of Obligations, including Investment Securities and interest to be payable thereon, held by the Trustee or other fiduciary as capitalized interest specifically to pay such interest or from pledged Subsidy Payments the Commission expects to receive.

Nothing in the Indenture will prevent or be construed to prevent the Supplemental Indenture providing for the issuance of an additional Series of Bonds and pledging or otherwise providing, in addition to the security given or intended to be given by the Indenture, additional security for the benefit of such additional Series of Bonds or any portion thereof.

Parity Obligations

As defined in the Indenture, “Parity Obligations” means any indebtedness, installment sale obligation, lease obligation or other obligation of the Commission for borrowed money or the Initial Swaps, the Basis Rate Swap Overlays, or any other Interest Rate Swap Agreement (excluding, in each case, fees and expenses and termination payments on Interest Rate Swap Agreements which fees and expenses and termination payments shall be secured by a lien and charge on the Sales Tax Revenues subordinate to the lien and charge upon the Sales Tax Revenues which secures the Bonds, Parity Obligations and payment of principal and interest on Subordinate Obligations) entered into in connection with a Series of Bonds, in each case incurred in accordance with the provisions of the Indenture described herein and having an equal lien and charge upon the Sales Tax Revenues and therefore payable on a parity with the Bonds (whether or not any Bonds are Outstanding).

The Commission may issue or incur additional Parity Obligations which will have, when issued, an equal lien and charge upon the Sales Tax Revenues, provided that the conditions to the issuance of such Parity Obligations set forth in the Indenture are satisfied, including satisfaction of the coverage test described in paragraph (c) above under the caption “Issuance of Additional Series of Bonds,” unless such Parity Obligations are being issued for refunding purposes, in which case the coverage test shall not apply.
Refunding Bonds

Refunding Bonds may be authorized and issued by the Commission without compliance with the provisions of the Indenture summarized above under paragraph (c) of the caption “Issuance of Additional Series of Bonds,” provided that the Trustee shall have been provided with a Certificate of the Commission to the effect that the Commission has determined one of the following: (i) that Maximum Annual Debt Service on all Bonds Outstanding and all Parity Obligations outstanding following the issuance of such Refunding Bonds is less than or equal to Maximum Annual Debt Service on all Bonds Outstanding and all Parity Obligations outstanding prior to the issuance of such Refunding Bonds, or (ii) that the Commission expects a reduction in Debt Service on all Bonds Outstanding and all Parity Obligations outstanding to result from the refunding to be effected with the proceeds of such Refunding Bonds.

FINANCING PLAN

General

The Commission will apply the proceeds of the Series 2019A Bonds to: (i) refund all or a portion of the outstanding San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds) 2012 Series A, currently outstanding in the aggregate principal amount of $_________, and all or a portion of the outstanding San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds) 2014 Series A, currently outstanding in the aggregate principal amount of $_________, and (ii) pay the costs of issuing the Series 2019A Bonds.

The Commission will apply the proceeds of the Series 2019B Bonds to: (i) finance, refinance and/or reimburse the Commission for its prior payment of the Costs of the Project, as defined herein, (ii) refund all or a portion of the outstanding San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds) 2010 Series B, currently outstanding in the aggregate principal amount of $_________, and (iii) pay the costs of issuing the Series 2019B Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS.”

The Project

The Project consists of the TransNet Early Action Program (the “TransNet EAP”) (depicted in the map on page i of this Official Statement) and includes various highway and transit improvements in the Interstates 5, 15, 805 State Route 52 and 76 corridors; implementation of the Mid-Coast Light Rail and Mid-City Rapid Transit projects; trolley vehicle and station upgrades along the Blue and Orange Lines; and double tracking improvements in the coastal rail corridor.

The Commission may use some or all of the Series 2019 Bond proceeds on other projects, as permitted by applicable law.

The Refundings

The Commission will apply the proceeds of the Series 2019A Bonds to refund all or a portion of its outstanding Sales Tax Revenue Bonds (Limited Tax Bonds) 2012 Series A and its Sales Tax Revenue Bonds (Limited Tax Bonds), 2012 Series A and 2014 Series A on or about ________ 20__. The Commission will apply the a portion of the proceeds of the Series 2019B Bonds to refund all or a portion of its outstanding Sales Tax Revenue Bonds (Limited Tax Bonds), 2010 Series B on or about ________ 20__.

The Sales Tax Revenue Bonds (Limited Tax Bonds) that are refunded with a portion of the Series 2019 Bonds are collectively referred to herein as the “Refunded Bonds.”
[table of refunded bonds to come]

____________________, certified public accountants (the “Verification Agent”), will deliver a report stating that the firm has verified the accuracy of mathematical computations concerning the adequacy of the amounts deposited in the Escrow Account(s). See “VERIFICATION OF MATHEMATICAL COMPUTATIONS.”

[Tender of Certain Series 2012 and Series 2014 Bonds]

In connection with the issuance of the Series 2019 Bonds, and as part of the Commission’s effort to refund certain Series 2012 and Series 2014 Bonds for debt service savings, the Commission is seeking to purchase through a public tender offer certain Series 2012 and Series 2014 Bonds. The offer to purchase such Series 2012 and Series 2014 Bonds will be made through the Invitation to Tender dated ______, together with the Tender Documents. Series 2012 and Series 2014 bondholders considering the Invitation to Tender should read the Tender Documents, which include this Official Statement, in their entirety. Purchase of any tendered Series 2012 and/or Series 2014 Bonds is subject to conditions described in the Tender Documents, including the sale of the Series 2019 Bonds. The Series 2012 and Series 2014 Bonds purchased pursuant to the Invitation to Tender will be described in the final Official Statement.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of proceeds of the Series 2019 Bonds are shown below:

<table>
<thead>
<tr>
<th>Estimated Sources of Funds:</th>
<th>Series 2019A Bonds</th>
<th>Series 2019B Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Amount</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Premium (Discount)</td>
<td>$</td>
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</tr>
<tr>
<td>Total</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Estimated Uses of Funds:</th>
<th>Series 2019A Bonds</th>
<th>Series 2019B Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposit to Project Fund</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Refunding Deposit</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Underwriters’ Discount</td>
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<td>$</td>
</tr>
<tr>
<td>Costs of Issuance(1)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Total</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

(1) Includes rating agency, municipal advisory, verification, legal and Trustee fees, printing costs and other miscellaneous expenses.
OUTSTANDING OBLIGATIONS

Senior Lien Debt

The Commission may issue additional Bonds (under this caption, the “Senior Bonds”) and may issue or incur other obligations secured in whole or in part by a pledge of Sales Tax Revenues on a parity with the Senior Bonds and the regularly scheduled payments on the Initial Swaps (as defined herein), the Basis Swap Overlays (as defined herein) and any other Interest Rate Swap Agreements (as defined herein), subject to compliance with the terms and provisions set forth in the Senior Indenture.

**Series 2008 Bonds.** On March 27, 2008, the Commission issued its $600,000,000 Sales Tax Revenue Bonds (Limited Tax Bonds), 2008 Series A, 2008 Series B, 2008 Series C and 2008 Series D (collectively, the “Series 2008 Bonds”) in the aggregate principal amount of $600,000,000. The Series 2008 Bonds have a final stated maturity of April 1, 2038. The Series 2008 Bonds are currently Outstanding in the aggregate principal amount of $402,300,000. The Series 2008 Bonds are variable rate demand obligations and currently bear interest at a weekly interest rate. The Commission entered into certain Initial Swaps in connection with the Series 2008 Bonds, pursuant to which the Commission pays fixed rates and receives variable rates. See “OUTSTANDING OBLIGATIONS – Interest Rate Swap Agreements.” A portion of the proceeds of the Series 2012 Bonds described below refunded $151.5 million of the Series 2008 Bonds and a corresponding notional amount of the Initial Swaps were terminated. The Series 2008 Bonds are currently the only Series of Bonds secured by a Bond Reserve Fund.

**Series 2008 Bonds Reserve Fund.** Pursuant to the Indenture, there has been established the Series 2008 Bonds Reserve Fund to be maintained by the Trustee as a pooled reserve fund for the 2008 Reserve Fund Eligible Bonds. The Series 2008 Bonds Reserve Fund is currently funded in the amount of $17,274,540. The “2008 Reserve Fund Eligible Bonds” are the Series 2008 Bonds and any other Series of Additional Bonds or Refunding Bonds or portions thereof (in each case, payable on a parity with the Series 2008 Bonds from, and secured as to payment on a parity with the Series 2008 Bonds by the Revenues and other funds) issued and designated, by a Supplemental Indenture, to be secured by and entitled to the pledge and benefit of the Series 2008 Bonds Reserve Fund. The Commission has not designated any outstanding Bonds, other than the Series 2008 Bonds as 2008 Reserve Fund Eligible Bonds.

**Series 2010 Bonds.** On November 10, 2010, the Commission issued its $338,960,000 Sales Tax Revenue Bonds (Limited Tax Bonds), 2010 Series A (Taxable Build America Bonds) (the “2010 Series A Bonds”). The 2010 Series A Bonds are currently outstanding in the aggregate principal amount of $338,960,000. The 2010 Series A Bonds are fixed rate bonds and have a final stated maturity date of April 1, 2048.

On November 10, 2010, the Commission issued its $11,040,000 Sales Tax Revenue Bonds (Limited Tax Bonds), 2010 Series B (the “2010 Series B Bonds” and, together with the 2010 Series A Bonds, the “Series 2010 Bonds”). The 2010 Series B Bonds are currently outstanding in the aggregate principal amount of $5,515,000. The 2010 Series B Bonds are fixed rate bonds and have a final stated maturity date of April 1, 2030. The Commission may refund all or a portion of the outstanding 2010 Series B Bonds with a portion of the proceeds of the Series 2019B Bonds. See “FINANCING PLAN – The Refundings.”

The 2010 Series A Bonds were issued as “Build America Bonds” bearing taxable interest rates that were expected to be offset by a cash subsidy from the United States Treasury (the “Subsidy Payments”) pledged thereto under the Senior Indenture. The amount of any Subsidy Payments to be received in connection with the 2010 Series A Bonds is subject to change by the federal government. On March 1, 2013, the federal government announced the implementation of certain automatic spending cuts known as “sequestration.” In Fiscal Year 2018-19, sequestration reduced Subsidy Payments to the Commission by
approximately $382,297. The Commission expects future reductions in Subsidy Payments to occur due to the sequester, but is unable to predict the amount or duration of such reductions. Further, Subsidy Payments will only be paid if the 2010 Series A Bonds continue to qualify as Build America Bonds. The Commission does not believe that failure to receive the Subsidy Payments in whole or in part will materially and adversely impact the Commission’s ability to pay debt service on the 2010 Series A Bonds or other obligations, including the 2018 Short-Term Notes. See “RISK FACTORS – Loss of Subsidy Payments.”

**Series 2012 Bonds.** On June 14, 2012, the Commission issued its $420,585,000 Sales Tax Revenue Bonds (Limited Tax Bonds), 2012 Series A (the “Series 2012 Bonds”). The Series 2012 Bonds are currently Outstanding in the aggregate principal amount of $324,400,000. The Series 2012 Bonds are fixed rate bonds and have a final stated maturity date of April 1, 2048. Proceeds of the Series 2012 Bonds refunded a portion of the Series 2008 Bonds in the aggregate principal amount of $306,545,000. The Commission expects to refund all or a portion of the outstanding Series 2012 Bonds with a portion of the proceeds of the Series 2019A Bonds. See “FINANCING PLAN – The Refundings.”

**Series 2014 Bonds.** On September 10, 2014, the Commission issued its $350,000,000 Sales Tax Revenue Bonds (Limited Tax Bonds) 2014 Series A (the “Series 2014 Bonds”). The Series 2014 Bonds are currently Outstanding in the aggregate principal amount of $331,070,000. The Series 2014 Bonds are fixed rate bonds and have a final stated maturity date of April 1, 2048. The Commission may refund all or a portion of the outstanding Series 2014 Bonds with a portion of the proceeds of the Series 2019A Bonds. See “FINANCING PLAN – The Refundings.”

**Series 2016 Bonds.** On August 17, 2016, the Commission issued its $325,000,000 Sales Tax Revenue Bonds (Limited Tax Bonds) 2016 Series A (the “Series 2016 Bonds”). The Series 2016 Bonds are currently Outstanding in the aggregate principal amount of $312,900,000. The Series 2016 Bonds are fixed rate bonds and have a final stated maturity date of April 1, 2048.

**Interest Rate Swap Agreements**

**Initial Swaps.** In November 2005, the Commission entered into three interest rate swap agreements (the “Initial Swaps”) in an initial aggregate notional amount of $600,000,000, or $200,000,000 each. The Initial Swaps became effective as of April 1, 2008, and the notional amounts amortize in tandem with the amortization of the Series 2008 Bonds. The Commission’s obligation to make regularly scheduled payments to the counterparties under the Initial Swaps is payable from and secured by Sales Tax Revenues on a parity basis with the Senior Bonds. None of the Initial Swaps obligates the Commission to post any collateral.

Pursuant to the terms of the Initial Swaps, the Commission agreed to pay to the counterparties a fixed rate of interest and the counterparties agreed to pay the Commission a floating rate of interest on the first day of each month, commencing May 1, 2008. Under certain conditions, the Initial Swaps may be terminated, at which time the Commission may be required to make a termination payment to the applicable counterparty. Termination payments payable in accordance with the provisions of the Initial Swaps are secured by a lien on the Sales Tax Revenues subordinate to the lien which secures the Senior Bonds, any parity obligations allowed pursuant to the Senior Indenture and other Subordinate Obligations, including the 2018 Short-Term Notes and the Subordinate Commercial Paper Notes. A portion of the proceeds of the Series 2012 Bonds refunded $151.5 million of the Series 2008 Bonds and a corresponding notional amount of the Initial Swaps were terminated. As of November 15, 2019, if the Initial Swaps were terminated in full, the Commission would owe a termination payment of approximately $97,375,425.95.

The swap counterparties under the Initial Swaps, the fixed rate of interest paid by the Commission, and the floating rate of interest paid by the swap counterparties are as follows:
### Basis Rate Swap Overlays

In March 2009, the Commission entered into two SIFMA/LIBOR floating-to-floating swaps (the “Basis Rate Swap Overlays”), each with Barclays Bank PLC ("Barclays") and each with the initial notional amount of $156,600,000. Pursuant to the terms of the Basis Rate Swap Overlays, the Commission agreed to pay to Barclays the SIFMA Swap Index and Barclays agreed to pay the Commission 107.4% of 3-month LIBOR on the first day of each month, commencing on May 1, 2018. The Commission’s obligation to make regularly scheduled swap payments to Barclays under the Basis Rate Swap Overlays is payable from and secured by Sales Tax Revenues on parity with the Senior Bonds. Under certain circumstances, the Basis Rate Swap Overlays may be terminated, at which time the Commission may be required to make a termination payment to the applicable counterparty. As of November 15, 2019, if the Basis Rate Swap Overlays were terminated in full, the Commission would be owed approximately $15,828,212.68. Under the terms of the Basis Rate Swap Overlays, the Commission may terminate the agreement and cash settle with prior written notice. Termination payments payable in accordance with the provisions of the Basis Rate Swap Overlays are secured by a lien on the Sales Tax Revenues subordinate to the lien that secures the Senior Bonds, any parity obligations and Subordinate Obligations, including the 2018 Short-Term Notes.

The Financial Conduct Authority ("FCA") of the United Kingdom, which has regulated LIBOR since April of 2013, has announced its intention to retire the benchmark interest rate setting mechanism ("LIBOR Retirement") by 2021. The FCA has suggested that there may be a transitional period following LIBOR Retirement during which LIBOR will be maintained as a shadow benchmark rate for use in current transactions. Certain agreements that rely on LIBOR without an alternative index upon LIBOR Retirement may need to be amended with the consent of the parties and/or bondholders. The Commission will review its agreements and take appropriate action as the situation with respect to LIBOR Retirement develops. The Commission cannot predict the financial implications, if any, from LIBOR Retirement.

### Liquidity Facilities

The 2008 Series A Bonds and the 2008 Series B Bonds are supported by a Standby Bond Purchase Agreement by and among JPMorgan Chase Bank, National Association, the Commission and the Trustee, as amended, including by a Sixth Amendment to Standby Bond Purchase Agreement, dated March 1, 2017 (as amended, the “JPMorgan Liquidity Facility”). The JPMorgan Liquidity Facility will expire on March 24, 2021, prior to the final maturity of the 2008 Series A Bonds and the 2008 Series B Bonds, unless extended or terminated in accordance with its terms.

The 2008 Series C Bonds are supported by a Standby Bond Purchase Agreement dated as of November 1, 2017 (the “Bank of America Liquidity Facility”), by and among Bank of America, N.A., the Commission and the Trustee. The Bank of America Liquidity Facility will expire on November 2, 2020, prior to the final maturity of the 2008 Series C Bonds, unless extended or terminated in accordance with its terms.
The 2008 Series D Bonds are supported by a Standby Bond Purchase Agreement by and among State Street Bank and Trust Company, the Commission and the Trustee (the “State Street Liquidity Facility” and, together with the JPMorgan Liquidity Facility and the Bank of America Liquidity Facility, the “2008 Liquidity Facilities” and each a “2008 Liquidity Facility”). The State Street Liquidity Facility will expire on June 4, 2024, prior to the final maturity of the 2008 Series D Bonds, unless extended or terminated in accordance with its terms.

The Commission is unable to predict the cost or availability of alternate credit or liquidity arrangements to replace any of the 2008 Liquidity Facilities upon their expiration or termination. See “RISK FACTORS – Acceleration of Liquidity Facility Bonds.”

Subordinate Obligations

Except to the extent restricted by the Indenture, the Commission may issue or incur obligations (“Subordinate Obligations”) secured by Sales Tax Revenues on a basis junior and subordinate to the payment of the principal, interest and reserve fund requirements for the Bonds and Parity Obligations, as the same become due and payable and at the times and in the manner as required by the Indenture or as required by the instrument pursuant to which such Parity Obligations were issued or incurred, as applicable.

2018 Short-Term Notes (Limited Tax Bonds). On April 18, 2018, the Commission issued its $537,480,000 Subordinate Sales Tax Revenue Short-Term Notes (Limited Tax Bonds), 2018 Series A (the “2018 Short-Term Notes”) pursuant to a Subordinate Indenture, dated as of April 1, 2018 (amending and restating the Subordinate Indenture, dated as of August 1, 1991, as amended and restated by the Amended and Restated Subordinate Indenture, dated as of November 1, 2005, as further supplemented and amended), as supplemented and amended by the First Supplement to the Subordinate Indenture, dated as of April 1, 2018 (collectively, the “Subordinate Indenture”), between the Commission and U.S. Bank National Association, as trustee, to finance or refinance certain costs of the Commission’s Mid-Coast Corridor Transit Project. The 2018 Short-Term Notes are due on April 1, 2021 and are not subject to redemption prior to their maturity.

The Commission does not expect to hold Sales Tax Revenues in an amount sufficient to pay the principal of the 2018 Short-Term Notes at maturity. The Commission expects to pay the principal of the 2018 Short-Term Notes from the proceeds of a draw on the loan agreement the Commission entered into, on June 27, 2017 (the “TIFIA Loan Agreement”), with the U.S. Department of Transportation, acting by and through the Executive Director of the Build America Bureau (the “TIFIA Lender”), pursuant to which the TIFIA Lender has agreed to extend credit to the Commission in an amount not to exceed $537,484,439 (the “Junior Subordinate TIFIA Loan”). See “JUNIOR SUBORDINATE TIFIA LOAN” and “RISK FACTORS – Availability of Funds to Pay 2018 Short-Term Notes” herein.

The proceeds of the Junior Subordinate TIFIA Loan are expected to be fully drawn in a single disbursement no later than April 1, 2021, and such proceeds are expected to be applied to pay the 2018 Short-Term Notes on or prior to their maturity date. See “RISK FACTORS – Availability of Funds to Pay the 2018 Short-Term Notes.”

Subordinate Commercial Paper Notes and CP Letter of Credit. In 2005, the Commission authorized the issuance from time to time of Subordinate Commercial Paper Notes secured by a lien on the Sales Tax Revenues that is subordinate to the lien of the Bonds and any Parity Obligations. The total principal amount of Subordinate Commercial Paper Notes that are authorized to be issued may not exceed $100,000,000. As the date of this Official Statement, $29,406,000 in aggregate principal amount of Subordinate Commercial Paper Notes was outstanding. The payment of principal of and interest on the Subordinate Commercial Paper Notes up to $100,000,000 is supported by an irrevocable, transferable direct-pay letter of credit issued by Bank of America, N.A. (the “CP Letter of Credit”). The CP Letter of
Credit is stated to expire on September 10, 2021. The Commission’s obligation to reimburse Bank of America, N.A. for draws under the CP Letter of Credit is secured by a lien on the Sales Tax Revenues on a parity with the lien securing the Subordinate Commercial Paper Notes and the 2018 Short-Term Notes.

Under a Memorandum of Understanding, dated as of June 1, 2008 (the “Certificate Purchase MOU”), by and between the Commission and NCTD, the Commission agreed to issue $34,000,000 in Subordinate Commercial Paper Notes to purchase outstanding Certificates of Participation evidencing payments by NCTD under a Lease Agreement, dated as of July 1, 2004 (the “NCTD Certificates”), the proceeds of which funded the NCTD “SPRINTER” rail line. Under the Certificate Purchase MOU, while the Commission holds the NCTD Certificates, they bear interest at a rate equal to the weighted average interest rate on the Subordinate Commercial Paper Notes and are subject to an amortization schedule of approximately level debt service payments through September 1, 2034, corresponding to the amortization schedule of an interest rate swap agreement NCTD entered into in connection with the NCTD Certificates. The Commission is not obligated to make any payments under such interest rate swap agreement. The NCTD Certificates are currently outstanding in an aggregate principal amount of $23,050,000.

**Junior Subordinate TIFIA Loan**

**General.** On June 27, 2017, the Commission entered into the TIFIA Loan Agreement, pursuant to which the TIFIA Lender has agreed to make the Junior Subordinate TIFIA Loan to the Commission in an amount not to exceed $537,484,439. The proceeds of the Junior Subordinate TIFIA Loan are expected to be applied to the payment of federally eligible costs of the Project, including repayment of the 2018 Short-Term Notes. The Junior Subordinate TIFIA Loan will bear interest at a fixed rate of 2.72% and will mature no later than October 1, 2045. The Junior Subordinate TIFIA Loan will be secured by a lien and charge on Sales Tax Revenues that is subordinate to the liens and charges securing the Senior Lien Debt and the Subordinate Obligations. The Junior Subordinate TIFIA Loan is not secured by a springing lien.

The TIFIA Loan Agreement may be found at:

http://www.sandag.org/organization/about/investors/BondDocuments/BondOfficialStatements/2017Agreement.pdf.

**Disbursement Requirements.** The proceeds of the Junior Subordinate TIFIA Loan are expected to be fully drawn by the Commission in a single disbursement no later than April 1, 2021. Any requests to disburse the Junior Subordinate TIFIA Loan proceeds must be submitted by the Commission to the TIFIA Lender in the form of a requisition attached to the TIFIA Loan Agreement. Disbursement of Junior Subordinate TIFIA Loan proceeds is subject to certain conditions precedent, including, among others, the following:

(a) the Commission shall have delivered all required invoices and records evidencing Eligible Project Costs relating to the Mid-Coast Corridor Transit Project;

(b) all required insurance policies are in full force and effect;

(c) no event of default or prospective event of default under the TIFIA Loan Agreement has occurred and is continuing;

(d) all representations and warranties are true, correct and complete as of the date of disbursement; and

(e) no material adverse effect, or any event or condition that could reasonably be expected to result in a material adverse effect, shall have occurred and be continuing.
Events of Default and Remedies.

Certain Definitions used under this Caption.

“Pledged Revenues” means (a) all Sales Tax Revenues, (b) all regularly-scheduled amounts (but not termination payments) owed or paid to the Commission by any Qualified Counterparty under any Interest Rate Swap Agreement after offset for the regularly-scheduled amounts (but not termination payments) owed or paid by the Commission to such Qualified Counterparty under such Interest Rate Swap Agreement, (c) any additional revenues or assets of the Commission to be included in the definition of Pledged Revenues pursuant to a Supplemental Indenture; provided, however, that after making the required monthly deposits of Pledged Revenues from the Revenue Fund pursuant to Section 5.02 of the Indenture and Section 8(d) (Security and Priority; Flow of Funds), any remaining amounts transferred to the Commission pursuant to Section 5.02(B) of the Indenture, shall continue to be subject to the lien of the Indenture as Revenues.

“Indenture Documents” means the Senior Indenture, the Seventh Supplemental Indenture, each Supplemental Indenture executed on or after the effective date of the TIFIA Loan Agreement, the Subordinate Indenture, each Interest Rate Swap Agreement, each Credit Enhancement, and each other agreement, instrument and document executed and delivered pursuant to or in connection with any of the foregoing.

“MTS” means the San Diego Metropolitan Transit System, a public agency in the State.

“MTS Direct Agreement” means the Direct Agreement, dated June 27, 2017, by and among the TIFIA Lender, the Borrower and MTS.

“SANDAG Direct Agreement” means the Direct Agreement, dated June 27, 2017, by and among the TIFIA Lender, the Commission and SANDAG.

“TIFIA Loan Documents” means the TIFIA Loan Agreement, the TIFIA Bond, each Direct Agreement, the Seventh Supplemental Indenture and the other Indenture Documents.

Events of Default. The following events constitute events of default under the TIFIA Loan Agreement:

(i) Payment Default. The Commission shall fail to pay any of the principal amount of or interest on the TIFIA Loan, when and as the payment thereof shall be required under the TIFIA Loan Agreement or the TIFIA Bond (as defined herein) or on October 1, 2045, the final maturity date (each such failure, a “Payment Default”).

(ii) Covenant Default. (A) The Commission shall fail to observe or perform any covenant, agreement or obligation of the Commission under the TIFIA Loan Agreement, the TIFIA Bond or any other TIFIA Loan Document (other than in the case of any Payment Default or any Development Default), (B) SANDAG shall fail to observe or perform any covenant, agreement or obligation of SANDAG under the SANDAG Direct Agreement or (C) MTS shall fail to observe or perform any covenant, agreement or obligation of MTS under the MTS Direct Agreement, and any such failure described in clauses (A), (B) or (C) shall not be cured within thirty (30) days after receipt by the applicable Commission Related Party from the TIFIA Lender of written notice thereof; provided, however, that if such failure is capable of cure but cannot reasonably be cured within such thirty (30) day cure period, then no Event of Default shall be deemed to have occurred or be continuing under Section 20(a)(ii) of the TIFIA Loan Agreement (Covenant Default), and such thirty (30) day cure period shall be extended by up to one hundred fifty (150) additional days,
if and so long as (x) within such thirty (30) day cure period the Commission, SANDAG or MTS, as applicable, shall commence actions reasonably designed to cure such failure and shall diligently pursue such actions until such failure is cured, and (y) such failure is cured within one hundred eighty (180) days of the date of the notice of default from the TIFIA Lender.

(iii) Development Default. A Development Default shall occur, in which case the TIFIA Lender may (A) suspend the disbursement of TIFIA Loan proceeds under the TIFIA Loan Agreement and (B) pursue such other remedies as provided in Section 20 of the TIFIA Loan Agreement (Events of Default and Remedies). If so requested by the TIFIA Lender in connection with a Development Default, the Commission shall immediately repay any unexpended TIFIA Loan proceeds previously disbursed to the Commission.

(iv) Misrepresentation Default. Any of the representations, warranties or certifications of (A) the Commission made in or delivered pursuant to the TIFIA Loan Documents (or in any certificates delivered by the Commission in connection with the TIFIA Loan Documents), (B) SANDAG made in or delivered pursuant to the SANDAG Direct Agreement (or in any certificates delivered by SANDAG in connection with the SANDAG Direct Agreement) or (C) MTS made in or delivered pursuant to the MTS Direct Agreement (or in any certificates delivered by MTS in connection with the MTS Direct Agreement), shall prove to have been false or misleading in any material respect when made or deemed made (or any representation and warranty that is subject to a materiality qualifier shall prove to have been false or misleading in any respect); provided that no Event of Default shall be deemed to have occurred under Section 20(a)(iv) of the TIFIA Loan Agreement (Misrepresentation Default) if and so long as:

1. such misrepresentation is not intentional;
2. in the case of the Commission, such misrepresentation is not a misrepresentation in respect of Section 14(h) (No Debarment), Section 14(j) (Compliance with Federal Requirements), Section 14(k) (Transportation Improvement Program), Section 14(p) (Information), Section 14(q) (OFAC; Anti-Corruption Laws), Section 14(x) (Financial Statements) or Section 14(cc) (Patriot Act(103,901),(213,996));
3. in the case of SANDAG, such misrepresentation is not a misrepresentation in respect of Sections 5(g), 5(i), 5(m) or 5(n) of the SANDAG Direct Agreement;
4. in the case of MTS, such misrepresentation is not a misrepresentation in respect of Sections 4(g), 4(i), 4(m) or 4(n) of the MTS Direct Agreement;
5. in the reasonable determination of the TIFIA Lender, such misrepresentation has not had, and would not reasonably be expected to result in, a material adverse effect;
6. in the reasonable determination of the TIFIA Lender, the underlying issue giving rise to the misrepresentation is capable of being cured;
7. the underlying issue giving rise to the misrepresentation is cured by the applicable Commission Related Party within thirty (30) days from the date on which such Commission Related Party first became aware (or reasonably should have become aware) of such misrepresentation; and
8. the applicable Commission Related Party diligently pursues such cure during such thirty (30) day period.
(v) Acceleration of Secured Obligations or Other Material Indebtedness. Any acceleration shall occur of the maturity of any (A) Secured Obligations or (B) any indebtedness or other payment obligations of the Commission secured by Pledged Revenues in an aggregate principal amount equal to or greater than $1,000,000 that is senior to, or in parity with, the TIFIA Loan in right of payment or in right of security (“Other Material Indebtedness”), or any other indebtedness shall not be paid in full upon the final maturity thereof. For the avoidance of doubt, swap termination payments and term-outs of Secured Obligations that occur in accordance with the terms of such Secured Obligations shall not be considered acceleration.

(vi) Cross Default. (A) Any of the representations, warranties or certifications of the Commission made in or delivered pursuant to the Indenture Documents, or made in or delivered pursuant to the documents (the “Other Loan Documents”) under which any Secured Obligations is created or incurred, shall prove to be false or misleading in any material respect (each an “Other Indebtedness Misrepresentation Default”), or any default shall occur in respect of the performance of any covenant, agreement or obligation of the Commission under the Indenture Documents or the Other Loan Documents, and such default shall be continuing after the giving of any applicable notice and the expiration of any applicable grace period specified in the Indenture Documents or the Other Loan Documents (as the case may be) with respect to such default (each an “Other Indebtedness Covenant Default”), if the effect of such Other Indebtedness Misrepresentation Default or Other Indebtedness Covenant Default shall be to permit the immediate acceleration of the maturity of any or all of the Secured Obligations, and, in the case of any such Other Indebtedness Misrepresentation Default or Other Indebtedness Covenant Default, the Commission shall have failed to cure such Other Indebtedness Misrepresentation Default or Other Indebtedness Covenant Default or to obtain an effective written waiver thereof in accordance with the terms of such Secured Obligations. For the avoidance of doubt, swap termination payments and term-outs of Secured Obligations that occur in accordance with the terms of such Secured Obligations shall not be considered acceleration.

(B) A Commission Related Party shall default in the timely performance of any covenant, agreement or obligation under any Related Document to which it is party or any Related Document shall be terminated prior to its scheduled expiration (unless in any case such default or termination could not reasonably be expected to have a material adverse effect), and the applicable Commission Related Party shall have failed to cure such default or to obtain an effective written waiver or revocation thereof prior to the expiration of the applicable grace period specified in any such Related Document, or to obtain an effective revocation of such termination (as the case may be); provided, however, that no Event of Default shall be deemed to have occurred or be continuing under Section 20(a)(vi)(B) of the TIFIA Loan Agreement (Cross Default) if, in the case of any termination of a Principal Project Contract, the applicable Commission Related Party replaces such Principal Project Contract with a replacement agreement (1) entered into with another counterparty that (x) is of similar or greater creditworthiness and experience as the counterparty being replaced was at the time the applicable Principal Project Contract was originally executed (or otherwise reasonably acceptable to the TIFIA Lender) and (y) is not, at the time of such replacement, suspended or debarred or subject to a proceeding to suspend or debar from bidding, proposing or contracting with any federal or state department or agency, (2) on substantially the same terms and conditions as the Principal Project Contract being replaced (or otherwise reasonably acceptable to the TIFIA Lender) and (3) effective as of the date of termination of the Principal Project Contract being replaced. For the avoidance of doubt, swap termination payments and term-outs of Secured Obligations that occur in accordance with the terms of such Secured Obligations shall not be considered acceleration.

(vii) Judgments. One or more judgments (A) for the payment of money that are payable from Sales Tax Revenues and the aggregate amount not otherwise fully covered by
insurance (for which the insurer has acknowledged and not disputed coverage) is in excess of $1,000,000 (inflated annually by CPI) or (B) that would reasonably be expected to result in a material adverse effect shall, in either case, be rendered against a Commission Related Party, and the same shall remain undischarged for a period of thirty (30) consecutive days during which time period execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon all or any portion of the Trust Estate to enforce any such judgment.

(viii) Failure to Maintain Existence. The Commission shall fail to maintain its existence as a public entity, unless at or prior to the time the Commission ceases to exist in such form a successor public agency or governing body has been created by the State pursuant to a valid and unchallenged State law and has succeeded to the assets of the Commission and has assumed all of the obligations of the Commission under the TIFIA Loan Documents and the Indenture Documents, including the payment of all secured obligations.

(ix) Occurrence of a Bankruptcy Related Event. (A) A bankruptcy related event shall occur with respect to the Commission or (B) a bankruptcy related event shall occur with respect to any Commission Related Party (other than the Commission) or any Principal Project Party; provided, that: (1) a bankruptcy related event in connection with a Principal Project Party shall not constitute an Event of Default if the relevant Commission Related Party shall have promptly provided evidence satisfactory to the TIFIA Lender demonstrating that any substitute Principal Project Party has sufficient financial resources and operating expertise to complete the Principal Project Contract to which such principal project party was a party; and (2) after the substantial completion date, the occurrence of a bankruptcy related event in connection with any Principal Project Party shall not constitute an Event of Default if at the time of such occurrence, (x) each applicable warranty period shall have ended and no claim against any warranty under the applicable principal project contract shall exist or remain outstanding, or (y) if any applicable warranty period has not yet ended or any claim against any warranty remains outstanding, the Commission promptly provides evidence satisfactory to the TIFIA Lender showing that SANDAG or MTS has (I) sufficient moneys to correct any defect or nonconforming work of such principal project party, and (II) a plan to carry out such works referred to in clause (I) hereof.

(x) Project Abandonment. Any Commission Related Party shall abandon the Project.

(xi) Invalidity of TIFIA Loan Documents. (A) Any TIFIA Loan Document ceases to be in full force and effect (other than as a result of the termination thereof in accordance with its terms) or becomes void, voidable, illegal or unenforceable, or any Commission Related Party contests in any manner the validity or enforceability of any TIFIA Loan Document to which it is a party or denies it has any further liability under any TIFIA Loan Document to which it is a party, or purports to revoke, terminate or rescind any TIFIA Loan Document to which it is a party; or (B) any Indenture Document ceases (other than as expressly permitted thereunder) to be effective to grant a valid and binding security interest on any material portion of the Trust Estate other than as a result of actions or a failure to act by, and within the control of, the Trustee or any Secured Party, and with the priority purported to be created thereby.

(xii) Cessation of Operations. Operation of the Project shall cease for a continuous period of not less than one hundred eighty (180) days unless such cessation of operations shall occur by reason of an Uncontrollable Force that is not due to the fault of any Commission Related Party (and which none of the Commission Related Parties could reasonably have avoided or mitigated).
Remedies. Upon the occurrence of an Event of Default described in Section 20(a)(iii) of the TIFIA Loan Agreement (Development Default), all obligations of the TIFIA Lender thereunder with respect to the disbursement of any undisbursed amounts of the TIFIA Loan shall immediately be deemed terminated.

Upon the occurrence of any bankruptcy related event with respect to the Commission, all obligations of the TIFIA Lender thereunder with respect to the disbursement of any undisbursed amounts of the TIFIA Loan shall automatically be deemed terminated, and, if an Event of Default described in the TIFIA Loan Agreement (Acceleration of Secured Obligations or Other Material Indebtedness) shall occur or if the TIFIA Lender has a right to accelerate the TIFIA Loan pursuant to the TIFIA Loan Agreement (Additional Rights), the Outstanding TIFIA Loan Balance, together with all interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable under the TIFIA Loan Agreement, the TIFIA Bond or the other TIFIA Loan Documents, shall automatically become immediately due and payable, without presentment, demand, notice, declaration, protest or other requirements of any kind, all of which are hereby expressly waived. Upon the occurrence of any other Event of Default, the TIFIA Lender, by written notice to the Commission, may (i) suspend or terminate all of its obligations thereunder with respect to the disbursement of any undisbursed amounts of the TIFIA Loan and (ii) if an Event of Default described in Section 20(a)(v) of the TIFIA Loan Agreement (Acceleration of Secured Obligations or Other Material Indebtedness) shall occur or if the TIFIA Lender has a right to accelerate the TIFIA Loan pursuant to Section 17(n) of the TIFIA Loan Agreement (Additional Rights), declare the unpaid principal amount of the TIFIA Bond to be, and the same shall thereupon forthwith become, immediately due and payable, together with the interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable under the TIFIA Loan Agreement, the TIFIA Bond or the other TIFIA Loan Documents, all without presentment, demand, notice, protest or other requirements of any kind, all of which are hereby expressly waived.

Whenever any Event of Default thereunder shall have occurred and be continuing, the TIFIA Lender shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of any sums due and unpaid thereunder or under the TIFIA Bond or the other TIFIA Loan Documents, and may prosecute any such judgment or final decree against the Commission and collect in the manner provided by law out of the property of the Commission the moneys adjudged or decreed to be payable, and the TIFIA Lender shall have all of the rights and remedies of a creditor, including all rights and remedies, to the extent applicable to the Trust Estate, of a secured creditor under the Uniform Commercial Code and may take such other actions at law or in equity as may appear necessary or desirable to collect all amounts payable by Commission under the TIFIA Loan Agreement, the TIFIA Bond or the other TIFIA Loan Documents then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Commission under the TIFIA Loan Agreement, the TIFIA Bond or the other TIFIA Loan Documents; provided, however, that any monetary judgment against the Commission shall be payable solely from the Trust Estate or from any other funds made available by the Commission, in its discretion. Whenever any Event of Default under the TIFIA Loan Agreement shall have occurred and be continuing, the TIFIA Lender may suspend or debar the Commission from further participation in any Government program administered by the TIFIA Lender and to notify other departments and agencies of such default. No action taken pursuant to this Section of the TIFIA Loan Agreement (Events of Default and Remedies) shall relieve Commission from its obligations pursuant to the TIFIA Loan Agreement, the TIFIA Bond or the other TIFIA Loan Documents, all of which shall survive any such action. The parties to the TIFIA Loan Agreement acknowledge and agree that the rights and remedies of the TIFIA Lender as the Holder of the TIFIA Bond, including any rights and remedies with respect to the payment thereof, shall be governed exclusively by the Senior Indenture.

In addition to the rights and remedies of Holders set forth in the Senior Indenture, the parties further acknowledge and agree in the TIFIA Loan Agreement that the TIFIA Loan shall be made under and subject to, the terms and conditions set forth in the TIFIA Loan Agreement and the rights and remedies of the TIFIA Lender, including the right to enforce the representations, warranties and covenants made by the
Commission exclusively for the benefit of the TIFIA Lender, shall be governed exclusively by those remedies set forth in TIFIA Loan Agreement. In the event of a conflict between the Senior Indenture and the TIFIA Loan Agreement, the provisions of the TIFIA Loan Agreement shall be given precedence; provided, however, in the event there exists a conflict between the provisions of the TIFIA Loan Agreement and the Senior Indenture and performance with the provisions of the TIFIA Loan Agreement is contrary to or inconsistent with the rights of the Holders of other secured obligations under the Senior Indenture, then the provisions of the Senior Indenture shall be given precedence and performance with the provisions thereof shall not constitute a violation of the TIFIA Loan Agreement. Subject to the immediately previous sentence, the Commission shall comply with all provisions of the Senior Indenture and with all documents entered into or delivered in connection with this transaction.

**PROJECTED DEBT SERVICE SCHEDULE**

The following table shows the annual debt service requirements with respect to the Series 2008 Bonds, the Series 2010 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2016 Bonds and the Series 2019 Bonds.

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### PROJECTED DEBT SERVICE SCHEDULE

**SENIOR BONDS**

<table>
<thead>
<tr>
<th>Fiscal Year Ending June 30</th>
<th>Series 2008 Bonds&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>Series 2010 Bonds&lt;sup&gt;(2)&lt;/sup&gt;</th>
<th>Series 2012 Bonds&lt;sup&gt;(3)&lt;/sup&gt;</th>
<th>Series 2014 Bonds&lt;sup&gt;(4)&lt;/sup&gt;</th>
<th>Series 2016 Bonds</th>
<th>Series 2019A Bonds</th>
<th>Series 2019B Bonds</th>
<th>Cumulative Total&lt;sup&gt;(5)&lt;/sup&gt;</th>
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<td></td>
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<tr>
<td><strong>Totals</strong>&lt;sup&gt;(5)&lt;/sup&gt;</td>
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<sup>(1)</sup> Interest on the Series 2008 Bonds is calculated based on the fixed interest rates payable by the Commission to the swap counterparties pursuant to the Initial Swaps; the fixed interest rates payable under the Initial Swaps range from 3.41% to 3.8165%.

<sup>(2)</sup> Series 2010-A Bonds projected debt service net of Subsidy Payments. See “RISK FACTORS – Loss of Subsidy Payments.” A portion of the Series 2010-A Bonds may be refunded with a portion of the proceeds of the Series 2019B Bonds. See “FINANCING PLAN – The Refunding.”

<sup>(3)</sup> All or a portion of the Series 2012 Bonds may be refunded with a portion of the proceeds of the Series 2019A Bonds or Series 2019B [if tendered]. See “FINANCING PLAN – The Refunding.”

<sup>(4)</sup> All or a portion of the Series 2014 Bonds may be refunded with a portion of the proceeds of the Series 2019A Bond or Series 2019B [if tendered]. See “FINANCING PLAN – The Refunding.”

<sup>(5)</sup> Rounded.
The Commission was organized pursuant to the Act and is responsible for providing improvements to the transportation system and other public infrastructure systems in the County funded with the Sales Tax. To carry out this responsibility, the Commission adopted in 1987 the initial San Diego County Transportation Improvement Program Ordinance (Commission Ordinance 87-1 – Proposition A, 1987) (referred to herein as the “1987 Ordinance”). In 2004, the Commission adopted the San Diego County Transportation Improvement Program TransNet Ordinance and Expenditure Plan (Commission Ordinance 04-01), referred to herein as the “2004 Sales Tax Extension Ordinance,” which provides for an extension of the retail transactions and use tax implemented by the initial 1987 Ordinance for a 40-year period commencing on April 1, 2008. See “– The Expenditure Plan” below. The Commission Board is composed of the SANDAG Board of Directors. However, the liabilities of SANDAG are not liabilities of the Commission. SANDAG employees carry out the work of the Commission. The Commission has no employees.

On January 1, 2003, Senate Bill 1703 took effect, changing the structure of SANDAG from a Joint Powers Authority to a State-created regional government agency. The effect of this legislation was to make SANDAG a permanent rather than voluntary association of local governments and to increase SANDAG’s responsibilities and powers. The SANDAG Board of Directors consists of voting representatives from the County and 18 incorporated cities within the County. Supplementing these voting members are advisory representatives from Imperial County, the U.S. Department of Defense, Caltrans, San Diego Unified Port District, MTS, NCTD, San Diego County Water Authority, Southern California Tribal Chairmen’s Association, and Mexico. Policy Advisory Committees assist the SANDAG Board of Directors in carrying out the agency’s work program. The SANDAG Board of Directors is also assisted by a professional staff of approximately 250 planners, engineers, research specialists, and supporting staff. Senate Bill 1703 also required the consolidation of the planning, programming, project development, and construction functions of MTS and NCTD into SANDAG. SANDAG is responsible for transit planning, project implementation, and construction of regional transit projects in the County. Neither the Commission nor SANDAG operates transit services. Transit operations in the County are the responsibility of MTS and NCTD.

On October 28, 2011, the SANDAG Board of Directors adopted the 2050 Regional Transportation Plan and its Sustainable Communities Strategy (“2050 RTP”), which describes a plan for investing local, State and federal transportation funds expected to come into the region over the next 40 years. The Commission issued a progress report regarding the 2050 RTP in April 2015. Pending litigation against SANDAG broadly alleges that the programmatic Environmental Impact Report (“EIR”) prepared for the 2050 RTP is inconsistent with the California Environmental Quality Act. Among other things, the Plaintiffs’ request injunctive relief, which, if granted, could stay construction of projects listed in the 2050 RTP until after SANDAG corrects any alleged deficiencies in the EIR. Certain projects managed by the Commission are included in the 2050 RTP. The Commission believes that the likelihood of any stay prohibiting work on projects already under construction is remote.

