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San Diego County Water Authority

Luis Cabrera Cuaron
Consul General of Mexico

Gary L. Gallegos
Executive Director, SANDAG



BOARD OF DIRECTORS AGENDA

Friday, October 22, 2004

9 a.m.

SANDAG

401 B Street, 7th Floor

Downtown San Diego

AGENDA HIGHLIGHTS

- **LOCAL TECHNICAL ASSISTANCE PROGRAM ANNUAL REPORT**
- **REGIONAL TRANSIT FARE POLICY AND ORDINANCE**

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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.

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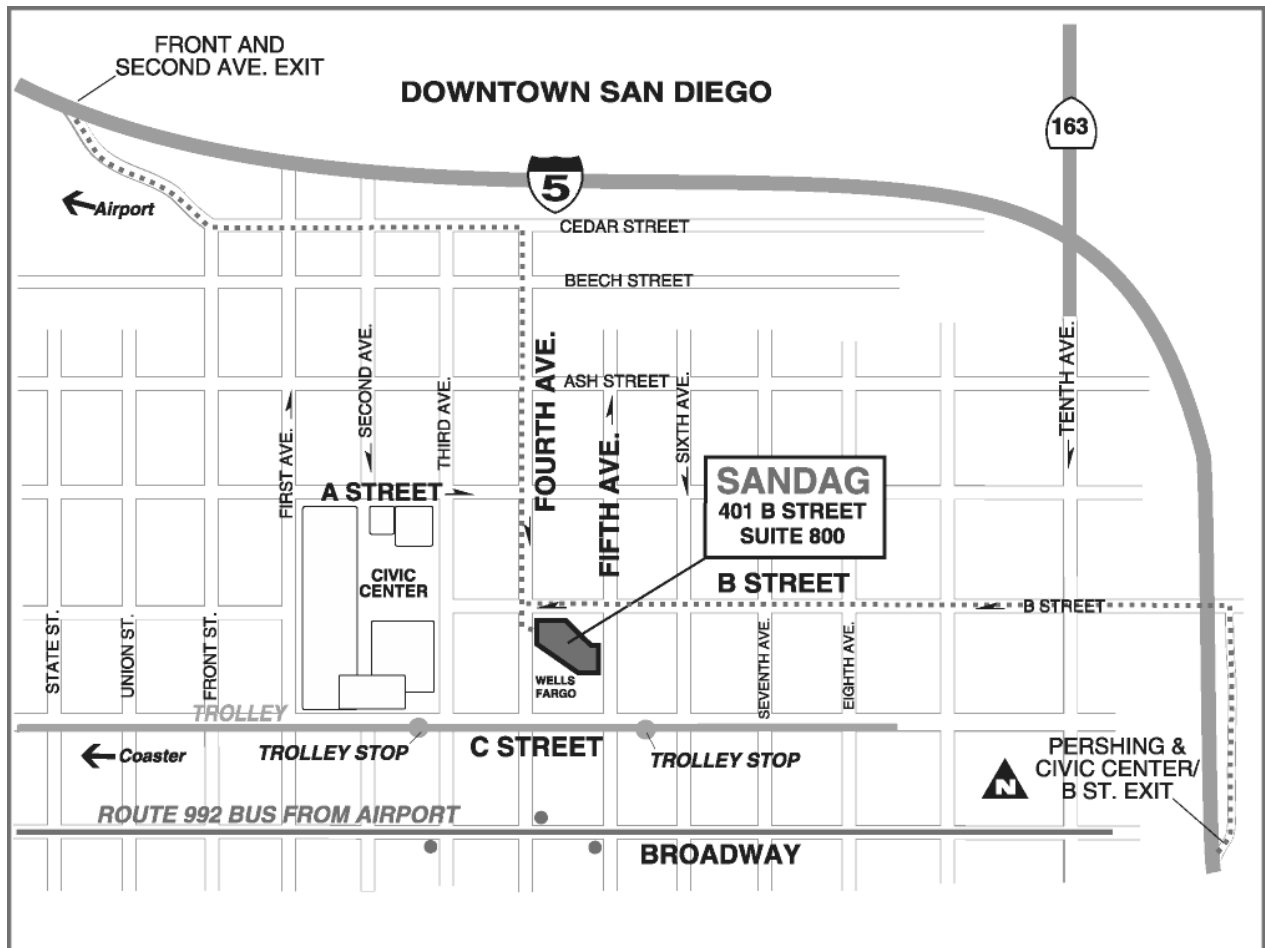


Welcome to SANDAG. Members of the public may speak to the Board on any item at the time the Board is considering the item. Request to Speak forms are located in the rear of the room. Once completed, the form should be presented to the Clerk of the Board seated at the front table. Public speakers should notify the Clerk of the Board if they have a handout for distribution to Board members. Members of the public also are invited to address the Board on any issue under the agenda item entitled Public Comments/ Communications. All speakers are limited to three minutes. The SANDAG Board may take action on any item appearing on the agenda.