The Expenditure Plan

The 1987 Ordinance and the 2004 Sales Tax Extension Ordinance each outline a series of projects (together, the “Expenditure Plan”) to be completed during the term of the Sales Tax. The Expenditure Plan may be found at: http://www.sandag.org/index.asp?publicnoticeid=227&fuseaction=notices.detail. The Expenditure Plan is not incorporated herein by reference. The Ordinance specifies that Sales Tax Revenues are to be applied according to the following diagram.
Allocation of Funds—FY09 to FY48

Total Annual 1/2% Sales Tax Receipts (Net of BOE Fees)

1 %
- Up to 1% to SANDAG for Administration

$250,000
- ITOC Activities (with CPI adjustment)

2 %
- Bicycle, Pedestrian & Neighborhood Safety Program

Net Annual Revenues

38 %
- Major Corridor Capital Projects

4.4 %
- Major Corridor Project EMP

1.8 %
- Local Project EMP

2.1 %
- Smart Growth Incentive Program

29.1 %
- Local Street & Road Formula Funds**

16.5 %
- Transit Services

8.1 %
- New Major Corridor Transit Operations

2.5 %
- Specialized Services for Seniors & Disabled (ADA)

3.25 %
- Senior Grant Program

94.25 %
- Pass/Subsidies/Operations/Capital Per SRTP

Percentage/Dollar distribution specified in Ordinance

* * Percentages based on 2002 dollar estimates in TransNet Extension Ordinance and Expenditures Plan

* ** Formula Distribution to local jurisdictions based 2/3 on population and 1/3 on maintained road miles with a $50,000 base per jurisdiction.

50% Match For State/Fed Funds

Financing Costs

75%* 25%* 20%* 80%*

Major Project Mitigation  Economic Benefit Fund  Local Project Mitigation

90.3%* 9.7%*
To implement the Expenditure Plan, the Commission annually adopts finance plan updates (each, a “TransNet Plan of Finance”) that describe major program revenue, cost and project budget and schedule assumptions. Each TransNet Plan of Finance adopted by the Commission sets forth projected cash flow and borrowing requirements during the term of the program covered by such plan. The TransNet Early Action Program (depicted in the map entitled “TransNet Early Action Program at the front of this Official Statement) includes various highway and transit improvements in the Interstates 5, 15, 805 corridors; State Route 52 and 76 corridors; implementation of the Mid-Coast Light Rail Project; trolley vehicle and station upgrades along the Blue and Orange Lines; and double tracking improvements in the coastal rail corridor to be financed by the proceeds of Bonds, Sales Tax Revenues, and eligible federal, state, and local revenues.

In response to changing conditions, the TransNet Plan of Finance is updated on an annual basis. The update includes the latest project cost estimates, actual revenues received, and estimated revenue projections. The update allows the Commission to assess the strength of the program and appropriate changes to the implementation of the Project. In response to economic conditions during which costs have decreased while sales tax collections have increased, the Board has accelerated projects to take advantage of a construction bid environment offering bids significantly below engineering estimates. During periods when costs were rising faster than revenues, the Commission has deferred the implementation of certain projects to allow the TransNet Plan of Finance to remain focused on the highest priority projects.

At its October 27, 2017 meeting, the SANDAG Board unanimously approved the 2016-17 TransNet Plan of Finance continuing the implementation of major transportation projects in the region. The SANDAG Board was presented with a TransNet Program update in February 2019.

As a guiding principle, the Commission’s primary borrowing is focused on capital programs: (1) Major Corridor Capital Projects; (2) Major Corridor Environmental Mitigation Program (“EMP”); and (3) Local Project EMP. The remaining Sales Tax Revenues are allocated to current expenses for the remaining programs. From time to time, at the request of member agencies (local jurisdictions), the Commission may borrow for local street and road capital improvements, bicycle and pedestrian related improvements, with the debt service for these improvements paid from each respective agency’s share of Local Street & Road Formula Funds.

**Future Financings**

The Commission manages the implementation of its capital program based on project readiness and the availability of federal and State funds, and may advance or slow down the delivery of projects in response to current conditions. No assurance can be given regarding the amount of additional Bonds that may be issued by the Commission in the future, subject to the limitations of the Indenture. However, the Commission anticipates issuing additional Bonds or other obligations from time to time in addition to the Series 2019 Bonds and the other Outstanding Senior Bonds, to fund transportation projects authorized under the Expenditure Plan. The Commission currently expects to issue an aggregate amount of additional Bonds in the range of [$100 to $200] million through calendar year 2025. The issuance of additional Bonds or other obligations is subject to the requirements of the Indenture.

The Commission is also authorized to issue up to $100,000,000 in the aggregate principal amount of Subordinate Commercial Paper Notes. See “OUTSTANDING OBLIGATIONS – Subordinate Commercial Paper Notes and CP Letter of Credit.”

**Executive Staff**

The SANDAG staff serves as staff to the Commission. Key staff members, the position held by each and a brief statement of the background of each staff member are set forth below.
Hasan Ikhrata, Executive Director. Hasan Ikhrata is the Executive Director of SANDAG appointed to such position in December 2018. Mr. Ikhrata has more than 30 years of experience in the arena of Transportation Planning in the Southern California Region, in both the public and private sector. As Executive Director of SANDAG, Mr. Ikhrata directs day-to-day operations of the agency and implements policies set by its governing board. In addition, he is the Executive Officer of the SANDAG Service Bureau, the nonprofit public benefit corporation chartered by SANDAG. Mr. Ikhrata holds a Bachelor’s and a Master’s Degree in Civil and Industrial Engineering from Zaporozhye University in the former Soviet Union, a Master’s Degree in Civil Engineering from UCLA, and a PhD Candidacy in Urban Planning and Transportation from the University of Southern California in Los Angeles. Mr. Ikhrata is an adjunct professor in the business school at California State University, Northridge. Prior to joining SANDAG in 2018, Mr. Ikhrata worked for the Southern California Association of Governments (SCAG), Los Angeles Metropolitan Transportation Authority (MTA) and South Coast Air Quality Management District (SCAQMD).

John F. Kirk, General Counsel. Mr. Kirk was appointed General Counsel for SANDAG and the Commission in January 2012. Mr. Kirk was originally hired by SANDAG as Deputy General Counsel in June 2006. Between 1990 and 2006 Mr. Kirk served the City of San Diego as a Deputy City Attorney. Mr. Kirk holds a Bachelors’ degree from Wabash College and a Juris Doctorate from Pepperdine University’s School of Law.

André Douzdjian, Chief Financial Officer. Mr. Douzdjian serves as SANDAG’s Chief Financial Officer and directs all financial and budgeting functions for SANDAG and the Commission. Mr. Douzdjian returned to SANDAG in June of 2012. During the previous 12 years, Mr. Douzdjian worked in the capacity of Chief Financial Officer for two privately-held staffing companies, where he was a co-founder and shareholder of those businesses. Prior to that, Mr. Douzdjian was the Financial Services Manager at SANDAG, a position that he held for almost ten years, from 1991 to 2000. Prior to his employment at SANDAG, Mr. Douzdjian was a Senior Accountant for KPMG, LLP, a certified accounting firm. Mr. Douzdjian received a Bachelor of Business Administration (B.A.) degree in Accounting in 1988 from the University of San Diego and a Master’s degree in Business Administration (M.B.A.) with an emphasis in Finance in 1996 from San Diego State University and is a Certified Public Accountant. Mr. Douzdjian is a member of the Government Finance Officers Association.

Laura Coté, Chief Operations Officer. Ms. Coté’s major responsibilities include managing business operations and advisory services for the San Diego Association of Governments (SANDAG). She is responsible for overseeing the day-to-day activities of external and internal communications, business information and technology services, organization effectiveness and diversity and equity. She joined SANDAG in 2006, serving in a variety of leadership roles at the agency. Before joining SANDAG she was an executive management consultant working in Boston and New York City. She led teams that designed and delivered strategic organizational development programs for growth and profitability on behalf of venture capitalists focused on turnaround ventures. She received her Bachelor of Arts degree in Political Science from the University of California, Riverside. She holds numerous certifications in psychometric instruments and is a regular speaker throughout the community.

Ray Traynor, Chief Planning and Innovation Officer. Mr. Traynor’s responsibilities include regional planning, transportation modeling, mobility management and innovation. Prior to joining SANDAG in 2012, Ray served as Vice President General Manager of Axiom xCell, a software development company, where he managed all aspects of the business. Prior to joining Axiom xCell, Mr. Traynor served as SANDAG’s Manager of Mobility which included overseeing the agency’s toll operations; demand management and intelligent transportation systems programs. Prior to his experience at SANDAG, Ray
was a Product Manager at Novatel Wireless (now Inseego Corp.), a global provider of solutions for the Internet of Things and fleet telematics markets; in this role Ray managed the development of wireless data modems. Earlier in his career, Ray worked at Caltrans where he served as Project Manager and was responsible for the delivery of the region’s Border Capital Program, which included leading the development of State Route 7 and State Route 905. Mr. Traynor holds a Master’s degree in Business Administration from San Diego State University, and a Bachelor’s degree in Landscape Architecture from Cal Poly San Luis Obispo.

**Jim Linthicum, Chief Capital Programs and Regional Services Officer.** Mr. Linthicum is responsible for the implementation of SANDAG’s $9 billion capital improvement program and the management of regional services such as toll operations on I-15 and SR-125, regional transportation demand management services such as carpool/vanpool programs and freeway service patrol, and the region’s Automated Regional Justice Information System (ARGIS). Mr. Linthicum has over 40 years’ experience delivering transportation programs and projects. Prior to joining SANDAG, Mr. Linthicum was employed by the San Diego Metropolitan Transit System and the California Department of Transportation for 24 years. Mr. Linthicum holds a B.S. degree in Civil Engineering from the Pennsylvania State University and successfully completed the Engineering and Management program at the University of California Los Angeles.

**Ray Major, Chief Analytics Officer and Chief Economist.** Mr. Major originally joined SANDAG in 1987 as a Research Analyst and economist responsible for SANDAG’s econometric and economic impact models, custom analytic research projects, and for developing the San Diego region’s comprehensive Economic Prosperity Strategy. He left SANDAG in 1994 and joined the Nielsen companies where he served as a senior executive holding numerous positions including Chief Marketing Officer, Chief Customer Officer, and product strategist. Mr. Major oversaw the product development of Claritas, a major provider of demographic and segmentation data. As General Manager of Integras, he ran the division of Claritas specializing in Business Intelligence (BI) and predictive analytics, geo-spatial and economic modeling services. In 2010, Mr. Major moved to Halo BI, a state-of-the-art business intelligence and predictive modeling software and service provider where he served as CMO, COO, and CEO. Mr. Major rejoined SANDAG in 2015 where he now serves as the Chief Economist. Mr. Major holds both graduate and undergraduate degrees in economics from San Diego State University, with an emphasis in developmental economics, and econometrics.

**José Nuncio, TransNet Director.** Mr. Nuncio manages and directs the operations of the SANDAG TransNet Department and is responsible for the programming of federal, state, local and TransNet funds, revenue forecasts for the agency’s long-range transportation plans, internal and external accountability and communication through the TransNet Dashboard and staffing for the Independent Taxpayer Oversight Committee. Mr. Nuncio joined SANDAG in April 2002 after spending more than 10 years with the California Department of Transportation at its San Diego District Office where he gained experience in the areas of programming, project management and development, and international border affairs. Mr. Nuncio received a Bachelor of Science (B.S.) in Aerospace Engineering from the University of Michigan in 1989 and a Master of Science (M.S.) in Structural Engineering in 1991 from the University of California at San Diego. Mr. Nuncio has been a Registered Civil Engineer in the State of California since 1995.

**THE SALES TAX**

**Authorization, Application and Collection of the Sales Tax**

The Commission is authorized by the Act to adopt a retail transactions and use tax ordinance applicable in the incorporated and unincorporated territory of the County in accordance with California’s Transactions and Use Tax Law (Revenue and Taxation Code Sections 7251 et seq.), upon authorization by
a majority of the electors voting on the issue. On November 3, 1987, the voters approved the 1987 Ordinance which imposed the Sales Tax in the County for a twenty-year period. On November 2, 2004, more than two-thirds of the voters approved the Sales Tax Extension Ordinance which, among other things, extended the collection of the tax to March 31, 2048. The Ordinance imposes the Sales Tax on the gross receipts of retailers from the sale of tangible personal property sold in the County and upon the storage, use or other consumption in the County of such property purchased from any retailer for storage use or other consumption in the County, subject to certain limited exceptions described below.

Collection of the Sales Tax is administered by the CDTFA, which replaced the BOE for this purpose. The CDTFA, after deducting a fee for administering the Sales Tax, remits the remaining Sales Tax Revenues to the Trustee which are then applied to satisfy the Commission’s obligations with respect to the Bonds and Parity Obligations. The remaining Sales Tax Revenues are then remitted to the Trustee for the Commission’s Subordinate Obligations, including the 2018 Short-Term Notes and the Subordinate Commercial Paper Notes. After payment of debt service requirements on the Subordinate Obligations, any remaining unapplied Sales Tax Revenues are then remitted to the Trustee for payment of certain fees and expenses and the Junior Subordinate TIFIA Loan and thereafter to the Commission. The fee charged by the CDTFA is determined by the CDTFA pursuant to statute. The fee charged by the CDTFA to the Commission for collection of the Sales Tax for Fiscal Year 2018-19 was $327,919. The fee that the CDTFA is authorized to charge for collection of the Sales Tax is determined by State legislation and may be increased or decreased by legislative action. There can be no assurances that the amount of this fee or the method for determining the amount of the fee will remain the same.

The CDTFA disburses collected sales tax monthly to sales taxing jurisdictions such as the Commission through a five-step procedure. First, the CDTFA calculates 90% of the same quarter disbursement from the prior year. Second, the CDTFA multiplies this number by the quarterly growth rate provided by the State Department of Finance. Third, the CDTFA divides the quarterly projection into three monthly disbursements of 30%, 30% and 40%. Fourth, the disbursement for the first month of each quarter is adjusted by a true-up for the previous quarter to reconcile actual sales tax collections with the disbursements made in accordance with the preceding formula. Fifth, a quarterly administration fee is subtracted from the first month’s disbursement. From time to time there are corrections made by the CDTFA for prior periods.

The Sales Tax is imposed in addition to a 7.25 percent sales and use tax levied statewide by the State and local sales tax measures enacted by cities, as described below under “— Other Sales Taxes Imposed in the County.” In general, the statewide sales tax applies to the gross receipts of retailers from the sale of tangible personal property. The statewide use tax is imposed on the storage, use or other consumption in the State of property purchased from a retailer for such storage, use or other consumption. Since the use tax does not apply to cases where the sale of the property is subject to the sales tax, the application of the use tax generally is to purchases made outside of the State for use within the State, subject to certain exceptions. Many categories of transactions are exempt from the Statewide sales and use tax and from the Sales Tax. The most important are: sales of food products for home consumption; prescription medicine; edible livestock and their feed; seed and fertilizer used in raising food for human consumption; and gas, electricity and water when delivered to consumers through mains, lines, and pipes. In addition, “Occasional Sales” (i.e., sales of property not held or used by a seller in the course of activities for which he or she is required to hold a seller’s permit) are generally exempt from the statewide sales and use tax and from the Sales Tax. Action by the State legislature or by voter initiative could change the transactions and items upon which the Statewide sales and use tax and the Sales Tax are imposed. Such changes or amendments could have either an adverse or beneficial impact on the Sales Tax Revenues. The Commission is not currently aware of any proposed legislative change, which would have a material adverse effect on Sales Tax Revenues. See also “RISK FACTORS – Proposition 218.”
**Historical Sales Tax Revenues**

The Commission began receiving distributions of the Sales Tax from the BOE in June 1988. The CDTFA now handles most of the taxes and fees previously collected by the BOE. The following table shows the Sales Tax remitted to the Commission during the Fiscal Years ended June 30, 1990 through June 30, 2019.

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SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION
HISTORICAL SALES TAX REVENUES

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30</th>
<th>Sales Tax Revenues (1)</th>
<th>% Change From Prior Fiscal Year</th>
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<tbody>
<tr>
<td>1990</td>
<td>$113,758,624</td>
<td>--</td>
</tr>
<tr>
<td>1991</td>
<td>109,806,529</td>
<td>(3.5)%</td>
</tr>
<tr>
<td>1992</td>
<td>106,105,958</td>
<td>(3.4)</td>
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<tr>
<td>1993</td>
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<tr>
<td>1999</td>
<td>156,909,677</td>
<td>7.7</td>
</tr>
<tr>
<td>2000</td>
<td>172,274,619</td>
<td>9.8</td>
</tr>
<tr>
<td>2001</td>
<td>189,795,888</td>
<td>10.2</td>
</tr>
<tr>
<td>2002</td>
<td>192,836,199</td>
<td>1.6</td>
</tr>
<tr>
<td>2003</td>
<td>200,600,386</td>
<td>4.0</td>
</tr>
<tr>
<td>2004</td>
<td>213,230,634</td>
<td>6.3</td>
</tr>
<tr>
<td>2005</td>
<td>228,562,785</td>
<td>7.2</td>
</tr>
<tr>
<td>2006</td>
<td>243,317,789</td>
<td>6.5</td>
</tr>
<tr>
<td>2007</td>
<td>247,924,304</td>
<td>1.9</td>
</tr>
<tr>
<td>2008</td>
<td>244,406,219</td>
<td>(1.4)</td>
</tr>
<tr>
<td>2009</td>
<td>221,991,360</td>
<td>(9.2)</td>
</tr>
<tr>
<td>2010</td>
<td>204,191,747</td>
<td>(8.0)</td>
</tr>
<tr>
<td>2011</td>
<td>221,304,014</td>
<td>8.4</td>
</tr>
<tr>
<td>2012</td>
<td>236,947,113</td>
<td>7.1</td>
</tr>
<tr>
<td>2013</td>
<td>247,221,162</td>
<td>4.3</td>
</tr>
<tr>
<td>2014</td>
<td>260,114,931</td>
<td>5.2</td>
</tr>
<tr>
<td>2015</td>
<td>268,840,549</td>
<td>3.4</td>
</tr>
<tr>
<td>2016</td>
<td>275,500,023</td>
<td>2.5</td>
</tr>
<tr>
<td>2017</td>
<td>284,456,260</td>
<td>3.3</td>
</tr>
<tr>
<td>2018</td>
<td>294,501,324</td>
<td>3.5</td>
</tr>
<tr>
<td>2019</td>
<td>312,303,669</td>
<td>6.0 (3)</td>
</tr>
</tbody>
</table>

(1) Cash basis, net of BOE/CDTFA administrative fee.
(2) Reflects, in part, effect of increase in BOE administration fee in 1994.
(3) In May 2018, CDTFA implemented a new automated system for processing, reporting, and distributing sales tax revenues to agencies throughout the State. As a result, several thousand tax returns were not processed in a timely manner. Approximately $7 million of Fiscal Year 2018 revenue was recorded in Fiscal Year 2019, and so the growth forecast going forward will be calculated on a base of $305.3 million, as opposed to the $312.3 million collected.
Source: San Diego County Regional Transportation Commission.

Annual Sales Tax Revenues received for the Fiscal Year ended June 30, 2019 totaled $312,303,669, an increase of 6.0 percent over the prior Fiscal Year. Sales Tax Revenues for the Fiscal Year ended June 30, 2019 are approximately __ times Maximum Annual Debt Service on the Series 2008 Bonds, the Series 2010 Bonds (net of the Subsidy Payments), the Series 2012 Bonds, the Series 2014 Bonds, the Series 2016 Bonds and the Series 2019 Bonds, based on the debt service shown in the table “PROJECTED DEBT SERVICE SCHEDULE” herein.
Other Sales Taxes Imposed in the County

With limited exceptions, the Sales Tax is imposed upon the same transactions and items subject to the 7.25 percent sales and use tax levied statewide by the State. The State Legislature or the voters of the State, through the initiative process, could change or limit the transactions and items upon which the statewide sales tax and the Sales Tax are imposed. Any such change or limitation could have an adverse impact on the Sales Tax Revenues collected. See “RISK FACTORS – Other Sales Taxes.”

In addition to the statewide sales and use tax and the Sales Tax, the following sales and use taxes are imposed in certain cities within the County. No portion of the statewide sales and use tax or the following taxes imposed in certain cities within the County are pledged to the repayment of the Series 2019 Bonds.

<table>
<thead>
<tr>
<th>Sales and Use Tax</th>
<th>Tax Rate</th>
<th>Effective Date</th>
<th>Termination Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Chula Vista</td>
<td>0.50%</td>
<td>04/01/17</td>
<td>03/31/26</td>
</tr>
<tr>
<td>City of Chula Vista</td>
<td>0.50</td>
<td>04/01/17</td>
<td>Ongoing</td>
</tr>
<tr>
<td>City of Del Mar</td>
<td>1.00</td>
<td>04/01/17</td>
<td>Ongoing</td>
</tr>
<tr>
<td>City of El Cajon Service Preservation Transactions and Use Tax</td>
<td>0.50</td>
<td>04/01/17</td>
<td>03/31/29</td>
</tr>
<tr>
<td>City of La Mesa Transactions and Use Tax</td>
<td>0.75</td>
<td>04/01/09</td>
<td>03/31/29</td>
</tr>
<tr>
<td>City of National City Transactions and Use Tax</td>
<td>1.00</td>
<td>04/01/06</td>
<td>09/30/16</td>
</tr>
<tr>
<td>City of Oceanside</td>
<td>0.50</td>
<td>04/01/19</td>
<td>03/31/26</td>
</tr>
<tr>
<td>City of Vista Transactions and Use Tax</td>
<td>0.50</td>
<td>04/01/07</td>
<td>03/31/37</td>
</tr>
</tbody>
</table>

Source: California City and County Sales and Use Tax Rates (July 1, 2019), CDTFA.

For information concerning historical taxable sales in the County, see the table entitled “County of San Diego, Taxable Sales Transactions” in APPENDIX B – “Information Regarding the County of San Diego.”

COMMISSION INVESTMENT PORTFOLIO

Funds of the Commission are invested pursuant to an investment policy adopted by the Commission Board, which permits the Commission to invest in some (but not all) of the types of securities authorized by State law for the investment of funds of local agencies. The securities in which the Commission currently is authorized to invest include United States treasury notes, bonds and bills, bonds, notes, bills, warrants and obligations issued by certain agencies of the United States, bankers acceptances, commercial paper of prime quality, certificates of deposit, medium term corporate notes, shares of beneficial interest issued by a California joint powers authority, the State’s local agency investment fund, the San Diego County local agency investment fund, collateralized repurchase agreements, and other securities authorized under State law as appropriate for public fund investments and not specifically prohibited by the investment policy. The investment policy (which is subject to change in the future) does not allow investment in reverse repurchase agreements, mortgage interest strips, inverse floaters or securities lending or any investment that fails to meet the credit or portfolio limits of the investment policy at the time of investment.

Funds held by the Trustee under the Indenture are invested in Investment Securities (as defined in Appendix C) by the Trustee in accordance with instructions from the Commission. The instructions from the Commission currently restrict those investments to investments permitted by the investment policy adopted by the Commission Board described above (except that the Trustee is permitted to invest a greater percentage of funds in specific securities than the investment policy would otherwise permit).
The value of the various investments in the portfolio will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Further, such values may vary based on credit quality, ratings, or other factors. Therefore, there can be no assurance that the values of the various investments in the portfolio will not vary significantly from the values described below. Further, the values specified in the following tables were based upon estimates of market values provided to the Commission by a third party as of September 30, 2019. Accordingly, there can be no assurance that if these securities had been sold on September 30, 2019, the portfolio would have received the values specified. In addition, under certain provisions of the Indenture, funds and accounts held under the Indenture must be invested in certain specified Investment Securities that include investment agreements and other investments not described above.

### INVESTMENT PORTFOLIO INFORMATION
**as of September 30, 2019**

<table>
<thead>
<tr>
<th>Investments</th>
<th>Par Value</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>N/A</td>
<td>$858,699,841.93</td>
</tr>
<tr>
<td>United States Agencies</td>
<td>$228,641,000.00</td>
<td>229,952,587.67</td>
</tr>
<tr>
<td>Corporate Medium Term Notes</td>
<td>85,550,000.00</td>
<td>86,908,673.22</td>
</tr>
<tr>
<td>Supra-National Agency Bond/Note</td>
<td>24,560,000.00</td>
<td>24,606,983.25</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>11,200,000.00</td>
<td>11,227,400.41</td>
</tr>
<tr>
<td>Asset-Backed Securities</td>
<td>6,613,833.32</td>
<td>6,611,649.17</td>
</tr>
<tr>
<td>Certificates of Participation</td>
<td>24,300,000.00</td>
<td>23,050,000.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>$1,241,057,135.65</strong></td>
</tr>
</tbody>
</table>

Source: The Commission.

### RISK FACTORS

**Economy of the County and the State**

The Series 2019 Bonds are secured by a pledge of Sales Tax Revenues, which consist of the Sales Tax less an administrative fee paid to the CDTFA. The level of Sales Tax Revenues collected at any time is dependent upon the level of retail sales within the County, which level of retail sales is, in turn, dependent upon the level of economic activity in the County and in the State generally. As a result, any substantial deterioration in the level of economic activity within the County or in the State could have an adverse impact upon the level of Sales Tax Revenues and therefore upon the ability of the Commission to pay principal of and interest on the Series 2019 Bonds. For information relating to economic conditions within the County and the State, see APPENDIX B – “INFORMATION REGARDING THE COUNTY OF SAN DIEGO.”

**Other Sales Taxes**

With limited exceptions, the Sales Tax is imposed upon the same transactions and items subject to the 7.25% sales and use tax levied statewide by the State. The State Legislature or the voters of the State, through the initiative process, could change or limit the transactions and items upon which the statewide sales tax and the Sales Tax are imposed. Any such change or limitation could have an adverse impact on the Sales Tax Revenues collected. In addition, the Sales Tax is imposed generally on the same transactions and items subject to sales and use taxes levied by certain cities within the County. See “THE SALES TAX – Other Sales Taxes Imposed in the County.”
No Acceleration of Series 2019 Bonds

The Indenture does not contain a provision allowing for the acceleration of the Series 2019 Bonds. In the event of a default by the Commission, each Holder of a Series 2019 Bond will have the rights to exercise the remedies, subject to the limitations thereon, set forth in the Indenture. See APPENDIX C – “DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

Acceleration of Liquidity Facility Bonds

The amortization period applicable to the Liquidity Facility Bonds may be accelerated under certain circumstances. “Liquidity Facility Bonds” are Series 2008 Bonds tendered for purchase and not successfully remarketed, that are then purchased by a Liquidity Provider pursuant to the applicable 2008 Liquidity Facility. Such Liquidity Provider purchases may occur as a result of, among other things, adverse market conditions leading to failed remarketings or the Commission’s inability to obtain replacement credit or liquidity arrangements upon the expiration or termination of the existing 2008 Liquidity Facilities. See “OUTSTANDING OBLIGATIONS – Liquidity Facilities.” The Commission’s obligation to reimburse the Liquidity Providers on account of their purchase of any of the Series 2008 Bonds may, under specified circumstances, be paid over a period of five years or, if earlier, by no later than the last day of the purchase period, and may, under certain circumstances, become immediately due and payable on the one hundred eightieth (180th) day following the date on which any Series 2008 Bond became a Liquidity Facility Bond. Liquidity Facility Bonds are payable on a parity with the Bonds.

Parity with Variable Rate Bonds

The Series 2008 Bonds are variable rate bonds issued on parity with the Series 2010 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2016 Bonds and the Series 2019 Bonds. The calculation of interest on the Series 2008 Bonds is set weekly. Potential fluctuations in interest rates could result in higher net interest rates on the Series 2008 Bonds. The Series 2008 Bonds are subject to tender provisions and remarketing by the remarketing agents for such Series 2008 Bonds. Upon a failure to remarket the Series 2008 Bonds, the Series 2008 Bonds will be purchased pursuant to the 2008 Liquidity Facilities, in which event the Series 2008 Bonds could bear interest at materially higher interest rates. Furthermore, in the event of early termination of the Initial Swaps, the Commission would no longer receive the variable rate payments from the counterparties thereunder and the Commission may be liable for substantial termination fees which could have a material adverse effect on the Commission.

Loss of Subsidy Payments

The 2010 Series A Bonds were issued as “Build America Bonds.” The amount of any Subsidy Payments are subject to legislative changes by the United States Congress. On March 1, 2013, the federal government announced the implementation of certain automatic spending cuts known as “sequestration.” In Fiscal Year 2018-19, sequestration reduced Subsidy Payments to the Commission by approximately $________. The Commission expects future reductions in Subsidy Payments to occur due to the sequester, but is unable to predict the amount or duration of such reductions. Further, Subsidy Payments will only be paid if the 2010 Series A Bonds continue to qualify as Build America Bonds. For the 2010 Series A Bonds to remain Build America Bonds, the Commission must comply with certain covenants with respect to the 2010 Series A Bonds, the use and investment of proceeds thereof and the use of property financed thereby. Thus, it is possible that the Commission may not receive the Subsidy Payments. Subsidy Payments are also subject to offset against amounts that may, for unrelated reasons, be owed by the Commission to any agency of the United States of America. The Commission does not believe that failure to receive all or a portion of the Subsidy Payments or any offset to the Subsidy Payments will materially and adversely impact the Commission’s ability to pay interest on the 2010 Series A Bonds. The failure to receive all or any portion
of the Subsidy Payment does not affect the Commission’s obligation to pay debt service on the 2010 Series A Bonds.

Availability of Funds to Pay the 2018 Short-Term Notes

The Subordinate Indenture provides that unless the 2018 Short-Term Notes have been previously paid or defeased pursuant to the provisions of the Subordinate Indenture, the Commission agrees to use its best efforts, on or before April 1, 2021, to draw on the TIFIA Loan Agreement or, to the extent sufficient funds are not available or eligible thereunder, to issue Senior Bonds, or Notes or other Parity Debt under the Senior Indenture or the Subordinate Indenture, as applicable, or to otherwise obtain financing to provide funds sufficient to pay the principal of the 2018 Short-Term Notes on April 1, 2021. No assurance can be given that the Commission will satisfy all conditions to disbursement under the TIFIA Loan Agreement, or that the TIFIA Lender will honor a properly presented disbursement request under the TIFIA Loan Agreement. In addition, if the Commission is unable to obtain proceeds of the Junior Subordinate TIFIA Loan, no assurances can be given that capital markets access will be available for the Commission to issue Senior Bonds under the Senior Indenture, or Notes or other Parity Debt under the Subordinate Indenture, to repay the principal of the 2018 Short-Term Notes on April 1, 2021.

Loss of Tax Exemption on Series 2019B Bonds

As discussed under “TAX MATTERS,” interest on the Series 2019B Bonds could become includable in federal gross income, possibly from the date of issuance of the Series 2019B Bonds, including as a result of acts or omissions of the Commission subsequent to the issuance of the Series 2019B Bonds. Should interest become includable in federal gross income, the Series 2019B Bonds are not subject to redemption by reason thereof and will remain outstanding until maturity or earlier redemption.

Bankruptcy Considerations

The Commission may be authorized to file for Chapter 9 municipal bankruptcy under certain circumstances. Should the Commission file for bankruptcy, there could be adverse effects on the holders of the Series 2019 Bonds.

If the Sales Tax Revenues are “special revenues” under the Bankruptcy Code, then Sales Tax Revenues collected after the date of the bankruptcy filing should be subject to the lien of the Indenture. “Special revenues” are defined to include taxes specifically levied to finance one or more projects or systems, excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the governmental entity. The Sales Tax was levied to finance the projects described in the San Diego County Transportation Improvement Program TransNet Ordinance and Expenditure Plan (under this caption, the “Projects”), and some of these Projects are described in broad terms. In addition, the Projects are not owned by the Commission. No assurance can be given that a court would not hold that the Sales Tax Revenues are not special revenues. Were the Sales Tax Revenues determined not to be “special revenues,” then Sales Tax Revenues collected after the commencement of a bankruptcy case would likely not be subject to the lien of the Indenture. The holders of the Series 2019 Bonds may not be able to assert a claim against any property of the Commission other than the Sales Tax Revenues, and were these amounts no longer subject to the lien of the Indenture following commencement of a bankruptcy case, then there could thereafter be no amounts from which the holders of the Series 2019 Bonds are entitled to be paid.

The Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the project or system from which the special revenues are derived, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. The law is not clear as to whether, or to what extent, Sales Tax Revenues would be considered to be “derived” from
the Projects. To the extent that Sales Tax Revenues are determined to be both special revenues and derived from the Projects, the Commission may be able to use Sales Tax Revenues to pay necessary operating expenses connected with the Projects, before the remaining Sales Tax Revenues are turned over to the Trustee to pay amounts owed to the holders of the Series 2019 Bonds. It is not clear precisely which expenses would constitute necessary operating expenses.

If the Commission is in bankruptcy, the parties (including the holders of the Series 2019 Bonds) may be prohibited from taking any action to collect any amount from the Commission or to enforce any obligation of the Commission, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Trustee from making payments to the holders of the Series 2019 Bonds from funds in the Trustee’s possession. The procedure pursuant to which Sales Tax Revenues are paid directly by the CDTFA to the Trustee may no longer be enforceable, and the Commission may be able to require the CDTFA to pay Sales Tax Revenues directly to the Commission.

The Commission as a debtor in bankruptcy may be able to borrow additional money that is secured by a lien on any of its property (including Sales Tax Revenues), which lien could have priority over the lien of the Indenture, or to cause some Sales Tax Revenues to be released to it, free and clear of lien of the Indenture, in each case provided that the bankruptcy court determines that the rights of the Trustee and the holders of the Series 2019 Bonds will be adequately protected. The Commission may also be able, without the consent and over the objection of the Trustee and the holders of the Series 2019 Bonds, to alter the priority, interest rate, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Indenture and the Series 2019 Bonds, provided that the bankruptcy court determines that the alterations are fair and equitable.

There may be delays in payments on the Series 2019 Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of the Commission that could result in delays or reductions in payments on the Series 2019 Bonds, or result in losses to the holders of the Series 2019 Bonds. Regardless of any specific adverse determinations in a Commission bankruptcy proceeding, the fact of a Commission bankruptcy proceeding could have an adverse effect on the liquidity and value of the Series 2019 Bonds.

**Proposition 218**

On November 5, 1996, voters in the State approved an initiative known as the Right to Vote on Taxes Act (“Proposition 218”). Proposition 218 added Articles XIIIC and XIIID to the California Constitution. Article XIIIC requires majority voter approval for the imposition, extension or increase of general taxes and two-thirds voter approval for the imposition, extension or increase of special taxes by a local government, which is defined to include local or regional governmental agencies such as the Commission. In 2004, the Sales Tax Extension Ordinance received the approval of more than 2/3 of the voters as required by Article XIIIC. However, Article XIIIC also removes limitations that may have applied to the voter initiative power with regard to reducing or repealing previously authorized taxes. In the opinion of the Commission, however, any attempt by the voters to use the initiative provisions under Proposition 218 to rescind or reduce the levy and collection of the Sales Tax in a manner which would prevent the payment of debt service on the Series 2019 Bonds would violate the Impairment Clause of the United States Constitution and, accordingly, would be precluded. However, it is likely that the interpretation and application of Proposition 218 will ultimately be determined by the courts.
Further Initiatives

Proposition 218 was adopted as a measure that qualified for the ballot pursuant to the State’s initiative process. From time to time other initiative measures could be adopted, which may affect the Commission’s ability to levy and collect the Sales Tax.

Governance and Management – Changes in State Law

SANDAG was created in the 1970s as a Joint Powers Authority made up of various cities in the County of San Diego that desired to voluntarily carry out regional planning activities as a joint enterprise. SANDAG’s governance structure was codified into State Law by State statute in 2002. The State Legislature can alter the governance and structure of SANDAG. On October 11, 2017, Governor Jerry Brown signed into law AB 805 which changed the voting mechanisms of the Board of Directors of SANDAG and provide additional audit requirements. The State Legislature can adopt further statutory changes that could materially impact the composition of the Board of Directors or composition of management, or impose new requirements or standards, any of which could cause material changes for SANDAG policy objectives or how it operates.

Cybersecurity

The Commission, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations and finances. As a recipient and provider of personal, private or other electronic sensitive information, the Commission is potentially subject to multiple cyber threats including, but not limited to, hacking, viruses, malware, ransomware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the Commission’s systems for the purposes of misappropriating assets or information or causing operational disruption or damage.

No assurances can be given that the security and operational control measures of the Commission will be successful in guarding against any and each cyber threat or breach. The cost of remediying damage or disruption caused by cyber-attacks could be substantial and in excess of any applicable insurance coverage.

Climate Change

Numerous scientific studies on global climate change show that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common, and extreme weather events will become more frequent as a result of increasing global temperatures attributable to atmospheric pollution. For example, the Fourth National Climate Assessment, published by the U.S. Global Change Research Program, in November 2018 (NCA4) finds that more frequent and intense extreme weather and climate-related events, as well as changes in average climate conditions, are expected to continue to damage infrastructure, ecosystems and social systems over the next 25 to 100 years. Sea level rise may particularly impact coastal areas throughout California. The Commission cannot predict what impact climate change will have on Sales Tax Revenues in the future.

ABSENCE OF MATERIAL LITIGATION

No litigation is pending or, to the best knowledge of the Commission, threatened against the Commission concerning the validity of the Series 2019 Bonds. The Commission is not aware of any litigation pending or threatened against the Commission questioning the political existence of the Commission or contesting the Commission’s ability to impose and collect the Sales Tax.
TAX MATTERS

The Series 2019A Bonds

State Tax Exemption. In the opinion of Bond Counsel, under existing law interest on the Series 2019A Bonds is exempt from personal income taxes imposed by the State of California or any political subdivision thereof.

Certain Federal Income Tax Considerations. The following is a general summary of certain federal income tax consequences of the purchase and ownership of the Series 2019A Bonds. The discussion is based upon the Code, U.S. Treasury Regulations, rulings, and decisions now in effect, all of which are subject to change (possibly, with retroactive effect) or possibly differing interpretation. No assurances can be given that future changes in the law will not alter the conclusions reached herein. The discussion below does not purport to deal with federal income tax consequences applicable to all categories of investors and generally does not address consequences relating to the disposition of a Series 2019A Bond by a beneficial owner thereof. Further, this summary does not discuss all aspects of federal income taxation that may be relevant to a particular investor in the Series 2019A Bonds in light of the investor’s particular circumstances (for example, persons subject to the alternative minimum tax provisions of the Code), or to certain types of investors subject to special treatment under the federal income tax laws (including insurance companies, tax-exempt organizations and entities, financial institutions, broker-dealers, persons who have hedged the risk of owning the Series 2019A Bonds, traders in securities that elect to use a mark-to-market method of accounting, thrifts, regulated investment companies, pension and other employee benefit plans, partnerships and other pass-through entities, certain hybrid entities and owners of interests therein, persons who acquire Series 2019A Bonds in connection with the performance of services, or persons deemed to sell Series 2019A Bonds under the constructive sale provisions of the Code). The discussion below also does not discuss any aspect of state, local, or foreign law or U.S. federal tax laws other than U.S. federal income tax law. The summary is limited to certain issues relating to initial investors who will hold the Series 2019A Bonds as “capital assets” within the meaning of Section 1221 of the Code, and acquire such Series 2019A Bonds for investment and not as a dealer or for resale. This summary addresses certain federal income tax consequences applicable to beneficial owners of the Series 2019A Bonds who are United States persons within the meaning of Section 7701(a)(30) of the Code (“United States persons”) and, except as discussed below, does not address any consequences to persons other than United States persons. Prospective investors should note that no rulings have been or will be sought from the Internal Revenue Service (the “Service”) with respect to any of the federal income tax consequences discussed below, and no assurance can be given that the Service will not take contrary positions.

ALL PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN, AND ANY OTHER TAX CONSEQUENCES TO THEM FROM THE PURCHASE, OWNERSHIP, AND DISPOSITION OF THE SERIES 2019A BONDS.

Stated Interest and Reporting of Interest Payments. The stated interest on the Series 2019A Bonds will be included in the gross income, as defined in Section 61 of the Code, of the beneficial owners thereof as ordinary income for federal income tax purposes at the time it is paid or accrued, depending on the tax accounting method applicable to the beneficial owners thereof. Subject to certain exceptions, the stated interest on the Series 2019A Bonds will be reported to the Service. Such information will be filed each year with the Service on Form 1099 which will reflect the name, address, and taxpayer identification number (“TIN”) of the beneficial owner. A copy of Form 1099 will be sent to each beneficial owner of a Series 2019A Bond for federal income tax purposes.
Medicare Contribution Tax. Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals beginning January 1, 2013. The additional tax is 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income), or (ii) the excess of “modified adjusted gross income” of the individual over $200,000 for unmarried individuals ($250,000 for married couples filing a joint return and a surviving spouse). Beneficial Owners of the Series 2019A Bonds should consult with their own tax advisors concerning this additional tax, as it may apply to interest earned on the Series 2019A Bonds as well as gain on the sale of a Taxable Bond.

Original Issue Discount. If the first price at which a substantial amount of the Series 2019A Bonds of any stated maturity is sold at original issuance (the “Issue Price”) is less than the face amount by more than one quarter of one percent times the number of complete years to maturity, the Series 2019A Bonds of that maturity will be treated as being issued with “original issue discount.” The amount of the original issue discount on each Series 2019A Bond of that maturity will equal the excess of the principal amount payable on that Series 2019A Bond at maturity over the Issue Price, and the amount of the original issue discount on such Series 2019A Bond will be accrued over its term using the “constant yield method” provided in the Treasury Regulations. As original issue discount on a Series 2019A Bond accrues under the constant yield method, the beneficial owner of a Series 2019A Bond with original issue discount will be required to include as interest each such accrual in its gross income regardless of its regular method of accounting. This can result in taxable income to the beneficial owner of a Series 2019A Bond issued with original issue discount that exceeds actual cash distributions on that Series 2019A Bond in the taxable year. The amount of any original issue discount that accrues on the Series 2019A Bonds each year will be reported annually to the IRS and to the beneficial owners. The portion of the original issue discount included in each beneficial owner’s gross income while the beneficial owner holds a Series 2019A Bond will increase the adjusted tax basis of the Series 2019A Bond in the hands of such beneficial owner.

Premium. If a beneficial owner purchases a Series 2019A Bond for an amount that is greater than its stated redemption price at maturity, such beneficial owner will be considered to have purchased the Series 2019A Bond with “amortizable bond premium” equal in amount to such excess. A beneficial owner may elect to amortize such premium using a constant yield method over the remaining term of the Series 2019A Bond and may offset interest otherwise required to be included in respect of the Series 2019A Bond during any taxable year by the amortized amount of such excess for the taxable year. Bond premium on a Series 2019A Bond held by a beneficial owner that does not make such an election will decrease the amount of gain or increase the amount of loss otherwise recognized on the sale, exchange, redemption or retirement of a Taxable Bond. However, if the Series 2019A Bond may be optionally redeemed after the beneficial owner acquires it at a price in excess of its stated redemption price at maturity, special rules would apply under the Treasury Regulations which could result in a deferral of the amortization of some bond premium until later in the term of the Taxable Bond. Any election to amortize bond premium applies to all taxable debt instruments held by the beneficial owner on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

Defeasance. Persons considering the purchase of a Series 2019A Bond should be aware that a defeasance of a Series 2019A Bond by the Commission could result in the realization of gain or loss by the beneficial owner of the Series 2019A Bond for federal income tax purposes, without any corresponding receipts of monies by the beneficial owner. Such gain or loss generally would be subject to recognition for the tax year in which such realization occurs, as in the case of a sale or exchange. Owners are advised to consult their own tax advisers with respect to the tax consequences resulting from such events.

Backup Withholding. Under Section 3406 of the Code, a beneficial owner of the Series 2019A Bonds who is a United States person may, under certain circumstances, be subject to “backup withholding”
currently at a rate of 24 percent) on current or accrued interest on the Series 2019A Bonds or with respect to proceeds received from a disposition of the Series 2019A Bonds. This withholding applies if such beneficial owner of Series 2019A Bonds: (i) fails to furnish to the payor such beneficial owner’s social security number or other TIN; (ii) furnishes the payor an incorrect TIN; (iii) fails to report interest properly; or (iv) under certain circumstances, fails to provide the payor or such beneficial owner’s broker with a certified statement, signed under penalty of perjury, that the TIN provided to the payor or broker is correct and that such beneficial owner is not subject to backup withholding. To establish status as an exempt person, a beneficial owner will generally be required to provide certification on IRS Form W-9 (or substitute form).