This agenda and related staff reports can be accessed on SANDAG's Web site at www.sandag.org under Meetings. Public comments regarding the agenda can be forwarded to SANDAG via the e-mail comment form also available on the Web site. E-mail comments should be received no later than noon on the Wednesday preceding the Friday SANDAG Board meeting.

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BOARD OF DIRECTORS

Friday, October 22, 2004

ITEM #	RECOMMENDATION
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- | | |
|---|---------|
| + 1. APPROVAL OF SEPTEMBER 24, 2004 MEETING MINUTES | APPROVE |
| 2. ADDITIONS AND DELETIONS | |
| 3. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS | |

Members of the public shall have the opportunity to address the Board on any issue within the jurisdiction of SANDAG. 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. Speakers are limited to three minutes.

CONSENT ITEMS (4 THROUGH 5)

- | | |
|--|---------|
| + 4. ACTIONS FROM POLICY ADVISORY COMMITTEES | APPROVE |
| + 5. ANNUAL MEETING CALENDAR (Deborah Gunn) | APPROVE |

The Board of Directors is asked to approve the meeting calendars for the Board and the Policy Advisory Committees for the upcoming year.

REPORTS

- | | |
|--|-------------|
| + 6. LOCAL TECHNICAL ASSISTANCE ANNUAL REPORT--FY 2004 (Karen Lamphere) | INFORMATION |
| The LTA program provides member agencies access to SANDAG's Regional Information System. Each year we assist local agency staffs on a variety of projects through the LTA program. In accordance with the policy guidelines approved by the SANDAG Board, this report summarizes the projects and activities conducted under the LTA program in FY 2004. | |
| + 7. REGIONAL FARE POLICY AND COMPREHENSIVE FARE ORDINANCE (Toni Bates) | ADOPT |

Under consolidation, SANDAG is responsible for establishing a regional fare policy and setting fares for transit services. Working with MTS and NCTD, a draft regional fare policy has been developed to establish guiding principles for fare setting. The policy outlines these principles which address regional participation, revenue production, fairness for transit operators and passengers, fare structure simplicity, and responsibilities for SANDAG, the transit agencies, and operators. The SANDAG Board is asked to adopt the fare policy. A Comprehensive Fare Ordinance will follow in early 2005 that provides the details of the fare structure and levels.

BOARD OF DIRECTORS

Friday, October 22, 2004

ITEM

RECOMMENDATION

8. UPCOMING MEETINGS

INFORMATION

The next meeting is scheduled for Friday, November 19, 2004, at 9 a.m.

9. ADJOURNMENT

GARY L. GALLEGOS

Executive Director

+ next to an agenda item indicates an attachment



**BOARD OF DIRECTORS DISCUSSION AND ACTIONS
SEPTEMBER 24, 2004**

Chairman Mickey Cafagna (Poway) called the meeting of the SANDAG Board of Directors to order at 9:07 a.m. The attendance sheet for the meeting is attached.

1. APPROVAL OF MINUTES

Action: Upon a motion by Mayor Dick Murphy (City of San Diego) and a second by Mayor Corky Smith (San Marcos), the SANDAG Board of Directors approved the minutes from the July 23, 2004, meeting.

2. ADDITIONS AND DELETIONS

None.

3. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

Robert Hoffman, a member of the public, repeated the comments that he had provided at the Transportation Committee meeting on September 17 related to a recent trolley ride from La Mesa to downtown San Diego. He complained about the lack of leg room between seats, he said that the public address system announcements are not easily understood, the ride was bumpy in places along the line, a ticket vending machine face was difficult to read, and the line along Commercial Street could use some cleaning up. He asked about quality controls for the trolley system

Councilmember Jim Madaffer (City of San Diego) asked that someone respond to Mr. Hoffman's complaints. He stated that the Metropolitan Transit System (MTS) doesn't have authority to do anything with private properties on Commercial Street. *Gary Gallegos, Executive Director, responded that staff would work with the MTS to provide a response to Mr. Hoffman.*

Mayor Smith asked if the bumpy portion of the line is welded track. Chair Cafagna said that staff will find out and report back.

Leon Williams, MTS Board Chair, commented that Commercial Street is in the redevelopment area of the Southeast Economic Development Corporation. He urged the members of the San Diego City Council to focus efforts to revitalize that area.

Ron Boshun, a member of the public, didn't feel that the SANDAG Board has the right to place the *TransNet* measure on the ballot. He said that this was taxation without

representation because the SANDAG Board members are appointed by their city councils or the County Board of Supervisors. He also didn't think the public would have input into how the *TransNet* money will be spent. He thought that the *TransNet* revenue should be spent on local streets and freeways rather than for public transit.

Jack Limber, General Counsel, clarified that state law clearly allows SANDAG to put a sales tax measure before the voters.

Chuck Lungerhausen, a member of the public, said that the majority of the County Board of Supervisors want to build roads so that developers can have a free hand to build housing wherever possible. Supervisor Bill Horn wanted to build another north-south freeway, which does not fit into SANDAG's smart growth and transit concepts. He didn't feel that this represented the needs of their constituents.

CONSENT ITEMS (4 through 15)

Chair Cafagna noted that the following items were requested to be pulled from the Consent Agenda: Nos. 5, 12, 14, and 15.

15. *TransNet Extension* ENVIRONMENTAL MITIGATION PROGRAM IMPLEMENTATION GUIDELINES (APPROVE)

A series of meetings has been held over the last few months with representatives of the wildlife agencies and environmental organizations to further refine and define the components of the Environmental Mitigation Program (EMP) as contained in the adopted *TransNet Extension* Ordinance and Expenditure Plan and its attachments. Approval of this item would represent the concurrence of the Board in the set of implementation guidelines that have been developed through these meetings. The implementation guidelines would provide the basis for the required agreements with federal and state resource agencies that will need to be developed to implement the EMP consistent with passage of Proposition A in November.

Mr. Craig Scott, *TransNet* Project Manager, indicated that a revised agenda report and a letter from the County of San Diego were distributed to Board members. Staff have been working with environmental groups to further develop the EMP, specifically dealing with the issues of funding acceleration and the designation of the regional entity. The County's letter raised an issue with Guideline No. 5, regarding the regional entity, suggesting that it was in conflict with the ballot language. In response to the County's concerns, staff revised the recommendation to delete Guideline No. 5 as reflected in the revised agenda report.

Chair Cafagna wondered why this language was different than that included in the ballot language. *Mr. Scott responded that the TransNet Ordinance contains a principle that a regional entity would be designated, and staff had suggested that it be SANDAG. The revised staff recommendation would delete the language in Guideline No. 5, leaving the principle in the adopted Ordinance intact. He added that this issue can be dealt with following the November election.*

Supervisor Dianne Jacob (County of San Diego) asked why SANDAG staff would be moving forward a recommendation that is contrary to the wording in the ballot language. She asked if the County had been included in the discussions with other agencies on this matter since it has 70 percent of the Multiple Species Conservation Program (MSCP) area in the region. *Mr. Scott replied that the discussions have been with the Department of Fish and Game and other environmental groups to build a consensus on the TransNet measure.*

Chair Cafagna stated that the omission of the County from those discussions was inadvertent and as soon as it was brought to our attention, staff responded.

Supervisor Jacob stated that a letter from the Executive Director and the Vice Chair was sent to several people that indicated SANDAG as the regional entity. She felt that this was presumptuous and premature, and needed to be corrected.

Vice Chair Mary Sessom (Lemon Grove) stated that we were talking to environmental groups regarding their concerns about implementation of the EMP principles. These are guidelines seeking to determine what the environmental agencies were interested in with regard to support of the *TransNet* measure. The letter expresses the intent to present these implementation guidelines to the SANDAG Board at its September 24, 2004, meeting for concurrence. It was clear in the letter that these guidelines had not yet been considered by the SANDAG Board. If there are changes, a revised letter will be sent.

Action: Upon a motion by Mayor Murphy and a second by Mayor Pro Tem Ramona Finnila (Carlsbad), the SANDAG Board concurred with the guidelines, as outlined in the revised staff report, for implementing the Environmental Mitigation Program, to be used as the basis for the agreements with state and federal wildlife agencies that will be required to implement the EMP consistent with the passage of Proposition A. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (%). Absent – None.

5. REGIONAL TRANSIT SERVICE PLANNING POLICY (ADOPT)

Under consolidation, SANDAG is responsible for regional transit service planning. The proposed revision to existing SANDAG Policy No. 018 would refine the process for transit service planning and clarify the roles and responsibilities of the transit agencies and SANDAG related to transit service planning in the region. The proposed policy revision has been recommended by the Transportation Committee for adoption by the SANDAG Board. The Joint Committee on Regional Transit (JCRT) has also endorsed the proposed policy.