Backup withholding will not apply, however, if the beneficial owner is a corporation or falls within certain tax-exempt categories and, when required, demonstrates such fact. BENEFICIAL OWNERS OF THE SERIES 2019A BONDS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THEIR QUALIFICATION FOR EXEMPTION FROM BACKUP WITHHOLDING AND THE PROCEDURE FOR OBTAINING SUCH EXEMPTION, IF APPLICABLE. The backup withholding tax is not an additional tax and taxpayers may use amounts withheld as a credit against their federal income tax liability or may claim a refund as long as they timely provide certain information to the Service.

Withholding on Payments to Nonresident Alien Individuals and Foreign Corporations. Under Sections 1441 and 1442 of the Code, nonresident alien individuals and foreign corporations are generally subject to withholding of U.S. federal income tax by the payor at the rate of 30 percent on periodic income items arising from sources within the United States, provided such income is not effectively connected with the conduct of a United States trade or business. Assuming the interest income of such a beneficial owner of the Series 2019A Bonds is not treated as effectively connected income within the meaning of Section 864 of the Code, such interest will be subject to 30 percent withholding, or any lower rate specified in an income tax treaty, unless such income is treated as “portfolio interest.” Interest will be treated as portfolio interest if (i) the beneficial owner provides a statement to the payor certifying, under penalties of perjury, that such beneficial owner is not a United States person and providing the name and address of such beneficial owner, (ii) such interest is treated as not effectively connected with the beneficial owner’s United States trade or business, (iii) interest payments are not made to a person within a foreign country which the Service has included on a list of countries having provisions inadequate to prevent United States tax evasion, (iv) interest payable with respect to the Series 2019A Bonds is not deemed contingent interest within the meaning of the portfolio debt provision, (v) such beneficial owner is not a controlled foreign corporation within the meaning of Section 957 of the Code, and (vi) such beneficial owner is not a bank receiving interest on the Series 2019A Bonds pursuant to a loan agreement entered into in the ordinary course of the bank’s trade or business.

Assuming payments on the Series 2019A Bonds are treated as portfolio interest within the meaning of Sections 871 and 881 of the Code, then no withholding under Section 1441 and 1442 of the Code, and no backup withholding under Section 3406 of the Code is required with respect to beneficial owners or intermediaries who have furnished Form W-8 BEN, Form W-8 BEN-E, Form W-8 EXP, or Form W-8 IMY, as applicable, provided the payor has no actual knowledge or reason to know that such person is a United States person.

Foreign Account Tax Compliance Act. Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to a foreign financial institution, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, the Foreign Account Tax Compliance Act
(“FATCA”) imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest and principal under the Series 2019A Bonds and sales proceeds of Series 2019A Bonds held by or through a foreign entity. In general, withholding under FATCA currently applies to payments of U.S. source interest (including original issue discount) and will apply to “foreign passthru payments” but no earlier than two years after the date of publication of final regulations defining the term “foreign passthru payment.” Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The Series 2019B Bonds

**Federal Tax-Exemption.** In the opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel to the Commission, under existing statutes, regulations, rulings and judicial decisions, and assuming compliance by the Commission with certain covenants in the Indenture and other documents pertaining to the Series 2019B Bonds and requirements of the Internal Revenue Code of 1986, as amended (the “Code”), regarding the use, expenditure and investment of proceeds of the Series 2019B Bonds and the timely payment of certain investment earnings to the United States, interest on the Series 2019B Bonds is not includable in the gross income of the owners of the Series 2019B Bonds for federal income tax purposes. Failure to comply with such covenants and requirements may cause interest on the Series 2019B Bonds to be included in gross income retroactive to the date of issuance of the Series 2019B Bonds.

In the further opinion of Bond Counsel, interest on the Series 2019B Bonds is not treated as an item of tax preference for purposes of the federal alternative minimum tax.

Ownership of, or the receipt of interest on, tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers who may be eligible for the earned income tax credit. Bond Counsel expresses no opinion with respect to any collateral tax consequences and, accordingly, prospective purchasers of the Series 2019B Bonds should consult their tax advisors as to the applicability of any collateral tax consequences.

Certain requirements and procedures contained or referred to in the Indenture or in other documents pertaining to the Series 2019B Bonds may be changed, and certain actions may be taken or not taken, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of counsel nationally recognized in the area of tax-exempt obligations. Bond Counsel expresses no opinion as to the effect of any change to any document pertaining to the Series 2019B Bonds or of any action taken or not taken where such change is made or action is taken or not taken without the approval of Norton Rose Fulbright US LLP, or in reliance upon the advice of counsel other than Norton Rose Fulbright US LLP, with respect to the exclusion from gross income of the interest on the Series 2019B Bonds for federal income tax purposes.

Bond Counsel’s opinion is not a guarantee of result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the Commission described above. No ruling has been sought from the Internal Revenue Service (the “IRS”) with respect to the matters addressed in the opinion of Bond Counsel, and Bond
Counsel’s opinion is not binding on the IRS. The IRS has an ongoing program of examining the tax-exempt status of the interest on municipal obligations. If an examination of the Series 2019B Bonds is commenced, under current procedures the IRS is likely to treat the Commission as the “taxpayer,” and the owners of the Series 2019B Bonds would have no right to participate in the examination process. In responding to or defending an examination of the tax-exempt status of the interest on the Series 2019B Bonds, the Commission may have different or conflicting interests from the owners. Additionally, public awareness of any future examination of the Series 2019B Bonds could adversely affect the value and liquidity of the Series 2019B Bonds during the pendency of the examination, regardless of its ultimate outcome.

**Tax Accounting Treatment of Bond Premium and Original Issue Discount**

**Bond Premium.** To the extent that a purchaser of a Series 2019B Bond acquires that Series 2019B Bond at a price in excess of the amount payable at maturity, such excess will constitute “bond premium” under the Code. The Code and applicable Treasury Regulations provide generally that bond premium on a tax-exempt obligation is amortized over the remaining term of the obligation (or a shorter period in the case of certain callable obligations) based on the obligation’s yield to maturity (or shorter period in the case of certain callable obligations); that the amount of premium so amortized reduces the owner’s basis in such obligation for federal income tax purposes; and that such amortized premium is not deductible for federal income tax purposes. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of the obligation.

**Original Issue Discount.** The excess, if any, of the stated redemption price at maturity of Series 2019B Bonds of a maturity over the initial offering price to the public of the Series 2019B Bonds of that maturity is “original issue discount.” Original issue discount accruing on a Series 2019B Bond is treated as interest excluded from the gross income of the owner of such Series 2019B Bond for federal income tax purposes under the same conditions and limitations as are applicable to interest on such Series 2019B Bond. Original issue discount on any Series 2019B Bond purchased at such initial offering price and pursuant to such initial offering accrues on a semiannual basis over the term of the Series 2019B Bond on the basis of a constant yield and, within each semiannual period, accrues on a ratable daily basis. The amount of original issue discount on such a Series 2019B Bond accruing during each period is added to the adjusted basis of such Series 2019B Bond, which will affect the amount of taxable gain upon disposition (including sale, redemption or payment on maturity) of such Series 2019B Bond. The Code includes certain provisions relating to the accrual of original issue discount in the case of owners of Series 2019B Bonds that have purchased such Series 2019B Bonds other than at the initial offering price and pursuant to the initial offering.

Bond Counsel are not opining on the accounting for or consequence to a Series 2019B Bond purchaser of bond premium or original issue discount on the Series 2019B Bonds. Persons considering the purchase of Series 2019B Bonds with bond premium or original issue discount should consult with their own tax advisors with respect to the determination of bond premium or original issue discount on such Series 2019B Bonds for federal income tax purposes, and with respect to the state and local tax consequences of owning and disposing of such Series 2019B Bonds.

**Information Reporting and Backup Withholding.** Interest paid on the Series 2019B Bonds will be subject to information reporting in a manner similar to interest paid on taxable obligations. Although such reporting requirement does not, in and of itself, affect the excludability of such interest from gross income for federal income tax purposes, such reporting requirement causes the payment of interest on the Series 2019B Bonds to be subject to backup withholding if such interest is paid to beneficial owners who (a) are not “exempt recipients,” and (b) either fail to provide certain identifying information (such as the beneficial owner’s taxpayer identification number) in the required manner or have been identified by the IRS as having
failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities are exempt recipients. Amounts withheld under the backup withholding rules from a payment to a beneficial owner are allowed as a refund or credit against such beneficial owner’s federal income tax liability so long as the required information is furnished to the IRS.

**State Tax Exemption.** In the further opinion of Bond Counsel, interest on the Series 2019B Bonds is exempt from personal income taxes imposed by the State of California.

**Future Developments.** Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of the interest on the Series 2019B Bonds from gross income for federal income tax purposes or of the exemption of interest on the Series 2019B Bonds from State of California personal income taxation. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future change in tax law.

A copy of the forms of opinions of Bond Counsel relating to the Bonds is included in APPENDIX F hereto.

The preceding discussion of certain U.S. federal income tax consequences is for general information only and is not tax advice. Accordingly, each investor should consult its own tax advisor as to particular tax consequences to it of purchasing, owning, and disposing of the Bonds, including the applicability and effect of any state, local, or foreign tax laws, and of any proposed changes in applicable laws.

**LEGAL MATTERS**

The validity of the Series 2019 Bonds and certain other legal matters are subject to the approving opinion of Norton Rose Fulbright US LLP, Bond Counsel to the Commission. A complete copy of the proposed form of opinion of Bond Counsel is attached as Appendix F hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the Commission by its General Counsel and by Norton Rose Fulbright US LLP, as Disclosure Counsel, and for the Underwriters by their counsel Nixon Peabody LLP. Compensation paid to Bond Counsel, Disclosure Counsel and Underwriters’ Counsel is contingent on the successful issuance of the Series 2019 Bonds.

**CONTINUING DISCLOSURE**

The Commission has agreed to execute a continuing disclosure agreement (the “Continuing Disclosure Agreement”), which provides for disclosure obligations on the part of the Commission while the Series 2019 Bonds remain Outstanding. Under the Continuing Disclosure Agreement, the Commission will covenant for the benefit of owners of the Series 2019 Bonds to provide certain financial information and operating data relating to the Commission by not later than two hundred and ten (210) days after the end of the prior fiscal year, commencing with the fiscal year ending June 30, 2019 (the “Annual Reports”), and to provide notices of the occurrence of certain enumerated events (the “Notice Events”) in a timely manner. The Annual Reports and the Notice Events will be filed with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system. These covenants will be made to assist the Underwriters of the Series 2019 Bonds in complying with the Rule 15c2-12, as amended (the “Rule”) adopted by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. See APPENDIX D – “FORM OF CONTINUING DISCLOSURE AGREEMENT.”
RATINGS

S&P Global Ratings and Fitch Ratings have assigned ratings on the Series 2019 Bonds of “____” and “___,” respectively. The ratings described above reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: S&P Global Ratings, 55 Water Street, New York, New York 10041 and Fitch Ratings, 33 Whitehall Street, New York, New York 10004. Such ratings are not recommendations to buy, sell or hold securities. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of any of such ratings may have an adverse effect on the market price of the Series 2019 Bonds.

UNDERWRITING

Purchase of the Series 2019 Bonds

The Commission has entered into a Bond Purchase Agreement (the “Purchase Agreement”) with respect to the Series 2019 Bonds with Goldman Sachs & Co. LLC, on behalf of itself and as representative of the underwriters named therein and set forth on the cover page hereof (collectively, the “Underwriters”), pursuant to which the Underwriters will agree, subject to certain conditions, to purchase the Series 2019 Bonds for reoffering at a price of $__________, which represents the aggregate principal amount of the Bonds, plus an original issue premium of $__________ less an Underwriters’ discount of $__________.

The Purchase Agreement provides that the Underwriters will purchase all of the Series 2019 Bonds if any are purchased. The Series 2019 Bonds may be offered and sold by the Underwriters to certain dealers and others at yields higher than the public offering yields indicated on the inside cover hereof, and such public offering yields may by changed from time to time by the Underwriters. The Underwriters agree to make a public offering of the Series 2019 Bonds. The Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Series 2019 Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The following two paragraphs have been provided by and are being included in this Official Statement at the request of the Underwriters. The Commission does not assume any responsibility for the accuracy or completeness of such statements or information.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Commission, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Commission. Certain of the Underwriters or their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish
or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such securities and instruments.

**Retail Brokerage Arrangements**

*The following four paragraphs have been provided by and are being included in this Official Statement at the request of the respective Underwriters. The Commission does not assume any responsibility for the accuracy or completeness of such statements or information.*

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Products Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Products Group (“WFBNA”), one of the underwriters of the Series 2019 Bonds, has entered into an agreement (the “WFA Distribution Agreement”) with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name “Wells Fargo Advisors”) (“WFA”), for the distribution of certain municipal securities offerings, including the Series 2019 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2019 Bonds with WFA. WFBNA has also entered into an agreement (the “WFSLLC Distribution Agreement”) with its affiliate Wells Fargo Securities, LLC (“WFSLLC”), for the distribution of municipal securities offerings, including the Series 2019 Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC’s expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

**MUNICIPAL ADVISOR**

The Commission has retained PFM Financial Advisors, LLC, San Francisco, California, as municipal advisor (the “Municipal Advisor”) in connection with the Series 2019 Bonds. The Municipal Advisor is an independent registered municipal advisor. The Municipal Advisor has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement.

**VERIFICATION OF MATHEMATICAL COMPUTATIONS**

The Verification Agent will verify the accuracy of mathematical computations concerning the adequacy of the maturing principal amounts of and interest earned on the Defeasance Securities deposited in the Escrow Account, together with amounts held as cash therein, to provide for payment of the Redemption Price of the applicable Refunded Bonds on the applicable Redemption Date.

The report of the Verification Agent will include the statement that the scope of its engagement was limited to verifying the mathematical accuracy of the computations contained in such schedules provided to it and that the Verification Agent has no obligation to update its report because of events occurring, or data or information coming to its attention, after the date of its report.
RELATIONSHIP OF CERTAIN PARTIES

Citigroup Global Markets Inc. is a dealer for the Subordinate Commercial Paper Notes and is an Underwriter of the Series 2019 Bonds.

Goldman Sachs & Co. LLC is serving as remarketing agent for the 2008 Series B Bonds and is an Underwriter of the Series 2019 Bonds.


Stifel, Nicolaus & Company, Incorporated is serving as remarketing agent for the 2008 Series D Bonds and is an Underwriter of the Series 2019 Bonds.

In June 2013, the Commission commenced an action against a number of banks, including entities affiliated with Citigroup Global Markets Inc. and J.P. Morgan Securities LLC, certain of the Underwriters of the Series 2019 Bonds, alleging that the defendants conspired to suppress U.S. dollar London Interbank Offered Rate (“LIBOR”) by collectively submitting U.S. dollar LIBOR rates to the British Bankers’ Association that were artificially low between August 2007 and March 2011. The Commission alleges that the suppression of U.S. dollar LIBOR deprived it of its rightful rate of return on various interest rate swap transactions, and asserts a variety of claims including antitrust claims seeking treble damages. The defendants deny such allegations. Since it was commenced in June 2013, this action has been stayed pending a final determination on motions to dismiss that were filed in similar U.S. dollar LIBOR actions pending before Judge Naomi Reice Buchwald in New York federal district court. On August 4, 2015, Judge Buchwald issued a decision, following which the parties agreed all claims by the Commission against the Citigroup and J.P. Morgan defendants would be dismissed either on the merits or for lack of personal jurisdiction. On May 23, 2016, however, the U.S. Court of Appeals for the Second Circuit vacated the dismissal of the antitrust claims and remanded for further consideration of the issue by the district court.

FINANCIAL STATEMENTS AND INDEPENDENT ACCOUNTANTS

Financial information relating to the Commission is included in the Commission’s Audited Financial Statements for the Fiscal Year Ended June 30, 2019, which are included as part of Appendix A to this Official Statement. The financial statements of the Commission included in Appendix A have been audited by Davis Farr LLP, Certified Public Accountants (the “Auditors”), as stated in their report appearing in Appendix A. The Auditors were not requested to consent to the inclusion of their report in Appendix A, nor have they undertaken to update their report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditors with respect to any event subsequent to the date of their report.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the Commission and holders of any of the Series 2019 Bonds. All quotations from and summaries and explanations of the
Indenture, the Act and of other statutes and documents contained herein, do not purport to be complete, and reference is made to said documents and statutes for full and complete statements of their provisions.

Any statements in this Official Statement involving matters of opinion are intended as such and not as representations of fact.

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION

By: ______________________________
    Executive Director
APPENDIX A

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION
AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
APPENDIX B

INFORMATION REGARDING THE COUNTY OF SAN DIEGO

Set forth below is certain information with respect to the County of San Diego (the “County”). Such information was obtained from the County and from sources the Commission believes to be reliable as of the latest date when such information was available. The Commission takes no responsibility for the accuracy or completeness of such information.

ECONOMIC AND DEMOGRAPHIC INFORMATION

General

The County is the southernmost major metropolitan area in the State of California (the “State”). The County covers 4,261 square miles, extending 70 miles along the Pacific Coast from the Mexican border to Orange County and inland 75 miles to Imperial County. Riverside and Orange Counties form the northern boundary. The County is approximately the size of the State of Connecticut.

The topography of the County varies from broad coastal plains and fertile inland valleys to mountain ranges in the east which rise to an elevation of 6,500 feet. Eastern slopes of these mountains form the rim of the Anza-Borrego Desert and the Imperial Valley. The Cleveland National Forest occupies much of the interior portion of the County. The climate is stable in the coastal and valley regions where most of the population and resources are located. The average annual rainfall in the coastal areas is approximately 10 inches.

The County possesses a diverse economic base consisting of high technology, manufacturing, tourism, agriculture, government and the largest uniformed military presence in the nation.

PETCO Park, located in the City of San Diego (the “City”), provides a 42,000 fixed seat baseball stadium for the San Diego Padres. PETCO Park is located in a 26-block neighborhood that contains existing and proposed hotels, office space, retail and housing units within walking distance from the San Diego Convention Center and the Gaslamp Quarter. The baseball stadium also is within walking distance of a San Diego Trolley station and nearby parking facilities.

The San Diego Convention Center includes ___ million total gross square feet and plans are in progress to expand the Convention Center. Estimates by the San Diego Convention and Visitors Bureau indicate that the Convention Center generated approximately $39.1 million in spending during calendar year 2018. In 2018, there were 133 events held at the Convention Center with approximately 553,300 people in attendance. The San Diego Convention Center Corporation estimates that the Convention Center’s operations generate more than a billion dollars of regional economic activity.

The County is also growing as a major center for culture and education. Over 30 recognized art organizations, including the Old Globe Theatre productions, the La Jolla Chamber Orchestra, as well as museums and art galleries, are located in the County. Higher education is provided through community colleges and colleges, universities, and graduate level schools, referenced below under “Education.”

In addition to the City, other principal cities in the County include Carlsbad, Chula Vista, Oceanside, El Cajon, Escondido, San Marcos, and Vista. Most County residents live within 20 miles of the coast. Farther inland are agricultural areas, principally planted in avocados and tomatoes, while the easternmost portion of the County has a dry, desert-like topography.
Population

There are 18 incorporated cities in the County, and a number of unincorporated communities. In the 1990s, the population of the County grew at a greater rate than that of either the State or the nation. The County population as of January 1, 2018 was estimated to be approximately 3,343,000, making it the second largest County by population in California. The County’s 2018 population increased 0.18% from 2015. By 2020, the County’s population is projected to exceed 3.4 million.

The following table shows changes in the population in the County, the State and the United States for the years 2009 to 2018.

### POPULATION\(^{(1)}\)

(In Thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>San Diego County</th>
<th>Percent Change</th>
<th>State of California</th>
<th>Percent Change</th>
<th>United States</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>3,064</td>
<td>1.02%</td>
<td>38,293</td>
<td>1.08%</td>
<td>307,006</td>
<td>0.86%</td>
</tr>
<tr>
<td>2010</td>
<td>3,095</td>
<td>1.01%</td>
<td>37,224</td>
<td>(2.79)%</td>
<td>308,745</td>
<td>0.57%</td>
</tr>
<tr>
<td>2011</td>
<td>3,121</td>
<td>0.84%</td>
<td>37,537</td>
<td>0.92%</td>
<td>311,592</td>
<td>0.92%</td>
</tr>
<tr>
<td>2012</td>
<td>3,153</td>
<td>1.03%</td>
<td>37,881</td>
<td>0.92%</td>
<td>313,874</td>
<td>0.73%</td>
</tr>
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<td>2013</td>
<td>3,195</td>
<td>1.33%</td>
<td>38,239</td>
<td>0.95%</td>
<td>316,129</td>
<td>0.72%</td>
</tr>
<tr>
<td>2014</td>
<td>3,230</td>
<td>1.10%</td>
<td>38,567</td>
<td>0.86%</td>
<td>317,298</td>
<td>0.37%</td>
</tr>
<tr>
<td>2015</td>
<td>3,264</td>
<td>1.05%</td>
<td>38,908</td>
<td>0.88%</td>
<td>321,419</td>
<td>1.30%</td>
</tr>
<tr>
<td>2016</td>
<td>3,317</td>
<td>0.82%</td>
<td>39,209</td>
<td>0.66%</td>
<td>323,071</td>
<td>0.60%</td>
</tr>
<tr>
<td>2017</td>
<td>3,337</td>
<td>0.60%</td>
<td>39,399</td>
<td>0.48%</td>
<td>325,147</td>
<td>0.70%</td>
</tr>
<tr>
<td>2018</td>
<td>3,343</td>
<td>0.18%</td>
<td>39,557</td>
<td>0.40%</td>
<td>327,167</td>
<td>0.60%</td>
</tr>
</tbody>
</table>

\(^{(1)}\) For 2009 through 2015, population statistics are as of January 1. For 2016 through 2018 population statistics are as of July 1. Source: California State Department of Finance for County and State Data; U.S. bureau of Statistics for National Data.
Employment

The County’s total annual average labor force, the number of persons who work or are available for work, during 2018 was approximately 1,540,000. The annual average number of employed civilian workers in the labor force for the same year was approximately 1,440,000. The following table sets forth information regarding the size of the civilian labor force, employment and unemployment rates for the County, the State and the United States for the full years 2014 through 2018. This employment data shows that San Diego has been adding jobs and is trending towards a lower unemployment rate faster than the rest of the State. In 2018, the County enjoyed a lower unemployment than both the State and the country at 3.3%.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
ANNUAL AVERAGES 2014-2018(1)

By Place of Residence
(In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>County of San Diego</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor Force</td>
<td>1,540</td>
<td>1,550</td>
<td>1,564</td>
<td>1,574</td>
<td>1,592</td>
</tr>
<tr>
<td>Employment</td>
<td>1,440</td>
<td>1,469</td>
<td>1,490</td>
<td>1,511</td>
<td>1,539</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>6.4%</td>
<td>5.2%</td>
<td>4.7%</td>
<td>4.0%</td>
<td>3.3%</td>
</tr>
<tr>
<td>State of California</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor Force</td>
<td>18,714</td>
<td>18,851</td>
<td>19,044</td>
<td>19,205</td>
<td>19,398</td>
</tr>
<tr>
<td>Employment</td>
<td>17,310</td>
<td>17,681</td>
<td>18,002</td>
<td>18,285</td>
<td>18,582</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>7.5%</td>
<td>6.2%</td>
<td>5.5%</td>
<td>4.8%</td>
<td>4.2%</td>
</tr>
<tr>
<td>United States of America</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor Force</td>
<td>155,922</td>
<td>157,130</td>
<td>159,187</td>
<td>160,320</td>
<td>162,075</td>
</tr>
<tr>
<td>Employment</td>
<td>146,305</td>
<td>148,843</td>
<td>151,436</td>
<td>153,337</td>
<td>155,761</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>6.2%</td>
<td>5.3%</td>
<td>4.9%</td>
<td>4.4%</td>
<td>3.9%</td>
</tr>
</tbody>
</table>

(1) Data not seasonally adjusted. Unemployment rate is based on unrounded data.
The following table sets forth the annual average civilian employment within the County by employment sector for 2014 through 2018.

### SAN DIEGO COUNTY

**NON-AGRICULTURAL LABOR FORCE AND INDUSTRY EMPLOYMENT ANALYSIS**

2014-2018

* (In Thousand)

<table>
<thead>
<tr>
<th>Employment Sector</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining and Logging</td>
<td>0.4</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Construction</td>
<td>63.9</td>
<td>69.9</td>
<td>76.3</td>
<td>79.5</td>
<td>84.2</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>102.4</td>
<td>106.6</td>
<td>108.4</td>
<td>109.4</td>
<td>112.7</td>
</tr>
<tr>
<td>Trade, Transportation and Utilities</td>
<td>216.2</td>
<td>219.3</td>
<td>220.9</td>
<td>224.7</td>
<td>225.3</td>
</tr>
<tr>
<td>Information</td>
<td>24.5</td>
<td>23.8</td>
<td>23.7</td>
<td>24.0</td>
<td>24.0</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>69.6</td>
<td>71.4</td>
<td>73.0</td>
<td>74.6</td>
<td>75.9</td>
</tr>
<tr>
<td>Professional and Business Services</td>
<td>222.4</td>
<td>229.3</td>
<td>234.5</td>
<td>238.8</td>
<td>248.8</td>
</tr>
<tr>
<td>Educational and Health Services</td>
<td>186.1</td>
<td>192.7</td>
<td>198.7</td>
<td>204.3</td>
<td>210.5</td>
</tr>
<tr>
<td>Leisure and Hospitality</td>
<td>175.5</td>
<td>182.4</td>
<td>190.4</td>
<td>195.6</td>
<td>199.9</td>
</tr>
<tr>
<td>Other Services</td>
<td>52.0</td>
<td>53.2</td>
<td>54.4</td>
<td>55.0</td>
<td>55.4</td>
</tr>
<tr>
<td>Government</td>
<td>231.9</td>
<td>236.2</td>
<td>242.2</td>
<td>246.3</td>
<td>247.6</td>
</tr>
<tr>
<td>Total (1)</td>
<td>1,344.9</td>
<td>1,385.1</td>
<td>1,422.8</td>
<td>1,452.5</td>
<td>1,484.6</td>
</tr>
</tbody>
</table>

Source: California Employment Development Department. 2018 Benchmark

(1) Reflects independent rounding.
**Major Employers**

The County is host to a diverse mix of major employers representing industries ranging from education and health services, to diversified manufacturing, military, financial services, retail trade and amusement and recreation. The following table lists the County’s major employers.

<table>
<thead>
<tr>
<th>Employer</th>
<th>Description</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. US Naval Base, San Diego</td>
<td>Naval Base</td>
<td>34,185</td>
</tr>
<tr>
<td>2. University of California, San Diego</td>
<td>University</td>
<td>21,316</td>
</tr>
<tr>
<td>3. County of San Diego (3)</td>
<td>Government</td>
<td>17,413</td>
</tr>
<tr>
<td>5. Sharp HealthCare</td>
<td>Healthcare</td>
<td>12,283</td>
</tr>
<tr>
<td>6. Scripps Health</td>
<td>Healthcare</td>
<td>12,153</td>
</tr>
<tr>
<td>7. Qualcomm Inc.</td>
<td>Technology</td>
<td>11,800</td>
</tr>
<tr>
<td>8. City of San Diego</td>
<td>Municipal Agency</td>
<td>11,462</td>
</tr>
<tr>
<td>9. UC San Diego Health</td>
<td>Healthcare</td>
<td>8,104</td>
</tr>
<tr>
<td>10. General Atomics Aeronautical Systems, Inc.</td>
<td>Technology</td>
<td>6,739</td>
</tr>
</tbody>
</table>


(1) Excludes employers that did not disclose employee information or did not respond to the survey by the applicable deadline.
Regional Economy

Economic activity and population growth in the local economy are closely related. Helping to sustain the County’s economy is the performance of many industries, including Biotechnology, Wireless Communications, Defense Manufacturing and Uniformed Personnel, and Leisure and Hospitality. The table below sets forth the County’s Gross Domestic Product, which is an estimate of the value for all goods and services produced in the region, from 2013 through 2017. Annual figures for 2018 are not yet available.

**SAN DIEGO COUNTY GROSS DOMESTIC PRODUCT 2013-2017**

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Domestic Product (In Billions)(1)</th>
<th>Annual Percent Change (year over year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$198.3</td>
<td>4.9%</td>
</tr>
<tr>
<td>2014</td>
<td>204.9</td>
<td>3.3</td>
</tr>
<tr>
<td>2015</td>
<td>211.8</td>
<td>3.3</td>
</tr>
<tr>
<td>2016</td>
<td>222.9</td>
<td>5.2</td>
</tr>
<tr>
<td>2017</td>
<td>231.8</td>
<td>3.9</td>
</tr>
</tbody>
</table>

Sources: U.S. Bureau of Economic Analysis, retrieved from FRED, Federal Reserve Bank of St. Louis.

The table below sets forth the assessed valuation of property within the County subject to taxation for Fiscal Years 2008-09 through 2018-19.

**ASSESSED VALUATION OF PROPERTY SUBJECT TO AD VALOREM TAXATION Fiscal Years 2008-09 through 2018-19 (In Thousands)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>$184,573,765</td>
<td>$217,641,565</td>
<td>$14,496,587</td>
<td>$416,711,917</td>
<td>$10,336,971</td>
<td>$406,374,945</td>
</tr>
<tr>
<td>2009-10</td>
<td>177,035,056</td>
<td>215,309,621</td>
<td>15,194,665</td>
<td>407,539,342</td>
<td>11,244,820</td>
<td>396,294,522</td>
</tr>
<tr>
<td>2010-11</td>
<td>173,642,233</td>
<td>214,286,031</td>
<td>14,639,554</td>
<td>402,567,818</td>
<td>11,790,769</td>
<td>390,777,039</td>
</tr>
<tr>
<td>2011-12</td>
<td>174,658,242</td>
<td>216,383,122</td>
<td>14,483,422</td>
<td>405,524,786</td>
<td>12,537,490</td>
<td>392,987,296</td>
</tr>
<tr>
<td>2012-13</td>
<td>173,840,948</td>
<td>217,588,947</td>
<td>14,693,957</td>
<td>406,123,852</td>
<td>13,165,008</td>
<td>392,958,844</td>
</tr>
<tr>
<td>2013-14</td>
<td>179,943,404</td>
<td>224,701,971</td>
<td>15,195,049</td>
<td>419,840,424</td>
<td>13,856,802</td>
<td>405,983,622</td>
</tr>
<tr>
<td>2014-15</td>
<td>192,003,349</td>
<td>236,234,389</td>
<td>15,347,042</td>
<td>443,584,780</td>
<td>14,344,037</td>
<td>429,240,743</td>
</tr>
<tr>
<td>2015-16</td>
<td>203,701,281</td>
<td>249,298,560</td>
<td>15,491,395</td>
<td>468,754,236</td>
<td>15,175,726</td>
<td>453,315,510</td>
</tr>
<tr>
<td>2016-17</td>
<td>215,835,633</td>
<td>261,594,164</td>
<td>16,324,650</td>
<td>493,754,447</td>
<td>16,103,351</td>
<td>477,651,096</td>
</tr>
<tr>
<td>2017-18</td>
<td>230,572,975</td>
<td>276,262,039</td>
<td>16,807,985</td>
<td>523,642,999</td>
<td>16,816,816</td>
<td>506,826,183</td>
</tr>
<tr>
<td>2018-19</td>
<td>246,455,471</td>
<td>291,085,650</td>
<td>17,764,620</td>
<td>555,305,741</td>
<td>18,416,932</td>
<td>536,888,809</td>
</tr>
</tbody>
</table>

Source: County of San Diego, Auditor and Controller.

(1) Exemption figures include veterans, church, welfare, religious, college and cemetery exemptions.

(2) Figures include local secured, unsecured manufactured home and possessory interest, state unitary and redevelopment valuation, if any.
### Building Activity

Annual total building permit valuation and the annual unit total of new residential permits from 2014 through 2018 are shown in the following table.

#### COUNTY OF SAN DIEGO BUILDING PERMIT ACTIVITY 2014 – 2018

<table>
<thead>
<tr>
<th>Year</th>
<th>Residential Valuation ($ in Millions)</th>
<th>Non-Residential Valuation ($ in Millions)</th>
<th>Total Valuation ($ in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$1,818</td>
<td>1,921</td>
<td>$3,739</td>
</tr>
<tr>
<td>2015</td>
<td>$2,447</td>
<td>1,863</td>
<td>$4,310</td>
</tr>
<tr>
<td>2016</td>
<td>$2,472</td>
<td>1,782</td>
<td>$4,255</td>
</tr>
<tr>
<td>2017</td>
<td>$2,633</td>
<td>2,371</td>
<td>$5,004</td>
</tr>
<tr>
<td>2018</td>
<td>$2,685</td>
<td>1,902</td>
<td>$4,587</td>
</tr>
</tbody>
</table>

#### New Housing Units:

<table>
<thead>
<tr>
<th>Type</th>
<th>Single Family</th>
<th>Multiple Family</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2,276</td>
<td>4,327</td>
<td>6,603</td>
</tr>
<tr>
<td>2015</td>
<td>3,136</td>
<td>6,869</td>
<td>10,005</td>
</tr>
<tr>
<td>2016</td>
<td>2,420</td>
<td>7,680</td>
<td>10,100</td>
</tr>
<tr>
<td>2017</td>
<td>3,960</td>
<td>6,056</td>
<td>9,616</td>
</tr>
<tr>
<td>2018</td>
<td>3,438</td>
<td>6,190</td>
<td>9,628</td>
</tr>
</tbody>
</table>

### Source:
Construction Industry Research Board. And California Homebuilding Foundation.

(1) Totals may not sum due to rounding.

### Commercial Activity

The following table sets forth information regarding taxable sales in the County for the years 2013 through 2017. Annual figures for 2018 are not yet available.

#### COUNTY OF SAN DIEGO TAXABLE SALES 2013 through 2017 ($ in Thousands)

<table>
<thead>
<tr>
<th>Type of Business</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail and Food Services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motor Vehicle and Parts Dealers</td>
<td>$6,355,973</td>
<td>$6,753,234</td>
<td>$7,294,830</td>
<td>$7,552,836</td>
<td>$7,677,235</td>
</tr>
<tr>
<td>Furniture &amp; Home Furnishings Stores</td>
<td>1,015,878</td>
<td>1,047,805</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home Furnishings and Appliance Stores</td>
<td></td>
<td></td>
<td>2,431,314</td>
<td>2,555,889</td>
<td>2,460,470</td>
</tr>
<tr>
<td>Electronics &amp; Appliance Stores</td>
<td>1,297,063</td>
<td>1,272,567</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building Materials and Garden Equipment</td>
<td></td>
<td></td>
<td>2,431,314</td>
<td>2,555,889</td>
<td>2,460,470</td>
</tr>
<tr>
<td>Food and Beverage Stores</td>
<td>2,179,811</td>
<td>2,291,807</td>
<td>2,306,865</td>
<td>3,450,970</td>
<td>2,398,487</td>
</tr>
<tr>
<td>Health &amp; Personal Care Stores</td>
<td>915,651</td>
<td>919,455</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gasoline Stations</td>
<td>4,515,941</td>
<td>4,514,898</td>
<td>3,944,602</td>
<td>3,460,970</td>
<td>3,778,677</td>
</tr>
<tr>
<td>Clothing and Clothing Accessories Stores</td>
<td>3,425,325</td>
<td>3,482,100</td>
<td>3,562,794</td>
<td>3,573,189</td>
<td>3,637,217</td>
</tr>
<tr>
<td>Sporting Goods, Hobby, Book &amp; Music Stores</td>
<td>1,031,505</td>
<td>1,033,780</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Merchandise Stores</td>
<td>4,784,812</td>
<td>4,845,900</td>
<td>4,398,638</td>
<td>4,305,596</td>
<td>4,347,468</td>
</tr>
<tr>
<td>Miscellaneous Store Retailers</td>
<td>1,539,376</td>
<td>1,594,890</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food Services and Drinking Places</td>
<td>556,994</td>
<td>2,291,807</td>
<td>6,955,660</td>
<td>7,374,383</td>
<td>7,739,054</td>
</tr>
<tr>
<td>Nonstore Retailers</td>
<td>5,954,220</td>
<td>641,091</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Retail Group</td>
<td></td>
<td></td>
<td>4,463,781</td>
<td>4,682,868</td>
<td>4,851,152</td>
</tr>
<tr>
<td>Total Retail and Food Services</td>
<td>$35,948,594</td>
<td>37,257,495</td>
<td>$37,989,566</td>
<td>$38,576,362</td>
<td>$39,814,404</td>
</tr>
<tr>
<td>All Other Outlets</td>
<td>14,348,737</td>
<td>15,454,144</td>
<td>16,196,021</td>
<td>16,831,503</td>
<td>17,179,143</td>
</tr>
<tr>
<td>Totals All Outlets</td>
<td>$50,297,331</td>
<td>52,711,639</td>
<td>54,185,588</td>
<td>55,407,866</td>
<td>56,993,548</td>
</tr>
</tbody>
</table>

Source: Construction Industry Research Board. And California Homebuilding Foundation.
Source: California Department of Tax and Fee Administration.
Personal Income

The following table summarizes the median household income for the County, the State, and the United States between 2013 and 2017. In 2017, the median household income for the County of San Diego was $76,048. Annual figures for the County for 2018 are not yet available.

<table>
<thead>
<tr>
<th>Year</th>
<th>San Diego County</th>
<th>California</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$61,365</td>
<td>60,794</td>
<td>$53,585</td>
</tr>
<tr>
<td>2014</td>
<td>66,034</td>
<td>60,487</td>
<td>53,657</td>
</tr>
<tr>
<td>2015</td>
<td>67,053</td>
<td>63,636</td>
<td>56,516</td>
</tr>
<tr>
<td>2016</td>
<td>70,693</td>
<td>66,637</td>
<td>59,039</td>
</tr>
<tr>
<td>2017</td>
<td>76,048</td>
<td>70,038</td>
<td>61,136</td>
</tr>
<tr>
<td>2018</td>
<td>N/A</td>
<td>70,489</td>
<td>63,139</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau – retrieved from FRED, Federal Reserve Bank of St. Louis.
(1) Estimated as of September 2018 in inflation-adjusted dollars.

Transportation

Surface, sea and air transportation facilities serve County residents and businesses. Interstate 5 parallels the coast from Mexico to the Los Angeles area and beyond. Interstate 15 runs inland, leading to Riverside and San Bernardino Counties, Las Vegas, and Salt Lake City. Interstate 8 runs eastward through the southern United States.

The San Diego International Airport (Lindbergh Field) is located approximately three miles northwest of the downtown area and sits on 614 acres. The facilities are owned and maintained by the San Diego County Regional Airport Authority and are leased to commercial airlines and other tenants. The airport is California’s third most active commercial airport, served by 18 passenger carriers and six cargo carriers. In addition to San Diego International Airport, there are two naval air stations and seven general aviation airports located in the County.

Public transportation in the County is provided by two transit operators, the San Diego Metropolitan Transit System (“MTS”) and North County Transit District (NCTD). MTS operates the light rail system that provides transportation for commuters and tourists from Downtown San Diego to San Ysidro (adjacent to Tijuana), and from Downtown San Diego to the southern part of the County and East County and includes the newest connection at San Diego State University. MTS also provides fixed route and paratransit services. NCTD operates the 43-mile Coaster Commuter rail line from Oceanside to downtown San Diego as well as the Sprinter light rail that runs from Oceanside to Escondido. Like MTS, NCTD also provides fixed route and paratransit bus services.

San Diego is the terminus of the Santa Fe Railway’s main line from Los Angeles. Amtrak passenger service is available at San Diego, with stops at Solana Beach and Oceanside in the North County. San Diego rail corridor is part of the Los Angeles-San Luis Obispo-San Diego Corridor which is the second busiest rail corridor in the nation. San Diego’s harbor is one of the world’s largest natural harbors. The Port of San Diego is administered by the San Diego Unified Port District, which includes the cities of San Diego, National City, Chula Vista, Imperial Beach, and Coronado.
San Diego’s harbor is one of the world’s largest natural harbors. The Port of San Diego is administered by the San Diego Port District, which included the Cities of San Diego, National City, Chula Vista, Imperial Beach, and Coronado.

Visitor and Convention Activity

An excellent climate, proximity to Mexico, extensive maritime facilities, and such attractions as the San Diego Zoo and Wild Animal Park, Sea World, Cabrillo National Monument, and Palomar Observatory allow San Diego to attract visitor and convention business each year. The development of the 4,600-acre Mission Bay Park at San Diego and the construction of meeting and convention facilities at the San Diego community concourse have contributed to the growth in tourism. The visitor business is expected to continue to increase steadily.

The visitor industry is the City’s third largest in terms of income generation, behind manufacturing and the military. The following table depicts total visitor spending in San Diego County for the past ten years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>6.96</td>
</tr>
<tr>
<td>2010</td>
<td>7.08</td>
</tr>
<tr>
<td>2011</td>
<td>7.49</td>
</tr>
<tr>
<td>2012</td>
<td>7.98</td>
</tr>
<tr>
<td>2013</td>
<td>8.39</td>
</tr>
<tr>
<td>2014</td>
<td>9.21</td>
</tr>
<tr>
<td>2015</td>
<td>9.92</td>
</tr>
<tr>
<td>2016</td>
<td>10.40</td>
</tr>
<tr>
<td>2017</td>
<td>10.82</td>
</tr>
<tr>
<td>2018</td>
<td>11.49</td>
</tr>
</tbody>
</table>

Source: San Diego Tourism Authority.

Major attractions located in the County include the world-renowned San Diego Zoo, the San Diego Wild Animal Park, Legoland, California and Sea World. The San Diego Padres play home games at PETCO Park, located on 18 acres, with a capacity of 42,000. Other attractions include the Cabrillo National Monument on Point Loma, Balboa Park, home to the Zoo and a host of other cultural and recreational activities, downtown’s historic Gaslamp Quarter, and the Old Town State Park. The cruise ship industry is another important sector of the local visitor industry.

There are over 90 golf courses in the County, including the La Costa Golf Course, scene of the Tournament of Champions in 2006 and the championship Torrey Pines Golf Course, where the U.S. Open was held in 2008. Torrey Pines is also slated to host the U.S. Open for the second time in 2021.

The County benefits from its proximity to Mexico, with its sporting attractions such as Jai Alai, thoroughbred racing and ocean fishing, as well as the shopping and entertainment venues of Tijuana. Tijuana may be reached from downtown San Diego by the Red Trolley, and within a short drive from the center of the City, visitors may take in the many beaches, mountains and desert areas within the County.
San Diego’s convention and visitor industry generated an estimated $39.1 million in total revenues in 2018 according to an estimate by the San Diego Convention and Visitors Bureau (the “Visitors Bureau”). The Visitors Bureau also reported that the San Diego Convention Center events attracted more than 785,460 visitors and hosted 133 events (including conventions and other events) in 2018.

Contributing to the growth in total visitor spending has been an increase in convention activity, as displayed in the table below. The convention center has hosted the annual Comic-Con International Convention, the 1996 Republican National Convention and the 2007 California Democratic Party Convention.

**SAN DIEGO CONVENTION CENTER**
**2009 – 2018**

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Estimated Spending</th>
<th>Number of Conventions</th>
<th>Total Delegate Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$541,904,169</td>
<td>71</td>
<td>519,418</td>
</tr>
<tr>
<td>2010</td>
<td>567,413,270</td>
<td>64</td>
<td>543,931</td>
</tr>
<tr>
<td>2011</td>
<td>578,931,514</td>
<td>74</td>
<td>566,658</td>
</tr>
<tr>
<td>2012</td>
<td>621,304,790</td>
<td>67</td>
<td>561,523</td>
</tr>
<tr>
<td>2013</td>
<td>559,947,727</td>
<td>75</td>
<td>524,448</td>
</tr>
<tr>
<td>2014</td>
<td>593,105,421</td>
<td>76</td>
<td>527,621</td>
</tr>
<tr>
<td>2015</td>
<td>620,092,228</td>
<td>71</td>
<td>553,283</td>
</tr>
<tr>
<td>2016</td>
<td>721,047,316</td>
<td>67</td>
<td>697,518</td>
</tr>
<tr>
<td>2017</td>
<td>650,818,239</td>
<td>61</td>
<td>545,366</td>
</tr>
<tr>
<td>2018</td>
<td>733,357,461</td>
<td>68</td>
<td>610,848</td>
</tr>
</tbody>
</table>

Note: Table includes only primary events held at the San Diego Convention Center, it does not include other sources of convention activity in the San Diego region.
Source: San Diego Tourism Authority.

**Education**

Forty-two independent school districts provide educational programs for the elementary and secondary public school children in the County. Each school system is governed by a locally elected board of education and administered by a superintendent or other chief administrative officer appointed by the board. In the County there are three types of school districts: elementary, union high and unified. Elementary districts educate elementary students, union high districts for the most part educate secondary students, and unified districts educate both elementary and secondary students. There are currently 12 unified, 24 elementary and 6 union high school districts in the County.

Additionally, there are five community college districts in the County that are locally operated and administered two-year institutions of higher education. They offer Associates in Arts and Associates in Science degrees and have extensive vocational curricula. These community college districts have students at numerous campuses, adult and community centers.