Toni Bates, Division Director of Transportation Planning, reported that the Regional Transit Service Planning Policy is rooted in the Short-Range Transit Plan (SRTP) planning process whereby SANDAG identifies goals for transit services in the region consistent with the goals of the Regional Comprehensive Plan (RCP) and the Regional Transportation Plan (RTP). It also identifies deficiencies in the region and promotes services to close those gaps and eliminate the deficiencies. The next step is to collaboratively identify service revisions and changes to address those needs, and then to evaluate, prioritize, and forward them to the transit agencies for inclusion into the budget process. Depending on funding, the proposed service revisions and changes may or may not be implemented. The policy outlines the roles and responsibilities of each agency, which were developed at the management staff levels.

Public Comment:

Robert Hoffman, a member of the public, said that he noticed a newspaper ad for a Request for Qualifications (RFQ) for a study of the MTS bus lines. He attended a meeting on that issue and heard the discussion about what was expected of this study. He said that you can't solve the problems of the system if you continue using the same tools. The approach presented in this item is not well informed, and there is no grasp of the problem and what techniques need to be acquired. He said that we need an honest appraisal of what it is we expect from our transit system.

Mayor Joe Kellejian (Solana Beach) applauded the two transit agencies and the JCRT for the spirit of cooperation in the long process for developing this policy.

Action: Upon a motion by Mayor Kellejian and a second by Councilmember Madaffer, the SANDAG Board adopted the proposed revised SANDAG Policy No. 018, "Regional Transit Service Planning," establishing an improved annual process and agency responsibilities for transit service planning. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (%). Absent – None.

12. SALES TAX AUDITS (APPROVE)

Approval of this item would authorize the Executive Director to enter into an agreement with MBIA MuniServices Company (MMC) for sales tax auditing services related to recovering misallocated and misreported *TransNet* sales tax revenues. Resolution No. 2005-05 would designate MMC as a consultant to SANDAG and would allow MMC access to the State Board of Equalization's records for the one-half percent *TransNet* sales tax revenues.

Supervisor Jacob thought this was a good idea, but she wanted to know how MMC will be paid, and why this service was not competitively bid. *Mr. Scott answered that the representatives from MMC came to us with this concept. They have worked on this specialized audit process for the past three to four years and have developed proprietary software dealing with tracking sales taxes for self-help counties such as us. Other firms do similar work for cities and counties. This is the only firm that does this type of service for special districts like SANDAG. We did ask other self-help counties that have contracted with MMC about their experiences. Those that have gone out to bid have only received one response bid. MMC works on a finder fee basis, receiving 30 percent of the additional revenues they find, and they only get paid if the agency receives additional revenues. The finder fee is on a sliding scale with a decreasing percentage as the revenue increases.*

Supervisor Jacob said that she was interested in the sliding scale percentage. *Mr. Scott responded that it is 30 percent for the first \$3 million, 25 percent for \$3-10 million, and 20 percent for over \$10 million. This is the same fee structure used in the other self-help counties for this type of audit work. Mr. Scott explained that TransNet, which is a transactions and use tax, requires special software and techniques to find any misallocation of funds. This is a more complex process than for general sales taxes going to cities and counties. MMC has developed the software to deal with the complications involved with special district taxes like the TransNet program.*

Chair Cafagna asked that staff report back to the Board with the names of companies that perform similar services for cities and counties.

Mayor Smith asked for an example of misallocated revenues. *Mr. Scott provided an example that illustrated the complexities that could result in the misallocation of revenues. The special software goes through the tax records to identify any misallocated funds.*

Councilmember Hal Ryan (Santee) said that he realized the proprietary nature of the software, but he would like to know if there are any other companies that have an interest in this project.

Motion Made

Councilmember Jerry Rindone (Chula Vista) moved that this item be trailed and that staff be directed to bring back the information requested at the next meeting. Councilmember Madaffer seconded the motion.

Substitute Motion

Councilmember Christy Guerin (Encinitas) said that she was satisfied with the explanation from staff, and offered a substitute motion to approve the staff recommendation, with the proviso that staff send a memo to Supervisor Jacob and other interested Board members providing the information requested. Mayor Kellejian seconded the substitute motion.

Action: Upon a motion by Councilmember Guerin and a second by Mayor Kellejian, the SANDAG Board authorized the Executive Director to execute a contract with MMC for sales tax auditing services, and approve Resolution No. 2005-05 authorizing the contractor to access the State Board of Equalization's tax records related to collection of the *TransNet* one-half percent transportation sales tax. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (%). Absent – San Diego B.

14. FY 2003 MANAGEMENT LETTER AND FY 2005 BUDGET STAFFING AMENDMENT (APPROVE)

SANDAG's external auditors, Caporicci and Larson, Certified Public Accountants, have issued a Management Letter dated April 30, 2004, as a result of their audit of the basic financial statements for the year ended June 30, 2003. The audited basic financial statements were presented to the Board at its June 25, 2004 meeting. The Executive Committee recommends that the Board approve an amendment to the FY 2005 budget that adds a regular SANDAG staff position to the Finance Department. Salary savings of approximately \$70,000 from various staff vacancies will pay for this accounting position.