Among the institutions of higher education offering bachelors and graduate programs in metropolitan San Diego are: San Diego State University; the University of California, San Diego; National University; the University of San Diego; Point Loma Nazarene University; California State University – San Marcos; Alliant International University; the University of Phoenix; Thomas Jefferson School of Law, and California Western School of Law.

**Military**
Military and related defense spending are significant factors in the County economy. Military installations include Marine Corps Base Camp Joseph H. Pendleton; the Marine Corps Recruit Depot; Marine Corps Air Station at Miramar; Naval Air Station North Island; Naval Station San Diego; and Naval Submarine Base, San Diego.

Military and related defense spending are significant factors in the County’s economy. The San Diego Military Economic Impact Study released by the San Diego Military Advisory Council in 2018 estimated that defense-related activities and spending generated an estimated $26 billion of gross regional product for the County in Fiscal Year 2017-18 and reported that the military sector was responsible for approximately 340,000 of the region’s total jobs in Fiscal Year 2017-18. The level of economic activity generated by this factor is expected to be affected by various federal consolidation and budget activities.

Research and Development

Research and development activity plays an important role in the area’s economy. Construction of a major campus of the University of California at San Diego (“UCSD”) in 1964 gave significant impetus to this development.

The County is a leading health sciences and biomedical center. Approximately 35,000 persons are engaged in life sciences-related activities in the metropolitan area, with over 28,000 employed directly in health services. In addition to UCSD, other established research institutions in the La Jolla area of the City include the Salk Institute for Biological Studies, the Scripps Clinic and Research Foundation, and the Scripps Institution of Oceanography.
[insert appendix C]
[insert appendix D]
APPENDIX E

BOOK-ENTRY ONLY SYSTEM

Introduction

Unless otherwise noted, the information contained under the subcaption “– General” below has been provided by DTC. Commission makes no representations as to the accuracy or completeness of such information. Further, Commission undertakes no responsibility for and makes no representations as to the accuracy or the completeness of the content of such material described under “– General,” including, but not limited to, updates of such information or links to other Internet sites accessed through the aforementioned websites. The Beneficial Owners of the Series 2019 Bonds should confirm the following information with DTC, the Direct Participants or the Indirect Participants.

NEITHER COMMISSION NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (B) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2019 BONDS UNDER THE RESOLUTIONS; (C) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2019 BONDS, IF APPLICABLE; (D) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT TO THE OWNERS OF THE SERIES 2019 BONDS; (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF SERIES 2019 BONDS; OR (F) ANY OTHER MATTER REGARDING DTC.

General

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2019 Bonds. The Series 2019 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2019 Bond certificate will be issued for each maturity of the Series 2019 Bonds and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are regulated clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing
corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Standard & Poor’s has rated DTC “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information set forth on such website is not incorporated herein by reference.

Purchases of the Series 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2019 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2019 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2019 Bonds, except in the event that use of the book-entry system for the Series 2019 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2019 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2019 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2019 Bonds. DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2019 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2019 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2019 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2019 Bonds documents. For example, Beneficial Owners of the Series 2019 Bonds may wish to ascertain that the nominee holding the Series 2019 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2019 Bonds of like maturity are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2019 Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Commission as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Series 2019 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of, premium, if any, and interest on the Series 2019 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s
practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from Commission or the Trustee, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, the Trustee, or Commission, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest on the Series 2019 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Commission or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

NEITHER COMMISSION NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO THE PAYMENTS OR THE PROVIDING OF NOTICE TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS.

Commission, the Trustee and the Underwriters cannot and do not give any assurances that DTC, the DTC Participants or others will distribute payments of principal or interest on the Series 2019 Bonds paid to DTC or its nominee as the registered owner, or will distribute any notices, to the Beneficial Owners, or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. Commission, the Trustee and the Underwriters are not responsible or liable for the failure of DTC or any DTC Participant to make any payment or give any notice to a Beneficial Owner with respect to the Series 2019 Bonds or for an error or delay relating thereto.

DTC may discontinue providing its services as depository with respect to the Series 2019 Bonds at any time by giving reasonable notice to Commission or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2019 Bonds certificates are required to be printed and delivered.

Commission may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2019 Bonds certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that Commission believes to be reliable, but Commission takes no responsibility for the accuracy thereof.

BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL DELIVERY OF SERIES 2019 BONDS AND WILL NOT BE RECOGNIZED BY THE TRUSTEE AS OWNERS THEREOF, AND BENEFICIAL OWNERS WILL BE PERMITTED TO EXERCISE THE RIGHTS OF OWNERS ONLY INDIRECTLY THROUGH DTC AND THE DTC PARTICIPANTS.
$_____

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION
SALES TAX REVENUE BONDS
(LIMITED TAX BONDS)
2019 SERIES A
(TAXABLE)

BOND PURCHASE AGREEMENT

December __, 2019

San Diego County Regional Transportation Commission
401 B Street, Suite 800
San Diego, California 92101

Ladies and Gentlemen:

Goldman, Sachs & Co. (the “Representative”), acting on behalf of itself and Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Stifel, Nicolaus & Company, Incorporated and Wells Fargo Bank, National Association (collectively the “Underwriters”), hereby offers to enter into this Bond Purchase Agreement with the San Diego County Regional Transportation Commission (the “Commission”), which, upon the Commission’s acceptance hereof, will be binding upon the Commission and the Underwriters. This offer is made subject to the written acceptance of this Bond Purchase Agreement by the Commission and the delivery of such acceptance to the Representative or its attorney at or prior to 6:00 p.m., Pacific time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriters upon notice delivered to the Commission at any time prior to the acceptance hereof by the Commission.

The Representative represents and warrants to the Commission that it has been duly authorized to enter into this Bond Purchase Agreement and to act hereunder by and on behalf of the Underwriters.

1. Definitions. All capitalized terms not defined herein shall have the meanings ascribed to them in the Indenture, as defined below. Unless a different meaning clearly appears from the context, the following words and terms shall have the following meanings, respectively:

“Bond Purchase Agreement” shall mean this Bond Purchase Agreement.

“Bond Resolution” shall mean Resolution No. RTC-2019-__ adopted by the Commission on November 22, 2019.

“Business Day” shall mean any day other than a Saturday, Sunday or legal holiday in the State or in New York, New York or a day on which either the Trustee or the Commission is legally authorized to close.

“Closing Date” shall have the meaning given such term in Section 7 hereof.
“Closing Time” shall mean the time at which payment for and delivery of the Series 2019A Bonds shall occur, as established pursuant to Section 7 hereof.

“Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement dated December __, 2019.

“County” shall mean the County of San Diego, California.

“End Date” shall have the meaning set forth in Section 2 hereof.

[“Escrow Agreement” shall mean the Escrow Agreement dated December __, 2019.”]

“Indenture” shall mean the Indenture, dated as of March 1, 2008, between the Commission and the Trustee, as amended or supplemented, including as supplemented by the Eighth Supplemental Indenture.

“Legal Documents” shall mean the Indenture, the Continuing Disclosure Agreement and [the Escrow Agreement].

“Official Statement” shall mean the Official Statement of the Commission, dated December __, 2019, relating to the Series 2019A Bonds, together with the cover page thereof and all appendices, exhibits, amendments and supplements thereto.

“Preliminary Official Statement” shall mean the Preliminary Official Statement of the Commission, dated ________, 2019, relating to the Series 2019A Bonds, together with the cover page thereof and all appendices, exhibits, amendments and supplements thereto.


“Sales Tax” shall mean the 1/2 of 1% retail transactions and use tax imposed by the Commission and approved by the electors of the County at an election held November 3, 1987 and extended by the electors of the County at an election held November 2, 2004.

“Series 2019A Bonds” shall mean $______ aggregate principal amount of San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), 2019 Series A (Taxable).

“Eighth Supplemental Indenture” shall mean the Eighth Supplemental Indenture, dated as of December 1, 2019, between the Commission and U.S. Bank National Association, as Trustee, as amended or supplemented.

“State” shall mean the State of California.
2. **Use and Preparation of Official Statement; Continuing Disclosure Agreement.** The Commission has heretofore delivered to the Underwriters copies of the Preliminary Official Statement, which the Commission has deemed final as of its date, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(1) of Rule 15c2-12. The Commission shall prepare and deliver to the Underwriters, as promptly as practicable, but in no event later than seven (7) business days from the date hereof and at least two (2) business days prior to the Closing Date, whichever occurs first, a final Official Statement, with such changes and amendments as may be agreed to by the Representative, in such quantities as the Underwriters may reasonably request in order to comply with paragraph (b)(4) of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board (the “MSRB”). The Commission hereby ratifies, confirms and approves the use and distribution by the Underwriters prior to the date hereof of the Preliminary Official Statement and hereby authorizes the Underwriters to use and distribute the Official Statement and all information contained therein in connection with the public offering and sale of the Series 2019A Bonds. The Representative agrees to promptly file a copy of the Official Statement, including any supplements prepared by the Commission, with the MSRB on its Electronic Municipal Markets Access (“EMMA”) system. The Commission shall deliver sufficient copies of the Official Statement to enable the Underwriters to distribute a single copy to any potential customer of the Underwriters requesting an Official Statement during the time period beginning when the Official Statement becomes available and ending on a date referred to herein as the “End Date,” which is the date when the Official Statement becomes available through EMMA, but in no event less than 25 days after the end of the underwriting period (as defined in Rule 15c2-12). On the Closing Date the Commission may assume that the end of the underwriting period has occurred unless otherwise informed in writing by the Underwriters. In any event, the Underwriters shall promptly notify the Commission of the end of the underwriting period.

The Commission will undertake pursuant to a Continuing Disclosure Agreement, to be dated as of the date of issuance of the Series 2019A Bonds, to provide certain annual financial and operating information and certain material event notices. A description of this undertaking is set forth in the Official Statement.

3. **Purchase and Sale of the Series 2019A Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase from the Commission the Series 2019A Bonds for offering to the public, and the Commission hereby agrees to sell to the Underwriters, all (but not less than all) of the $_________ aggregate principal amount of the Series 2019A Bonds at an aggregate purchase price of $_________ (the “Purchase Price”), representing the aggregate principal amount of the Series 2019A Bonds, less an underwriters’ discount of $_________.

4. **The Series 2019A Bonds.** The principal amounts, maturity dates, interest rates and prices with respect to the Series 2019A Bonds shall be as described in the Official Statement and in Appendix A hereto.

5. **Public Offering of the Series 2019A Bonds.** Except as otherwise disclosed and agreed to by the Commission, the Underwriters agree to make a bona fide public offering of the Series 2019A Bonds at the initial public offering price or prices set forth on the inside cover page of the Official Statement and in Appendix A hereto; provided, however, the Underwriters reserve the right to change the offering prices as the Underwriters deem necessary or desirable, in their
sole discretion, in connection with the marketing of the Series 2019A Bonds, and to sell the Series 2019A Bonds to certain dealers (including dealers depositing the Series 2019A Bonds into investment trusts) and others at prices lower than the initial offering prices set forth in the Official Statement. A “bona fide public offering” shall include an offering to institutional investors or registered investment companies, regardless of the number of such investors to which the Series 2019A Bonds are sold.

6. Use of Documents. The Commission hereby authorizes the Underwriters to use, in connection with the public offering and sale of the Series 2019A Bonds, this Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement and the Legal Documents, and the information contained herein and therein.

7. Closing. The Closing Time shall be no later than 10:00 a.m., Pacific time, on December __, 2019, or at such other time or on such later date as shall have been mutually agreed upon by the Commission and the Representative (the “Closing Date”). At the Closing Time, the Commission will deliver or cause to be delivered the Series 2019A Bonds to the Underwriters through The Depository Trust Company (“DTC”) in definitive or temporary form, duly executed by the Commission, together with the other documents hereinafter mentioned; and the Underwriters will accept such delivery and pay the Purchase Price in immediately available funds to the Trustee.

The Series 2019A Bonds will be registered in the name of “Cede & Co.” as nominee of DTC. It is anticipated that CUSIP identification numbers will be printed on the Series 2019A Bonds, but neither the failure to print such numbers on the Series 2019A Bonds nor any error with respect thereto shall constitute a cause for failure or refusal by the Underwriters to accept delivery of the Series 2019A Bonds in accordance with the terms of this Bond Purchase Agreement.

Delivery of the Series 2019A Bonds will be made through the book-entry system of DTC, and all other actions to be taken at the Closing Time, including the delivery of the items set forth in Section 9 hereof, shall take place at the offices of Norton Rose Fulbright US LLP, Los Angeles, California, or at such other place as shall have been mutually agreed upon by the Commission and the Representative.

8. Representations, Warranties and Agreements of the Commission. The Commission hereby represents, warrants and agrees with the Underwriters that:

(a) The Commission has been duly created and is validly existing under the laws of the State and has the power to issue the Series 2019A Bonds pursuant to the Act, the Bond Resolution and the Legal Documents.

(b) The Commission has full legal right, power and authority under the Constitution and the laws of the State to cause the collection of the Sales Tax, to adopt the Bond Resolution, to enter into the Legal Documents and this Bond Purchase Agreement, and to sell, issue and deliver the Series 2019A Bonds to the Underwriters as provided herein; the Commission has full legal right, power and authority to perform its obligations under the Bond Resolution, the Series 2019A Bonds, the Legal Documents and this Bond Purchase Agreement, and to carry out and consummate the transactions contemplated thereby and hereby and by the Official Statement;
except as described in the Preliminary Official Statement and the Official Statement, the Commission has complied with, or will at the Closing Time be in compliance with, in all respects material to this transaction, the Constitution, the Act, the Ordinance and laws of the State, and the terms of the Bond Resolution, the Series 2019A Bonds, the Legal Documents and this Bond Purchase Agreement.

(c) Except as described in the Preliminary Official Statement and the Official Statement, by all necessary official action, the Commission has duly adopted the Ordinance, which was approved by a majority of the voters in the County on November 3, 1987 and extended by more than a two-thirds vote of the voters in the County voting on such extension on November 2, 2004.

(d) By all necessary official action, the Commission has duly adopted the Bond Resolution, has duly authorized the preparation and distribution of the Preliminary Official Statement and the preparation, execution and delivery of the Official Statement, has duly authorized and approved the execution and delivery of, and the performance of its obligations under, the Series 2019A Bonds, this Bond Purchase Agreement and the Legal Documents, and the consummation by it of all other transactions contemplated by this Bond Purchase Agreement, the Bond Resolution, and the Legal Documents. When executed and delivered by their respective parties, the Legal Documents and this Bond Purchase Agreement (assuming due authorization, execution and delivery by and enforceability against the other parties thereto) will be in full force and effect and each will constitute legal, valid and binding agreements or obligations of the Commission, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State.

(e) The Series 2019A Bonds, when issued, authenticated and delivered in accordance with the Bond Resolution and the Indenture, and sold to the Underwriters as provided herein, will constitute legal, valid and binding obligations of the Commission, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors’ rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State, and will be entitled to the benefits of the laws of the State, the Indenture and the Bond Resolution.

(f) All consents, approvals, authorizations, orders, licenses or permits of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter, that are required for the due authorization by, or that would constitute a condition precedent to or the absence of which would materially adversely affect the issuance, delivery or sale of the Series 2019A Bonds and the execution, delivery of and performance of the Legal Documents by the Commission have been duly obtained (except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Series 2019A Bonds, as to which no representation is made).
(g) Except as described in the Preliminary Official Statement and the Official Statement, the Commission is not in any material respect in breach of or default under any constitutional provision, law or administrative regulation of the State or of the United States or any agency or instrumentality of either or any judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Commission is a party or to which the Commission or any of its property or assets is otherwise subject (including, without limitation, the Bond Resolution and the Legal Documents), and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; and the adoption of the Bond Resolution, the issuance, delivery and sale of the Series 2019A Bonds and the execution and delivery of this Bond Purchase Agreement and the Legal Documents and compliance with the Commission’s obligations therein and herein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, agreement, mortgage, lease or other instrument to which the Commission is a party or to which the Commission or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Commission or under the terms of any such law, regulation or instruments, except as provided by the Bond Resolution and the Legal Documents.

(h) As of the date hereof, no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, government agency, public board or body, is pending or, to the best of the Commission’s knowledge, threatened against the Commission: (i) in any way affecting the existence of the Commission or in any way challenging the respective powers of the several offices or the titles of the officials of the Commission to such offices; (ii) affecting or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of any of the Series 2019A Bonds, the application of the proceeds of the sale of the Series 2019A Bonds, the proceedings authorizing and approving the Sales Tax, the levy or collection of the Sales Tax; (iii) in any way contesting or affecting, as to the Commission, the validity or enforceability of the Act, the proceedings authorizing the Sales Tax, the Bond Resolution, the Series 2019A Bonds, the Legal Documents or this Bond Purchase Agreement; (iv) in any way contesting the powers of the Commission or its authority with respect to issuance or delivery of the Series 2019A Bonds, the adoption of the Bond Resolution, or the execution and delivery of the Legal Documents or this Bond Purchase Agreement, or contesting the power or authority to levy the Sales Tax; (v) in any way contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any supplement or amendment thereto; or (vi) in any way contesting or challenging the consummation of the transactions contemplated hereby or thereby or that might materially adversely affect the ability of the Commission to perform and satisfy its obligations under this Bond Purchase Agreement, the Legal Documents or the Series 2019A Bonds; nor to the best of the Commission’s knowledge is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the Act, the proceedings authorizing the Sales Tax, the Bond Resolution, the Legal Documents or this Bond Purchase Agreement or the performance by the Commission of its obligations thereunder, or the authorization, execution, delivery or performance by the Commission of the Series 2019A Bonds, the Bond Resolution, the Legal Documents or this Bond Purchase Agreement.
(i) Between the date hereof and the Closing Time, the Commission will not, without the prior written consent of the Representative, offer or issue in any material amount any bonds, notes or other obligations for borrowed money, or in any material amount incur any material liabilities, direct or contingent, except in the course of normal business operations of the Commission or relating to the Project or except for such borrowings as may be described in or contemplated by the Preliminary Official Statement and the Official Statement.

(j) The Commission will furnish such information, execute such instruments, and take such other action in cooperation with and at the expense of the Underwriters as the Underwriters may reasonably request in order (i) to qualify the Series 2019A Bonds for sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriters may designate and (ii) to determine the eligibility of the Series 2019A Bonds for investment under the laws of such states and other jurisdictions; and the Commission will use commercially reasonable efforts to continue such qualification in effect so long as required for distribution of the Series 2019A Bonds; provided, however, that in no event shall the Commission be required to take any action which would subject itself to service of process in any jurisdiction in which it is not already so subject, and will provide prompt written notice to the Underwriters of receipt by the Commission of any written notification with regard to the suspension of the qualification of the Series 2019A Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

(k) The Commission has the legal authority to apply and will apply, or cause to be applied, the proceeds from the sale of the Series 2019A Bonds as provided in and subject to all of the terms and provisions of the Act, the Ordinance, the Bond Resolution and the Indenture, and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for state income tax purposes of the interest on the Series 2019A Bonds.

(l) The Series 2019A Bonds, when issued, will conform to the description thereof contained in the Preliminary Official Statement (other than the information as to principal amounts, interest rates, redemption provisions and other information subject to change) and the Official Statement under the captions “[DESCRIPTION OF THE SERIES 2019A BONDS]” and Appendix C — “[DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE”]; the proceeds of the Series 2019A Bonds, when issued, will be applied generally as described in the Preliminary Official Statement and the Official Statement under the captions “[INTRODUCTION — Application of Series 2019A Bond Proceeds]” and “[REFUNDING PLAN”; and the Bond Resolution and the Indenture conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement.

(m) The Preliminary Official Statement (other than information allowed to be omitted by Rule 15c2-12), as of its date and as of the date hereof, did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (excluding therefrom the information contained under the caption “UNDERWRITING” and all information concerning the book-entry system set forth under the caption “[DESCRIPTION OF THE SERIES 2019A BONDS] — General” and in Appendix E as to which no representations or warranties are made and the information in Appendix C, which is correct in all material respects).
(n) As of the date hereof, and (unless an event occurs of the nature described in paragraph (p) of this Section 8) at all times subsequent thereto, up to and including the Closing Time, the Official Statement (excluding therefrom the information under the caption “UNDERWRITING” and all information concerning the book-entry system set forth under the caption “[DESCRIPTION OF THE SERIES 2019A BONDS] — General” and in Appendix E as to which no representations or warranties are made and the information in Appendix C, which is correct in all material respects) did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements in the Official Statement, in the light of the circumstances under which they are made, not misleading.

(o) If the Official Statement is supplemented or amended pursuant to paragraph (p) of this Section 8, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the Closing Time, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(p) The Commission shall not amend or supplement the Official Statement without the prior written consent of the Representative, which shall not be unreasonably withheld. If between the date hereof and the Closing Time, any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Commission shall notify the Representative thereof, and if, in the opinion of the Representative, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Commission shall forthwith prepare and furnish (at the expense of the Commission) a reasonable number of copies of an amendment of or supplement to the Official Statement in form and substance satisfactory to the Representative.

(q) Except as described in the Preliminary Official Statement and the Official Statement, and except for a pledge of Revenues or other funds, which is subordinate to the pledge securing repayment of the 2019B Bonds, in connection with (i) a loan obtained by the Commission under the Transportation Infrastructure Finance and Innovation Act or (ii) a new or extended credit or liquidity facility supporting the Commission’s commercial paper notes, the Commission has not granted a lien on or made a pledge of the Revenues or any other funds pledged under the Indenture.

(r) The Commission is not in default in any material respect on any bond, note or other obligation for borrowed money or under any agreement under which any such obligation is outstanding, and at no time has defaulted in any material respect on any payment obligation with respect to such outstanding bonds, notes or other obligations for borrowed money.

(s) The financial statements of, and other financial information regarding, the Commission in the Preliminary Official Statement and the Official Statement relating to the receipts, expenditures and cash balances of Revenues by the Commission as of June 30, 2015 fairly represent the receipts, expenditures and cash balances of such amounts and, insofar as presented, other funds of the Commission as of the dates and for the periods therein set forth. The financial
statements of the Commission have been prepared in accordance with generally accepted accounting principles consistently applied. Except as disclosed in the Preliminary Official Statement and the Official Statement or otherwise disclosed in writing to the Representative, there has not been any materially adverse change in the financial condition of the Commission or in its operations since June 30, 2015 and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(t) Prior to the Closing Time, the Commission will not take any action within or under its control, other than actions in the normal course of operation, that will cause any material adverse change in such financial position, results of operations or condition, financial or otherwise, of the Commission.

(u) Upon the delivery of the Series 2019A Bonds, the aggregate principal amount of Bonds authorized to be issued under the Indenture, together with all outstanding Parity Obligations, will not in combination with all outstanding debt obligations of the Commission exceed any limitation imposed by law or by the Indenture or by Section 132309(b) of the Public Utilities Code of the State of California.

(v) The sum of the principal of and interest on the Series 2019A Bonds, together with all outstanding Parity Obligations and other outstanding debt obligations of the Commission, does not exceed the estimated proceeds of the retail transactions and use tax for the period for which the retail transactions and use tax is to be imposed by the Commission.

(w) Except as otherwise set forth in the Preliminary Official Statement and the Official Statement, the Commission has complied in all material respects during the previous five years with all previous undertakings required pursuant to Rule 15c2-12.

(x) Any certificate, signed by any official of the Commission authorized to do so in connection with the transactions described in this Bond Purchase Agreement, shall be deemed a representation and warranty by the Commission to the Underwriters as to the statements made therein.

9. Conditions to the Underwriters’ Obligations. The Representative has entered into this Bond Purchase Agreement in reliance upon the representations, warranties and obligations of the Commission contained herein and upon the documents and instruments to be delivered at the Closing Time. Accordingly, the Underwriters’ obligations under this Bond Purchase Agreement shall be subject to the following conditions:

(a) The representations and warranties of the Commission contained herein shall be true and correct at the date hereof and true and correct at and as of the Closing Time, as if made at and as of the Closing Time and will be confirmed by a certificate or certificates of the appropriate Commission official or officials dated the Closing Date, and the Commission shall be in compliance with each of the agreements and covenants made by it in this Bond Purchase Agreement;

(b) (i) At the Closing Time, the Act, the Bond Resolution and the Legal Documents shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to by the Commission and the Representative, and
(ii) the Commission shall perform or have performed all of its obligations required under or specified in the Act, the Bond Resolution, the Legal Documents, this Bond Purchase Agreement, the Preliminary Official Statement and the Official Statement to be performed at or prior to the Closing Time;

(c) As of the date hereof and at the Closing Time, all necessary official action of the Commission relating to this Bond Purchase Agreement, the Legal Documents, the Preliminary Official Statement and the Official Statement shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect;

(d) Subsequent to the date hereof, up to and including the Closing Time, there shall not have occurred any change in or particularly affecting the Commission, the Act, the Ordinance, the Sales Tax, the Revenues, or the Series 2019A Bonds as the foregoing matters are described in the Preliminary Official Statement and the Official Statement, which in the reasonable professional judgment of the Representative materially impairs the investment quality of the Series 2019A Bonds;

(e) Subsequent to the date hereof, up to and including the Closing Time, the California Department of Tax and Fee Administration (“CDTFA”) shall not have suspended or advised the suspension of the collection of the Sales Tax or the escrow of any proceeds thereof, and the General Counsel to the Commission, shall not have advised the suspension of the collection of the Sales Tax or the escrow of any proceeds thereof other than as disclosed in the Preliminary Official Statement and the Official Statement;

(f) At or prior to the Closing Date, the Representative shall receive copies of each of the following documents:

(1) The Official Statement delivered in accordance with Section 2 hereof and each supplement or amendment, if any, executed on behalf of the Commission by its Executive Director.

(2) An approving opinion of Norton Rose Fulbright US LLP, Bond Counsel, dated the Closing Date, as to the validity of the Series 2019A Bonds, the exclusion of interest on the Series 2019A Bonds from State income taxation, addressed to the Commission substantially in the form attached as Appendix F to the Official Statement, and a reliance letter with respect thereto addressed to the Underwriters.

(3) A supplemental opinion of Norton Rose Fulbright US LLP, Bond Counsel, addressed to the Underwriters, to the effect that:

(i) The Bond Purchase Agreement and the Continuing Disclosure Agreement each has been duly executed and delivered by the Commission and each is valid and binding upon the Commission, subject to laws relating to bankruptcy, insolvency, reorganization or creditors’ rights generally, to the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State of California;
(ii) The statements contained in the Official Statement in the sections entitled “[DESCRIPTION OF THE SERIES 2019A BONDS]” (other than the information concerning DTC and the book-entry system), “[SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS],” “TAX MATTERS” and Appendix C — “DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE,” excluding any material that may be treated as included under such captions by cross-reference, insofar as such statements expressly summarize certain provisions of the Indenture, the Series 2019A Bonds, and the form and content of such counsel’s opinion attached as Appendix F to the Preliminary Official Statement and the Official Statement, are accurate in all material respects; and

(iii) The Series 2019A Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended (the “1933 Act”) and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”).

(4) A letter, dated the Closing Date and addressed to the Commission and the Underwriters, from Norton Rose Fulbright US LLP, Disclosure Counsel, substantially in the form attached as Appendix B hereto.

(5) The opinion of Nixon Peabody LLP, Underwriters’ Counsel, addressed to the Underwriters, in form and substance acceptable to the Underwriters, covering such items as the Representative may request.

(6) The opinion of the General Counsel to the Commission, dated the Closing Date, addressed to the Underwriters and the Trustee, to the effect that:

(i) The Commission has been duly organized and is validly existing under the Constitution and laws of the State of California, and has all requisite power and authority thereunder: (a) to adopt the Bond Resolution, and to enter into, execute, deliver and perform its covenants and agreements under the Legal Documents and the Bond Purchase Agreement; (b) to approve and authorize the use and distribution of the Preliminary Official Statement and the use, execution and distribution of the Official Statement; (c) to issue, sell, execute and deliver the Series 2019A Bonds; (d) to cause the Sales Tax to be levied and collected as described in the Preliminary Official Statement and the Official Statement; (e) to pledge the Revenues as contemplated by the Legal Documents; and (f) to carry on its activities as currently conducted;

(ii) The Commission has taken all actions required to be taken by it prior to the Closing Date material to the transactions contemplated by the documents mentioned in paragraph (i) above, and the Commission has duly authorized the execution and delivery of, and the due performance of its obligations under, the Bond Purchase Agreement, the Legal Documents and the Series 2019A Bonds;
(iii) the Bond Resolution was duly adopted by at least a two-thirds vote of all the voting members of the Board of Directors of the Commission at a meeting of the governing body of the Commission which was called and held pursuant to law and with all required notices and in accordance with all applicable open meetings laws and at which a quorum was present and acting at the time of the adoption of the Bond Resolution;

(iv) the adoption of the Bond Resolution, the execution and delivery by the Commission of the Bond Purchase Agreement, the Legal Documents and the Series 2019A Bonds and the compliance with the provisions of the Bond Purchase Agreement, the Legal Documents and the Series 2019A Bonds, to the best of such counsel’s knowledge after due inquiry, do not and will not conflict with or violate in any material respect any California constitutional, statutory or regulatory provision, or, to the best of such counsel’s knowledge after due inquiry, conflict with or constitute on the part of the Commission a material breach of or default under any agreement or instrument to which the Commission is a party or by which it is bound;

(v) the Series 2019A Bonds, the Legal Documents and the Bond Purchase Agreement constitute binding and legal obligations of the Commission and are enforceable according to the terms thereof, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors’ rights generally, and by the application of equitable principles if equitable remedies are sought, by the exercise of judicial discretion and the limitations on legal remedies against public entities in the State;

(vi) no litigation is pending with service of process completed or, to the best of such counsel’s knowledge after due inquiry, threatened against the Commission in any court in any way affecting the titles of the officials of the Commission to their respective positions, or seeking to restrain or to enjoin the issuance, sale or delivery of the Series 2019A Bonds, or the collection of revenues pledged or to be pledged to pay the principal of and interest on the Series 2019A Bonds, or in any way contesting or affecting the validity or enforceability of the Series 2019A Bonds, the Bond Resolution, the Legal Documents or the Bond Purchase Agreement, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the Commission or its authority with respect to the Series 2019A Bonds, the Bond Resolution, the Legal Documents or the Bond Purchase Agreement, or questioning the existence of the Commission;

(vii) the information contained in the Preliminary Official Statement and the Official Statement under the captions “SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION” and “ABSENCE OF MATERIAL LITIGATION” does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;
(viii) to the best of such counsel’s knowledge after due inquiry, no authorization, approval, consent or other order of the State or any local agency of the State, other than such authorizations, approvals and consents which have been obtained, is required for the valid authorization, execution and delivery by the Commission of the Legal Documents and the authorization and distribution of the Official Statement (provided that no opinion need be expressed as to any action required under state securities or Blue Sky laws in connection with the purchase of the Series 2019A Bonds by the Underwriters); and

(ix) to the best of such counsel’s knowledge after due inquiry, the Commission is not in breach of or default under any applicable law or administrative regulation of the State or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Commission is a party or is otherwise subject, which breach or default would materially adversely affect the Commission’s ability to enter into or perform its obligations under the Legal Documents and the Bond Purchase Agreement, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which would materially adversely affect the Commission’s ability to enter into or perform its obligations under the Legal Documents and the Bond Purchase Agreement.

(7) A certificate, dated the Closing Date and signed by such officials of the Commission as shall be satisfactory to the Representative, to the effect that (i) the representations, warranties and covenants of the Commission contained in the Bond Purchase Agreement are true and correct in all material respects on and as of the Closing Time with the same effect as if made at the Closing Time; (ii) the Bond Resolution is in full force and effect at the Closing Time and has not been amended, modified or supplemented, except as agreed to by the Commission and the Representative; (iii) the Commission has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Time; (iv) subsequent to the date of the Official Statement and on or prior to the date of such certificate, there has been no material adverse change in the condition (financial or otherwise) of the Commission, whether or not arising in the ordinary course of the Commission’s operations, as described in the Official Statement; and (v) the Preliminary Official Statement, as of its date and as of the date of the Bond Purchase Agreement, (excluding therefrom the information under the caption “UNDERWRITING,” all information concerning the book-entry system set forth under the caption “[DESCRIPTION OF THE SERIES 2019A BONDS] — General” and in [Appendix E], as to which no representations and warranties need be made, and the information in [Appendix C], which is correct in all material respects), and the Official Statement, as of its date and as of the Closing Date, (excluding therefrom the information under the caption “UNDERWRITING,” all information concerning the book-entry system set forth under the caption “[DESCRIPTION OF THE SERIES 2019A BONDS] — General” and in Appendix E, as to which no representations and warranties need be made, and the information in Appendix C, which is correct in all material respects), did not and does not contain any untrue statement of a material fact and neither omitted nor omits to
state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(8) The audited financial statements of the Commission relating to the receipts, expenditures and cash balances of Sales Tax Revenues by the Commission as of June 30, 2015 included in the Official Statement, certified by the Commission on the Closing Date as being correct and complete.

(9) A certificate, dated the Closing Date, signed by a duly authorized official of the Trustee, satisfactory in form and substance to the Representative, to the effect that:

(i) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States of America, having the full power and being qualified to enter into and perform its duties under the Indenture;

(ii) the Trustee is duly authorized to enter into, has duly executed and delivered the Legal Documents to which the Trustee is a party and has duly authenticated and delivered the Series 2019A Bonds;

(iii) the execution and delivery of the Legal Documents to which the Trustee is a party and compliance with the provisions on the Trustee’s part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or Blue Sky laws or regulations), nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the lien created by the Indenture under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Indenture;

(iv) the Trustee has not been served with any action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, nor is any such action, to the best of such official’s knowledge after reasonable investigation, threatened against the Trustee affecting the existence of the Trustee, or the titles of its officers to their respective offices, or in any way contesting or affecting the validity or enforceability of the Legal Documents to which the Trustee is a party, or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Legal Documents to which the Trustee is a party; and
(v) the Trustee will apply the proceeds from the Series 2019A Bonds as provided in the Indenture.

(10) A certified copy of the general resolution or other documentation of the Trustee authorizing the execution and delivery of the Legal Documents to which the Trustee is a party.

(11) The opinion of counsel of the Trustee, dated the Closing Date, addressed to the Commission and the Underwriters, to the effect that:

(i) the Trustee is a national banking association duly organized, validly existing and in good standing under the laws of the United States having full power and authority and being qualified to enter into, accept and administer the trust created under the Legal Documents to which it is a party and to enter into such Legal Documents;

(ii) the Legal Documents to which it is a party have been duly authorized, executed and delivered by the Trustee and constitute the valid and binding obligations of the Trustee enforceable against the Trustee in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors’ rights generally and by the application of equitable principles if equitable remedies are sought;

(iii) the execution, delivery and performance of the Legal Documents will not conflict with or cause a default under any law, ruling, agreement, administrative regulation or other instrument by which the Trustee is bound;

(iv) all authorizations and approvals required by law and the articles of association and bylaws of the Trustee in order for the Trustee to execute and deliver and perform its obligations under the Legal Documents to which it is a party have been obtained; and

(v) no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, is pending or threatened in any way affecting the existence of the Trustee or the titles of its directors or officers to their respective offices, or seeking to restrain or enjoin the issuance, sale or delivery of the Series 2019A Bonds or the application of proceeds thereof in accordance with the Legal Documents to which it is a party, or in any way contesting or affecting the Series 2019A Bonds or the Legal Documents to which it is a party.

(12) Evidence of signature authority and incumbency of the Trustee.

(13) [Escrow Agreement, Verification Report, Escrow Agent Counsel Opinion TBD]
(14) A certified copy of the proceedings relating to authorization and approval of the Sales Tax.

(15) A copy of the executed Agreement for State Administration of Transactions and Use Tax, between the Commission and the CDTFA, including all amendments thereto.

(16) A certified copy of the Board Resolution.

(17) Fully executed copies of each of the Legal Documents.

(18) Evidence of required filings with the California Debt and Investment Advisory Commission.


(20) Evidence as of the Closing Date satisfactory to the Representative that the Series 2019A Bonds have received a rating of “____” from Fitch Ratings and “____” from Standard & Poor’s Ratings Services (or such other equivalent rating as Fitch Ratings and Standard & Poor’s Ratings Services shall issue), and that such ratings have not been revoked or downgraded.

(21) Two transcripts of all proceedings relating to the authorization and issuance of the Series 2019A Bonds, which may be in digital form (or a commitment to so provide).

(22) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Representative, Underwriters’ Counsel or Bond Counsel may reasonably request to evidence compliance by the Commission with legal requirements, the truth and accuracy, as of the Closing Time, of the representations of the Commission herein contained and of the Official Statement and the due performance or satisfaction by the Commission at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Commission.

10. Termination.

(a) If the Commission shall be unable to satisfy the conditions of the Underwriters’ obligations contained in this Bond Purchase Agreement or if the Underwriters’ obligations shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement may be cancelled by the Representative at, or at any time prior to, the Closing Time. Notice of such cancellation shall be given to the Commission in writing, or by telephone or telegraph confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the Commission hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriters may be waived by the Representative at its sole discretion.
(b) The Underwriters shall also have the right, prior to the Closing Time, to cancel their obligations to purchase the Series 2019A Bonds, by written notice to the Commission, if between the date hereof and the Closing Time:

(i) any event occurs or information becomes known, which, in the reasonable professional judgment of the Representative, makes untrue any statement of a material fact set forth in the Official Statement or results in an omission to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading and, in either such event, (A) the Commission refuses to permit the Official Statement to be supplemented to supply such statement or information in a manner satisfactory to the Representative or (B) the effect of the Official Statement as so supplemented is, in the judgment of the Representative, to materially adversely affect the market price or marketability of the Series 2019A Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Series 2019A Bonds; or

(ii) the market for the Series 2019A Bonds or the market prices of the Series 2019A Bonds or the ability of the Underwriters to enforce contracts for the sale of the Series 2019A Bonds shall have been materially and adversely affected, in the reasonable professional judgment of the Representative, by:

(A) an amendment to the Constitution of the State of California shall have been passed or legislation shall have been introduced in or enacted by the State of California or a decision shall have been rendered by a court of the State of California, or a ruling shall have been made or a regulation or temporary regulation shall have been proposed or made or any other release or announcement shall have been made by the State of California authority, with respect to State of California taxation upon revenues or other income of the general character to be derived by the Authority, or upon interest received on, obligations of the general character of the Series 2019A Bonds which, in the reasonable judgment of the Representative, may have the purpose or effect, directly or indirectly, of adversely affecting the tax status of the Authority, its property or income, its securities (including the Series 2019A Bonds) or the interest thereon, or any tax exemption granted or authorized by State of California legislation or, in the reasonable judgment of the Representative, materially and adversely affecting the market for or the market price generally of obligations of the general character of the Series 2019A Bonds; or

(B) legislation shall have been introduced or passed by either chamber of the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or an order, stop order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter
shall have been made or issued to the effect that obligations of the general character of the Series 2019A Bonds are not exempt from registration under the 1933 Act, or that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939; or

(C) the declaration of war or engagement in or escalation of military hostilities by the United States or the occurrence of any other national emergency or calamity or terrorism affecting the operation of the government of the United States, or the financial, political or economic conditions affecting the United States or the Commission; or

(D) the declaration of a general banking moratorium by federal, New York or California authorities or a major financial crisis, a material disruption in commercial banking or securities settlement or clearance services, the general suspension of trading on any national securities exchange, the establishment of minimum or maximum prices on any national securities exchange; or

(E) an order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Series 2019A Bonds, or the issuance, offering or sale of the Series 2019A Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect; or

(F) any material adverse change in the affairs or financial condition of the Commission, except for changes which the Official Statement disclosures are expected to occur; or

(iii) additional material restrictions not in force or being enforced as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which, in the reasonable professional judgment of the Representative, materially and adversely affect the market or market price for the Series 2019A Bonds, or there is a material increase in restrictions now in force with respect to the extension of credit by or the charge to the net capital requirements of underwriters or broker-dealers which, in the reasonable professional judgment of the Representative, make it impractical or inadvisable to proceed with the offering of the Series 2019A Bonds as contemplated in the Official Statement; or

(iv) any litigation shall be instituted or be pending at the Closing Time to restrain or enjoin the issuance, sale or delivery of the Series 2019A Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Sales Tax or the rates, levy or collection thereof, the issuance, sale or delivery of Series 2019A Bonds, the Act, the Ordinance, the Bond Resolution, the Legal Documents or the existence or powers
of the Commission with respect to its obligations under the Legal Documents or the Series 2019A Bonds; or

(v) there shall have occurred any downgrading or published negative credit watch or similar published information from a rating agency that as of the date hereof has published, or has been asked to furnish, an unenhanced long-term rating on the Commission’s senior lien debt obligations, including the Series 2019A Bonds, which action reflects a change or possible change in the ratings accorded to such obligations, including the Series 2019A Bonds.

If the Underwriters terminate their obligation to purchase the Series 2019A Bonds because any of the conditions specified in Section 6, Section 9 or this Section 10 shall not have been fulfilled at or before the Closing Time, such termination shall not result in any liability on the part of the Representative.

11. Conditions to Obligations of the Commission. The performance by the Commission of its obligations is conditioned upon (i) the performance by the Underwriters of their obligations hereunder and (ii) receipt by the Commission and the Underwriters of opinions addressed to the Underwriters and certificates being delivered at the Closing Time by persons and entities other than the Commission.

12. Amendment of Official Statement. For a period beginning on the date hereof and continuing until the End Date, (a) the Commission will not adopt any amendment of, or supplement to, the Official Statement to which the Representative shall object in writing or that shall be disapproved by the Underwriters’ Counsel and (b) if any event relating to or affecting the Commission shall occur as a result of which it is necessary, in the opinion of Underwriters’ Counsel, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser of the Series 2019A Bonds, the Commission will forthwith prepare and furnish to the Underwriters a reasonable number of copies of an amendment of, or supplement to, the Official Statement (in form and substance satisfactory to Underwriters’ Counsel) that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser of the Series 2019A Bonds, not misleading.

13. Indemnification. The Commission (a “Commission Indemnifying Party”) shall indemnify and hold harmless, to the extent permitted by law, the Underwriters and their respective directors, officers, employees and agents and each person who controls the Underwriters within the meaning of Section 15 of the 1933 Act (any such person being herein sometimes called a “Commission Indemnified Party”), against any and all losses, claims, damages or liabilities, joint or several, to which such Commission Indemnified Party may become subject under any statute or at law or in equity or otherwise, and shall promptly reimburse any such Commission Indemnified Party for any reasonable legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, but only to the extent that such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement of a material fact contained in the Preliminary Official Statement or the Official Statement under the captions
“[DESCRIPTION OF THE SERIES 2019A BONDS],” “[SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS],” “SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION,” “THE SALES TAX,” “[REFUNDING PLAN],” “COMMISSION INVESTMENT PORTFOLIO,” and “ABSENCE OF MATERIAL LITIGATION” or any amendment or supplement thereof, or the omission to state therein a material fact necessary to make the statements therein in light of the circumstances under which they were made not misleading. This indemnity agreement shall not be construed as a limitation on any other liability which the Commission may otherwise have to any Commission Indemnified Party, provided that in no event shall the Commission be obligated for double indemnification.

The Underwriters (collectively, an “Underwriter Indemnifying Party”) shall indemnify and hold harmless, to the extent permitted by law, the Commission and its directors, officers, members, employees and agents and each person who controls the Commission within the meaning of Section 15 of the 1933 Act (any such person being therein sometimes called an “Underwriter Indemnified Party”), against any and all losses, claims, damages or liabilities, joint or several, to which such Underwriter Indemnified Party may become subject under any statute or at law or in equity or otherwise, and shall promptly reimburse any such Underwriter Indemnified Party for any reasonable legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, but only to the extent that such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement of a material fact contained in the Preliminary Official Statement or the Official Statement under the caption “UNDERWRITING” or any amendment or supplement thereof, or the omission to state therein a material fact necessary to make the statements therein in light of the circumstances under which they were made not misleading. This indemnity agreement shall not be construed as a limitation on any other liability which the Underwriters may otherwise have to any Underwriter Indemnified Party, provided that in no event shall the Underwriters be obligated for double indemnification.

For purposes of this paragraph and the immediately succeeding paragraph, an “Indemnified Party” means a Commission Indemnified Party or an Underwriter Indemnified Party as the context dictates and an “Indemnifying Party” means a Commission Indemnifying Party or an Underwriter Indemnifying Party as the context dictates. An Indemnified Party shall, promptly after the receipt of notice of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against an Indemnifying Party, notify the Indemnifying Party in writing of the commencement thereof, but the omission to notify the Indemnifying Party of any such action shall not relieve the Indemnifying Party from any liability that it may have to such Indemnified Party otherwise than under the indemnity agreement contained herein. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Indemnifying Party of the commencement thereof, the Indemnifying Party may, or if so requested by such Indemnified Party shall, participate therein or assume the defense thereof, with counsel satisfactory to such Indemnified Party, and after notice from the Indemnifying Party to such Indemnified Party of an election so to assume the defense thereof, the Indemnifying Party will not be liable to such Indemnified Party under this paragraph for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation. If the Indemnifying Party shall not have employed counsel to have charge of the defense of any such action or if the Indemnifying Party shall have reasonably concluded that there may be defenses available to it or them that are different from or additional to those available to the Indemnifying Party (in which case the Indemnifying Party shall not have
the right to direct the defense of such action on behalf of such Indemnified Party), such Indemnified Party shall have the right to retain legal counsel of its own choosing and reasonable legal and other expenses incurred by such Indemnified Party shall be borne by the Indemnifying Party.