Supervisor Jacob noted that the management letter was critical of the accounting practices that have been used at SANDAG.

Marlene Kelleher, Finance Manager, indicated that the auditing firm provides the letter to SANDAG and staff provides our responses to it.

Supervisor Jacob expressed concern about a number of observations contained in the management letter. *Gary Gallegos, Executive Director, stated that the management letter*

recognizes that the old accounting system was outdated. We are in the process of implementing a new accounting system and responding to the management letter recommendations. Ms. Kelleher pointed out that the management letter was for the prior year audit.

Supervisor Jacob suggested that the SANDAG Board adopt the management letter recommendations and direct staff to implement them.

Vice Chair Sessom reminded the Board that these matters go through the Executive Committee. It is the opportunity for the Executive Committee to look in greater detail at any items being presented to the Board. The Executive Committee felt there was sufficient information to make a recommendation to the Board to put this on the Consent Agenda. She invited all Board members to attend Executive Committee meetings.

Mayor Pro Tem Phil Monroe (Coronado) pointed out that the bottom of page 2 of the management letter indicates that the old accounting system was not adequate and that it was in the best interest to extend MTDB's financial system to SANDAG. During FY 2003, the audit was still relying on the old accounting system. The new system does provide a number of the financial reports being requested in the management letter. It appears that most all of the things being recommended are already being dealt with. He did not agree with the general statement that we should implement all of the recommendations of the auditors. All auditors' recommendations are not unilaterally worth implementing in our agency. The new accounting system will implement much of what we need.

Councilmember Crystal Crawford (Del Mar) wondered if the County was able to participate in the discussion of this item at the Executive Committee meeting. Supervisor Jacob replied that there was no County representation at that Executive Committee meeting.

Councilmember Crawford acknowledged that there was an extensive discussion of these matters at the Executive Committee meeting, and she remembered that the SANDAG Board had approved the purchase of a new accounting system as part of consolidation.

Chair Cafagna added that we had to continue with the old accounting system for that audit, even though we knew there were problems with it.

Councilmember Guerin said that the information on page 4 of the management letter indicates that staff has already completed some of the recommendations.

Supervisor Jacob stated that she wanted to ensure that all of the Board members read the whole report and to be aware of the auditors' observations. She asked how long it will take staff to completely implement the recommendations of the management letter. Renée Wasmund, Director of Finance, said that staff has implemented the new system and now have a number of tools available to resolve the other observations. She reviewed the various sections of the management letter and provided a status of their implementation. She noted that changes to the Government Accounting Standards have drastically changed the reporting model at all entities, and they were very complicated standards to implement. All of the changes will be completed in time for the next audit.

Councilmember Barry Jantz (La Mesa) said that it is assumed that the reason for the additional staff person is to assist in addressing the issues raised. Staff responded in the affirmative.

Councilmember Judy Ritter (Vista) added that the SANDAG Finance Department also took on the budgeting of MTS, which is an operations function. That was an additional challenge.

Mayor Kellejian clarified that the additional Finance Department position would be paid for by other staff vacancies and the reduction of overtime. That was part of his second to the motion.

Action: Upon a motion by Councilmember Guerin and a second by Mayor Kellejian, the SANDAG Board approved an amendment to the FY 2005 Overall Work Program (OWP) and Program Budget that adds a new regular SANDAG staff position to work in the Finance Department. Funds for this position will come from salary savings from various staff vacancies and reductions in overtime. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (%). Absent – San Diego B.

CONSENT ITEMS (4 through 15)--CONTINUED

4. ACTIONS FROM POLICY ADVISORY COMMITTEES (APPROVE)

6. PROPOSED AMENDMENT TO CONFLICT OF INTEREST CODE (APPROVE FOR DISTRIBUTION)

Staff seeks approval from the Board for distribution of proposed amendments to SANDAG's Conflict of Interest Code. Approval will commence the public comment period required by the Political Reform Act (Government Code Sections 81000 et seq.). The proposed Amendment reflects necessary updates to the list of designated positions subject to filing annual economic disclosure statements and the financial disclosure categories applicable to such designated positions. After the public comment period has ended, this item will be brought back to the Board for final approval, and if requested, a public hearing.

7. PROPOSED SANDAG DISTRIBUTION OF AGENDA AND SUPPLEMENTAL MATERIALS (APPROVE)

The Board is requested to approve the recommendation by the Executive Committee to distribute Board and Policy Advisory Committee (PAC) agendas and supporting materials by e-mail. Hard copies will still be sent to members and alternates and will also be made available to interested attendees at the meetings.