An Indemnifying Party shall not be liable for any settlement of any such action effected without its consent by any Indemnified Party, which consent shall not be unreasonably withheld, but if settled with the consent of the Indemnifying Party or if there be a final judgment for the plaintiff in any such action against the Indemnifying Party or any Indemnified Party, with or without the consent of the Indemnifying Party, the Indemnifying Party agrees to indemnify and hold harmless such Indemnified Party to the extent provided herein.

In order to provide for just and equitable contribution in circumstances in which indemnification hereunder is for any reason held to be unavailable from the Commission or the Underwriters, to the extent permitted by law, the Commission and the Underwriters shall contribute to the aggregate losses, claims, damages and liabilities (including any investigation, legal and other expenses incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claims asserted, to which the Commission and the Underwriters may be subject) in such proportion so that the Underwriters are jointly and severally responsible for that portion represented by the percentage that the Underwriters’ discount set forth in the Official Statement bears to the public offering price appearing thereon and the Commission is responsible for the balance; provided, however, that no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this paragraph, each person, if any, who controls the Underwriters within the meaning of the 1933 Act shall have the same rights to contribution as the Underwriters. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this paragraph, notify such party or parties from whom contribution may be sought, but the omission so to notify shall not relieve that party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise than under this paragraph. No party shall be liable for contribution with respect to any action or claim settled without its consent.

Nothing in this Section 13 shall relate to, have any effect on, or provide any obligation for or right to indemnification or contribution with respect to any action, expense, judgment, order, ruling, award or settlement in the litigation brought by the Commission against affiliates of the Underwriters alleging that the defendants conspired to suppress the U.S. dollar London Interbank Offered Rate.


(a) Whether or not the Series 2019A Bonds are issued as contemplated by this Bond Purchase Agreement, the Underwriters shall be under no obligation to pay and the Commission hereby agrees to pay any expenses incident to the performance of the Commission’s obligations hereunder, including but not limited to the following: (i) the cost of preparation, printing, engraving, execution and delivery of the Series 2019A Bonds; (ii) any fees charged by
any rating agency for issuing the rating on the Series 2019A Bonds; (iii) the cost of printing (and/or word processing and reproduction), distribution and delivery of the Preliminary Official Statement in electronic form and the Official Statement; (iv) the fees and disbursements of Bond Counsel, the Trustee (including its counsel’s fees), any disclosure counsel, accountants, consultants and any financial advisor; (v) the fees of Digital Assurance Certification, L.L.C. for a continuing disclosure undertaking compliance review; and (vi) any out-of-pocket disbursements of the Commission. The Commission shall also pay for any expenses (included in the expense component of the Underwriters' discount) incurred by the Underwriters on behalf of the Commission’s employees and representatives which are in connection with this Bond Purchase Agreement, including, but not limited to, meals, transportation and lodging of those employees and representatives.

(b) Whether or not the Series 2019A Bonds are issued as contemplated by this Bond Purchase Agreement, the Underwriters shall pay (i) any fees assessed upon the Underwriters with respect to the Series 2019A Bonds by the MSRB or the Financial Industry Resources Authority; (ii) all advertising expenses in connection with the public offering and distribution of the Series 2019A Bonds (excluding any expenses of the Commission and its employees or agents); (iii) any fees payable to the California Debt and Investment Advisory Commission (“CDIAC”); and (iv) all other expenses incurred by them or any of them in connection with the public offering and distribution of the Series 2019A Bonds, including the fees and disbursements of Underwriters’ Counsel. The Underwriters are required to pay the fees to CDIAC in connection with the Series 2019A Bond offering. The Commission acknowledges that it has had the opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider such fees. Notwithstanding that such fees are solely the legal obligation of the Underwriters, the Commission agrees to reimburse the Underwriters for such fees.

15. Notices. Any notice or other communication to be given under this Bond Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing, if to the Commission, addressed to:

San Diego County Regional Transportation Commission
401 B Street, Suite 800
San Diego, California 92101
Attention: Executive Director

or if to the Representative or the Underwriters, addressed to:

Goldman, Sachs & Co.

Attention: Ruth Pan, Managing Director

16. Parties in Interest; Survival of Representations and Warranties. This Bond Purchase Agreement when accepted by the Commission in writing as heretofore specified shall constitute the entire agreement between the Commission and the Underwriters and is made solely for the benefit of the Commission and the Underwriters (including the successors or assigns of the Underwriters). No other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the Commission in this Bond Purchase Agreement
or in any certificate delivered pursuant hereto shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriters, (b) delivery to and payment by the Underwriters for the Series 2019A Bonds hereunder and (c) any termination of this Bond Purchase Agreement.

17. **Execution in Counterparts.** This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

18. **No Advisory or Fiduciary Role.** The Commission acknowledges and agrees that: (i) the primary role of the Underwriters, is to purchase securities, for resale to investors, in an arm’s-length commercial transaction between the Commission and the Underwriters and that the Underwriters have financial and other interests that differ from those of the Commission; (ii) the Underwriters are not acting as a municipal advisor, financial advisor, or fiduciary to the Commission and have not assumed any advisory or fiduciary responsibility to the Commission with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Commission on other matters); and (iii) the Commission has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate. If the Commission would like a municipal advisor in this transaction that has legal fiduciary duties to the Commission, then the Commission is free to engage a municipal advisor to serve in that capacity.

[Remainder of page intentionally blank]
19. **Applicable Law.** This Bond Purchase Agreement shall be interpreted, governed and enforced in accordance with the laws of the State of California.

GOLDMAN, SACHS & CO.
CITIGROUP GLOBAL MARKETS INC.
J.P. MORGAN SECURITIES LLC
STIFEL, NICOLAUS & COMPANY,
INCORPORATED
WELLS FARGO [BANK, NATIONAL ASSOCIATION]

By GOLDMAN, SACHS & CO.,
as Representative

By: ________________________________
      Authorized Officer

The foregoing is hereby agreed to and accepted as of the date first above written:

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION

By: ________________________________
      Authorized Officer
APPENDIX A

MATURITY SCHEDULE

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION
SALES TAX REVENUE BONDS
(LIMITED TAX BONDS)
2019 SERIES A
(TAXABLE)

<table>
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<tr>
<th>Maturity [(April 1)]</th>
<th>Principal Amount ($)</th>
<th>Interest Rate (%)</th>
<th>Yield (%)</th>
<th>Price (%)</th>
</tr>
</thead>
</table>

[ADD REDEMPTION PROVISIONS?]
APPENDIX B
FORM OF LETTER OF DISCLOSURE COUNSEL

[Closing Date]

San Diego County Regional Transportation Commission
401 B Street, Suite 800
San Diego, California 92101

Goldman, Sachs & Co.
as Representative
Los Angeles, California

Re: $_______ San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds) 2019 Series A (Taxable)

Ladies and Gentlemen:

We have acted as Disclosure Counsel to the San Diego County Regional Transportation Commission (the “Commission”) in connection with the issuance by the Commission of its Sales Tax Revenue Bonds (Limited Tax Bonds) 2019 Series A (Taxable) in the aggregate principal amount of $_______ (the “Bonds”). The Bonds were issued pursuant to the Indenture, dated as of March 1, 2008, as amended and supplemented, including by an Eighth Supplemental Indenture, dated as of December 1, 2019 (collectively, the “Indenture”), each between the Commission and U.S. Bank National Association, as trustee. The Bonds are more fully described in the Official Statement of the Commission, dated December __, 2019 (the “Official Statement”). This opinion is delivered to you pursuant to Section 9(f)(4) of the Bond Purchase Agreement, dated August 3, 2016 (the “Bond Purchase Agreement”), by and between the Commission and Goldman, Sachs & Co., acting on behalf of itself and Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Stifel, Nicolaus & Company, Incorporated and Wells Fargo Bank, National Association (collectively, the “Underwriters”). Capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the Bond Purchase Agreement.

In rendering this opinion, we have reviewed the Indenture and such records, documents, certificates and opinions, and made such other investigations of law and fact as we have deemed necessary or appropriate.

This opinion is limited to matters governed by the federal securities law of the United States, and we assume no responsibility with respect to the applicability or effect of the laws of any other jurisdiction.
In our capacity as Disclosure Counsel to the Commission, we have rendered certain legal advice and assistance in connection with the preparation of the Preliminary Official Statement of the Commission, dated _______, 2019 (the “Preliminary Official Statement”), and the Official Statement. Rendering such assistance involved, among other things, discussions and inquiries concerning various legal matters, review of certain records, documents and proceedings, and participation in meetings and telephone conferences with, among others, representatives of the Commission, Public Financial Management, Inc., the Commission’s financial advisor, Bond Counsel, Goldman, Sachs & Co., as representative of the Underwriters, and counsel to the Underwriters, at which meetings and conferences the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed. On the basis of the information made available to us in the course of the foregoing (but without having undertaken to determine or verify independently, or assuming any responsibility for, the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement or the Official Statement), no facts have come to the attention of the personnel directly involved in rendering legal advice and assistance in connection with the preparation of the Preliminary Official Statement and the Official Statement that causes them to believe that (a) the Preliminary Official Statement as of its date and as of the date of the Bond Purchase Agreement contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading (except for any information relating to The Depository Trust Company, Cede & Co., the book-entry system, forecasts, projections, estimates, assumptions and expressions of opinions and the other financial and statistical data included therein, and information in Appendices A, E and F thereof, as to all of which we express no view, and except for such information as is permitted to be excluded from the Preliminary Official Statement pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, including but not limited to information as to pricing, yield, interest rate, maturity, amortization, redemption provisions, underwriters’ compensation and the CUSIP numbers), or (b) the Official Statement as of its date or as of the date hereof contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except for any information relating to The Depository Trust Company, Cede & Co., the book-entry system, the CUSIP numbers, forecasts, projections, estimates, assumptions and expressions of opinions and the other financial and statistical data included therein, and information in Appendices [A, E and F] thereof, as to all of which we express no view).

During the period from the date of the Preliminary Official Statement to the date of this opinion, except for our review of the certificates and opinions regarding the Preliminary Official Statement and the Official Statement delivered on the date hereof, we have not undertaken any procedures or taken any actions which were intended or likely to elicit information concerning the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement or the Official Statement.
We are furnishing this opinion to you, solely for your benefit. This opinion is rendered in connection with the transaction described herein, and may not be relied upon by you for any other purpose. This opinion shall not extend to, and may not be used, circulated, quoted, referred to, or relied upon by, any other person, firm, corporation or other entity without our prior written consent. The delivery of this opinion shall not create any attorney-client relationship between our firm and the addressees hereof, other than the Commission. Our engagement with respect to this matter terminates upon the delivery of this opinion to you at the time of the remarketing relating to the Bonds, and we have no obligation to update this opinion.

Respectfully submitted,
$______

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION
SALES TAX REVENUE BONDS
(LIMITED TAX BONDS)
2019 SERIES B
(TAX-EXEMPT)

BOND PURCHASE AGREEMENT

December __, 2019

San Diego County Regional Transportation Commission
401 B Street, Suite 800
San Diego, California 92101

Ladies and Gentlemen:

Goldman, Sachs & Co. (the “Representative”), acting on behalf of itself and Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Stifel, Nicolaus & Company, Incorporated and Wells Fargo Bank, National Association (collectively the “Underwriters”), hereby offers to enter into this Bond Purchase Agreement with the San Diego County Regional Transportation Commission (the “Commission”), which, upon the Commission’s acceptance hereof, will be binding upon the Commission and the Underwriters. This offer is made subject to the written acceptance of this Bond Purchase Agreement by the Commission and the delivery of such acceptance to the Representative or its attorney at or prior to 6:00 p.m., Pacific time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriters upon notice delivered to the Commission at any time prior to the acceptance hereof by the Commission.

The Representative represents and warrants to the Commission that it has been duly authorized to enter into this Bond Purchase Agreement and to act hereunder by and on behalf of the Underwriters.

1. Definitions. All capitalized terms not defined herein shall have the meanings ascribed to them in the Indenture, as defined below. Unless a different meaning clearly appears from the context, the following words and terms shall have the following meanings, respectively:

“Bond Purchase Agreement” shall mean this Bond Purchase Agreement.

“Bond Resolution” shall mean Resolution No. RTC-2019-__ adopted by the Commission on November 22, 2019.

“Business Day” shall mean any day other than a Saturday, Sunday or legal holiday in the State or in New York, New York or a day on which either the Trustee or the Commission is legally authorized to close.

“Closing Date” shall have the meaning given such term in Section 7 hereof.
“Closing Time” shall mean the time at which payment for and delivery of the Series 2019B Bonds shall occur, as established pursuant to Section 7 hereof.

“Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement dated December __, 2019.

“County” shall mean the County of San Diego, California.

“End Date” shall have the meaning set forth in Section 2 hereof.

[“Escrow Agreement” shall mean the Escrow Agreement dated December __, 2019.”]

“Indenture” shall mean theIndenture, dated as of March 1, 2008, between the Commission and the Trustee, as amended or supplemented, including as supplemented by the Eighth Supplemental Indenture.

“Legal Documents” shall mean the Indenture, the Continuing Disclosure Agreement, [the Escrow Agreement] and the Tax Certificate.

“Official Statement” shall mean the Official Statement of the Commission, dated December __, 2019, relating to the Series 2019B Bonds, together with the cover page thereof and all appendices, exhibits, amendments and supplements thereto.

“Preliminary Official Statement” shall mean the Preliminary Official Statement of the Commission, dated ________, 2019, relating to the Series 2019B Bonds, together with the cover page thereof and all appendices, exhibits, amendments and supplements thereto.


“Sales Tax” shall mean the 1/2 of 1% retail transactions and use tax imposed by the Commission and approved by the electors of the County at an election held November 3, 1987 and extended by the electors of the County at an election held November 2, 2004.


“Eighth Supplemental Indenture” shall mean the Eighth Supplemental Indenture, dated as of December 1, 2019, between the Commission and U.S. Bank National Association, as Trustee, as amended or supplemented.

“State” shall mean the State of California.

“Tax Certificate” shall mean the Tax Certificate of the Commission dated the Closing Date.
2. **Use and Preparation of Official Statement; Continuing Disclosure Agreement.** The Commission has heretofore delivered to the Underwriters copies of the Preliminary Official Statement, which the Commission has deemed final as of its date, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(1) of Rule 15c2-12. The Commission shall prepare and deliver to the Underwriters, as promptly as practicable, but in no event later than seven (7) business days from the date hereof and at least two (2) business days prior to the Closing Date, whichever occurs first, a final Official Statement, with such changes and amendments as may be agreed to by the Representative, in such quantities as the Underwriters may reasonably request in order to comply with paragraph (b)(4) of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board (the “MSRB”). The Commission hereby ratifies, confirms and approves the use and distribution by the Underwriters prior to the date hereof of the Preliminary Official Statement and hereby authorizes the Underwriters to use and distribute the Official Statement and all information contained therein in connection with the public offering and sale of the Series 2019B Bonds. The Representative agrees to promptly file a copy of the Official Statement, including any supplements prepared by the Commission, with the MSRB on its Electronic Municipal Markets Access (“EMMA”) system. The Commission shall deliver sufficient copies of the Official Statement to enable the Underwriters to distribute a single copy to any potential customer of the Underwriters requesting an Official Statement during the time period beginning when the Official Statement becomes available and ending on a date referred to herein as the “End Date,” which is the date when the Official Statement becomes available through EMMA, but in no event less than 25 days after the end of the underwriting period (as defined in Rule 15c2-12). On the Closing Date the Commission may assume that the end of the underwriting period has occurred unless otherwise informed in writing by the Underwriters. In any event, the Underwriters shall promptly notify the Commission of the end of the underwriting period.

The Commission will undertake pursuant to a Continuing Disclosure Agreement, to be dated as of the date of issuance of the Series 2019B Bonds, to provide certain annual financial and operating information and certain material event notices. A description of this undertaking is set forth in the Official Statement.

3. **Purchase and Sale of the Series 2019B Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase from the Commission the Series 2019B Bonds for offering to the public, and the Commission hereby agrees to sell to the Underwriters, all (but not less than all) of the $____________ aggregate principal amount of the Series 2019B Bonds at an aggregate purchase price of $_________ (the “Purchase Price”), representing the aggregate principal amount of the Series 2019B Bonds, plus original issue premium of $__________, less an underwriters’ discount of $__________.

4. **The Series 2019B Bonds.** The principal amounts, maturity dates, interest rates and prices with respect to the Series 2019B Bonds shall be as described in the Official Statement and in Appendix A hereto.

5. **Public Offering; Establishment of Issue Price.**

   (a) The Underwriters agree to make a bona fide public offering of all the Series 2019B Bonds initially at prices set forth on Schedule I hereto. After such initial public offering, the
Underwriters reserve the right to change such offering prices from time to time as they deem necessary.

(b) The Representative, on behalf of itself and the other Underwriters, agrees to assist the Commission in establishing the issue price of the Series 2019B Bonds and shall execute and deliver to the Commission at Closing an “issue price” or similar certificate, substantially in the form attached hereto as Appendix C, together with the supporting pricing wires or equivalent communications, with such modifications as may be deemed appropriate or necessary, in the reasonable judgment of the Representative, the Commission and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2019B Bonds.

(c) [Except for the maturities set forth in Schedule II hereto that are subject to the hold-the-offering-price rule (as hereinafter defined),] the Commission represents that it will treat the first price at which 10% of each maturity of the Series 2019B Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). [If, as of the date hereof, the 10% test has not been satisfied as to any maturity of the Series 2019B Bonds for which the Commission has elected to utilize the 10% test, the Representative agrees to promptly report to the Commission the prices at which Series 2019B Bonds of that maturity or maturities have been sold by the underwriters to the public. That reporting obligation shall continue until the earlier of the date upon which the 10% test has been satisfied as to the Series 2019B Bonds of that maturity or maturities or the date all of the Series 2019B Bonds of that maturity or maturities have been sold to the public].

(d) The Representative confirms that the underwriters have offered the Series 2019B Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth on Schedule I hereto. Schedule II to Appendix C attached hereto sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Series 2019B Bonds for which the 10% test has not been satisfied and for which the Commission and the Representative, on behalf of the underwriters, agree that the restrictions set forth in the next sentence shall apply (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2019B Bonds, the Representative has agreed to [hold][purchase] such unsold Series 2019B Bonds of that maturity and not offer nor sell any such Unsold Series 2019B Bonds to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the underwriters have sold at least 10% of that maturity of the Series 2019B Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative shall promptly advise the Commission when it has sold 10% of that maturity of the Series 2019B Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the fifth (5th) business day after the sale date.
The Commission acknowledges that the Representative shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no other underwriter shall be liable for the failure of the Representative [or of any dealer who is a member of the Representative’s selling group, or of any broker-dealer that is a party to a retail distribution agreement with the Representative, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Series 2019B Bonds].

(e) The Representative confirms that the underwriters have offered the Series 2019B Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth on Schedule I hereto.

(f) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the Representative is a party) relating to the initial sale of the Series 2019B Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A)(1) report the prices at which it sells to the public the unsold Series 2019B Bonds of each maturity allotted to it until it is notified by the Representative that either the 10% test has been satisfied as to the Series 2019B Bonds of that maturity or all Series 2019B Bonds of that maturity have been sold to the public and (2) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related pricing wires, (B) promptly notify the Representative of any sales of the Series 2019B Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2019B Bonds to the public (each such term being used as defined below), and (C) acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public; and

(ii) any agreement among underwriters and any selling group agreement relating to the initial sale of the Series 2019B Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Series 2019B Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2019B Bonds of each maturity allotted to it until it is notified by the Representative or the Underwriter that either the 10% test has been satisfied as to the Series 2019B Bonds of that maturity or all Series 2019B Bonds of that maturity
have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative or the Underwriter and as set forth in the related pricing wires.

(f) The Underwriters acknowledge that sales of any Series 2019B Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party to an underwriter,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Commission (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2019B Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2019B Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2019B Bonds to the public),

(iii) a purchaser of any of the Series 2019B Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the first day on which there is a binding contract in writing for the sale of the Series 2019B Bonds.

6. **Use of Documents.** The Commission hereby authorizes the Underwriters to use, in connection with the public offering and sale of the Series 2019B Bonds, this Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement and the Legal Documents, and the information contained herein and therein.

7. **Closing.** The Closing Time shall be no later than 10:00 a.m., Pacific time, on December __, 2019, or at such other time or on such later date as shall have been mutually agreed upon by the Commission and the Representative (the “Closing Date”). At the Closing Time, the
Commission will deliver or cause to be delivered the Series 2019B Bonds to the Underwriters through The Depository Trust Company (“DTC”) in definitive or temporary form, duly executed by the Commission, together with the other documents hereinafter mentioned; and the Underwriters will accept such delivery and pay the Purchase Price in immediately available funds to the Trustee.

The Series 2019B Bonds will be registered in the name of “Cede & Co.” as nominee of DTC. It is anticipated that CUSIP identification numbers will be printed on the Series 2019B Bonds, but neither the failure to print such numbers on the Series 2019B Bonds nor any error with respect thereto shall constitute a cause for failure or refusal by the Underwriters to accept delivery of the Series 2019B Bonds in accordance with the terms of this Bond Purchase Agreement.

Delivery of the Series 2019B Bonds will be made through the book-entry system of DTC, and all other actions to be taken at the Closing Time, including the delivery of the items set forth in Section 9 hereof, shall take place at the offices of Norton Rose Fulbright US LLP, Los Angeles, California, or at such other place as shall have been mutually agreed upon by the Commission and the Representative.

8. **Representations, Warranties and Agreements of the Commission.** The Commission hereby represents, warrants and agrees with the Underwriters that:

(a) The Commission has been duly created and is validly existing under the laws of the State and has the power to issue the Series 2019B Bonds pursuant to the Act, the Bond Resolution and the Legal Documents.

(b) The Commission has full legal right, power and authority under the Constitution and the laws of the State to cause the collection of the Sales Tax, to adopt the Bond Resolution, to enter into the Legal Documents and this Bond Purchase Agreement, and to sell, issue and deliver the Series 2019B Bonds to the Underwriters as provided herein; the Commission has full legal right, power and authority to perform its obligations under the Bond Resolution, the Series 2019B Bonds, the Legal Documents and this Bond Purchase Agreement, and to carry out and consummate the transactions contemplated thereby and hereby and by the Official Statement; except as described in the Preliminary Official Statement and the Official Statement, the Commission has complied with, or will at the Closing Time be in compliance with, in all respects material to this transaction, the Constitution, the Act, the Ordinance and laws of the State, and the terms of the Bond Resolution, the Series 2019B Bonds, the Legal Documents and this Bond Purchase Agreement.

(c) Except as described in the Preliminary Official Statement and the Official Statement, by all necessary official action, the Commission has duly adopted the Ordinance, which was approved by a majority of the voters in the County on November 3, 1987 and extended by more than a two-thirds vote of the voters in the County voting on such extension on November 2, 2004.

(d) By all necessary official action, the Commission has duly adopted the Bond Resolution, has duly authorized the preparation and distribution of the Preliminary Official Statement and the preparation, execution and delivery of the Official Statement, has duly
authorized and approved the execution and delivery of, and the performance of its obligations under, the Series 2019B Bonds, this Bond Purchase Agreement and the Legal Documents, and the consummation by it of all other transactions contemplated by this Bond Purchase Agreement, the Bond Resolution, and the Legal Documents. When executed and delivered by their respective parties, the Legal Documents and this Bond Purchase Agreement (assuming due authorization, execution and delivery by and enforceability against the other parties thereto) will be in full force and effect and each will constitute legal, valid and binding agreements or obligations of the Commission, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors’ rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State.

(e) The Series 2019B Bonds, when issued, authenticated and delivered in accordance with the Bond Resolution and the Indenture, and sold to the Underwriters as provided herein, will constitute legal, valid and binding obligations of the Commission, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors’ rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State, and will be entitled to the benefits of the laws of the State, the Indenture and the Bond Resolution.

(f) All consents, approvals, authorizations, orders, licenses or permits of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter, that are required for the due authorization by, or that would constitute a condition precedent to or the absence of which would materially adversely affect the issuance, delivery or sale of the Series 2019B Bonds and the execution, delivery of and performance of the Legal Documents by the Commission have been duly obtained (except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Series 2019B Bonds, as to which no representation is made).

(g) Except as described in the Preliminary Official Statement and the Official Statement, the Commission is not in any material respect in breach of or default under any constitutional provision, law or administrative regulation of the State or of the United States or any agency or instrumentality of either or any judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Commission is a party or to which the Commission or any of its property or assets is otherwise subject (including, without limitation, the Bond Resolution and the Legal Documents), and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; and the adoption of the Bond Resolution, the issuance, delivery and sale of the Series 2019B Bonds and the execution and delivery of this Bond Purchase Agreement and the Legal Documents and compliance with the Commission’s obligations therein and herein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, agreement, mortgage, lease or other instrument to which the Commission is a party or to which the Commission or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the
creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Commission or under the terms of any such law, regulation or instruments, except as provided by the Bond Resolution and the Legal Documents.

(h) As of the date hereof, no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, government agency, public board or body, is pending or, to the best of the Commission’s knowledge, threatened against the Commission: (i) in any way affecting the existence of the Commission or in any way challenging the respective powers of the several offices or the titles of the officials of the Commission to such offices; (ii) affecting or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of any of the Series 2019B Bonds, the application of the proceeds of the sale of the Series 2019B Bonds, the proceedings authorizing and approving the Sales Tax, the levy or collection of the Sales Tax; (iii) in any way contesting or affecting, as to the Commission, the validity or enforceability of the Act, the proceedings authorizing the Sales Tax, the Bond Resolution, the Series 2019B Bonds, the Legal Documents or this Bond Purchase Agreement; (iv) in any way contesting the powers of the Commission or its authority with respect to issuance or delivery of the Series 2019B Bonds, the adoption of the Bond Resolution, or the execution and delivery of the Legal Documents or this Bond Purchase Agreement, or contesting the power or authority to levy the Sales Tax; (v) contesting the exclusion from gross income of interest on the Series 2019B Bonds for federal income tax purposes; (vi) in any way contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any supplement or amendment thereto; or (vii) in any way contesting or challenging the consummation of the transactions contemplated hereby or thereby or that might materially adversely affect the ability of the Commission to perform and satisfy its obligations under this Bond Purchase Agreement, the Legal Documents or the Series 2019B Bonds; nor to the best of the Commission’s knowledge is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the Act, the proceedings authorizing the Sales Tax, the Bond Resolution, the Legal Documents or this Bond Purchase Agreement or the performance by the Commission of its obligations thereunder, or the authorization, execution, delivery or performance by the Commission of the Series 2019B Bonds, the Bond Resolution, the Legal Documents or this Bond Purchase Agreement.

(i) Between the date hereof and the Closing Time, the Commission will not, without the prior written consent of the Representative, offer or issue in any material amount any bonds, notes or other obligations for borrowed money, or in any material amount incur any material liabilities, direct or contingent, except in the course of normal business operations of the Commission or relating to the Project or except for such borrowings as may be described in or contemplated by the Preliminary Official Statement and the Official Statement.

(j) The Commission will furnish such information, execute such instruments, and take such other action in cooperation with and at the expense of the Underwriters as the Underwriters may reasonably request in order (i) to qualify the Series 2019B Bonds for sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriters may designate and (ii) to determine the eligibility of the Series 2019B Bonds for investment under the laws of such states and other jurisdictions; and the Commission will use commercially reasonable efforts to continue such qualification in effect so
long as required for distribution of the Series 2019B Bonds; provided, however, that in no event shall the Commission be required to take any action which would subject itself to service of process in any jurisdiction in which it is not already so subject, and will provide prompt written notice to the Underwriters of receipt by the Commission of any written notification with regard to the suspension of the qualification of the Series 2019B Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

(k) The Commission has the legal authority to apply and will apply, or cause to be applied, the proceeds from the sale of the Series 2019B Bonds as provided in and subject to all of the terms and provisions of the Act, the Ordinance, the Bond Resolution and the Indenture, and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Series 2019B Bonds.

(l) The Series 2019B Bonds, when issued, will conform to the description thereof contained in the Preliminary Official Statement (other than the information as to principal amounts, interest rates, redemption provisions and other information subject to change) and the Official Statement under the captions “[DESCRIPTION OF THE SERIES 2019B BONDS]” and Appendix C — “[DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE”]; the proceeds of the Series 2019B Bonds, when issued, will be applied generally as described in the Preliminary Official Statement and the Official Statement under the captions “[INTRODUCTION — Application of Series 2019B Bond Proceeds]” and “[REFUNDING PLAN”]; and the Bond Resolution and the Indenture conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement.

(m) The Preliminary Official Statement (other than information allowed to be omitted by Rule 15c2-12), as of its date and as of the date hereof, did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (excluding therefrom the information contained under the caption “UNDERWRITING” and all information concerning the book-entry system set forth under the caption “[DESCRIPTION OF THE SERIES 2019B BONDS] — General” and in Appendix E as to which no representations or warranties are made and the information in Appendix C, which is correct in all material respects).

(n) As of the date hereof, and (unless an event occurs of the nature described in paragraph (p) of this Section 8) at all times subsequent thereto, up to and including the Closing Time, the Official Statement (excluding therefrom the information under the caption “UNDERWRITING” and all information concerning the book-entry system set forth under the caption “[DESCRIPTION OF THE SERIES 2019B BONDS] — General” and in Appendix E as to which no representations or warranties are made and the information in Appendix C, which is correct in all material respects) did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements in the Official Statement, in the light of the circumstances under which they are made, not misleading.

(o) If the Official Statement is supplemented or amended pursuant to paragraph (p) of this Section 8, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the Closing Time, the Official Statement as so supplemented or amended will not
contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(p) The Commission shall not amend or supplement the Official Statement without the prior written consent of the Representative, which shall not be unreasonably withheld. If between the date hereof and the Closing Time, any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Commission shall notify the Representative thereof, and if, in the opinion of the Representative, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Commission shall forthwith prepare and furnish (at the expense of the Commission) a reasonable number of copies of an amendment of or supplement to the Official Statement in form and substance satisfactory to the Representative.

(q) Except as described in the Preliminary Official Statement and the Official Statement, and except for a pledge of Revenues or other funds, which is subordinate to the pledge securing repayment of the 2019B Bonds, in connection with (i) a loan obtained by the Commission under the Transportation Infrastructure Finance and Innovation Act or (ii) a new or extended credit or liquidity facility supporting the Commission’s commercial paper notes, the Commission has not granted a lien on or made a pledge of the Revenues or any other funds pledged under the Indenture.

(r) The Commission is not in default in any material respect on any bond, note or other obligation for borrowed money or under any agreement under which any such obligation is outstanding, and at no time has defaulted in any material respect on any payment obligation with respect to such outstanding bonds, notes or other obligations for borrowed money.

(s) The financial statements of, and other financial information regarding, the Commission in the Preliminary Official Statement and the Official Statement relating to the receipts, expenditures and cash balances of Revenues by the Commission as of June 30, 2015 fairly represent the receipts, expenditures and cash balances of such amounts and, insofar as presented, other funds of the Commission as of the dates and for the periods therein set forth. The financial statements of the Commission have been prepared in accordance with generally accepted accounting principles consistently applied. Except as disclosed in the Preliminary Official Statement and the Official Statement or otherwise disclosed in writing to the Representative, there has not been any materially adverse change in the financial condition of the Commission or in its operations since June 30, 2015 and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(t) Prior to the Closing Time, the Commission will not take any action within or under its control, other than actions in the normal course of operation, that will cause any material adverse change in such financial position, results of operations or condition, financial or otherwise, of the Commission.

(u) Upon the delivery of the Series 2019B Bonds, the aggregate principal amount of Bonds authorized to be issued under the Indenture, together with all outstanding Parity
Obligations, will not in combination with all outstanding debt obligations of the Commission exceed any limitation imposed by law or by the Indenture or by Section 132309(b) of the Public Utilities Code of the State of California.

(v) The sum of the principal of and interest on the Series 2019B Bonds, together with all outstanding Parity Obligations and other outstanding debt obligations of the Commission, does not exceed the estimated proceeds of the retail transactions and use tax for the period for which the retail transactions and use tax is to be imposed by the Commission.

(w) Except as otherwise set forth in the Preliminary Official Statement and the Official Statement, the Commission has complied in all material respects during the previous five years with all previous undertakings required pursuant to Rule 15c2-12.

(x) Any certificate, signed by any official of the Commission authorized to do so in connection with the transactions described in this Bond Purchase Agreement, shall be deemed a representation and warranty by the Commission to the Underwriters as to the statements made therein.

9. Conditions to the Underwriters’ Obligations. The Representative has entered into this Bond Purchase Agreement in reliance upon the representations, warranties and obligations of the Commission contained herein and upon the documents and instruments to be delivered at the Closing Time. Accordingly, the Underwriters’ obligations under this Bond Purchase Agreement shall be subject to the following conditions:

(a) The representations and warranties of the Commission contained herein shall be true and correct at the date hereof and true and correct at and as of the Closing Time, as if made at and as of the Closing Time and will be confirmed by a certificate or certificates of the appropriate Commission official or officials dated the Closing Date, and the Commission shall be in compliance with each of the agreements and covenants made by it in this Bond Purchase Agreement;

(b) (i) At the Closing Time, the Act, the Bond Resolution and the Legal Documents shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to by the Commission and the Representative, and (ii) the Commission shall perform or have performed all of its obligations required under or specified in the Act, the Bond Resolution, the Legal Documents, this Bond Purchase Agreement, the Preliminary Official Statement and the Official Statement to be performed at or prior to the Closing Time;

(c) As of the date hereof and at the Closing Time, all necessary official action of the Commission relating to this Bond Purchase Agreement, the Legal Documents, the Preliminary Official Statement and the Official Statement shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect;

(d) Subsequent to the date hereof, up to and including the Closing Time, there shall not have occurred any change in or particularly affecting the Commission, the Act, the Ordinance, the Sales Tax, the Revenues, or the Series 2019B Bonds as the foregoing matters are
described in the Preliminary Official Statement and the Official Statement, which in the reasonable professional judgment of the Representative materially impairs the investment quality of the Series 2019B Bonds;

(e) Subsequent to the date hereof, up to and including the Closing Time, the California Department of Tax and Fee Administration (“CDTFA”) shall not have suspended or advised the suspension of the collection of the Sales Tax or the escrow of any proceeds thereof, and the General Counsel to the Commission, shall not have advised the suspension of the collection of the Sales Tax or the escrow of any proceeds thereof other than as disclosed in the Preliminary Official Statement and the Official Statement;

(f) At or prior to the Closing Date, the Representative shall receive copies of each of the following documents:

1. The Official Statement delivered in accordance with Section 2 hereof and each supplement or amendment, if any, executed on behalf of the Commission by its Executive Director.

2. An approving opinion of Norton Rose Fulbright US LLP, Bond Counsel, dated the Closing Date, as to the validity of the Series 2019B Bonds, the exclusion of interest on the Series 2019B Bonds from federal gross income and the exclusion of interest on the Series 2019B Bonds from State income taxation, addressed to the Commission substantially in the form attached as Appendix F to the Official Statement, and a reliance letter with respect thereto addressed to the Underwriters.

3. A supplemental opinion of Norton Rose Fulbright US LLP, Bond Counsel, addressed to the Underwriters, to the effect that:

   (i) The Bond Purchase Agreement and the Continuing Disclosure Agreement each has been duly executed and delivered by the Commission and each is valid and binding upon the Commission, subject to laws relating to bankruptcy, insolvency, reorganization or creditors’ rights generally, to the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State of California;

   (ii) The statements contained in the Official Statement in the sections entitled “[DESCRIPTION OF THE SERIES 2019B BONDS]” (other than the information concerning DTC and the book-entry system), “[SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019B BONDS],” “TAX MATTERS” and Appendix C — “DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE,” excluding any material that may be treated as included under such captions by cross-reference, insofar as such statements expressly summarize certain provisions of the Indenture, the Series 2019B Bonds, and the form and content of such counsel’s opinion attached as Appendix F to the Preliminary Official Statement and the Official Statement, are accurate in all material respects; and
The Series 2019B Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended (the “1933 Act”) and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”).

(4) A letter, dated the Closing Date and addressed to the Commission and the Underwriters, from Norton Rose Fulbright US LLP, Disclosure Counsel, substantially in the form attached as Appendix C hereto.

(5) The opinion of Nixon Peabody LLP, Underwriters’ Counsel, addressed to the Underwriters, in form and substance acceptable to the Underwriters, covering such items as the Representative may request.

(6) The opinion of the General Counsel to the Commission, dated the Closing Date, addressed to the Underwriters and the Trustee, to the effect that:

(i) The Commission has been duly organized and is validly existing under the Constitution and laws of the State of California, and has all requisite power and authority thereunder: (a) to adopt the Bond Resolution, and to enter into, execute, deliver and perform its covenants and agreements under the Legal Documents and the Bond Purchase Agreement; (b) to approve and authorize the use and distribution of the Preliminary Official Statement and the use, execution and distribution of the Official Statement; (c) to issue, sell, execute and deliver the Series 2019B Bonds; (d) to cause the Sales Tax to be levied and collected as described in the Preliminary Official Statement and the Official Statement; (e) to pledge the Revenues as contemplated by the Legal Documents; and (f) to carry on its activities as currently conducted;

(ii) The Commission has taken all actions required to be taken by it prior to the Closing Date material to the transactions contemplated by the documents mentioned in paragraph (i) above, and the Commission has duly authorized the execution and delivery of, and the due performance of its obligations under, the Bond Purchase Agreement, the Legal Documents and the Series 2019B Bonds;

(iii) the Bond Resolution was duly adopted by at least a two-thirds vote of all the voting members of the Board of Directors of the Commission at a meeting of the governing body of the Commission which was called and held pursuant to law and with all required notices and in accordance with all applicable open meetings laws and at which a quorum was present and acting at the time of the adoption of the Bond Resolution;

(iv) the adoption of the Bond Resolution, the execution and delivery by the Commission of the Bond Purchase Agreement, the Legal Documents and the Series 2019B Bonds and the compliance with the provisions of the Bond Purchase Agreement, the Legal Documents and the Series 2019B Bonds, to the best of such counsel’s knowledge after due inquiry, do not and will not
conflict with or violate in any material respect any California constitutional, statutory or regulatory provision, or, to the best of such counsel’s knowledge after due inquiry, conflict with or constitute on the part of the Commission a material breach of or default under any agreement or instrument to which the Commission is a party or by which it is bound;

(v) the Series 2019B Bonds, the Legal Documents and the Bond Purchase Agreement constitute binding and legal obligations of the Commission and are enforceable according to the terms thereof, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors’ rights generally, and by the application of equitable principles if equitable remedies are sought, by the exercise of judicial discretion and the limitations on legal remedies against public entities in the State;

(vi) no litigation is pending with service of process completed or, to the best of such counsel’s knowledge after due inquiry, threatened against the Commission in any court in any way affecting the titles of the officials of the Commission to their respective positions, or seeking to restrain or to enjoin the issuance, sale or delivery of the Series 2019B Bonds, or the collection of revenues pledged or to be pledged to pay the principal of and interest on the Series 2019B Bonds, or in any way contesting or affecting the validity or enforceability of the Series 2019B Bonds, the Bond Resolution, the Legal Documents or the Bond Purchase Agreement, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the Commission or its authority with respect to the Series 2019B Bonds, the Bond Resolution, the Legal Documents or the Bond Purchase Agreement, or questioning the existence of the Commission;

(vii) the information contained in the Preliminary Official Statement and the Official Statement under the captions “SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION” and “ABSENCE OF MATERIAL LITIGATION” does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(viii) to the best of such counsel’s knowledge after due inquiry, no authorization, approval, consent or other order of the State or any local agency of the State, other than such authorizations, approvals and consents which have been obtained, is required for the valid authorization, execution and delivery by the Commission of the Legal Documents and the authorization and distribution of the Official Statement (provided that no opinion need be expressed as to any action required under state securities or Blue Sky laws in connection with the purchase of the Series 2019B Bonds by the Underwriters); and

(ix) to the best of such counsel’s knowledge after due inquiry, the Commission is not in breach of or default under any applicable law or
administrative regulation of the State or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Commission is a party or is otherwise subject, which breach or default would materially adversely affect the Commission’s ability to enter into or perform its obligations under the Legal Documents and the Bond Purchase Agreement, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which would materially adversely affect the Commission’s ability to enter into or perform its obligations under the Legal Documents and the Bond Purchase Agreement.

(7) A certificate, dated the Closing Date and signed by such officials of the Commission as shall be satisfactory to the Representative, to the effect that (i) the representations, warranties and covenants of the Commission contained in the Bond Purchase Agreement are true and correct in all material respects on and as of the Closing Time with the same effect as if made at the Closing Time; (ii) the Bond Resolution is in full force and effect at the Closing Time and has not been amended, modified or supplemented, except as agreed to by the Commission and the Representative; (iii) the Commission has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Time; (iv) subsequent to the date of the Official Statement and on or prior to the date of such certificate, there has been no material adverse change in the condition (financial or otherwise) of the Commission, whether or not arising in the ordinary course of the Commission’s operations, as described in the Official Statement; and (v) the Preliminary Official Statement, as of its date and as of the date of the Bond Purchase Agreement, (excluding therefrom the information under the caption “UNDERWRITING,” all information concerning the book-entry system set forth under the caption “[DESCRIPTION OF THE SERIES 2019B BONDS] — General” and in Appendix E, as to which no representations and warranties need be made, and the information in Appendix C, which is correct in all material respects), and the Official Statement, as of its date and as of the Closing Date, (excluding therefrom the information under the caption “UNDERWRITING,” all information concerning the book-entry system set forth under the caption “[DESCRIPTION OF THE SERIES 2019B BONDS] — General” and in Appendix E, as to which no representations and warranties need be made, and the information in Appendix C, which is correct in all material respects), did not and does not contain any untrue statement of a material fact and neither omitted nor omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(8) The audited financial statements of the Commission relating to the receipts, expenditures and cash balances of Sales Tax Revenues by the Commission as of June 30, 2015 included in the Official Statement, certified by the Commission on the Closing Date as being correct and complete.

(9) A certificate, dated the Closing Date, signed by a duly authorized official of the Trustee, satisfactory in form and substance to the Representative, to the effect that:
(i) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States of America, having the full power and being qualified to enter into and perform its duties under the Indenture;

(ii) the Trustee is duly authorized to enter into, has duly executed and delivered the Legal Documents to which the Trustee is a party and has duly authenticated and delivered the Series 2019B Bonds;

(iii) the execution and delivery of the Legal Documents to which the Trustee is a party and compliance with the provisions on the Trustee’s part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or Blue Sky laws or regulations), nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the lien created by the Indenture under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Indenture;

(iv) the Trustee has not been served with any action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, nor is any such action, to the best of such official’s knowledge after reasonable investigation, threatened against the Trustee affecting the existence of the Trustee, or the titles of its officers to their respective offices, or in any way contesting or affecting the validity or enforceability of the Legal Documents to which the Trustee is a party, or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Legal Documents to which the Trustee is a party; and

(v) the Trustee will apply the proceeds from the Series 2019B Bonds as provided in the Indenture.

(10) A certified copy of the general resolution or other documentation of the Trustee authorizing the execution and delivery of the Legal Documents to which the Trustee is a party.

(11) The opinion of counsel of the Trustee, dated the Closing Date, addressed to the Commission and the Underwriters, to the effect that:

(i) the Trustee is a national banking association duly organized, validly existing and in good standing under the laws of the United States having
full power and authority and being qualified to enter into, accept and administer the trust created under the Legal Documents to which it is a party and to enter into such Legal Documents;

(ii) the Legal Documents to which it is a party have been duly authorized, executed and delivered by the Trustee and constitute the valid and binding obligations of the Trustee enforceable against the Trustee in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors’ rights generally and by the application of equitable principles if equitable remedies are sought;

(iii) the execution, delivery and performance of the Legal Documents will not conflict with or cause a default under any law, ruling, agreement, administrative regulation or other instrument by which the Trustee is bound;

(iv) all authorizations and approvals required by law and the articles of association and bylaws of the Trustee in order for the Trustee to execute and deliver and perform its obligations under the Legal Documents to which it is a party have been obtained; and

(v) no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, is pending or threatened in any way affecting the existence of the Trustee or the titles of its directors or officers to their respective offices, or seeking to restrain or enjoin the issuance, sale or delivery of the Series 2019B Bonds or the application of proceeds thereof in accordance with the Legal Documents to which it is a party, or in any way contesting or affecting the Series 2019B Bonds or the Legal Documents to which it is a party.

(12) Evidence of signature authority and incumbency of the Trustee.

(13) [Escrow Agreement, Verification Report, Escrow Agent Counsel Opinion TBD].