8. FY 2005 DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM GOALS (APPROVE)

Federal regulations require all recipients of funds from the U.S. Department of Transportation (DOT) to develop DBE programs with specific project goals. The draft program is pending approval by the Federal Transit Administration (FTA) and Caltrans (on behalf of the Federal Highway Administration) and, with SANDAG Board approval, will be distributed for public comment. The SANDAG FY 2005 DBE goals are representative of the consolidated agency, inclusive of certain functions from SANDAG, the Metropolitan Transit Development Board (MTDB), and the North San Diego County Transit Development Board (NCTD).

9. QUARTERLY PROGRESS REPORT ON TRANSPORTATION PROJECTS - APRIL-JUNE 2004 (INFORMATION)

This report summarizes the current status of major highway, transit, arterial, traffic management, and Transportation Demand Management (TDM) projects in SANDAG's five-year Regional Transportation Improvement Program (RTIP). The *TransNet* one-half percent local sales tax and other local, state, and federal sources fund these projects.

10. QUARTERLY INVESTMENT REPORT - PERIOD ENDED JUNE 30, 2004 (INFORMATION/POSSIBLE ACTION)

State law requires that the Board be provided a quarterly report of investments held by SANDAG, including funds of the San Diego County Regional Transportation Commission and SourcePoint.

11. UPDATED PUBLIC PARTICIPATION POLICY (APPROVE)

At its September 10, 2004, meeting, the Executive Committee recommended that the revised Public Participation Policy be approved for distribution for a 45-day public review and comment period. The revised policy will serve as an umbrella policy for all public participation activities related to comprehensive planning; development planning; design/build construction; transit service and fare changes; and Native American consultation. The final Public Participation Policy, including comments received and responses to the comments, will be available for the Board's consideration at its November 19, 2004, meeting.

13. LOCAL TECHNICAL ASSISTANCE (LTA) PROJECTS REQUIRING MORE THAN \$1,000 OR THREE DAYS' STAFF TIME (INFORMATION)

Local Technical Assistance (LTA) policy guidelines require that projects involving more than three days' staff time be reported to the Board of Directors. The projects covered in this month's report are transportation modeling and analysis for the City of Coronado and the County Departments of Planning and Land Use, and Public Works.

Action: Upon a motion by Mayor Kellejian and second by Mayor Smith, the SANDAG Board voted to approve Consent Item Nos. 4, 6, 7, 8, 9, 10, 11, and 13. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (%). Absent – San Diego B.

CHAIR'S REPORTS

16. **RECOGNITION OF PARTICIPANTS THAT CONTRIBUTED TO THE PREPARATION OF THE REGIONAL COMPREHENSIVE PLAN (RCP)**

Chair Cafagna stated that the RCP was adopted by the SANDAG Board on July 23 2004, following two years of intense work by members of the Board, staff, and stakeholders. The stakeholders worked tirelessly to help us get the job done on schedule, including meeting at least once a month for an 18-month period, setting up special committees to work on specific topics or issues, providing insightful input, helping staff organize and attending the three rounds of public workshops, and helping staff present the information and answer the public's questions. Their volunteer commitment helped us be successful with our work.

Mayor Lori Pfeiler (Escondido) and Chair Cafagna presented Certificates of Appreciation to the Chair of the Technical Working Group, the Chair of the Stakeholders Working Group, all of the stakeholders, and representatives of the community-based organizations present: Hon. Patty Davis, Susan Carter Robert, Marla Hollander, Lynne Baker, Ramona Salisbury, Dutch Van Dierendonck, Mike Stepner, Janet Anderson, Mac McGee, and Niall Fritz for Gail Goldberg.

Mayor Pfeiler had placed puzzles at each Board member's place and noted that the RCP is like the puzzles; all of the pieces have to fit together for the whole thing to work.

REPORTS

17. **HEARING OF NECESSITY: (A) PARTIAL ACQUISITION OF ASSESSOR PARCEL NUMBERS (APN) 316-180-14, 15, AND 16, OWNED BY LEGACY SABRE SPRINGS LLC, LOCATED IN THE CITY OF SAN DIEGO, AND FULL ACQUISITION OF APN 313-031-16, OWNED BY CARMEL MOUNTAIN RANCH, A CALIFORNIA GENERAL PARTNERSHIP, LOCATED IN THE CITY OF SAN DIEGO (APPROVE)**

Mr. Limber reported that as SANDAG assumes its responsibilities under Senate Bill (SB) 1703, it now has the ability to acquire property through eminent domain. Sometimes condemnation is necessary to acquire property for a project. He explained the eminent domain process. He noted that almost all acquisition cases are settled before trial.

He said that we are beginning this process for two parcels. In one case, the property is in escrow and we are in negotiations for the other parcel. Caltrans is about to bid the unit of work for the access ramps for a Bus Rapid Transit (BRT) station on the Interstate 15 (I-15) Managed Lanes Project. These parcels are necessary for the development of that project. Caltrans needs to certify that all of the right-of-way necessary for the project has been acquired. We need a court order for property acquisition. This requires the adoption of a Resolution of Necessary by a two-thirds vote of the SANDAG Board under four criteria: the public interest and necessary require the project, the project is planned or located in a manner that will be the most compatible with the greatest public good and the least private injury, the interest in the property is necessary for the project, and that an offer of just compensation has been made to the property owner. Mr. Limber noted that the value

of the property is not an issue in this hearing. Negotiations on the property acquisition will continue until the time of trial.

Tim Allison, Project Manager for Right-of-Way, provided information about the project that would satisfy the four conditions for the Resolution of Necessity. He stated that Stage 1 of the BRT project is to construct three BRT stations and their access ramps. The property in question would provide property for direct access ramps for the Sabre Springs/Penasquitos Transit Station. He noted that all final environmental reports are complete for the site, it has been approved by MTDB, and the design was developed to minimize impacts to adjacent property owners. The fee acquisitions total 21,605 square feet, the temporary access easements total 26,393 square feet, and the temporary construction easements total 47,234 square feet. The second parcel is 1.5 acres of embankment along Ted Williams Parkway.

Mr. Allison stated that offers were made to the property owners and negotiations have begun. He reviewed the project schedule that requires the acquisition of the property. For the Carmel Mountain Ranch parcel, a settlement has been reached and the property is in escrow.

Mayor Pro Tem Monroe said that page 2 of a letter dated September 21, 2004, from George Sonnett, representing Legacy Sabre Springs LLC, indicates that SANDAG has not negotiated at all with them. *Mr. Limber stated his belief that the statement of the letter is that they have not received a specific written response to the points in the letter. Staff has been meeting and will provide a response to their concerns.*

Chair Cafagna opened the public hearing.

George Sonett, representing Legacy Sabre Springs LLC, stated that the visuals presented to the Board do not reflect the reality of what is on the ground today. The Legacy Sabre Springs project consists of two new office towers of nearly 300,000 square feet, of which 90 percent are occupied, and a parking structure with 500 spaces. We have graded ground for Phase 3 of that project. The primary objection to this resolution is that the impacts of this roadway have not been dealt with nor fully considered, and there have not been negotiations with his client. This roadway would take a construction easement along the entire back portion of the project from now until 2007, which is exactly the same time frame that Phase 3 of their project is planned to be built. There is no way, given the schedule, that we could build another office building and an 800-space parking structure at the same time as MTDB is occupying the space for what will be a very large construction easement. Significant coordination will be necessary among these two projects. He disagreed with the statement that access easements won't interfere with the operation of this office project. The north access easement is in the driveway that hundreds of people use every day. We have not received responses to the letters written months ago that were sent raising these issues. The precondemnation offer is deficient pursuant to state statutes as the appraisals are outdated, insufficient, and the offer fails to take into account the impacts for property take, easements, and severance damages. According to the Government Code, the compensating agency must make every reasonable effort to acquire the property before the Resolution of Necessary is

approved. A further objection is that the project plan does not meet the best project good.

Rich Simons, representing Legacy Partners, indicated that this process started a long time ago with MTDB. He said that they have talked with staff and it has been a reasonable session, but there has been no written response to their letters dated May 27 and July 6. The biggest issues are that the timing and cost will start escalating, there are costs to retain legal counsel, and damages to fight the construction easement. There are a lot of ways this can be solved. He said that they have no problem with the eventual property take, and they have redesigned the parking structure and the buildings to accommodate the take.

Mayor Pro Tem Finnila asked Mr. Sonnett when he had first been hired to intercede on behalf of his client. Mr. Sonnett replied that it was several weeks ago, though other people in his firm have been consulting with the client.

Mayor Pro Tem Finnila asked what the meetings with staff entailed. Mr. Simons said that they did not get a clear response on any of the issues. There have been meetings but no discussion of the issues involved.