(14) A certified copy of the proceedings relating to authorization and approval of the Sales Tax.

(15) A copy of the executed Agreement for State Administration of Transactions and Use Tax, between the Commission and the CDTFA, including all amendments thereto.

(16) A certified copy of the Board Resolution.

(17) Fully executed copies of each of the Legal Documents.
(18) Evidence of required filings with the California Debt and Investment Advisory Commission.


(20) A Tax Certificate of the Commission, in form satisfactory to Bond Counsel, signed by such officials of the Commission as shall be satisfactory to the Representative.

(21) Evidence as of the Closing Date satisfactory to the Representative that the Series 2019B Bonds have received a rating of “___” from Fitch Ratings and “AAA” from Standard & Poor’s Ratings Services (or such other equivalent rating as Fitch Ratings and Standard & Poor’s Ratings Services shall issue), and that such ratings have not been revoked or downgraded.

(22) Two transcripts of all proceedings relating to the authorization and issuance of the Series 2019B Bonds, which may be in digital form (or a commitment to so provide).

(23) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Representative, Underwriters’ Counsel or Bond Counsel may reasonably request to evidence compliance by the Commission with legal requirements, the truth and accuracy, as of the Closing Time, of the representations of the Commission herein contained and of the Official Statement and the due performance or satisfaction by the Commission at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Commission.

10. Termination.

(a) If the Commission shall be unable to satisfy the conditions of the Underwriters’ obligations contained in this Bond Purchase Agreement or if the Underwriters’ obligations shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement may be cancelled by the Representative at, or at any time prior to, the Closing Time. Notice of such cancellation shall be given to the Commission in writing, or by telephone or telegraph confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the Commission hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriters may be waived by the Representative at its sole discretion.

(b) The Underwriters shall also have the right, prior to the Closing Time, to cancel their obligations to purchase the Series 2019B Bonds, by written notice to the Commission, if between the date hereof and the Closing Time:

(i) any event occurs or information becomes known, which, in the reasonable professional judgment of the Representative, makes untrue any statement of a material fact set forth in the Official Statement or results in an omission to state a material fact necessary to make the statements made therein, in
the light of the circumstances under which they were made, not misleading and, in
either such event, (A) the Commission refuses to permit the Official Statement to
be supplemented to supply such statement or information in a manner satisfactory
to the Representative or (B) the effect of the Official Statement as so supplemented
is, in the judgment of the Representative, to materially adversely affect the market
price or marketability of the Series 2019B Bonds or the ability of the Underwriters
to enforce contracts for the sale, at the contemplated offering prices (or yields), of
the Series 2019B Bonds; or

(ii) the market for the Series 2019B Bonds or the market prices
of the Series 2019B Bonds or the ability of the Underwriters to enforce contracts
for the sale of the Series 2019B Bonds shall have been materially and adversely
affected, in the reasonable professional judgment of the Representative, by:

(A) an amendment to the Constitution of the United
States or the State of California shall have been passed or legislation shall
have been passed by either chamber of the Congress of the United States or
the legislature of any state having jurisdiction of the subject matter or
legislation pending in the Congress of the United States shall have been
amended or legislation shall have been recommended to the Congress of the
United States or to any state having jurisdiction of the subject matter or
otherwise endorsed for passage (by press release, other form of notice or
otherwise) by the President of the United States, the Treasury Department
of the United States, the Internal Revenue Service or the Chairman or
ranking minority member of the Committee on Finance of the United States
Senate or the Committee on Ways and Means of the United States House of
Representatives, or legislation shall have been proposed for consideration
by either such Committee by any member thereof or presented as an option
for consideration by either such Committee by the staff of such Committee
or by the staff of the joint Committee on Taxation of the Congress of the
United States, or legislation shall have been favorably reported for passage
to either House of the Congress of the United States by a Committee of such
House to which such legislation has been referred for consideration, or a
decision shall have been rendered by a court of the United States or of the
State of California or the Tax Court of the United States, or a ruling shall
have been made or a regulation or temporary regulation shall have been
made or any other release or announcement shall have been made by the
Treasury Department of the United States, the Internal Revenue Service or
other federal or State of California authority, with respect to federal or State
of California taxation upon revenues or other income of the general
character to be derived by the Commission or upon interest received on
obligations of the general character of the Series 2019B Bonds which, in the
reasonable judgment of the Representative, is likely to have the purpose or
effect, directly or, indirectly, of adversely affecting the tax status of the
Commission, its property or income, its securities (including the Series
2019B Bonds) or the interest thereon, or any tax exemption granted or
authorized by State of California legislation; or
(B) legislation shall have been introduced or passed by either chamber of the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or an order, stop order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter shall have been made or issued to the effect that obligations of the general character of the Series 2019B Bonds are not exempt from registration under the 1933 Act, or that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939; or

(C) the declaration of war or engagement in or escalation of military hostilities by the United States or the occurrence of any other national emergency or calamity or terrorism affecting the operation of the government of the United States, or the financial, political or economic conditions affecting the United States or the Commission; or

(D) the declaration of a general banking moratorium by federal, New York or California authorities or a major financial crisis, a material disruption in commercial banking or securities settlement or clearance services, the general suspension of trading on any national securities exchange, the establishment of minimum or maximum prices on any national securities exchange; or

(E) an order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Series 2019B Bonds, or the issuance, offering or sale of the Series 2019B Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect; or

(F) any material adverse change in the affairs or financial condition of the Commission, except for changes which the Official Statement disclosures are expected to occur; or

(iii) additional material restrictions not in force or being enforced as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which, in the reasonable professional judgment of the Representative, materially and adversely affect the market or market price for the Series 2019B Bonds, or there is a material increase in restrictions now in force with respect to the extension of credit by or the charge to the net capital requirements of underwriters or broker-dealers which, in the reasonable professional judgment of the Representative, make it impractical or inadvisable to proceed with the offering of the Series 2019B Bonds as contemplated in the Official Statement; or
any litigation shall be instituted or be pending at the Closing Time to restrain or enjoin the issuance, sale or delivery of the Series 2019B Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Sales Tax or the rates, levy or collection thereof, the issuance, sale or delivery of Series 2019B Bonds, the Act, the Ordinance, the Bond Resolution, the Legal Documents or the existence or powers of the Commission with respect to its obligations under the Legal Documents or the Series 2019B Bonds; or

there shall have occurred any downgrading or published negative credit watch or similar published information from a rating agency that as of the date hereof has published, or has been asked to furnish, an unenhanced long-term rating on the Commission’s senior lien debt obligations, including the Series 2019B Bonds, which action reflects a change or possible change in the ratings accorded to such obligations, including the Series 2019B Bonds.

If the Underwriters terminate their obligation to purchase the Series 2019B Bonds because any of the conditions specified in Section 6, Section 9 or this Section 10 shall not have been fulfilled at or before the Closing Time, such termination shall not result in any liability on the part of the Representative.

11. Conditions to Obligations of the Commission. The performance by the Commission of its obligations is conditioned upon (i) the performance by the Underwriters of their obligations hereunder and (ii) receipt by the Commission and the Underwriters of opinions addressed to the Underwriters and certificates being delivered at the Closing Time by persons and entities other than the Commission.

12. Amendment of Official Statement. For a period beginning on the date hereof and continuing until the End Date, (a) the Commission will not adopt any amendment of, or supplement to, the Official Statement to which the Representative shall object in writing or that shall be disapproved by the Underwriters’ Counsel and (b) if any event relating to or affecting the Commission shall occur as a result of which it is necessary, in the opinion of Underwriters’ Counsel, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser of the Series 2019B Bonds, the Commission will forthwith prepare and furnish to the Underwriters a reasonable number of copies of an amendment of, or supplement to, the Official Statement (in form and substance satisfactory to Underwriters’ Counsel) that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser of the Series 2019B Bonds, not misleading.

13. Indemnification. The Commission (a “Commission Indemnifying Party”) shall indemnify and hold harmless, to the extent permitted by law, the Underwriters and their respective directors, officers, employees and agents and each person who controls the Underwriters within the meaning of Section 15 of the 1933 Act (any such person being therein sometimes called a “Commission Indemnified Party”), against any and all losses, claims, damages or liabilities, joint
or several, to which such Commission Indemnified Party may become subject under any statute or at law or in equity or otherwise, and shall promptly reimburse any such Commission Indemnified Party for any reasonable legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, but only to the extent that such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement of a material fact contained in the Preliminary Official Statement or the Official Statement under the captions “[DESCRIPTION OF THE SERIES 2019B BONDS],” “[SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019B BONDS],” “SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION,” “THE SALES TAX,” “[REFUNDING PLAN],” “COMMISSION INVESTMENT PORTFOLIO,” and “ABSENCE OF MATERIAL LITIGATION” or any amendment or supplement thereof, or the omission to state therein a material fact necessary to make the statements therein in light of the circumstances under which they were made not misleading. This indemnity agreement shall not be construed as a limitation on any other liability which the Commission may otherwise have to any Commission Indemnified Party, provided that in no event shall the Commission be obligated for double indemnification.

The Underwriters (collectively, an “Underwriter Indemnifying Party”) shall indemnify and hold harmless, to the extent permitted by law, the Commission and its directors, officers, members, employees and agents and each person who controls the Commission within the meaning of Section 15 of the 1933 Act (any such person being therein sometimes called an “Underwriter Indemnified Party”), against any and all losses, claims, damages or liabilities, joint or several, to which such Underwriter Indemnified Party may become subject under any statute or at law or in equity or otherwise, and shall promptly reimburse any such Underwriter Indemnified Party for any reasonable legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, but only to the extent that such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement of a material fact contained in the Preliminary Official Statement or the Official Statement under the caption “UNDERWRITING” or any amendment or supplement thereof, or the omission to state therein a material fact necessary to make the statements therein in light of the circumstances under which they were made not misleading. This indemnity agreement shall not be construed as a limitation on any other liability which the Underwriters may otherwise have to any Underwriter Indemnified Party, provided that in no event shall the Underwriters be obligated for double indemnification.

For purposes of this paragraph and the immediately succeeding paragraph, an “Indemnified Party” means a Commission Indemnified Party or an Underwriter Indemnified Party as the context dictates and an “Indemnifying Party” means a Commission Indemnifying Party or an Underwriter Indemnifying Party as the context dictates. An Indemnified Party shall, promptly after the receipt of notice of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against an Indemnifying Party, notify the Indemnifying Party in writing of the commencement thereof, but the omission to notify the Indemnifying Party of any such action shall not relieve the Indemnifying Party from any liability that it may have to such Indemnified Party otherwise than under the indemnity agreement contained herein. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Indemnifying Party of the commencement thereof, the Indemnifying Party may, or if so requested by such Indemnified Party shall, participate therein or assume the defense thereof, with counsel satisfactory to such Indemnified Party, and after notice from the Indemnifying Party to such Indemnified Party of an election so to assume the defense thereof, the Indemnifying Party
will not be liable to such Indemnified Party under this paragraph for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation. If the Indemnifying Party shall not have employed counsel to have charge of the defense of any such action or if the Indemnified Party shall have reasonably concluded that there may be defenses available to it or them that are different from or additional to those available to the Indemnifying Party (in which case the Indemnifying Party shall not have the right to direct the defense of such action on behalf of such Indemnified Party), such Indemnified Party shall have the right to retain legal counsel of its own choosing and reasonable legal and other expenses incurred by such Indemnified Party shall be borne by the Indemnifying Party.

An Indemnifying Party shall not be liable for any settlement of any such action effected without its consent by any Indemnified Party, which consent shall not be unreasonably withheld, but if settled with the consent of the Indemnifying Party or if there be a final judgment for the plaintiff in any such action against the Indemnifying Party or any Indemnified Party, with or without the consent of the Indemnifying Party, the Indemnifying Party agrees to indemnify and hold harmless such Indemnified Party to the extent provided herein.

In order to provide for just and equitable contribution in circumstances in which indemnification hereunder is for any reason held to be unavailable from the Commission or the Underwriters, to the extent permitted by law, the Commission and the Underwriters shall contribute to the aggregate losses, claims, damages and liabilities (including any investigation, legal and other expenses incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claims asserted, to which the Commission and the Underwriters may be subject) in such proportion so that the Underwriters are jointly and severally responsible for that portion represented by the percentage that the Underwriters’ discount set forth in the Official Statement bears to the public offering price appearing thereon and the Commission is responsible for the balance; provided, however, that no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this paragraph, each person, if any, who controls the Underwriters within the meaning of the 1933 Act shall have the same rights to contribution as the Underwriters. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this paragraph, notify such party or parties from whom contribution may be sought, but the omission so to notify shall not relieve that party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise than under this paragraph. No party shall be liable for contribution with respect to any action or claim settled without its consent.

Nothing in this Section 13 shall relate to, have any effect on, or provide any obligation for or right to indemnification or contribution with respect to any action, expense, judgment, order, ruling, award or settlement in the litigation brought by the Commission against affiliates of the Underwriters alleging that the defendants conspired to suppress the U.S. dollar London Interbank Offered Rate.

(a) Whether or not the Series 2019B Bonds are issued as contemplated by this Bond Purchase Agreement, the Underwriters shall be under no obligation to pay and the Commission hereby agrees to pay any expenses incident to the performance of the Commission’s obligations hereunder, including but not limited to the following: (i) the cost of preparation, printing, engraving, execution and delivery of the Series 2019B Bonds; (ii) any fees charged by any rating agency for issuing the rating on the Series 2019B Bonds; (iii) the cost of printing (and/or word processing and reproduction), distribution and delivery of the Preliminary Official Statement in electronic form and the Official Statement; (iv) the fees and disbursements of Bond Counsel, the Trustee (including its counsel’s fees), any disclosure counsel, accountants, consultants and any financial advisor; (v) the fees of Digital Assurance Certification, L.L.C. for a continuing disclosure undertaking compliance review; and (vi) any out-of-pocket disbursements of the Commission. The Commission shall also pay for any expenses (included in the expense component of the Underwriters' discount) incurred by the Underwriters on behalf of the Commission’s employees and representatives which are in connection with this Bond Purchase Agreement, including, but not limited to, meals, transportation and lodging of those employees and representatives.

(b) Whether or not the Series 2019B Bonds are issued as contemplated by this Bond Purchase Agreement, the Underwriters shall pay (i) any fees assessed upon the Underwriters with respect to the Series 2019B Bonds by the MSRB or Financial Industry Resources Authority; (ii) all advertising expenses in connection with the public offering and distribution of the Series 2019B Bonds (excluding any expenses of the Commission and its employees or agents); (iii) any fees payable to the California Debt and Investment Advisory Commission (“CDIAC”); and (iv) all other expenses incurred by them or any of them in connection with the public offering and distribution of the Series 2019B Bonds, including the fees and disbursements of Underwriters’ Counsel. The Underwriters are required to pay the fees to CDIAC in connection with the Series 2019B Bond offering. The Commission acknowledges that it has had the opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider such fees. Notwithstanding that such fees are solely the legal obligation of the Underwriters, the Commission agrees to reimburse the Underwriters for such fees.

15. Notices. Any notice or other communication to be given under this Bond Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing, if to the Commission, addressed to:

San Diego County Regional Transportation Commission  
401 B Street, Suite 800  
San Diego, California 92101  
Attention: Executive Director

or if to the Representative or the Underwriters, addressed to:

Goldman, Sachs & Co.  

Attention: Ruth Pan, Managing Director
16. Parties in Interest; Survival of Representations and Warranties. This Bond Purchase Agreement when accepted by the Commission in writing as heretofore specified shall constitute the entire agreement between the Commission and the Underwriters and is made solely for the benefit of the Commission and the Underwriters (including the successors or assigns of the Underwriters). No other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the Commission in this Bond Purchase Agreement or in any certificate delivered pursuant hereto shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriters, (b) delivery to and payment by the Underwriters for the Series 2019B Bonds hereunder and (c) any termination of this Bond Purchase Agreement.

17. Execution in Counterparts. This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

18. No Advisory or Fiduciary Role. The Commission acknowledges and agrees that: (i) the primary role of the Underwriters, is to purchase securities, for resale to investors, in an arm’s-length commercial transaction between the Commission and the Underwriters and that the Underwriters have financial and other interests that differ from those of the Commission; (ii) the Underwriters are not acting as a municipal advisor, financial advisor, or fiduciary to the Commission and have not assumed any advisory or fiduciary responsibility to the Commission with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Commission on other matters); and (iii) the Commission has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate. If the Commission would like a municipal advisor in this transaction that has legal fiduciary duties to the Commission, then the Commission is free to engage a municipal advisor to serve in that capacity.

[Remainder of page intentionally blank]
19. **Applicable Law.** This Bond Purchase Agreement shall be interpreted, governed and enforced in accordance with the laws of the State of California.

GOLDMAN, SACHS & CO.
CITIGROUP GLOBAL MARKETS INC.
J.P. MORGAN SECURITIES LLC
STIFEL, NICOLAUS & COMPANY, INCORPORATED
WELLS FARGO [BANK, NATIONAL ASSOCIATION]

By GOLDMAN, SACHS & CO.,
as Representative

By: ____________________________
    Authorized Officer

The foregoing is hereby agreed to and accepted as of the date first above written:

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION

By: ____________________________
    Authorized Officer
### APPENDIX A

**MATURITY SCHEDULE**

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION
SALES TAX REVENUE BONDS
(LIMITED TAX BONDS)
2019 SERIES B
(TAX-EXEMPT)

<table>
<thead>
<tr>
<th>Maturity (April 1)</th>
<th>Principal Amount ($)</th>
<th>Interest Rate (%)</th>
<th>Yield (%)</th>
<th>Price (%)</th>
<th>10% Test Met as of Pricing</th>
<th>Subject to Hold-the-Offering Price Rule</th>
</tr>
</thead>
</table>

[ADD REDEMPTION PROVISIONS?]
APPENDIX B

CERTIFICATE OF THE REPRESENTATIVE REGARDING OFFERING PRICES

This certificate is furnished by Goldman, Sachs & Co., as representative (the “Representative”) of the underwriters (the “Underwriters”) listed in the Bond Purchase Agreement, dated December __, 2019 (the “Bond Purchase Agreement”), among the Underwriters and the San Diego County Regional Transportation Commission for the sale of the $_______ aggregate principal amount of San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), 2019 Series B (Tax-Exempt) (the “Bonds”).

Issue Price.

[NOT USING HOLD THE PRICE]

1. [10% OF EACH MATURITY SOLD BY CLOSING] As of the date hereof, the first price or yield at which at least 10% of each Maturity of the Bonds was sold by the Underwriter to the Public was the [Initial Offering Price/OR IF ACTUAL SALES AT OTHER THAN IOP price or yield set forth on Schedule 1 hereto.]

[USING HOLD THE PRICE]

1. As of ________, 2019 (the “Sale Date”), all of the Bonds were the subject of a bona fide offering to the Public at the Initial Offering Price.

[2. [USING HOLD THE PRICE FOR A PORTION OF THE ISSUE] As of the date hereof, other than the Bonds listed on Exhibit A to the Bond Purchase Agreement, dated ____, 2019, by and between the Underwriter and San Diego County Regional Transportation Commission (the “Commission”), as Subject-to-Hold-The-Offering-Price Rule (the “Undersold Maturities”), the first price or yield at which at least 10% of each Maturity of the Bonds was sold by the Underwriter to the Public was the respective [Initial Offering Price/OR IF ACTUAL SALES AT OTHER THAN IOP price set forth on Schedule 1 hereto. Attached hereto as Schedule 2 is a copy of the final pricing wire for each Undersold Maturity or an equivalent communication. With respect to the Undersold Maturities, as agreed to in writing by the Underwriter in the Bond Purchase Agreement between the Commission and the Underwriter dated ________, 2019, the Underwriter has not offered or sold any unsold Bonds of the Undersold Maturities to any person at a price higher than or a yield lower than the respective Initial Offering Price for a period of time starting on the Sale Date and ending on the earlier of (a) the date on which 10% of the respective Undersold Maturity was sold at one or more prices no higher than or yields no lower than the Initial Offering Price by the Underwriter or (b) the close of the fifth business day following the Sale Date.

2. [USING HOLD THE PRICE FOR 100% OF THE ISSUE]. As agreed to in writing by the Underwriter in the Purchase Agreement between the Commission and the Underwriter dated ________, 2019, the Underwriter has not offered or sold any unsold Bond to any person at a price higher than or a yield lower than the respective Initial Offering Price for a period of time starting on the Sale Date and ending on the earlier of (a) the date on which 10% of the
respective Undersold Maturity was sold at one or more prices no higher than or yields no lower than the Initial Offering Price by the Underwriter or (b) the close of the fifth business day following the Sale Date. Attached hereto as Schedule 1 is a copy of the final pricing wire for the Bonds or an equivalent communication.

[ADD SECTION ON QUALIFIED GUARANTEE IF APPLICABLE]

2. Defined Terms.

(a) “Initial Offering Price” means the prices or yields set forth on the inside cover page of the Commission’s Official Statement in respect of such Bonds dated ______, 2019.

(b) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.

(d) “Related Party” means any entity if an Underwriter and such entity are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(e) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Commission (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Commission with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Norton Rose Fulbright US LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Commission from time to time relating to the Bonds.
Dated: December __, 2019

GOLDMAN, SACHS & CO.,
as Representative

By: __________________________
   Authorized Signatory
SCHEDULE 1
ISSUE PRICES

[IF USING ACTUAL SALES AND THE IOP IS NOT THE ISSUE PRICE FOR EACH MATURITY]

First Price of At Least 10% (ONLY APPLICABLE IF PRICE IS NOT THE IOP)

Undersold Maturities

[IF USING HOLD THE PRICE FOR A PORTION]

First Price of At Least 10% (Only Applicable if Not IOP)

Initial Offering Prices of Undersold Maturities
APPENDIX C

FORM OF LETTER OF DISCLOSURE COUNSEL

[Closing Date]

San Diego County Regional Transportation Commission
401 B Street, Suite 800
San Diego, California 92101

Goldman, Sachs & Co.
as Representative
Los Angeles, California

Re: $_______ San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds) 2019 Series B (Tax-Exempt)

Ladies and Gentlemen:

We have acted as Disclosure Counsel to the San Diego County Regional Transportation Commission (the “Commission”) in connection with the issuance by the Commission of its Sales Tax Revenue Bonds (Limited Tax Bonds) 2019 Series B in the aggregate principal amount of $_______ (the “Bonds”). The Bonds were issued pursuant to the Indenture, dated as of March 1, 2008, as amended and supplemented, including by a Eighth Supplemental Indenture, dated as of December 1, 2019 (collectively, the “Indenture”), each between the Commission and U.S. Bank National Association, as trustee. The Bonds are more fully described in the Official Statement of the Commission, dated December __, 2019 (the “Official Statement”). This opinion is delivered to you pursuant to Section 9(f)(4) of the Bond Purchase Agreement, dated August 3, 2016 (the “Bond Purchase Agreement”), by and between the Commission and Goldman, Sachs & Co., acting on behalf of itself and Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Stifel, Nicolaus & Company, Incorporated and Wells Fargo Bank, National Association (collectively, the “Underwriters”). Capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the Bond Purchase Agreement.

In rendering this opinion, we have reviewed the Indenture and such records, documents, certificates and opinions, and made such other investigations of law and fact as we have deemed necessary or appropriate.

This opinion is limited to matters governed by the federal securities law of the United States, and we assume no responsibility with respect to the applicability or effect of the laws of any other jurisdiction.
In our capacity as Disclosure Counsel to the Commission, we have rendered certain legal advice and assistance in connection with the preparation of the Preliminary Official Statement of the Commission, dated ________, 2019 (the “Preliminary Official Statement”), and the Official Statement. Rendering such assistance involved, among other things, discussions and inquiries concerning various legal matters, review of certain records, documents and proceedings, and participation in meetings and telephone conferences with, among others, representatives of the Commission, Public Financial Management, Inc., the Commission’s financial advisor, Bond Counsel, Goldman, Sachs & Co., as representative of the Underwriters, and counsel to the Underwriters, at which meetings and conferences the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed. On the basis of the information made available to us in the course of the foregoing (but without having undertaken to determine or verify independently, or assuming any responsibility for, the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement or the Official Statement), no facts have come to the attention of the personnel directly involved in rendering legal advice and assistance in connection with the preparation of the Preliminary Official Statement and the Official Statement that causes them to believe that (a) the Preliminary Official Statement as of its date and as of the date of the Bond Purchase Agreement contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading (except for any information relating to The Depository Trust Company, Cede & Co., the book-entry system, forecasts, projections, estimates, assumptions and expressions of opinions and the other financial and statistical data included therein, and information in Appendices A, E and F thereof, as to all of which we express no view, and except for such information as is permitted to be excluded from the Preliminary Official Statement pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, including but not limited to information as to pricing, yield, interest rate, maturity, amortization, redemption provisions, underwriters’ compensation and the CUSIP numbers), or (b) the Official Statement as of its date or as of the date hereof contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except for any information relating to The Depository Trust Company, Cede & Co., the book-entry system, the CUSIP numbers, forecasts, projections, estimates, assumptions and expressions of opinions and the other financial and statistical data included therein, and information in Appendices [A, E and F] thereof, as to all of which we express no view).

During the period from the date of the Preliminary Official Statement to the date of this opinion, except for our review of the certificates and opinions regarding the Preliminary Official Statement and the Official Statement delivered on the date hereof, we have not undertaken any procedures or taken any actions which were intended or likely to elicit information concerning the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement or the Official Statement.
We are furnishing this opinion to you, solely for your benefit. This opinion is rendered in connection with the transaction described herein, and may not be relied upon by you for any other purpose. This opinion shall not extend to, and may not be used, circulated, quoted, referred to, or relied upon by, any other person, firm, corporation or other entity without our prior written consent. The delivery of this opinion shall not create any attorney-client relationship between our firm and the addressees hereof, other than the Commission. Our engagement with respect to this matter terminates upon the delivery of this opinion to you at the time of the remarketing relating to the Bonds, and we have no obligation to update this opinion.

Respectfully submitted,
CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is executed and delivered by the San Diego County Regional Transportation Commission (the “Commission”) and Digital Assurance Certification LLC, as dissemination agent (the “Dissemination Agent”), in connection with the issuance of $_____________ San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), 2019 Series A (Taxable) (the “2019 Series A Bonds”) and $_____________ San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds) 2019 Series B (Tax-Exempt) (the “2019 Series B Bonds” and together with the 2019 Series A Bonds, the “Bonds”). The Bonds are being issued pursuant to the Indenture, dated as of March 1, 2008 (as amended and supplemented, including by an Eighth Supplemental Indenture, dated as of December 1, 2019 (collectively, the “Indenture”), between the Commission and U.S. Bank National Association, as trustee. Pursuant to the Indenture, the Commission and the Dissemination Agent covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Commission for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (as defined herein).

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Commission pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Audited Financial Statements” means the audited financial results of the Commission for the applicable Fiscal Year.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Business Day” shall mean a day other than (a) Saturday or Sunday, (b) a day on which banking institutions in the city in which the Principal Office of the Trustee is located are authorized or required by law to be closed, and (c) a day on which the New York Stock Exchange is authorized or obligated by law or executive order to be closed.

“Disclosure Representative” shall mean the designee of the Commission designated to act as the Disclosure Representative, or such other person as the Commission shall designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” means an entity selected and retained by the Commission, or any successor thereto selected by the Commission. The initial Dissemination Agent shall be Digital Assurance Certification LLC.

“Financial Obligation” shall mean, for purposes of the Listed Events set out in Section 5(a)(10) and Section 5(b)(8), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planed debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Listed Events” shall mean any of the events listed in Section 5(a) and (b) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the EMMA website of the MSRB, currently located at http://emma.msrb.org.

“Official Statement” shall mean the final official statement, dated December __, 2019, relating to the Bonds.

“Participating Underwriter” shall mean any original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” shall mean, until otherwise designated by the SEC, EMMA.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as amended from time to time.

“SEC” shall mean the U.S. Securities and Exchange Commission.

“State” shall mean the State of California.

Section 3. Provision of Annual Reports.

(a) The Commission shall, or shall cause the Dissemination Agent to, not later than two hundred ten (210) days after the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2019, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided, that the audited financial statements of the Commission may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Commission’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(e). The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Bonds by name and CUSIP number.

(b) Not later than one Business Day prior to the date specified in subsection (a) for providing the Annual Report to the Repository, the Commission shall provide the Annual Report to the Dissemination Agent (if other than the Commission). The Commission shall provide, or cause the preparer of the Annual Report to provide, a written certificate with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished to it hereunder. The Dissemination Agent may conclusively rely upon such certification and shall have no duty or obligation to review such Annual Report.

(c) If the Commission is unable to provide to the Repository an Annual Report by the date required in subsection (a), the Commission shall send, or shall cause the Dissemination Agent to send, a notice to the Repository or to the MSRB, in substantially the form attached as Exhibit A.
(d) The Dissemination Agent shall:

(i) determine the electronic filing address of, and then-current procedures for submitting Annual Reports to, the MSRB each year prior to the date for providing the Annual Report; and

(ii) file a report with the Commission certifying that the Annual Report has been provided to the MSRB pursuant to this Disclosure Agreement, and stating the date it was provided.

Section 4. Content of Annual Reports. The Annual Report shall contain or include by reference the following:

(a) The Audited Financial Statements of the Commission for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Audited Financial Statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the Audited Financial Statements shall be filed in the same manner as the Annual Report when such Audited Financial Statements become available.

(b) The debt service schedule for the Bonds, if there have been any unscheduled redemptions, retirements or defeasances, and the debt service on any additional parity bonds issued, in each case during the prior Fiscal Year.

(c) The amount of Sales Tax Revenues (as such term is defined in the Official Statement) received as of the most recently ended Fiscal Year.

(d) The quotient of Sales Tax Revenues received as of the most recently ended Fiscal Year divided by Maximum Annual Debt Service on outstanding bonds payable from such Sales Tax Revenues.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Commission or related public entities, which have been submitted to the Repository or the SEC. If the document included by reference is a final official statement, it must be available from the MSRB. The Commission shall clearly identify each such other document so included by reference.

Section 5. Reporting of Listed Events.

(a) Pursuant to the provisions of this Section 5, the Commission shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not more than ten (10) Business Days after the occurrence of the event:

(1) principal and interest payment delinquencies;

(2) defeasances;

(3) tender offers;

(4) rating changes;
(5) adverse tax opinions or the issuance by the Internal Revenue Service of a proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

(6) unscheduled draws on the debt service reserves reflecting financial difficulties;

(7) unscheduled draws on credit enhancements reflecting financial difficulties;

(8) substitution of credit or liquidity providers or their failure to perform;

(9) bankruptcy, insolvency, receivership or similar proceedings; or

(10) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Commission, any of which reflect financial difficulties.

For these purposes, any event described in the immediately preceding paragraph (9) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Commission in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Commission, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Commission.

(b) Pursuant to the provisions of this Section 5, the Commission shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten (10) Business Days after the occurrence of the event:

(1) unless described in Section 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

(2) modifications to the rights of Holders;

(3) optional, unscheduled or contingent Bond calls;

(4) release, substitution or sale of property securing repayment of the Bonds;

(5) non-payment related defaults;

(6) consummation of a merger, consolidation or acquisition involving the Commission or the sale of all or substantially all of the assets of the obligated persons, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or

(7) appointment of a successor or additional trustee or the change of the name of a trustee; or
incurrence of a Financial Obligation of the Commission, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Commission, any of which affect security holders.

(c) Upon the occurrence of a Listed Event described in Section 5(a), or upon the occurrence of a Listed Event described in Section 5(b) which the Commission determines would be material under applicable federal securities laws, the Commission shall within ten business days of occurrence file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in Section 5(b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Indenture.

(d) The Commission intends to comply with the Listed Events described in Section 5(a)(10) and Section 5(b)(8), and the definition of “Financial Obligation” in Section 1, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the SEC in Release No. 34-83885 dated August 20, 2018 (the “2018 Release”), and any further amendments or written guidance provided by the SEC or its staff with respect the amendments to the Rule effected by the 2018 Release.

(e) If the Dissemination Agent has been instructed by the Commission to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB.

Section 6. Filings with the MSRB. All information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Disclosure Agreement shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Commission’s obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Commission shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

Section 8. Dissemination Agent. The Commission may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing thirty (30) days written notice to the Commission.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Commission may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived; provided that in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule.

Section 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Commission from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Commission chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Commission shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.
Section 11. **Default.** In the event of a failure of the Commission to comply with any provision of this Disclosure Agreement, any Owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Commission to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Commission or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 12. **Duties, Immunities and Liabilities of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Commission agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their respective powers and duties hereunder, including the costs and expenses (including attorneys’ fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall be paid compensation by the Commission for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the Commission, the Trustee, the Holders, or any other party. The obligations of the Commission under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. **Notices.** Any notices or communications herein required or permitted to be given shall be in writing and shall be delivered in such manner and to such addresses as are specified in the Indenture.
Section 14. **Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Commission, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: December __, 2019

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION

By: ________________________________
   Executive Director

DIGITAL ASSURANCE CERTIFICATION LLC,
as Dissemination Agent

By: ________________________________
   Authorized Representative
Exhibit A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: San Diego County Regional Transportation Commission (the “Commission”)

Name of Issue: $____________ San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), 2019 Series A (Taxable)

$____________ San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), 2019 Series B (Tax-Exempt)

Date of Issuance: December __, 2019

NOTICE IS HEREBY GIVEN that the Commission has not provided an Annual Report with respect to the above-captioned Bonds as required by the Indenture, dated as of March 1, 2008 (as amended and supplemented, including by an Eighth Supplemental Indenture, dated as of December 1, 2019 (collectively, the “Indenture”), between the Commission and U.S. Bank National Association, as trustee thereunder. [The Commission anticipates that the Annual Report will be filed by [date].]

Dated: ________________ , 20__

Digital Assurance Certification LLC,
as Dissemination Agent

cc: San Diego County Regional Transportation Commission
THIS INVITATION WILL EXPIRE AT 3:00 P.M., NEW YORK CITY TIME ON [date] UNLESS EARLIER TERMINATED OR EXTENDED.

INVITATION TO TENDER BONDS MADE
BY THE
SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION

San Diego County Regional Transportation Commission invites its Bondowners to offer to sell for cash at the tender prices designated below all of its Sales Tax Revenue Bonds (Limited Tax Bonds) ____ Series 2012A and Series 2014A maturing in the years [TO COME]__________ (the “Target Bonds”) as set forth in more detail in Appendix A.

<table>
<thead>
<tr>
<th>Series 2012A Maturity</th>
<th>Par Amount</th>
<th>CUSIP</th>
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<th>Series 2014A Maturity</th>
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[The Offer Price for each maturity of Bonds will be established based upon the yield derived by adding the “Fixed Spread” specified for that maturity of Bonds in Appendix A to the “AAA MMD Rate” for that respective call date of the Bonds (the "Comparable AAA General Obligations" yield curve rate for the stated call date of such Bonds as published by Municipal Market Data) as of the close of business of the Pricing Date (tentatively set for [DATE]). The sum of the Fixed Spread and the “AAA MMD Rate” for the Bonds will be the “Offer Yield” for such maturity of Bonds. The Offer Yield will then be used to calculate the Offer Price of the Bonds as of the Settlement Date (currently expected to be [DATE]) based upon standard price/yield formulae applicable to municipal bonds under the rules of the Municipal Securities Rulemaking Board. Accrued interest up to but not including the Settlement Date will be added.]

To make an informed decision as to whether, and how, to offer Target Bonds, a Bondowner must read this Invitation carefully and consult his, her or its account executives or other financial advisor.

The Information Agent for this Invitation is
[GLOBIĆ ADVISORS]

1-212-227-9699
Toll Free: 1-800-974-5771
Document Website: TO COME

The Dealer Managers for this Invitation are
GOLDMAN SACHS & CO. LLC
Banks and Brokerage Firms Call: (212) 902-6617

Any Bondowner wishing to offer Target Bonds pursuant to this Invitation should follow the procedures more fully described herein. Institutional investors with questions about this Invitation should contact the Dealer Managers. Individual investors and their brokers and account executives with questions about this Invitation should contact the Information Agent.

[date]
This Invitation has not been approved or disapproved by the Securities and Exchange Commission or any state securities commission, nor has the Securities and Exchange Commission or any state securities commission passed upon the fairness or merits of this Invitation or upon the accuracy or adequacy of the information contained in this Invitation. Any representation to the contrary is a criminal offense.

This Invitation is not being made to, and offers will not be accepted from or on behalf of, Bondowners in any jurisdiction in which the Invitation, the making of offers to sell Target Bonds or the acceptance thereof would not be in compliance with the laws of such jurisdiction. In those jurisdictions whose laws require the Invitation to be made through a licensed or registered broker or dealer, the Invitation is being made on behalf of the Commission by the Dealer Managers.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Invitation and the Other Tender Materials; and, if given or made, such information or representation may not be relied upon as having been authorized by the Commission.

The delivery of this Invitation and the Other Tender Materials shall not under any circumstances create any implication that the information contained herein and therein is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth herein and therein or in any attachments hereto and thereto or materials delivered herewith and therewith or in the affairs of the Commission since the date hereof.

This Invitation and the Other Tender Materials contain statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Invitation and the Other Tender Materials, the words “estimate,” “anticipate,” “forecast,” “project,” “intend,” “propose,” “plan,” “expect” and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Introduction</td>
<td>1</td>
</tr>
<tr>
<td>2. Expiration Date; Offers Only Through Financial Institutions; Information to Bondowners</td>
<td>3</td>
</tr>
<tr>
<td>3. Offers at the Offer Prices</td>
<td>3</td>
</tr>
<tr>
<td>4. Provisions Applicable to all Offers</td>
<td>4</td>
</tr>
<tr>
<td>5. Transmission of Offers by Financial Institutions; DTC ATOP Account</td>
<td>5</td>
</tr>
<tr>
<td>6. Determinations as to Form and Validity of Offers; Right of Waiver and Rejection</td>
<td>5</td>
</tr>
<tr>
<td>7. Amendments and Withdrawals of Offers</td>
<td>5</td>
</tr>
<tr>
<td>8. Irrevocability of Offers; Return of Target Bonds Not Purchased</td>
<td>6</td>
</tr>
<tr>
<td>9. Determination of Amounts to be Purchased</td>
<td>6</td>
</tr>
<tr>
<td>10. Acceptance of Offers Constitutes Irrevocable Agreement; Notice of Results</td>
<td>6</td>
</tr>
<tr>
<td>11. Settlement Date; Purchase of Target Bonds</td>
<td>7</td>
</tr>
<tr>
<td>12. Purchase Funds</td>
<td>7</td>
</tr>
<tr>
<td>13. Conditions to Purchase</td>
<td>7</td>
</tr>
<tr>
<td>14. Extension, Termination and Amendment of Invitation; Changes to Terms, including Offer Prices</td>
<td>8</td>
</tr>
<tr>
<td>15. Preferential Allocation of Refunding Bonds for Tendering Bondholders</td>
<td>9</td>
</tr>
<tr>
<td>17. Additional Considerations</td>
<td>10</td>
</tr>
<tr>
<td>18. Dealer Managers’ Fees and Expenses</td>
<td>10</td>
</tr>
<tr>
<td>19. Miscellaneous</td>
<td>10</td>
</tr>
</tbody>
</table>
INVITATION TO TENDER BONDS
made by
SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION

1. Introduction

This Invitation to Tender Bonds (this “Invitation”) is made by San Diego County Regional Transportation Commission (the “Commission”) with respect to its Sales Tax Revenue Bonds (Limited Tax Bonds) ______ Series ___ maturing in the years ______________ (the “Target Bonds”) listed in the table below, to the beneficial owners (the “Bondowners”) of such Target Bonds:

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<th>Series 2012A Maturity</th>
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</table>

The Invitation is contained in this document, including the cover page, copies of which can be obtained from the Information Agent’s website at TO COME.

Each Bondowner is invited by the Commission to offer to sell to the Commission for cash any or all Target Bonds with respect to which the Bondowner has a beneficial ownership interest. An offer to sell may be made only at the Offer Prices, which will be posted on the Electronic Municipal Market Access website of the Municipal Securities Rulemaking Board, currently located at http://emma.msrb.org (the “EMMA Website”), using the CUSIP numbers for the Target Bonds, not later than 5:00 p.m. EDT on [day], [date]. See Sections 3 and 4 below for more information on how a Bondowner can offer his, her or its Target Bonds. See Sections 3 and 14 for information on how the initial Offer Prices may be changed. Subject to satisfaction of all conditions to the Commission’s obligation to purchase tendered Target Bonds, as described herein and in the Other Tender Materials, the Target Bonds that the Commission accepts for purchase will be paid for on [date] or such later date (but not later than [date]) as the Commission shall determine (the “Settlement Date”).

All times in this Invitation are local time in New York City.

The Target Bonds constitute a portion of the Commission’s Sales Tax Revenue Bonds (Limited Tax Bonds) ______ Series 2012A and Series 2014A. This Invitation is part of a plan by the Commission to refund some or all of the Commission’s Series 2012A and Series 2014A Bonds for debt service savings, as described in the Preliminary Official Statement (defined below). Bonds which are not listed above are not subject to this Invitation. The Commission intends to finance the purchase of tendered Target Bonds through the issuance of its Sales Tax Revenue Bonds (Limited Tax Bonds), [2020] Series [A] (the “Refunding Bonds”).
The purchase of any of the Target Bonds is conditioned upon the Commission receiving sufficient proceeds from the issuance and sale of the Refunding Bonds to pay the purchase price of the tendered Target Bonds accepted for purchase. No assurances can be given that the Refunding Bonds will be issued in amounts sufficient to pay the Offer Price of the Target Bonds selected for purchase or that the purchase of the Target Bonds will be completed. See “Conditions to Purchase” below.

[[TBU] The Offer Price for each maturity of Bonds will be established based upon the yield derived by adding the “Fixed Spread” specified for that maturity of Bonds in Appendix A to the “AAA MMD Rate” for that respective call date of the Bonds (the "Comparable AAA General Obligations" yield curve rate for the stated call date of such Bonds as published by Municipal Market Data) as of the close of business of the Pricing Date (tentatively set for [DATE]). The sum of the Fixed Spread and the “AAA MMD Rate” for the Bonds will be the “Offer Yield” for such maturity of Bonds. The Offer Yield will then be used to calculate the Offer Price of the Bonds as of the Settlement Date (currently expected to be [DATE]) based upon standard price/yield formulae applicable to municipal bonds under the rules of the Municipal Securities Rulemaking Board. Accrued interest up to but not including the Settlement Date will be added.]

The Refunding Bonds are being offered pursuant to the Preliminary Official Statement of the Commission dated ___________ (together with the appendices thereto and any supplements or amendments thereto, the “Preliminary Official Statement”). Copies of the Preliminary Official Statement in electronic form may be obtained from the Information Agent on its website at TO COME or by calling the Information Agent toll-free at 800-974-5771. Copies of the Preliminary Official Statement are also available through the EMMA Website, using the CUSIP numbers listed on Appendix A. Bondowners should read the Preliminary Official Statement for the Refunding Bonds for further details concerning the Commission’s debt refunding plan. The Refunding Bonds are not being offered for sale by this Invitation.

Bondowners will not be obligated to pay any brokerage commissions or solicitation fees in connection with this Invitation.

None of the Commission, the Dealer Managers (as defined herein) or the Information Agent (as defined herein) make any recommendation that any Bondowner tender or refrain from tendering all or any portion of such Bondowner’s Target Bonds. Bondowners must make these decisions and should read this Invitation and the Other Tender Materials and consult with their broker, account executive, financial advisor and/or other appropriate professional in making these decisions.

The Commission is under no obligation to purchase any of the Target Bonds for which an offer to tender has been made pursuant to the Invitation. The Commission may decide to purchase none or less than all of the tendered Target Bonds. See Section 9 for more information on the selection of tendered Target Bonds to be purchased, if any.

The Dealer Managers for this Invitation is Goldman Sachs & Co. LLC (the “Dealer Manager”). Institutional investors with questions about this Invitation should contact the Dealer Managers. Individual investors with questions about this Invitation should contact [Globic Advisors], which serves as information agent (the “Information Agent”) on this Invitation.
2. **Expiration Date; Offers Only Through Financial Institutions; Information to Bondowners**

This Invitation to offer to sell Target Bonds will expire at 3:00 p.m., New York City time, on [date] (the “Expiration Date”). Offers to sell Target Bonds received after 3:00 p.m., New York City time on the Expiration Date will not be considered.

All of the Target Bonds are held in book-entry-only form through the facilities of The Depository Trust Company of New York (“DTC”). The Commission, through the Information Agent, will establish an Automated Tender Offer Program (“ATOP”) account at DTC. All offers must be made through the Commission’s ATOP account. The Commission will not accept any offers that are not made through its ATOP account. Bondowners who are not DTC participants can only make offers to sell Target Bonds by making arrangements with and instructing their financial representative to submit the Bondowner’s offer through the Commission’s ATOP account. To ensure a Bondowner’s offer is submitted to the Commission’s ATOP account by 3:00 p.m., New York City time, on the Expiration Date, Bondowners must provide instructions to their financial representative in sufficient time for their financial representative to submit their offer to the Commission’s ATOP account by this deadline. Bondowners should contact their financial representative for information on when it needs the Bondowner’s instructions in order to submit the Bondowner’s offer to the Commission’s ATOP account by 3:00 p.m., New York City time, on the Expiration Date. See “— Transmission of Offers by Financial Institutions; DTC ATOP Account.”

The Commission, the Dealer Manager, and the Information Agent are not responsible for making or transmitting any offer to sell Target Bonds or for any mistakes, errors or omissions in the making or transmission of any offer.

The Commission may give information about this Invitation to the market and Bondowners by delivery of the information to DTC and through the Electronic Municipal Market Access website of the Municipal Securities Rulemaking Board, currently located at http://emma.msrb.org, using the CUSIP numbers listed on Appendix A. These institutions are called the “Information Services.” Delivery by the Commission of information to the Information Services will be deemed to constitute delivery of this information to each Bondowner. The Commission, the Dealer Managers and the Information Agent have no obligation to ensure that a Bondowner actually receives any information given to the Information Services.

3. **Offers at the Offer Prices**

A Bondowner may make an offer to sell Target Bonds in a maturity amount of its choosing only at the offer prices to be posted on the EMMA Website as specified in Section 1, “Introduction,” above (the “Offer Prices”). The Offer Prices will constitute the sole compensation payable by the Commission for Target Bonds purchased by the Commission.

As described more specifically in Section 14 hereof, the Commission may revise the Offer Prices prior to the Expiration Date. In the event that the Commission determines to revise the Offer Prices, it shall provide notice thereof to the Information Services no later than 3:00 p.m., New York City time, on the day prior to the Expiration Date. If the Commission reduces the Offer Price for any maturity of the Target Bonds, any offers submitted with respect to such maturity of Target Bonds prior to such reduction in the Offer Price shall automatically be revoked, without any further action on the part of the owner of such Target Bonds.
Bonds. If the owner of Target Bonds of such maturity whose offer has been revoked wishes to tender their Target Bonds of such maturity at the reduced Offer Price, such Owner must submit a new offer with respect to the Target Bond of such maturity in accordance with this Invitation. If the Commission increases the Offer Price for any maturity of the Target Bonds, any offers submitted with respect to such maturity of Target Bonds prior to such increase in the Offer Price shall remain in full force and effect, and the increased Offer Price shall be applicable to such Target Bonds.

A Bondowner may offer all or a portion of Target Bonds that he, she or it owns.

4. **Provisions Applicable to all Offers**

A Bondowner should ask its account executive at the financial institution that maintains the account in which its Target Bonds are held or another financial advisor for advice in determining whether to offer Target Bonds and the maturity amount of Target Bonds to be offered. A Bondowner also should inquire as to whether its financial institution will charge a fee for submitting offers or if the Commission purchases its offered Target Bonds. The Commission, the Dealer Managers and the Information Agent will not charge any Bondowner for making an offer or if its offer is accepted and will not pay any fees associated with making the offer or completing the purchase of Target Bonds.

An offer to sell Target Bonds must include the CUSIP numbers of the Target Bonds offered and must specify the maturity value offered. An offer must be for a maturity value of Target Bonds of $5,000 or any integral multiple thereof. An offer which does not meet this requirement will be reduced to the greatest integral multiple of $5,000 maturity value.

A Bondowner may only offer to sell Target Bonds it owns. By submitting an offer, a Bondowner warrants that it has full authority to transfer and sell such Target Bonds, and that the transferee will acquire good title, free and clear of all liens, charges, encumbrances, conditional sales agreements or other obligations and not subject to any adverse claims. All tenders shall survive the death or incapacity of the tendering Bondowner.

A Bondowner that is not a DTC participant must instruct its account executive to submit any offer it wishes to make to the Commission. A Bondowner may use the Bondowner’s Instructions to give this instruction. All offers must be made through the Commission’s ATOP account. The Commission will not accept any offers that are not made through its ATOP account.

The Commission, the Dealer Managers and the Information Agent are not responsible for making or transmitting any offer to sell Target Bonds.

A Bondowner who would like to receive information furnished by the Commission to the Information Services must make appropriate arrangements with the Information Agent or the Information Services.

By making an offer pursuant to this Invitation, each Bondowner will be deemed to have represented to and agreed with the Commission and each Dealer Manager that: (a) the Bondowner has made its own independent decision to make the offer, the appropriateness of the terms thereof, and whether the offer is appropriate for the Bondowner; (b) such decisions are based upon the Bondowner's own judgment and upon advice from such advisors as the Bondowner has consulted; (c) the Bondowner is not relying on any communication from the Commission or any Dealer Manager as
investment advice or as a recommendation to make the offer, it being understood that the information from the Commission or the Dealer Managers related to the terms and conditions of the Invitation shall not be considered investment advice or a recommendation to make an offer; and (d) the Bondowner is capable of assessing the merits of and understanding (on its own and/or through independent professional advice), and does understand and accept, the terms and conditions of the Invitation.

5. Transmission of Offers by Financial Institutions; DTC ATOP Account

The Commission’s ATOP Account will be established within three business days after the date of this Invitation. Offers to sell Target Bonds may only be made to the Commission through the Commission’s ATOP Account. Any financial institution that is a participant in DTC may make a book-entry offer of the Target Bonds by causing DTC to transfer such Target Bonds into the Commission’s ATOP Account in accordance with DTC’s procedures. Concurrently with the delivery of Target Bonds through book-entry transfer into the Commission’s ATOP Account, an agent’s message in connection with such book-entry transfer must be transmitted to and received at the Commission’s ATOP Account by not later than 3:00 p.m., New York City time, on the Expiration Date.

6. Determinations as to Form and Validity of Offers; Right of Waiver and Rejection

All questions as to the validity (including the time of receipt at the Commission’s ATOP Account), form, eligibility and acceptance of any offers will be determined by the Commission in its sole discretion and will be final, conclusive and binding.

The Commission reserves the right to waive any irregularities or defects in any offer. The Commission, the Dealer Managers and the Information Agent are not obligated to give notice of any defects or irregularities in offers, and they will have no liability for failing to give such notice.

The Commission reserves the absolute right to reject any and all offers, whether or not they comply with the terms of this Invitation.

7. Amendments and Withdrawals of Offers

A Bondowner may amend its offer in any respect it chooses by causing an amended offer to be received at the Commission’s ATOP Account by not later than 3:00 p.m., New York City time, on the Expiration Date. Bondowners who have tendered their Target Bonds will not receive any information from the Commission, the Dealer Managers or the Information Agent concerning offers by other Bondowners. Offering Bondowners will not be afforded an opportunity to amend their offers after 3:00 p.m., New York City time, on the Expiration Date.

An offer of Target Bonds may be withdrawn by a Bondowner by causing a withdrawal notice to be received at the Commission’s ATOP Account by not later than 3:00 p.m., New York City time, on the Expiration Date.

All amended offers and withdrawal notices must be made through the Commission’s ATOP account. The Commission will not accept any amended offers or notices of withdrawal that are not made through its ATOP account. Bondowners who are not DTC participants can only amend their offers or withdraw their offers by making arrangements with and instructing their Financial
Representative to submit the Bondowner’s amended offer or the Bondowner’s notice of withdrawal through the Commission’s ATOP account.

An amended or withdrawn offer must specify the name and account number of the Bondowner (i.e., the beneficial owner of the offered Target Bonds) whose offer is being amended or withdrawn, the CUSIP number, the maturity value previously offered and the DTC Voluntary Offer Instruction number for the offered Target Bonds for which the offer is being amended or withdrawn. All questions as to the validity (including the time of receipt) of an amendment or withdrawal will be determined by the Commission in its sole discretion and will be final, conclusive and binding.

8. Irrevocability of Offers; Return of Target Bonds Not Purchased

All offers to sell Target Bonds will become irrevocable as of 3:00 p.m., New York City Time, on the Expiration Date.

The Commission will instruct DTC to return to the offering institutions all Target Bonds that were offered but were not accepted for purchase. The Commission, the Dealer Managers and the Information Agent are not responsible or liable for the return of Target Bonds to these offering institutions or to their beneficial owners.

9. Determination of Amounts to be Purchased

The Commission shall be under no obligation to purchase any Target Bond offered. The Commission will determine in its sole discretion if it will purchase any Target Bonds. The Commission, therefore, has the right to purchase none or all of the Target Bonds offered. If the Commission elects to purchase less than all of the Target Bonds of any maturity tendered, it will purchase such Target Bonds on a pro rata basis from all Bondowners tendering Target Bonds of such maturity, based on the respective amount of Target Bonds of such maturity tendered by each Bondowner.

The final Official Statement for the Refunding Bonds will identify the Target Bonds purchased pursuant to this Invitation, if any.

After the Expiration Date, the Commission will determine whether it will purchase Target Bonds. This determination may be made on the basis of the timing and amount of aggregate debt service savings to the Commission and any other factors which the Commission considers relevant. The obligation of the Commission to purchase tendered Target Bonds is subject to satisfaction of certain conditions. See “– Conditions to Purchase.”

10. Acceptance of Offers Constitutes Irrevocable Agreement; Notice of Results

Acceptance by the Commission of offers to sell Target Bonds will constitute an irrevocable agreement between the offering Bondowner and the Commission to sell and purchase these Target Bonds, subject to the conditions and terms of this Invitation.

The acceptance of Target Bonds initially offered will be made by written notification to the Information Services on or about 1:00 p.m., New York City time, on the 6th business day after the Expiration Date. This notification will state (i) the maturity amount of each maturity of the Target Bonds that the Commission has decided to accept for purchase, or (ii) that the Commission has
decided not to purchase any Target Bonds. If the Commission purchases less than 100% of the Target Bonds of any maturity which are tendered, the notification will also specify the percentage of Target Bonds of such maturity to be purchased by the Commission.

11. Settlement Date; Purchase of Target Bonds

Subject to satisfaction of all conditions to the Commission’s obligation to purchase tendered Target Bonds, as described herein and in the Other Tender Materials, the Settlement Date is the day on which Target Bonds accepted for purchase will be purchased and paid for at the applicable Offer Prices. The Settlement Date has initially been set as 3:00 p.m., New York City time, on [date]. The Commission may change the Settlement Date by giving notice to the Information Services prior to the change. However, the Settlement Date may not be later than 3:00 p.m., New York City time, on [date]. If the Commission does not complete the purchase of the Target Bonds by 3:00 p.m., New York City time, on [date], the right and obligation of the Commission to purchase any Bonds will automatically terminate, without any liability to any Bondowner.

Payment on the Settlement Date and completion of the purchase of Target Bonds is conditioned upon the successful closing of the Refunding Bonds.

Payment by the Commission will be made in immediately available funds by 3:00 p.m., New York City time, on the Settlement Date by deposit with DTC of the aggregate Offer Prices of the Target Bonds of each maturity accepted for purchase. It is expected that, in accordance with DTC’s standard procedures, DTC will transmit the aggregate Offer Prices in immediately available funds to each of its participant financial institutions holding the Target Bonds accepted for purchase on behalf of Bondowners, for delivery to the Bondowners. The Commission, the Dealer Managers and the Information Agent have no responsibility or liability for the distribution of the Offer Prices by DTC to the Bondowners.

12. Purchase Funds

The funds to purchase Target Bonds will be provided by the Commission from the proceeds of the issuance and sale of the Refunding Bonds. If, for any reason, the Commission does not have the funds available to purchase all of the tendered Target Bonds on the Settlement Date, the Commission will not be required to purchase any Target Bonds that it has agreed to purchase and will have no liability to any Bondowner.

13. Conditions to Purchase

Payment on the Settlement Date is conditioned upon the successful closing of the Refunding Bonds. Furthermore, the Commission will not be required to purchase any Target Bonds it has decided to purchase, and will incur no liability as a result, if, before payment:

a. The Commission does not, for any reason, have sufficient funds on the Settlement Date from the proceeds of the Refunding Bonds to pay the Offer Price of tendered Target Bonds accepted for purchase thereon;

b. Litigation or another proceeding is pending or threatened which the Commission believes may, directly or indirectly, have an adverse impact on this Invitation or the expected benefits of this Invitation to the Commission or the Bondowners;
c. A war, national emergency, banking moratorium, suspension of payments by banks, a general suspension of trading by the New York Stock Exchange or a limitation of prices on the New York Stock Exchange exists and the Commission believes this fact makes it inadvisable to proceed with the purchase of Target Bonds;

d. A material change in the business or affairs of the Commission has occurred which the Commission believes makes it inadvisable to proceed with the purchase of Target Bonds; or

e. There shall have occurred a material disruption in securities settlement, payment or clearance services.

These conditions are for the sole benefit of the Commission. They may be asserted by the Commission regardless of the circumstances giving rise to any of these conditions or may be waived by the Commission in whole or in part at any time and from time to time in its sole discretion. The failure by the Commission at any time to exercise any of these rights will not be deemed a waiver of any of these rights, and the waiver of these rights with respect to particular facts and other circumstances will not be deemed a waiver of these rights with respect to any other facts and circumstances. Each of these rights will be deemed an ongoing right of the Commission which may be asserted at any time and from time to time. Any determination by the Commission concerning the events described in this Section will be final and binding upon all parties. If, prior to the time of payment for any Target Bonds any of the events described happens, the Commission will have the absolute right to cancel its obligations to purchase Target Bonds without any liability to any Bondowner or any other person.

14. Extension, Termination and Amendment of Invitation; Changes to Terms, including Offer Prices

The Commission has the right to extend this Invitation to a time not past 3:00 p.m. on the third business day following the initial Expiration Date, or any prior extension thereof, as to any or all of the Target Bonds. Notice of an extension of the Expiration Date will be given to the Information Services by 3:00 p.m., New York City time, on the then current Expiration Date and will be effective when such notice is given.

The Commission also has the right to terminate this Invitation at any time by giving notice to the Information Services of such termination. The termination will be effective at the time specified in such notice.

The Commission also has the right to amend or waive the terms of this Invitation in any respect and at any time by giving notice to the Information Services of this amendment or waiver. This amendment or waiver will be effective at the time specified in such notice.

If the Commission extends this Invitation, or amends the terms of this Invitation (including a waiver of any term) in any material respect, the Commission may (but is not required to) disseminate additional Invitation materials and extend this Invitation to the extent required to allow, in the Commission’s sole judgment, reasonable time for dissemination to Bondowners and for Bondowners to respond.

Without limiting the foregoing, the Commission specifically reserves the right to revise the Offer Prices prior to the Expiration Date. In the event that the Commission determines to
revise the Offer Prices, it shall provide notice thereof to the Information Services no later than 3:00 p.m., New York City time, on the day prior to the Expiration Date. If the Commission reduces the Offer Price for any maturity of the Target Bonds, any offers submitted with respect to such maturity of Target Bonds prior to such reduction in the Offer Price shall automatically be revoked, without any further action on the part of the owner of such Target Bonds. If the owner of Target Bonds of such maturity whose offer has been revoked wishes to tender their Target Bonds of such maturity at the reduced Offer Price, such Owner must submit a new offer with respect to the Target Bonds of such maturity in accordance with this Invitation. If the Commission increases the Offer Price for any maturity of the Target Bonds, any offers submitted with respect to such maturity of Target Bonds prior to such increase in the Offer Price shall remain in full force and effect, and the increased Offer Price shall be applicable to such Target Bonds.

No extension, termination or amendment of this Invitation (or waiver of any terms of this Invitation) will change the Commission’s right to decline to purchase any Target Bonds without liability.

15. Preferential Allocation of Refunding Bonds for Tendering Bondholders

In connection with the sale of the Refunding Bonds, the Commission may elect to provide owners of Target Bonds purchased by the Commission pursuant to this Invitation with a preferential allocation of Refunding Bonds (in an amount up to the Target Bonds tendered by such owners). Any such offers of Refunding Bonds would be at the initial offering prices to be set forth in the Official Statement.


The Commission has been advised that sales by Bondowners pursuant to this Invitation will be taxable transactions for federal income tax purposes. The tax consequences of a sale pursuant to this Invitation may vary depending upon, among other things, the particular circumstances of the tendering Bondowner.

Amounts paid to Bondowners tendering their Target Bonds for purchase may be subject to a withholding of tax at a rate of 28% (“backup withholding”) by reason of the events specified by Section 3406 of the Internal Revenue Code of 1986, as amended, and Treasury Regulations promulgated thereunder, which include failure of a Bondowner to supply the broker, dealer, commercial bank or trust company acting on behalf of such Bondowner with such Bondowner’s taxpayer identification number certified under penalty of perjury. Certification may be made by completing a substitute I.R.S. Form W-9, a copy of which is available from the Information Agent. Backup withholding may also apply to Bondowners who are otherwise exempt from such backup withholding if such Bondowners fail to properly document their status as exempt recipients.

This federal income tax discussion is included for general information only. Bondowners are urged to consult their own tax advisers to determine the particular federal, state or local tax consequences of sales made by them pursuant to this Invitation.
17. Additional Considerations

In deciding whether to participate in the Invitation, each Bondowner should consider carefully, in addition to the other information contained in this Invitation and the Other Tender Materials, the following:

Market for Target Bonds. The Target Bonds are not listed on any national or regional securities exchange. To the extent that the Target Bonds are traded, their prices may fluctuate greatly depending on the trading volume and the balance between buy and sell orders. Bondowners may be able to effect a sale of the Target Bonds at a price higher than the Offer Price(s).

Target Bonds Not Tendered May Be Refunded with Taxable Refunding Bonds. Any Target Bonds not tendered may be refunded by the Commission with Taxable Refunding Bonds, as described in the Plan of Refunding in the Preliminary Official Statement.

18. Dealer Managers’ Fees and Expenses

The Commission will pay the Dealer Manager a fee for each Target Bond purchased pursuant to this Invitation. In addition, the Commission will pay the Dealer Manager its reasonable out-of-pocket costs and expenses relating to this Invitation.

19. Miscellaneous

This Invitation is not being made to, and offers will not be accepted from or on behalf of, Bondowners in any jurisdiction in which this Invitation or the acceptance thereof would not be in compliance with the laws of such jurisdiction. In those jurisdictions whose laws require this Invitation to be made through a licensed or registered broker or dealer, this Invitation is being made on behalf of the Commission by the Dealer Managers.

References in this Invitation to the Dealer Managers are to Goldman, Sachs & Co. LLC only in their capacity as the Dealer Managers.

No one has been authorized by the Commission, the Dealer Manager or the Information Agent to recommend to any Bondowners whether to offer Target Bonds pursuant to this Invitation. No one has been authorized to give any information or to make any representation in connection with this Invitation other than those contained in this Invitation. Any recommendation, information and representations given or made cannot be relied upon as having been authorized by the Commission, the Dealer Managers or the Information Agent.

The Commission, the Dealer Managers and the Information Agent do not recommend to any Bondowner whether to offer Target Bonds. Each Bondowner must make these decisions and should read this Invitation and consult with his, her or its account executive or other financial advisor in making these decisions.

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION

By: ____________________________
Name: __________________________

98907165.3
Title:
**APPENDIX A: LIST OF TARGET BONDS SUBJECT TO INVITATION TO TENDER**

<table>
<thead>
<tr>
<th>Series</th>
<th>Maturity Date</th>
<th>Par Amount</th>
<th>Accreted Value¹</th>
<th>Coupon</th>
<th>Initial Yield</th>
<th>CUSIP No. (Base: _____)²</th>
<th>Offer Price*</th>
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* Note: The Offer Prices will be posted on the Electronic Municipal Market Access website of the Municipal Securities Rulemaking Board, currently located at http://emma.msrb.org, using the CUSIP numbers for the Target Bonds, not later than 5:00 p.m. EDT on [day], [date], and will be based on a settlement date of [date]. In the event the settlement date is changed, the Offer Prices will be recalculated in the following manner: the Offer Price will be increased by adding an amount equal to interest that would be accrued on the Offer Price from [date] through the actual settlement date at the applicable coupon for the Target Bonds.

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¹ As of [date]
² CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by Standard & Poor’s Financial Services LLC. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. Neither the Commission nor the Dealer Managers are responsible for the CUSIP numbers, and no representation is made as to their correctness on the applicable Refunding Bonds or as included herein.
# CATALOGUE OF OUTSTANDING (BLANK) ITEMS BY DOCUMENT

**SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION**  
SALES TAX REVENUE BONDS  
(LIMITED TAX BONDS)  
2019 SERIES A AND 2019 SERIES B

<table>
<thead>
<tr>
<th>Page</th>
<th>Outstanding Items</th>
<th>Responsible Parties</th>
<th>Expected Availability</th>
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<tr>
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<td>Financial Advisor/Underwriters/Commission</td>
<td>Prior to Posting Preliminary Official Statement</td>
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<tr>
<td>Cover</td>
<td>Ratings</td>
<td>Rating Agencies</td>
<td>Prior to Posting Preliminary Official Statement</td>
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<td>Financial Advisor/Underwriters/Commission</td>
<td>Bond Pricing</td>
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<td>Prior to Posting Preliminary Official Statement</td>
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<td>Bond Pricing</td>
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<td>Optional redemption terms for Series 2019B Bonds</td>
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<td>Mandatory redemption terms for Series 2019A Bonds and Series 2019B Bonds</td>
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<td>Estimated Sources and Uses of Funds</td>
<td>Financial Advisor/Underwriters</td>
<td>Bond Pricing</td>
</tr>
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<td>Projected Debt Service Schedule</td>
<td>Financial Advisor/Underwriters/Commission</td>
<td>Bond Pricing</td>
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<td>Amount of reduced subsidy payments</td>
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| **PRELIMINARY OFFICIAL STATEMENT**  
  (draft dated November 15, 2019) |   |   |
<p>| | | |
|   |   |   |
| <strong>47</strong> | Ratings | Financial Advisor/Underwriters/Rating Agency | Prior to Posting Preliminary Official Statement |
| <strong>47</strong> | Details of Bond Purchase Agreements including date, purchase price and calculation thereof | Underwriters/Commission | Bond pricing |
| <strong>47-48</strong> | Certain Underwriter disclosures | Underwriters | Prior to Posting Preliminary Official Statement |
| <strong>A-1</strong> | Commission’s CAFR | Commission | Prior to Posting Preliminary Official Statement |
| <strong>C-1</strong> | Definitions and Summary of Indenture | Bond Counsel | Prior to Posting Preliminary Official Statement |
| <strong>D-1</strong> | Form of Continuing Disclosure Agreement (form included as separate document in Board packet) | Disclosure Counsel | Prior to Posting Preliminary Official Statement |
| <strong>F-1</strong> | Proposed Form of Opinion of Bond Counsel | Bond Counsel | Prior to Posting Preliminary Official Statement |</p>
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### EIGHTH SUPPLEMENTAL INDENTURE between SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION and U.S. BANK NATIONAL ASSOCIATION, as Trustee
draft dated November 15, 2019

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<td>509(A)/48.07/337</td>
<td>Maximum Amount of Grant Receipts to be Deposited in Grant Receipts Construction Fund Mandatory Redemption dates and amounts</td>
<td>SANDAGCommission/Financial Advisor/Underwriters</td>
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<td>Exhibit A/A-1</td>
<td>Bond Number, Principal Amount, Interest Rate, Issue Date, CUSIP, Series designation, Call Dates, signatures etc.</td>
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<td>These are not intended to be filled in or resolved. The Exhibit is a Form of the Bond. The actual Bonds will be separate documents created prior to Closing.</td>
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# 2019 SERIES A BOND PURCHASE AGREEMENT

The 2019 SERIES A BOND PURCHASE AGREEMENT between SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION and GOLDMAN SACHS & CO. LLC, on behalf of itself and as representative of the Underwriters,

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<td>Date of Agreement</td>
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<td>B-1</td>
<td>Bonds Subject to Hold-the-Offering Price</td>
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# 2019 SERIES A BOND PURCHASE AGREEMENT

Between SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION and GOLDMAN SACHS & CO. LLC, on behalf of itself and as representative of the Underwriters

*(draft dated November 15, 2019)*

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<td>Commission</td>
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### 2019 SERIES B BOND PURCHASE AGREEMENT between SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION and GOLDMAN SACHS & CO. LLC, on behalf of itself and as representative of the Underwriters - (draft dated November 15, 2019)

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<td>Bond Pricing</td>
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## CONTINUING DISCLOSURE AGREEMENT
(draft dated November 15, 2019)

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## INVITATION TO TENDER BONDS
(draft dated November 15, 2019)

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Estimated Cost Of 2019 Refunding Bond Issuance

Estimated Costs of Issuance

The selection of bond counsel, disclosure counsel, trustee, and financial advisor was completed through a competitive process and fees were negotiated. Rating agency fees are subject to published rates. The total of these issuance costs is estimated at $600,000. The selection of the underwriters was also completed through a competitive process, and the fees are calculated as a percentage of the total amount of debt issued. Assuming approximately $600 million in new money Series 2019 refunding bonds would be sold, underwriting fees would total approximately $990,000.

Total issuance costs of $1.59 million (the $600,000 plus the $990,000) equal approximately 0.27% of the Bond issuance amount. This cost is in line with the most recent Regional Transportation Commission 2018 issuance. Final costs of issuance would be paid out of Bond proceeds at the closing of the transaction.

Previous Cost of Bond Issuances

Below is the list of previous issuance costs for the following series of bonds:

- SANDAG (Mid-Coast Corridor Transit Project) issuance of $335 million in tax-exempt capital grant receipts revenue bonds bonds – cost of issuance was .45% of the issuance amount.
- RTC 2018 issuance of $537.5 million in tax-exempt bonds – cost of issuance was 0.28% of the issuance amount.
- SANDAG (SR-125) issuance of $194.1 million in tax-exempt bonds – cost of issuance was .88% of the issuance amount.
- RTC 2016 issuance of $325 million in tax-exempt bonds – cost of issuance was 0.34% of the issuance amount.
- RTC 2014 issuance of $350 million in tax-exempt bonds – cost of issuance was 0.36% of the issuance amount.
- RTC 2012 issuance of $420.6 million in tax-exempt bonds – cost of issuance was 0.55% of the issuance amount. The higher cost was attributed to the partial refunding of the 2008 variable-rate bonds.
- RTC 2010 issuance of $350 million in Build America Bonds – cost of issuance was 0.81% of the issuance amount. The higher cost is attributed to the fact that Build America Bonds were a new product for the municipal market, targeting the taxable buyer market in addition to the traditional tax-exempt buyer market.
**TransNet Proposed 2019 Bond Issuance: New Debt to Support Completion of TransNet Regional Bikeway Program**

**Overview**

SANDAG staff works with PFM Financial Advisors LLC (PFM), as the financial advisor to SANDAG, to monitor the financial markets and identify opportunities based on market conditions. Interest rates, both tax-exempt and taxable rates, have declined dramatically over the past year and the current market provides a very favorable environment to issue new tax-exempt bonds.

At its October 25, 2019, meeting, the Board of Directors reviewed the strategy for the proposed Series 2019 Bonds. In addition, at its November 8, 2019, meeting, the Board of Directors reviewed an overview of current capacity and projections for each of the TransNet funding programs which included an update on implementation of the TransNet Bicycle, Pedestrian, and Neighborhood Safety Program.

**Key Considerations**

SANDAG has capital needs to support the TransNet Regional Bikeway Early Action Program (EAP), which is supported by the TransNet Bicycle, Pedestrian and Neighborhood Safety Program (per the Ordinance, 2% off the top supports the BPNS program). The Board established this Regional Bikeway EAP in 2013, with the goal of advancing completion of multiple bikeways across the region. Early expenditures, including environmental and preliminary engineering were planned to be paid for on a pay-go basis by TransNet and other funds, including grants and Transportation Development Act funds. Several projects are now nearly ready to begin and per the Bikeway EAP Plan of Finance, the construction phase is to be paid for through debt-financing and state and federal Active Transportation Program funds.

There is the opportunity to combine this bond issuance with the refunding transaction presented in Item No. 14 to avoid duplicative transaction costs in the future (Attachment 2). As such, SANDAG staff is recommending that the $90 million bond issuance for the Bike EAP be carried out at the same time as the refunding transaction.

Attachment 1 is the Authorizing Resolution for the issuance of up to $90 million of fixed rate tax-exempt bonds.

**Responsibilities for Review**

The SANDAG Board of Directors has the ultimate responsibility for approving the 2019 “new-money” transaction. Before making a decision regarding the Bond issuance, Board members should review all the documents to become familiar with their contents. Board members should pay particular attention to the
information contained in the Preliminary Official Statement (Item 15, Attachment 4) to ensure there are no inaccuracies concerning SANDAG.

Board members also should ensure that to the best of their knowledge all the factual statements are true and correct in all material respects and that the information does not contain any untrue or misleading statement of a material fact or omit to state any material fact that would make the information in any of the documents regarding SANDAG misleading. When carrying out their fiduciary responsibilities, public officials may rely upon employees, bond counsel, disclosure counsel, and other professionals to assure that they are in compliance with the antifraud provisions of the federal securities laws, as long as the reliance is reasonable. In order for the reliance to be considered reasonable, the public official must: (1) make complete disclosure to the appropriate professional of any potentially material mistake or omission in the documents; (2) request the professional’s advice as to what disclosure is proper; (3) receive advice regarding the appropriate disclosure; and (4) rely in good faith on that advice.

SANDAG bond and disclosure counsel (Norton Rose Fulbright US LLP), and financial advisor (PFM) will be present at the November 22, 2019, Board of Directors meeting to provide information regarding proper disclosure. The Chief Financial Officer (André Douzdjian), TransNet Department Director (José Nuncio), and General Counsel (John Kirk) have all reviewed the draft Bond documents, and to the best of the staff’s knowledge, all of the statements are true and correct in all material respects, and the information does not contain any untrue or misleading statement of a material fact or omit to state any material fact that would make the information in those documents regarding SANDAG misleading.

Next Steps

The remaining schedule for the planned Series 2019 “new-money” Bond issuance is described in Item 15.

Hasan Ikhrata, Executive Director

Key Staff Contacts:  André Douzdjian, (619) 699-6931, andre.douzdjian@sandag.org
                    José Nuncio, (619) 699-1908, jose.nuncio@sandag.org

Attachments:

1. Draft Authorizing Resolution
2. Cost of Issuance of 2019 Fixed Rate Tax-Exempt Bonds
Authorizing the Issuance of Not to Exceed $90,000,000 Aggregate Principal Amount of San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds) for the Purpose of Financing Certain TransNet Projects, the Execution and Delivery of an Eighth Supplemental Indenture, A Bond Purchase Agreement, an Official Statement and A Continuing Disclosure Agreement, and Delegating to the Chair and Secretary of the Board and Executive Director of the Commission and Other Authorized Representatives Power to Complete Said Documents, Authorizing Distribution of Said Documents and Authorizing Taking of All Necessary Actions

WHEREAS, the San Diego County Regional Transportation Commission (the “Commission”) adopted the San Diego Transportation Improvement Program Ordinance and Expenditure Plan on July 31, 1987 (as amended, the “1987 Ordinance”), pursuant to the provisions of Sections 132000 through 132314, inclusive of the Public Utilities Code of the State of California (the “San Diego County Regional Transportation Commission Act” or the “Act”), which 1987 Ordinance provided for the imposition of a retail transactions and use tax (the “retail transactions and use tax”) applicable in the incorporated and unincorporated territory of the County of San Diego (the “County”) in accordance with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code of the State of California at the rate of one-half of one percent (1/2%) for a period of not to exceed twenty (20) years;

WHEREAS, by its terms the 1987 Ordinance became effective at the close of the polls on November 3, 1987, the day of the election at which the proposition imposing the retail transactions and use tax was adopted by a majority vote of the electors voting on such proposition;

WHEREAS, in order to provide for the extension of the initial term of the retail transactions and use tax for a period of forty (40) years, the Commission adopted the San Diego Transportation Improvement Program Ordinance and Expenditure Plan on May 28, 2004 (the “Sales Tax Extension Ordinance,” and, together with any amendments thereto and the 1987 Ordinance, hereinafter collectively referred to as the “Ordinance”);

WHEREAS, by its terms the Sales Tax Extension Ordinance became effective on November 3, 2004, the day following the date of the election at which the proposition providing for the extension of the retail transactions and use tax was approved by at least two-thirds of the electors voting on such proposition;

WHEREAS, the Board of Directors (the “Board”) of the Commission, pursuant to the San Diego County Regional Transportation Commission Act (constituting Chapter 2 of Division 12.7 of the California Public Utilities Code) (“the “Act”) and Chapter 6 of Part 1 of Division 2 of Title 5 of the California
Government Code, as referenced in said Act, is authorized to issue bonds payable from the proceeds of the retail transactions and use tax levied by the Commission pursuant to the Ordinance (“Sales Tax Revenues”);

WHEREAS, the Commission heretofore issued $600,000,000 in aggregate principal amount of its Sales Tax Revenue Bonds (Limited Tax Bonds), 2008 Series A, 2008 Series B, 2008 Series C and 2008 Series D (the “2008 Bonds”), pursuant to an Indenture dated as of March 1, 2008 (the “Indenture”), as amended and supplemented, including as amended and supplemented by a First Supplemental Indenture and a Second Supplemental Indenture thereto, each entered into by the Commission and U.S. Bank National Association, as trustee (the “Trustee”);

WHEREAS, the Commission has heretofore issued $338,960,000 in aggregate principal amount of its Sales Tax Revenue Bonds (Limited Tax Bonds), 2010 Series A (Taxable Build America Bonds) (the “2010 Series A Bonds”) and $11,040,000 in aggregate principal amount of its Sales Tax Revenue Bonds (Limited Tax Bonds), 2010 Series B (Tax-Exempt Bonds) (the “2010 Series B Bonds” and together with the 2010 Series A Bonds, the “2010 Bonds”), pursuant to the Indenture, as amended and supplemented, including as amended and supplemented by a Third Supplemental Indenture thereto, entered into by the Commission and the Trustee;

WHEREAS, the Commission has heretofore issued $420,585,000 in aggregate principal amount of its Sales Tax Revenue Bonds (Limited Tax Bonds), 2012 Series A (the “2012 Bonds”), pursuant to the Indenture, as amended and supplemented, including as amended and supplemented by a Fourth Supplemental Indenture thereto, entered into by the Commission and the Trustee;

WHEREAS, the Commission has heretofore issued $350,000,000 in aggregate principal amount of its Sales Tax Revenue Bonds (Limited Tax Bonds), 2014 Series A (the “2014 Bonds”), pursuant to the Indenture, as amended and supplemented, including as amended and supplemented by a Fifth Supplemental Indenture thereto, entered into by the Commission and the Trustee;

WHEREAS, the Commission has heretofore issued $325,000,000 in aggregate principal amount of its Sales Tax Revenue Bonds (Limited Tax Bonds), 2016 Series A (the “2016 Bonds”), pursuant to the Indenture, as amended and supplemented, including as amended and supplemented by a Sixth Supplemental Indenture thereto, entered into by the Commission and the Trustee;

WHEREAS, the Commission hereby determines that the issuance of one or more new series or subseries of bonds in an aggregate principal amount of not to exceed Ninety Million Dollars ($90,000,000), to be secured by a lien on the Sales Tax Revenues on a parity with the lien on such revenues that secures the 2008 Bonds, the 2010 Bonds, the 2012 Bonds, the 2014 Bonds and the 2016 Bonds (collectively, the “Existing Bonds”), is necessary to provide funds for planned expenditures, or the reimbursement of the Commission for prior expenditures as permitted by the Act and the Ordinance and as further described in the Ordinance, including, but not limited to, the funding of certain transportation facility and public infrastructure improvements within the County, and the payment of costs of issuance incurred in connection with such bonds, and has determined that such bonds shall be issued and entitled, subject to additional series, subseries and other designations, “San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds)” (the “Bonds”);

WHEREAS, the Commission hereby further determines that the Bonds may be issued in such series or subseries of such bonds as shall be issued pursuant to the Indenture and an Eighth Supplemental Indenture thereto (the “Eighth Supplemental Indenture”), to be entered into between the Commission and the Trustee, a proposed form of which Eighth Supplemental Indenture has been prepared and presented to the Commission;

WHEREAS, in order to set forth the terms of sale of the Bonds, the Commission proposes to enter into a bond purchase agreement (the “Bond Purchase Agreement”) with Goldman Sachs & Co. LLC, as representative of itself and Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Stifel, Nicolaus &
WHEREAS, in order to provide information about the Bonds and related matters to purchasers and potential purchasers of the Bonds, the Commission proposes to execute and deliver an official statement, a proposed form of which has been prepared and presented to the Commission in preliminary form (the "Preliminary Official Statement");

WHEREAS, there has been prepared and presented to the Commission a proposed form of Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") to be executed and delivered by the Commission to assist the Underwriters in satisfying their obligations under Rule 15c2-12 promulgated by the Securities and Exchange Commission;

WHEREAS, Norton Rose Fulbright US LLP is representing the Commission as bond counsel and disclosure counsel ("Bond Counsel") and PFM Financial Advisors LLC is serving as municipal advisor to the Commission in connection with the Bonds;

WHEREAS, the Commission has been presented with the form of the Eighth Supplemental Indenture, the Bond Purchase Agreement, the Preliminary Official Statement and the Continuing Disclosure Agreement relating to the financing and refinancing described herein (collectively, the "Financing") and the Commission has examined and approved each document and desires to authorize and direct the execution of such documents as are specified herein and such other documents as are necessary in connection with the Financing and to authorize and direct the consummation of the Financing; and

WHEREAS, all acts, conditions and things required by the Act and the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the Financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Commission is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize such Financing and to authorize the execution of the Eighth Supplemental Indenture, the Bond Purchase Agreement, the official statement in final form and the Continuing Disclosure Agreement for the purposes, in the manner and upon the terms provided;

NOW, THEREFORE, the SANDAG Board of Directors, ALSO ACTING AS THE SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The issuance by the Commission of not to exceed $90,000,000 aggregate principal amount of San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds) in accordance with the provisions of the Indenture, in one or more series or subseries, in order to provide funds to finance planned expenditures, or the reimbursement of the Commission for prior expenditures as permitted by the Act and the Ordinance and as further described in the Ordinance, including, but not limited to, the funding of certain transportation facility and public infrastructure improvements within the County, and to pay the costs of issuance incurred in connection with the Bonds, is hereby authorized and approved.

Section 2. The proposed form of Eighth Supplemental Indenture, between the Commission and the Trustee, submitted to the Commission, and the terms and conditions thereof, are hereby approved. The Secretary of the Board is directed to file a copy of said form of Eighth Supplemental Indenture with the minutes of this meeting, and any one of the Chair of the Board, the Executive Director of the Commission or the Chief Financial Officer of the Commission or a designee of any such official (each an "Authorized Representative"), and the Secretary of the Board are authorized and directed to execute and deliver the Eighth Supplemental Indenture to the Trustee, in substantially such form, and with such additions thereto or changes therein, as they, with the advice of Bond Counsel, shall approve, such approval to be conclusively evidenced by the execution and delivery of the Eighth Supplemental Indenture. The structure, date, maturity date or dates (not to exceed April 1, 2048), interest rate or rates (not to exceed six percent...
Section 3. The proposed form of the Preliminary Official Statement describing the Bonds, the bond features that may be selected in connection with the issuance of the Bonds and related matters, submitted to the Commission, is hereby approved. Each Authorized Representative is hereby authorized and directed to execute and deliver an Official Statement in substantially such form, and with such additions thereto or changes therein, as the Authorized Representative executing the same, with the advice of Bond Counsel, shall approve, such approval to be conclusively evidenced by the execution and delivery of the Official Statement; and each Authorized Representative is hereby authorized and directed to execute and deliver a certificate confirming that the Preliminary Official Statement is “deemed final” by the Commission for purposes of Securities and Exchange Commission Rule 15c2-12. The distribution by the Underwriters of copies of the Official Statement in final form to all actual purchasers of the Bonds and the distribution by the Underwriters of the Preliminary Official Statement to potential purchasers of the Bonds are hereby authorized and approved.

Section 4. The proposed form of Bond Purchase Agreement providing for the sale of the Bonds submitted to the Commission, and the terms and conditions thereof, is hereby approved. The Secretary of the Board is directed to file a copy of said form of the Bond Purchase Agreement with the minutes of this meeting. The sale of the Bonds to the Underwriters, on one or more sale dates, at par or at a premium or discount to the principal amount thereof, less an underwriters’ discount (or subject to an underwriters’ fee payable by the Commission to the Underwriters) of not to exceed one-half of one percent (0.50%) of such principal amount (exclusive of any original issue discount) in accordance with said Bond Purchase Agreement and the costs of issuance (exclusive of underwriters’ discount) to be financed with respect to any series of Bonds not to exceed one-half of one percent (0.50%) of the proceeds of the sale of such series of Bonds, be and is hereby authorized and approved, and each Authorized Representative is authorized and directed to complete, execute and deliver the Bond Purchase Agreement in substantially such form, providing for the sale of the Bonds not to exceed $90,000,000 in aggregate principal amount, such issue to be at such principal amounts, with such interest rates, maturities and discounts to be specified therein, and with such additions thereto or changes therein, as the Authorized Representative executing the same, with the advice of Bond Counsel, shall approve, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement.

Section 5. The proposed form of Continuing Disclosure Agreement submitted to the Commission is hereby approved. The Secretary of the Board is directed to file a copy of said form of Continuing Disclosure Agreement with the minutes of this meeting. Each Authorized Representative is hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement in substantially the form before the Commission with such changes and additions as such officer may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The Chair and the Secretary of the Board, the Executive Director and the Chief Financial Officer of the Commission, and other appropriate officers of the Board or the Commission, and all other employees and agents of the Commission, are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Commission, to execute and deliver any and all documents, certificates and representations, including, without limitation, swap terminations or amendments, redemption or defeasance notices, credit documents, signature certificates, no-litigation certificates, tax certificates, letters of representation relating to book-entry registration, insurance agreements, reimbursement agreements, investment instructions, including without limitation bidding or other escrow security purchase agreements the terms of which comply with the Indenture, certificates concerning the contents of the Official Statement and the representations and warranties in the Bond Purchase Agreement and related agreements, and certificates, agreements, and to do any and all things and take any and all actions that may be necessary or advisable, in their discretion, to effectuate the actions that the Commission has approved in this Resolution.
Section 7. All approvals, consents, directions, instructions, notices, orders, requests, indemnifications and other actions permitted or required by any of the documents authorized by this Resolution or executed in connection with the Existing Bonds, including, without limitation, any amendment or substitution of any of the documents authorized by this Resolution or relating to any of the foregoing obligations that may be necessary or desirable in connection with any liquidity or credit facility, any swaps, any reserve facility, any investment of proceeds of any series of bonds, or in connection with any disclosure document, any agreements with trustees, paying agents, credit providers, liquidity providers, counterparties, remarketing agents, escrow agents, calculation agents or verification agents, may be given or taken by an Authorized Representative, without further authorization or direction by the Commission, and any and all such actions heretofore taken by such officers are hereby ratified, confirmed, and approved, and the Authorized Representatives are each hereby authorized and directed to execute such documents and give any such approval, amendment, consent, direction, instruction, notice, order, request, indemnification or other action and to take any such action that such person, with the advice of Bond Counsel, may deem necessary or desirable to further the purposes of this Resolution.

Section 8. All actions heretofore taken by the officers of the Board or the Commission or the other employees and agents of the Commission with respect to the Financing are hereby ratified, confirmed and approved.

Section 9. In accordance with SB 450, good faith estimates of the following are set forth on Exhibit A attached hereto: (a) the true interest cost of the Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Bonds, (c) the amount of proceeds of the Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Bonds, and (d) the sum total of all debt service payments on the Bonds calculated to the final maturity of the Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Bonds.

Section 10. This Resolution shall take effect immediately upon its adoption and approval.

Section 9. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 22nd day of November 2019.

Ayes

Noes

Absent

Chair of the Board of Directors of the San Diego County Regional Transportation Commission

[Seal]

Attest

Secretary of the Board of Directors of the San Diego County Regional Transportation Commission
EXHIBIT A

GOOD FAITH ESTIMATES

The following information was obtained from the Underwriters with respect to the Bonds approved in the Resolution, and is provided in compliance with Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) with respect to the Bonds:

1. **True Interest Cost of the Bonds.** Assuming an aggregate principal amount of $70,000,000 of the Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 3.08%.

2. **Finance Charge of the Bonds.** Assuming an aggregate principal amount of $70,000,000 of the Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the finance charge of the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is $62,455,501.

3. **Amount of Proceeds to be Received.** Assuming an aggregate principal amount of $70,000,000 of the Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the Commission for sale of the Bonds less the finance charge of the Bonds described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is $87,646,937.

4. **Total Payment Amount.** Assuming an aggregate principal amount of $70,000,000 of the Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the Commission will make to pay debt service on the Bonds plus the finance charge of the Bonds described in paragraph 2 above not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is $132,128,916.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from the estimates above due to variations from these estimates in the timing of Bond sales, the amount of Bonds sold, the amortization of the Bonds sold and market interest rates at the time of each sale. The date of sale and the amount of Bonds sold will be determined by the Commission based on market and other factors. The actual interest rates at which the Bonds will be sold will depend on the bond market at the time of sale. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale. Market interest rates are affected by economic and other factors beyond the Commission's control.
Estimated Cost Of 2019 New Bond Issuance

Estimated Costs of Issuance
The selection of bond counsel, disclosure counsel, trustee, and financial advisor was completed through a competitive process and fees were negotiated. Rating agency fees are subject to published rates. The total of these issuance costs is estimated at $600,000. The selection of the underwriters also was completed through a competitive process, and the fees are calculated as a percentage of the total amount of debt issued. Assuming approximately $90 million in new money Series 2019 bonds would be sold, underwriting fees would total approximately $150,000.

Total issuance costs of $750,000 (the $600,000 plus the $150,000) equal approximately 0.83 percent of the Bond issuance amount. This cost is relatively high because of the relatively small issuance amount. However, if we combine this new issuance of $90 million with the refunding issuance of $600 million (see Item 15, Attachment 9) the overall costs would be .25 percent which is more in line with the RTC 2018 issuance. Final costs of issuance would be paid out of Bond proceeds at the closing of the transaction.

Previous Cost of Bond Issuances
Below is the list of previous issuance costs for the following series of bonds:

• SANDAG (Mid-Coast Corridor Transit Project) issuance of $335 million in tax-exempt capital grant receipts revenue bonds bonds – cost of issuance was .45 percent of the issuance amount.

• RTC 2018 issuance of $537.5 million in tax-exempt bonds – cost of issuance was 0.28 percent of the issuance amount.

• SANDAG (SR-125) issuance of $194.1 million in tax-exempt bonds – cost of issuance was .88 percent of the issuance amount.

• RTC 2016 issuance of $325 million in tax-exempt bonds – cost of issuance was 0.34 percent of the issuance amount.

• RTC 2014 issuance of $350 million in tax-exempt bonds – cost of issuance was 0.36 percent of the issuance amount.

• RTC 2012 issuance of $420.6 million in tax-exempt bonds – cost of issuance was 0.55 percent of the issuance amount. The higher cost was attributed to the partial refunding of the 2008 variable-rate bonds.

• RTC 2010 issuance of $350 million in Build America Bonds – cost of issuance was 0.81 percent of the issuance amount. The higher cost is attributed to the fact that Build America Bonds were a new product for the municipal market, targeting the taxable buyer market in addition to the traditional tax-exempt buyer market.
Regional Transportation Improvement Program Amendment No. 8 Review

Overview
At its October 25, 2019, meeting, the Board of Directors approved Amendment No. 8 to the Regional Transportation Improvement Program (RTIP). In the course of the discussion on that item, Board Chair Vaus directed SANDAG legal and technical staff to analyze the effect of this amendment on SANDAG’s ability to comply with state law, including the expected availability of funds that were identified for the projects in the RTIP amendment.

Key Considerations
The answers to the questions raised at the Board meeting are generally as follows:

- The RTIP Amendment does comply with state law, including meeting all fiscal and conformity requirements including scope, cost, completion, and air quality.

The 2018 RTIP was initially approved by the Board of Directors on September 28, 2018, and identifies schedules and funding sources for projects that will be implemented between FY 2019 and FY 2023. Any transportation projects funded with federal or state funds, or by the TransNet Ordinance, must be included in an approved RTIP. RTIP Amendment No. 8 included the programming of the FY 2020 Program Budget amendment approved by the Board of Directors on September 27, 2019, and identified the anticipated funding sources for each of the identified projects. On October 28, 2019, the California Department of Transportation approved RTIP Amendment No. 8 (Attachment 4), and recommended that the Federal Transit Administration and Federal Highway Administration also approve the RTIP Amendment.

- Adequate funding is reasonably expected to be available for the projects in RTIP Amendment No. 8, even considering California Executive Order N-19-19, which calls for discretionary state funds to be focused on greenhouse gas (GHG) reducing projects.

In its discussion prior to approval of RTIP Amendment No. 8, there also were questions from the Board on how Executive Order N-19-19 (Attachment 2), issued by Governor Newsom on September 20, 2019, might affect funding for the projects included in Amendment No. 8. The Executive Order calls for discretionary state funding to be directed to projects that reduce greenhouse gas (GHG) emissions and support housing production near jobs in accordance with smart growth principles.

The Board will be briefed on the full scope of this Executive Order, including its potential impact on projects included in RTIP Amendment No. 8. Additionally, staff will discuss how broader state efforts to reduce GHG impacts, including the Executive Order, SB 375’s (Steinberg, 2008) aggressive GHG reduction targets, and SB 743’s (Steinberg, 2013) addition of vehicle miles travelled to the transportation impact analysis of California Environmental Quality Act documents, will impact the Board’s efforts in the coming months to develop a comprehensive Regional Transportation Plan / Sustainable Communities Strategy (RTP / SCS) update that conforms with all applicable federal and state laws, including state GHG targets.
Next Steps

The Board of Directors is scheduled to adopt a comprehensive update to its RTP / SCS in late 2021.

Hasan Ikhrata, Executive Director

Key Staff Contact: John Kirk, (619) 699-1997, john.kirk@sandag.org

Attachments:

1. Discussion Memo
2. Executive Order N-19-19
3. U.S. Department of Transportation Letter Approving RTIP Amendment No. 8
4. California Department of Transportation Letter Approving RTIP Amendment No. 8
4. Secretary David Kim Opening Remarks
Discussion Memo

Background

At its October 25 meeting, the Board approved Amendment No. 8 to the Regional Transportation Improvement Program (RTIP). In the course of the discussion on that item, Board Chair Vaus directed SANDAG legal and technical staff to analyze the effect of this amendment on SANDAG’s ability to comply with state law, including the expected availability of funds that were identified for the projects in the RTIP amendment.

The analysis of these issues is generally as follows:

• The RTIP Amendment does comply with state law, including meeting all fiscal and conformity requirements including scope, cost, completion, and air quality.

• Adequate funding is reasonably expected to be available for the projects in RTIP Amendment No. 8, even considering California Executive Order N-19-19, which calls for discretionary state funds to be focused on greenhouse gas (GHG) reducing projects.

Discussion

**RTIP Amendment No. 8 Complies with State Law**

In discussing compliance, the RTIP (and amendments to it) are compared primarily to the current Regional Transportation Plan, approved on the same date as the RTIP Amendment No. 8, as well as the air quality studies underlying it. The 2018 RTIP covers FY 2019 through FY 2023 and must be consistent with the Regional Transportation Plan in terms of the scope of projects included in the Regional Transportation Plan, as well as their cost, completion dates, and air quality analysis. As projects are refined in their development, the RTIP continues to be updated throughout its term to reflect updates to the projects’ schedules, funding sources, and budgets. This generally occurs on a quarterly basis, and at other times as needed.

RTIP Amendment No. 8 included the programming of the FY 2020 Program Budget amendment approved by the Board of Directors on September 27, 2019, and identified the anticipated funding sources for each of the identified projects.

The U.S. Department of Transportation (U.S. DOT) Metropolitan Planning Regulations\(^1\) and U.S. Environmental Protection Agency (U.S. EPA) Transportation Conformity Regulations\(^2\) establish six conformity requirements which the RTIP must satisfy. The U.S. DOT regulations require that: (1) the RTIP be financially constrained and (2) make progress toward achieving federal performance targets. The U.S. EPA regulations state that the RTIP must: (3) be consistent with the most recently adopted Regional Transportation Plan; (4) meet regional emissions tests; (5) include timely implementation of transportation control measures; and (6) include interagency consultation and public involvement. As was detailed in Attachment 5 to the RTIP Amendment No. 8 Board report, SANDAG staff determined that RTIP Amendment No. 8 is in compliance with each of these requirements. On November 15, 2019, the U.S. Department of Transportation approved RTIP Amendment No. 8 (Attachment 3).

Funding for environmental and design work related to the SR 78 / I-5 high occupancy vehicle (HOV) Connector, SR 52 Operational Improvements, and SR 67 Improvements was included in RTIP Amendment No. 8. Construction of some of these projects is included in the in the current Regional Transportation Plan in its later years (beyond the years covered in the five-year RTIP). Per RTIP Amendment No. 8, environmental and design work on these projects was advanced so that they would be completed within the time frame covered by the current RTIP. While advancing construction of projects to a time earlier than that identified in the

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2. 40 CFR part 93, subpart A
Regional Transportation Plan may require a new air quality analysis, advancing environmental and design is not considered to have such an impact per federal regulations. Projects involving “Engineering to assess social, economic, and environmental effects of the proposed action or alternatives to that action” are presumed to not have any adverse air quality impact and thus are exempt from an air quality analysis pursuant to 40 CFR 93.126. As such, RTIP Amendment No. 8 remains in compliance with the current Regional Transportation Plan.

Other projects that were in the original version of the budget amendment that led to the RTIP Amendment were not ultimately advanced by the Board, as an alternative budget amendment reapportioned that funding to other projects including the highway environmental and design work discussed above. Specifically, the conversion of I-5 HOV lanes to express lanes (toll for single occupant vehicles) was not included in the RTIP Amendment. In the RTIP’s air quality conformity analysis this project was modeled as an HOV lane, as that is the configuration in which the lane is currently being constructed as part of the I-5 North project. As such, the project was properly modeled, and the air quality conformity analysis remains accurate.

The SANDAG Conformity Working Group (CWG), including members from the San Diego County Air Pollution Control District, Caltrans, California Air Resources Board, SANDAG, U.S. DOT, and U.S. EPA, serve as a forum to meet the federal and state requirements for interagency consultation for the 2018 RTIP. All exempt projects in Amendment No. 8 were submitted to the CWG on October 3, 2019, for its review and members concurred with the exempt categorization.

**Executive Order N-19-19**

Some questions that were raised by Board members concerning the RTIP Amendment and preceding budget amendment related to Executive Order N-19-19 (Attachment 2), issued by California Governor Newsom on September 20, 2019. The Executive Order provides direction to different state agencies, and reflects a broad state policy to increase and accelerate the state’s investment in projects that lower GHG and VMT, and to align the state’s transportation spending with its climate goals.

Two directives in the Executive Order, both addressed to the California State Transportation Agency, are most relevant to funding that may be passed through to SANDAG:

- Reduce vehicle miles traveled by strategically directing discretionary transportation investments in support of housing production near available jobs and in accordance with the state’s smart growth principles.
- Fund transportation options that contribute to the overall health of Californians and reduce greenhouse gas emissions, such as transit, walking, biking and other active modes.

The Executive Order specifically addresses the programming of “discretionary” funds by the state. While certain state funding is applied on a formula basis and other funding on a competitive grant basis, ultimately all state funding is subject to discretionary approval by the California Transportation Commission (CTC). Given the broad policy direction of the state reflected in the Executive Order, as well as by the comments by California State Transportation Agency Secretary David Kim at the California Transportation Commission (Attachment 5) regarding implementation of the Executive Order, the state’s allocation of funding will likely shift to GHG-reducing projects in the future. Nonetheless, this policy direction does not appear to have any direct impact on RTIP Amendment No. 8 at this time.

The California Department of Transportation (Caltrans) approved the RTIP Amendment in a letter dated October 28, 2019 (Attachment 4). In its approval, Caltrans recognized SANDAG’s certification of the RTIP Amendment, including its financial constraint.

Considering the scope of the Executive Order, the funding resources identified in the RTIP Amendment, and the approval of the RTIP Amendment by a state agency directly under the purview of the Executive Order, it does not appear that the issuance of the Executive Order will adversely impact SANDAG’s receipt of the state...
funds identified in RTIP Amendment No. 8, and the RTIP Amendment appears to be properly revenue constrained.

Nonetheless, it would not be unprecedented if state or other funds that are currently reasonably expected to be received are not ultimately received during the term of the RTIP. In this event, future RTIP amendments would reflect the then-current revenue expectations, and alternative funding may be identified for some projects, or projects may be delayed or otherwise modified. Conversely, funding sources that are not currently anticipated may arise within the term of the RTIP. In that case, projects that were not included in the RTIP through Amendment No. 8 could be added in future amendments pending a conformity analysis.

**Next Steps**

As discussed above, RTIP Amendment No. 8 is an incremental implementation of the Regional Transportation Plan. The RTIP Amendment is consistent with that Plan and meets all technical conformity and revenue constraint requirements per that plan.

Moving forward, the Board is in the process of developing the 2021 Regional Plan, which is expected to be complete by late 2021. The SB 375 GHG reduction targets that will be included in the 2021 Regional Plan are more aggressive than those in the 2015 Regional Plan. Under the new targets, SANDAG will need to demonstrate how the transportation network, policies, and programs can work together to achieve a GHG reduction of 19% by 2035\(^3\). The 2015 Regional Plan was required to show a 13% GHG reduction by 2035.

In addition to complying with the SB 375 GHG reduction targets, the 2021 Regional Plan will also need to be supported by an Environmental Impact Report that identifies impacts of the projects and programs in the plan and, where feasible, commits to corresponding mitigation measures. SB 743 identified vehicles miles travelled as the key metric to measure transportation impacts under the California Environmental Quality Act (CEQA). This is also a change from the 2015 Regional Plan.

In December 2018, after over five years of development and public outreach, the California Natural Resources Agency certified and adopted updated CEQA Guidelines including CEQA Guideline 15064.3, which implements SB 743. Based on this updated CEQA Guideline, SANDAG must be ready to address both GHG and VMT reduction in order to remain compliant with state laws and regulations moving forward.

As the 2021 Regional Plan is developed by the Board in the coming months, staff will provide more details on the constraints (and opportunities) presented by the Executive Order, SB 743, and other relevant policies, laws, and regulations to assure that the Board will be able to meet its stated commitment to develop a plan in conformance with all applicable federal and state laws.

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\(^3\) Average weekday per capita carbon dioxide reductions for cars and light trucks from 2005 baseline.
EXECUTIVE ORDER N-19-19

WHEREAS California is proof that a bold climate agenda is good for the economy, for workers, for health and for our future, as evidenced by our state having achieved record economic growth while reaching some of the strongest climate goals in the world; and

WHEREAS in the face of inaction on climate change from the federal government, California is a global leader in climate change mitigation efforts through bold climate goals and actions, as well as leadership in the US Climate Alliance and Under2 Coalition, using the state’s power as the fifth largest economy in the world to drive positive action; and

WHEREAS California has ambitious and essential climate goals to transition to a healthier, more sustainable and more inclusive economy, including: reducing greenhouse gas emissions 40 percent below 1990 levels by 2030; providing 100 percent of the state’s electricity from clean energy sources by 2045; reducing methane emissions and hydrofluorocarbon gases by 40 percent; and adding five million zero-emission vehicles to California’s roads by 2030; and

WHEREAS California has made substantial, measurable progress on many of the goals enumerated above, but in recent years, direct tailpipe emission from cars, ships, diesel trains, airplanes, and other transportation sources have remained a stubborn driver of greenhouse gas emissions, totaling 40.1 percent of all greenhouse gas emissions statewide; and

WHEREAS the California Air Resources Board has a fifty-year history of leading the globe in addressing harmful pollution through innovative air pollution control standards, including the nation’s first NOx emissions standards for motor vehicles; and

WHEREAS California’s renewable energy targets have spurred innovation and private investment in new technologies with California leading the nation in clean technology patents and bringing in more than 50 percent of all clean energy investment in the nation; and

WHEREAS the state has made significant progress in lowering greenhouse gas emissions and mitigating climate risk in California’s own state government operations and public schools; and

WHEREAS achieving California’s climate goals will require concerted commitment and partnership by government, the private sector, and California residents.
NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, by virtue of the power and authority vested in me by the Constitution and the statutes of the State of California, do hereby issue the following Order to become effective immediately to require that every aspect of state government redouble its efforts to reduce greenhouse gas emissions and mitigate the impacts of climate change while building a sustainable, inclusive economy.

1. To leverage the state's $700 billion investment portfolio to advance California's climate leadership, protect taxpayers, and support the creation of high-road jobs, the Department of Finance shall create a Climate Investment Framework.
   a. The Framework shall include a proactive investment strategy for the state's pension funds that reflects the increased risks to the economy and physical environment due to climate change.
   b. The Framework shall provide the timeline and criteria to shift investments to companies and industry sectors that have greater growth potential based on their focus of reducing carbon emissions and adapting to the impacts of climate change, including but not limited to investments in carbon-neutral, carbon-negative, climate resilient, and clean energy technologies.
   c. The Framework shall align with the fiduciary responsibilities of the California Public Employees' Retirement System, California State Teachers' Retirement System and the University of California Retirement Program.
   d. The Department of Finance shall consult with the Governor's Office of Planning and Research, and the California Department of Human Resources on the Framework.

2. The State Transportation Agency shall leverage the more than $5 billion in annual state transportation spending for construction, operations, and maintenance to help reverse the trend of increased fuel consumption and reduce greenhouse gas emissions associated with the transportation sector. To accomplish this, the State Transportation Agency, in consultation with the Department of Finance, shall:
   a. Align the state's climate goals with transportation spending on planning, programming and mitigation to achieve the objectives of the state's Climate Change Scoping Plan, where feasible.
   b. Reduce vehicle miles traveled by strategically directing discretionary transportation investments in support of housing production near available jobs and in accordance with the state's smart growth principles, as defined in Government Code section 65041.1, and taking public health into account.
c. Reduce congestion through innovative strategies designed to encourage people to shift from cars to other modes of transportation,

d. Fund transportation options that contribute to the overall health of Californians and reduce greenhouse gas emissions, such as transit, walking, biking and other active modes, and

e. Mitigate increases in transportation costs for lower income Californians.

3. The Department of General Services shall leverage its management and ownership of the state’s 19 million square feet in managed buildings, 51,000 vehicles and other physical assets and goods to minimize state government’s carbon footprint. To accomplish this, the Department of General Services shall:

   a. Maximize reduction of greenhouse gas emissions, including harmful diesel emissions, from the state fleet,

   b. Develop and implement sustainable purchasing policies across state agencies that prioritize the purchase of environmentally preferable goods such as more sustainable food and recycled materials, consistent with state climate policies,

   c. Reduce greenhouse gas emissions and mitigate climate risk from the state’s owned and future-leased buildings,

   d. Manage energy demand to maximize benefits to the grid, and

   e. Promote zero-emission vehicle purchasing in state and local government fleets.

4. To accelerate progress towards California’s goal of five million zero emissions vehicles sales by 2030, the California Air Resources Board shall:

   a. Develop new criteria for clean vehicle incentive programs to encourage manufacturers to produce clean, affordable cars,

   b. Propose new strategies to increase demand in the primary and secondary markets for zero emissions vehicles, and

   c. Consider strengthening existing or adopting new regulations to achieve the necessary greenhouse gas reductions from within the transportation sector.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order shall be filed with the Office of the Secretary of State and that widespread publicity and notice shall be given to this Order.
This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its departments, agencies, or other entities, its officers or employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 20th day of September, 2019.

Gavin Newsom
Governor of California

ATTEST:

Alex Padilla
Secretary of State
Mr. Bruce de Terra, Division Chief  
Transportation Programming Federal Resources Office, M.S. 82  
California Department of Transportation  
1120 N Street  
Sacramento, CA 95814

Mr. Hasan Ikhrata, Executive Director  
San Diego Association of Governments  
401 B Street, Suite 800  
San Diego, CA 92101

SUBJECT: SANDAG 2019 FTIP/FSTIP AMENDMENT NO. 8 APPROVAL AND CONFORMITY DETERMINATION FOR 2019 RTP AND 2019 FTIP THROUGH AMENDMENT NO. 8

Dear Messrs. de Terra and Ikhrata:

The Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) have completed our reviews of Amendment No. 8 to the San Diego Association of Governments’ (SANDAG) 2019 Federal Transportation Improvement Program (FTIP); and, conformity analysis for SANDAG’s 2019 Federal Regional Transportation Plan (RTP) and 2019 FTIP through Amendment No. 8 submitted by your letters dated October 28, 2019 and October 25, 2019, respectfully. As detailed in your letter’s enclosure this amendment requests to add 15 new individual and one grouped project listings to SANDAG’s FTIP, and to modify 11 individual and three grouped project listings with removal of one individual project listing previously approved for inclusion in SANDAG’s portion of the California Federal Statewide Transportation Improvement Program (FSTIP).

On October 25, 2019 SANDAG adopted San Diego Forward: The 2019 Federal RTP via Resolution No. 2020-12 and associated 2019 FTIP Amendment No. 8 via Resolution No. 2020-03. A FHWA/FTA air quality conformity determination is required pursuant the Environmental Protection Agency’s (EPA) Transportation Conformity Rule, 40 Code of Regulations (CFR) Parts 51 and 93, and the United States Department of Transportation’s Metropolitan Planning Rule, 23 CFR Part 450. The conformity analysis given by SANDAG indicates all air quality conformity requirements have been met and, based on our review, we determined its 2019 Federal RTP and 2019 FTIP through Amendment No. 8 conform to the applicable state.
implementation plan in accordance with the provisions of 40 CFR Parts 51 and 93. SANDAG’s new conformity determination for the 2019 Federal RTP is consistent to align with its 2019 FTIP through Amendment No. 8 and has been coordinated with Region 9 of the EPA in accordance with the procedures outlined in the National Memorandum of Understanding (MOU) between the Department of Transportation (DOT) and EPA on Transportation Conformity, dated April 25, 2000.

Pursuant to the February 14, 2018 Memorandum of Agreement (MOA) between the FHWA – California Division and FTA – Region 9, and based on our review of information submitted with the State’s proposed 2018/19 – 2021/22 FSTIP, which includes revenues, proposed project funding information to demonstrate financial constraint, and statewide and metropolitan planning process documentation, we accept this FSTIP modification proposed for the SANDAG region in accordance with 23 CFR Part 450 and 49 CFR Part 613 (see the Final Rule on Statewide and Metropolitan Transportation Planning published in the May 27, 2016 Federal Register). We have determined SANDAG’s amended portion of the FSTIP, to include its FTIP Amendment No. 8, is financially constrained as required by the Federal surface transportation programs authorizing legislation and statewide planning, metropolitan planning, and programming regulations. SANDAG’s portion of the FSTIP was developed through a continuing, cooperative, and comprehensive transportation planning process in accordance with the metropolitan transportation planning provisions of 23 United States Code (U.S.C.) § 134 and 49 U.S.C. Chapter 53 as amended by Public Law 114-94 (the Fixing America’s Surface Transportation (FAST) Act).

Our FSTIP amendment approval is being given with understanding that an eligibility determination of individual projects for funding must be met, and the applicant must ensure satisfaction of all administrative and statutory requirements. If you have questions or would request additional information pertaining to our conformity finding and FSTIP amendment approval, contact Michael Morris of the FHWA California Division’s Cal-South Office at (213) 894-4014 or michael.morris@dot.gov; or Darin Allan of the FTA’s Region 9 Office at (415) 734-9470 or darin.allan@dot.gov.

/s/ Ray Tellis

Ray Tellis
Regional Administrator
FTA Region 9

Sincerely,

Tashia J. Clemons
Director, Planning and Environment
FHWA California Division
October 28, 2019

Mr. Vincent Mammano
Division Administrator
Federal Highway Administration
650 Capitol Mall, Suite 4-100
Sacramento, CA 95814

Attention: Ms. Tashia Clemons

Mr. Ray Tellis
Regional Administrator
Federal Transit Administration
90 Seventh Street, Suite 15-300
San Francisco, CA 94103

Attention: Mr. Ted Matley

Dear Ms. Clemons and Mr. Carranza, Jr.:

The California Department of Transportation (Caltrans) has completed the review of the following amendment to the San Diego Association of Governments’ (SANDAG) 2018/19 – 2022/23 Federal Transportation Improvement Program (FTIP):

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
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<tr>
<td>8</td>
<td><strong>Local and State Transportation Systems</strong></td>
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<td>• This amendment adds and modifies projects that include funding from the Highway Maintenance Program, Congestion Mitigation and Air Quality Improvement Program, Active Transportation Program, Surface Transportation Program, State Transportation Improvement Program, Highway Safety Improvement Program, Coordinated Border Infrastructure Program, and the Road Repair and Accountability Act of 2017.</td>
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See enclosure.

SANDAG has certified that the amendment is consistent with the Regional Transportation Plan, is financially constrained, is consistent with the regional emission analysis, and meets the requirements of public involvement procedures adopted by SANDAG.

Pursuant to the authority delegated to me by the Director of Caltrans, I approve SANDAG’s Amendment Number 8. I also recommend that the Federal Highway Administration and the Federal Transit Administration approve this FTIP amendment for inclusion into California’s 2019 Federal Statewide Transportation Improvement Program (FSTIP). Projects included in this FTIP, in fiscal years beyond the four-year cycle of the current FSTIP, are not approved as part of this FTIP amendment and are for information.

"Provide a safe, sustainable, integrated and efficient transportation system to enhance California’s economy and livability"
Mr. Vincent Mammano/Mr. Ray Tellis

October 28, 2019
Page 2

only. Approval of this amendment does not constitute an eligibility determination of projects for federal funding.

Please address any questions on this FSTIP approval request to Abhijit Bagde of my staff, at (916) 654-3638.

Sincerely,

Bruce De Terra
Chief
Division of Transportation Programming

Enclosures

c: Karina O'Connor - EPA Office of Air Planning (w/enclosure)
   Sue Alpert - San Diego Association of Governments

"Provide a safe, sustainable, integrated and efficient transportation system to enhance California's economy and livability"
I’d like to make a few points regarding the Governor’s Executive Order on climate change, which was issued on September 20, 2019.

This has been the subject of much discussion in transportation circles, and I think it’s important to set the record straight on a number of fronts.

First, let’s start with the basics. An executive order does not supersede existing state law.

SB 1 funds are constitutionally-protected under Article 19 and an executive order does not change that fact.

Second, we’re going to continue the “fix it first” approach outlined in SB 1. Maintaining the condition of our highways, roads and bridges is of the utmost importance to the Governor – and I want to assure you this effort will continue to move forward.

Having said that, let’s also recognize a few things.

First, we are legally required to meet climate goals through AB 32 and SB 32.

As you may know, the transportation sector contributes over 40 percent of greenhouse gas emissions in the state. Therefore, we must take the necessary steps to reduce the share of greenhouse gas emissions that come from the transportation sector.

I think it’s vital for everyone to understand that we are mandated and obligated to go in this direction. And setting aside statutory requirements, we can all agree that tackling climate change is the right thing to do.

So, we’ve come to the point where it’s time for all of us in the transportation world to have a different kind of conversation. We need to rethink how transportation planning and investments are executed and what the desired outcomes ought to be.

I want to make clear that the Governor’s Executive Order is just the beginning of that conversation, not the end.

We’re going to approach this in a way that makes sense from the standpoint of the economy, jobs and income inequality.

We also have a fiscal responsibility to spend our transportation dollars wisely – that means directing available resources to projects that make the most progress toward our climate goals.

And we’re also going to be pragmatic and collaborative in how we get there.

To that end, the Administration will be developing an implementation plan and we want your input. It is very important for us to have the public involved in the conversation.

Madame Chair, I wanted to convey these points as a way of setting the stage for tomorrow’s meeting when the Commission will receive a more detailed presentation on the Executive Order.

Thank you.
City of Coronado Request: TransNet Extension Ordinance

Overview
The City of Coronado has requested that $25 million currently included in the TransNet Extension Ordinance for the Coronado Tunnel Project be repurposed to a project that will relieve congestion along the approaches to Naval Base Coronado (Attachment 1).

Key Considerations
The $25 million for the Coronado Tunnel is included as Project 11 of Section 2.A.1.a of the TransNet Extension Ordinance:

SR 75/SR 282: Provide matching funds for construction purposes only for a tunnel from Glorieta Boulevard to Alameda Boulevard – $25 million

Funding for this project would be paid for out of the TransNet Major Corridors sub-program, and expenditure of TransNet Major Corridor funding would be subject to the same constraints currently affecting the TransNet Major Corridors sub-program. Specifically, these include a nearly $10 billion deficit to complete all remaining TransNet Major Corridors projects, which includes the Coronado Tunnel. At its September 27, 2019, meeting, the Board of Directors allocated all TransNet Major Corridor funds available through FY 2025 to other TransNet projects as part of its FY 2020 Budget Amendment. At this time and consistent with the City of Coronado’s action in 2010, the Coronado Tunnel is no longer included in the 2019 Regional Transportation Plan.

Pending direction from the Board of Directors, staff could come back with an analysis of considerations and required actions to repurpose these funds. It should be noted that, if needed, a TransNet Extension Ordinance amendment would require action at two separate Board of Directors’ meetings. TransNet Extension Ordinance amendments require a two-thirds vote to be approved.

Hasan Ikhrata, Executive Director
Key Staff Contacts:  José A. Nuncio, (619) 699-1908, jose.nuncio@sandag.org
John Kirk, (619) 699-1997, john.kirk@sandag.org

Attachment:  1. Letter from City of Coronado, dated November 1, 2019, including Attachments
November 1, 2019

Mr. Hasan Ikhrata
Executive Director
SANDAG
201 B Street, Suite 800
San Diego, CA 92101
Sent via Email and USPS

RE: Request to Repurpose TransNet Funds

Dear Mr. Ikhrata:

I am writing at the behest of the Coronado City Council to request that the SANDAG Board of Directors repurpose $25 million of the 2004 TransNet Extension designated for the Coronado Tunnel Project to a project that will relieve congestion along the approaches to Naval Base Coronado.

The Coronado City Council formally adopted a resolution on June 5, 2018, to request that the SANDAG Board amend the TransNet Expenditure Plan to address congestion relief and improve traffic flow to North Island and/or the Naval Amphibious Base, (please see Attachment 1). On June 25, 2018, the resolution was forwarded to Mr. Muggs Stoll, (please see Attachment 2). Subsequently, SANDAG staff met with City of Coronado staff to review the City’s request. On December 5, 2018, a second letter was sent to Mr. Stoll again asking that the SANDAG Board consider Coronado’s request, (please see Attachment 3). On February 11, 2019, the SANDAG Military Working Group endorsed Coronado’s request to repurpose the TransNet funds in order to improve access to North Island and/or the Naval Amphibious Base and directed SANDAG staff to determine the best method to address the request to both the Regional Planning and Transportation Committees, (please see Attachment 4).

In brief, the TransNet Extension & Ordinance (Prop A) provided for a capital project to construct a tunnel in Coronado from Glorietta Boulevard to Alameda Boulevard. The tunnel was intended to relieve traffic congestion entering and leaving the military base. In 2010, the City Council
discontinued the work on the tunnel. However, the same traffic conditions which warranted the original $25 million in 2004 are still present today and are expected to become worse. The San Diego-Coronado Bridge opened in 1969 and was designed to accommodate 30,000 average daily trips (ADT). In 2004, the bridge carried 77,000 ADT and 80,000 ADT in 2016.

Coronado desires that the SANDAG Board respect the ability of the City of Coronado to identify projects that will address and relieve traffic congestion related to Naval Base Coronado. Our preferred request is to repurpose the $25 million to relieve traffic congestion within the San Diego-Coronado Bridge Transportation Corridor as defined pursuant to subdivision (d) of Section 30796.7 of the Streets and Highway Code, “‘transportation corridor’ means the San Diego-Coronado Bridge and its approaches which extend from Route 5 in the City of San Diego to North Island Naval Air Station via Route 282, and to the Naval Amphibious Base via Route 75 in the City of Coronado.” This language is identical to the 2000 Settlement Agreement between SANDAG and Coronado that was entered into to relieve traffic congestion related to the San Diego-Coronado Bridge.

Previously, I have been advised by SANDAG staff that, not withstanding the above language that was found sufficient to settle a lawsuit between SANDAG and Coronado, it is not precise enough to allow the SANDAG Board to repurpose TransNet funds.

An example of a specific project that will relieve congestion and improve safety is the construction of a pedestrian under/over pass connecting the bayside and ocean side of the Naval Amphibious Base. The City understands that this project has the full support of the Navy and its Base Commanding Officer. Currently, the activities on the base require personnel to cross State Route 75 multiple times each day. For example, food service facilities are located on the east side (bayside of the Naval Amphibious Base), which requires Basic Underwater Demolition School (BUDS) participants to cross Highway 75 each day. Regardless of the number of participants that cross at any particular time, or the physical fitness level of each individual, due to standard requirements of the pedestrian cycle, the flow of traffic along SR 75 is delayed. The pedestrians who cross SR 75 at the Naval Amphibious Base also cross the Bay Shore Bikeway at a perpendicular angle. Pedestrians and cyclists crossing each other’s paths is a dangerous mix and unsafe for both the cyclists and pedestrians. The solution of a dedicated pedestrian crossing would allow uninterrupted pedestrian mobility, improve traffic flow in front of the Naval Amphibious Base, and improve safety along the Bay Shore Bikeway.

In general terms, if a pedestrian bridge is constructed, it will be much less expensive than the Harbor Drive bridge to Petco Park. Recently, Caltrans constructed a similar bridge for $4.6 million (2017 dollars) and a bridge out of state was constructed for $6.5 million (2017 dollars). We believe the construction cost is in the general range of $8 million. An underpass is expected to cost slightly less. With the support of Naval Base Coronado, this project can be completed relatively quickly.
A project complementary to the pedestrian connection of the Naval Amphibious Base is improvement to signals within the San Diego-Coronado Bridge Transportation Corridor. Currently, in cooperation with Caltrans, Coronado has upgraded four traffic signals within the corridor with Siemens real-time adaptive traffic control technology. This traffic control system has helped to improve traffic flow and accommodate higher traffic volumes without increasing traffic lanes. To provide a fully intelligent traffic corridor, traffic controllers, signal heads, detectors and communication are required to be installed.

The City of Coronado requests SANDAG’s favorable consideration of the City Council’s request.

Sincerely,

Blair King
City Manager

Attachment 1 – City of Coronado Resolution 8942
Attachment 2 – Transmittal Letter – June 25, 2018
Attachment 3 – Second Request – December 5, 2018
Attachment 4 – San Diego Regional Military Working Group February 11, 2019 Meeting Summary

cc: Coronado Mayor and City Council
Mr. Steve Vaus, SANDAG Chair
Ms. Victoria Stackwick, SANDAG✓
Ms. Robyn Wapner, SANDAG
Capt. Timothy Slentz, USN
RESOLUTION NO. 8942

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORONADO REQUESTING THAT THE SAN DIEGO ASSOCIATION OF GOVERNMENTS (SANDAG) AMEND THE TRANSENTER EXPENDITURE PLAN TO REPURPOSE THE $25 MILLION DESIGNATED FOR CONSTRUCTION OF THE CORONADO TUNNEL FOR CONGESTION AND TRAFFIC SAFETY IMPROVEMENTS ALONG ARTERIAL HIGHWAYS AND ROADWAYS WITHIN THE CITY

WHEREAS, the voters of San Diego County passed the TransNet One-half Cent Sales Tax Extension in 2004; and

WHEREAS, $25 million was identified under “Highway Capital Improvements” to provide matching funds for construction purposes only for a tunnel from Glorieta Boulevard to Alameda Boulevard, and;

WHEREAS, the residents of Coronado voted in favor of the TransNet One-half Cent Sales Tax, helping this County measure pass by the required 66% of the vote; and

WHEREAS, in 2010, an advisory vote, the constituents of Coronado rejected continuing with design and environmental documentation of the tunnel, thus removing it as a project in the Regional Plan; and

WHEREAS, congestion and safety along SR 75 and 282 continues to be of great concern and repurposing the $25 million would help fulfill the promise of the TransNet Extension to relieve congestion; and

WHEREAS, on May 10, 2018, the Coronado Transportation Commission voted unanimously in favor of requesting the $25 million be repurposed to stay in the City of Coronado to provide congestion and safety improvements;

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Coronado, California, that the City hereby requests the SANDAG Board of Directors to amend the TransNet Expenditure Plan to repurpose the $25 million designated to provide matching funds for construction purposes only for a tunnel from Glorieta Boulevard to Alameda Boulevard to a congestion relief project to improve traffic flow and safety along arterial highways and roadways.

PASSED AND ADOPTED by the City Council of the City of Coronado, California, this 5th day of June 2018 by the following vote, to wit:

AYES: BENZIAN, DONOVAN, DONELLY, SANDKE, BAILEY
NAYS: NONE
ABSTAIN: NONE
ABSENT: NONE

Richard Bailey, Mayor
City of Coronado

ATTEST:

Mary L. Clifford, CMC
City Clerk
June 25, 2018

Charles "Muggs" Stoll
Director of Land Use and Transportation Planning
SANDAG
401 B Street, Suite 800
San Diego, CA 92101

SUBJECT: Coronado Resolution Requesting to Repurpose of $25 million of TransNet Funds

Dear Muggs:

This letter is to officially transmit the action of the Coronado City Council, taken on June 5, 2018, to request that the SANDAG Board of Directors amend the TransNet Expenditure Plan to repurpose $25 million designated to provide matching funds for construction of a tunnel, from Glorietta Boulevard to Alameda Boulevard, to a congestion relief project to improve traffic flow and safety along arterial highways and roadways.

Please advise me of the next steps to advance this request.

Thank you for the full and sympathetic consideration.

Sincerely,

Blair King
City Manager

closure
December 5, 2018

Charles “Muggs” Stoll
SANDAG
401 B Street, Suite 800
San Diego, CA 92101

RE: REQUEST TO REPURPOSE TRANSNET FUNDS

Dear Mr. Stoll:

The Coronado City Council voted unanimously on June 5, 2018, to adopt a resolution (attached) requesting that SANDAG amend the TransNet expenditure plan to repurpose the $25 million designated for construction of the Coronado Tunnel for congestion and traffic safety improvements along arterial highways and roadways within the City of Coronado (City). The purpose of this letter is to provide SANDAG with additional information in support of the City’s request.

The City of Coronado and its residents supported the 2004 ballot measure to extend a one-half cent sales tax to fund TransNet projects, which helped the measure gain the necessary 66% of the vote to pass. Local support for the measure was buoyed by the commitment to provide $25 million to relieve chronic traffic congestion on State Routes (SR) 75 and 282. Although Coronado residents subsequently voted to suspend engineering and design work for the Coronado Tunnel, expectations remain that measures will be implemented to reduce traffic congestion and improve safety for the thousands of daily motorists, bicyclists, and pedestrians who traverse SR 75 and SR 282.

The City of Coronado and the Navy work cooperatively to develop solutions to alleviate traffic challenges, including promoting ridesharing, public transit and alternative modes of transportation like cycling. In addition, the City has invested nearly $2 million to directly address congestion and safety on SR 75 and SR 282. However, efforts cannot keep pace with projected growth absent further investment as expected from the TransNet Extension.

As the sole means of direct vehicular access between Coronado and the City of San Diego, SR 75 and SR 282 are uniquely impacted highway routes. Both SR 75 and SR 282 serve as the primary routes for residents, tourists, and tens of thousands of active duty Navy personnel and civilian employees who commute to and from Naval Air Station North Island (NASNI) and the Naval Amphibious Base Coronado. Unlike other well-travelled destinations in San Diego County, Coronado does not benefit from mass transit options or alternative routes of travel offered by a well-developed and interconnected road network.
Mr. Charles “Muggs” Stoll
December 5, 2018

Traffic conditions, which warranted the original $25 million allocation in 2004, are still present today and are expected to become worse in the future, absent significant investment. The Coronado Bridge was designed to accommodate 30,000 average daily trips (ADTs). The bridge carried approximately 77,000 ADTs in 2004 and 80,000 ADTs in 2016. Traffic volumes are expected to rise further as the Navy completes the Coronado Coastal Campus and increases the frequency and duration of homeporting a third aircraft carrier, the approximately 3,200 additional sailors stationed at NASNI, and the thousands of personnel associated with the additional carrier’s maintenance and logistical support contracts.

SR 282 and SR 75 are significant feeders of the I-5 network and thus, substantially impact the entire region. Backups here contribute to longer commute times for constituents across the county. As SANDAG completes regional projects to alleviate congestion and as natural growth occurs, lack of investment in SR 282 and SR 75 may result in “bottlenecks”, hindering wider transportation goals.

Relieving traffic congestion and improving safety is also an important economic consideration for Coronado and the entire San Diego region. According to the 2018 San Diego Military Economic Impact Study prepared by the San Diego Military Advisory Council, the San Diego military complex represents the region’s most important and largest economic driver, providing $26 billion in direct spending and 22% of its gross regional product.

Coronado contributes significantly to the economic benefits enjoyed by the region while enduring concentrated traffic impacts caused in part by the approximately 25,000 active military and civilian personnel who work at NASNI and Naval Amphibious Base Coronado. To safeguard the long-term military presence and resultant economic benefits, the San Diego Military Economic Impact Study recommends that military and transit leaders work more closely to insure the region’s transportation network are aligned with the needs of military installations and their personnel.

In addition to its substantial contribution to the region’s military economy, Coronado also draws hundreds of thousands of tourists to the San Diego region annually. According to Discover Coronado, our resorts are among the top regional destination for corporations seeking an “island experience” during their conventions. Between sessions, executive guests enjoy various amenities in Coronado, including its renowned beaches, vibrant retail options, the world-famous Hotel del Coronado, and the overall attractiveness of the community.

Relieving traffic congestion and improving safety along SR 75 and SR 282 is an important priority of the City of Coronado and its residents. The City recognizes the need to improve traffic conditions for our residents, visitors, and service men and women to maintain the economic vitality that benefits the City and San Diego region alike. Accordingly, we strongly encourage SANDAG to retain Coronado’s share of TransNet funds to help finance critical improvements to SR 75 and SR 282.
Mr. Charles "Muggs" Stoll  
December 5, 2018

The City of Coronado appreciates your consideration. Please contact me if you have any questions.

Sincerely,

Blair King  
City Manager

Attachment: June 5, 2018 City Council Resolution
San Diego Regional Military Working Group

March 25, 2019

February 11, 2019, Meeting Summary

Chair Garry Bonelli (San Diego Unified Port District) called the meeting of the San Diego Regional Military Working Group (Working Group) to order at 9:06 a.m.

1. Approval of Meeting Minutes (Approve)

Action: Upon a motion by Steve Chung (Navy Region Southwest Seat – B), and a second by Rick Huenefeld (Marine Corps Recruit Depot), the Working Group approved the minutes from its October 15, 2018, meeting.

Yes: Chair Bonelli, Blair King (City of Coronado), Andy Hall (City of Imperial Beach), Richard Crompton (County of San Diego), Mr. Huenefeld, Rodrigo Carrasco (Metropolitan Transit System), Mr. Chung, Charles Main (North County Transit District). No: None. Abstain: None. Absent: City of National City, City of Oceanside, City of San Diego, Coast Guard San Diego Sector, Marine Corps Installation West, and Navy Region Southwest (Seat A).

2. Public Comments/Communications/Member Comments (Information)

No public comments were made.

3. Member Communications (Information)

Captain Roy Love (Naval Base San Diego) informed the Working Group that in the upcoming week all bases had scheduled exercises, which was going to result in increased congestion.

Mr. Huenefeld informed the Working Group that March 16, 2019, is going to be the Centennial of the Groundbreaking for Construction of Marine Corps Recruit Depot.

Chair’s Report

4. Chair’s Report (Information)

Chair Bonelli updated the Working Group on the announcement made by SANDAG Executive Director Hasan Ikhrata at the Board of Directors meeting on February 8, 2019, regarding pushing back San Diego Forward: The 2019-2050 Regional Plan (2019 Regional Plan) due to not being able to meet required state emissions standards.

Chair Bonelli also provided the Working Group with an update on the work of the Airport Connectivity Subcommittee. This subcommittee was formed to develop mobility solutions that connect the airport to the San Diego region. In particular, the Subcommittee has discussed extending the existing trolley system, creating a mobility hub on the U.S. Navy-owned SPAWAR site, and developing a “Grand Central Station.”

Reports

5. San Diego Forward: The 2019-2050 Regional Plan Update (Information)

Coleen Clementson, Principal Regional Planner, updated the Working Group on the status of the 2019 Regional Plan.

Working Group members had a brief discussion on the topic and asked a few clarifying questions to SANDAG staff.
6. Coronado Request to Repurpose TransNet Funds (Discussion)

Mr. King presented the City of Coronado's request to SANDAG to amend the TransNet Expenditure Plan to repurpose the $25 million designated for construction of the Coronado Tunnel for congestion and traffic safety improvements along arterial highways and roadways. A discussion followed regarding how to bring this issue to light and bring it forward as an information item to both the Regional Planning and Transportation Committees. Staff was directed to determine the best timing and whether it should be in the context of an update on the activities of the MWG and status of the Multimodal Access Strategy project.

7. Military Multimodal Access Strategy Update (Discussion)

April Petonak, Associate Transportation Planner, provided an update on the Military Multimodal Access Strategy. Ms. Petonak asked the Working Group members to provide input on the presented materials, and Working Group members discussed key considerations, as well as the selection criteria.

Working Group members had a brief discussion on the topic and asked a few clarifying questions to SANDAG staff. It was determined that the project team should further refine the selection criteria methodology and return to the Working Group.

8. Possible Topics for Next Meeting (Discussion)

The next meeting of the Working Group will be scheduled in April.

9. Adjournment

The meeting was adjourned by Chair Bonelli at 11:10 a.m.