Mayor Pro Tem Finnila asked for a response from staff to these statements. *Mr. Allison replied that staff met with Mr. Simons and others from his firm in April after the first offer letter was sent. There was a meeting on June 3 to discuss the May 27 letter, and there was a meeting on July 7 to discuss the July 6 letter. There was a further meeting on August 1 to substantiate the negotiating positions. Staff felt that we have been negotiating with the property owners.*

Mayor Smith wondered if a court makes the decision when a property owner's appraisal differs from the entity's appraisal. *Mr. Limber answered that it could be decided by the court; however, the vast majority of these types of cases is decided between the parties before trial. Staff will continue to negotiate with the parties until a trial date to try to bridge the gap. He introduced Karen Landers of Best Best & Krieger who acts as special counsel for us in condemnation actions.*

Karen Landers, Best Best and Krieger, clarified that the specific issues about value do not have anything to do with the right to take the property. Negotiations on those matters will continue throughout the process.

There being no other requests to speak, Chair Cafagna closed the public hearing.

Councilmember Crawford commented that it is obvious that people are going to be inconvenienced by this construction, and we are obligated to do this project in a manner that creates the least private injury. She encouraged all parties to work together on this to minimize the inconvenience to the people affected.

Action: Upon a motion by Mayor Smith and a second by Councilmember Ron Morrison (National City), the SANDAG Board: (1) closed the public Hearing of Necessity; (2) approved Resolution of Necessity No. 2005-06, by a two-thirds vote, pertaining to partial acquisition of APN 316-180-14, 15, and 16, and full acquisition of APN 313-031-16, owned by Carmel

Mountain Ranch, a California General Partnership, located in the City of San Diego; and (3) authorized staff to proceed with the condemnation proceedings necessary to acquire the full interest in the subject parcels. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (%). Absent – City of San Diego B.

Chair Cafagna announced that this action has made history as it is the first Resolution of Necessity acted on since SANDAG acquired eminent domain powers as part of consolidation.

18. REGIONAL HOUSING NEEDS ALLOCATION (ACCEPT)

Mayor Pfeiler stated that this item specifically addresses our housing needs, which becomes more critical as housing prices skyrocket. Different types of housing are needed to meet our needs. The draft Regional Housing Needs Assessment (RHNA) numbers are the result of a year of discussion with local jurisdictions, housing advocates, and other stakeholders. Adopting these numbers is the first step in implementing the Regional Comprehensive Plan (RCP). The Regional Planning Committee (RPC) has forwarded these numbers to the Board. These numbers may not make everyone happy, but we need to move them forward for the 90-day review.

Chair Cafagna indicated that letters had been received from Catherine Rodman, with the Affordable Housing Advocates, and the Building Industry Association (BIA).

Susan Baldwin, Senior Planner, reported that the purpose of item is to ask the Board to adopt the RHNA for 2005-2010 for distribution for the next 90 days. State law requires local jurisdictions to update their housing elements every five years. SANDAG is responsible for the RHNA process, which determines the number of units for which regional and local jurisdictions need to plan. This process requires three steps: to determine the region's share of the state's housing need, allocate the regional share by jurisdiction, and allocate the regional share by income category. The RHNA review process resulted in recommendations made by the following four groups: the Regional Planning Committee, the Regional Planning Technical Working Group (TWG) (consisting of planning directors), the Regional Housing Task Force (RHTF) (including elected officials, housing advocates, and housing industry representatives), and the Regional Housing Needs Working Group (RHNWG) (consisting of members from the TWG, RHTF, and others).

Ms. Baldwin stated that the California Department of Housing and Community Development (HCD) developed an overall regional housing need number for 2003-2010 of between 107,000 and 111,000 units. The SANDAG growth forecast for the same time frame indicated that 89,000 units would be built. The difference is that our forecast is based on what we think will happen if current policies remain the same. The HCD numbers call for the region to plan for more housing of all types to obtain a healthier housing market and more housing choice. The recommendation for the allocation by jurisdiction is to use SANDAG's forecast to allocate 89,000 units of the 107,000, and then to allocate the 18,000-unit remainder based on each jurisdiction's share of the employment growth between 2000-2010.

Ms. Baldwin said that each jurisdiction's regional share number also must be allocated by four income categories: very low, low, moderate, and above moderate. For housing element purposes, density is typically used as a surrogate for income levels. In the

San Diego region, 40 percent of the total regional housing need must be allocated to the very low and low income categories. As required by state law, the allocation must seek to reduce the concentration of lower-income households in jurisdictions that have a higher share of lower-income households than the region. The RHNWG considered three alternatives for allocating the regional share numbers by income category. Alternative 1 applies the overall regional percentages for very low (23 percent), low (17 percent), moderate (19 percent), and above moderate (41 percent) income households to each jurisdiction's housing need number. Alternative 3 is derived by adding to or subtracting from the overall regional percentage the difference between a jurisdiction's existing share of lower-income households and the regional overall share. Alternative 2 is the midpoint between Alternatives 1 and 3. For the 1999-2004 cycle the SANDAG Board adopted Alternative 3 as the most equitable way to reduce the concentration of lower income households.

Ms. Baldwin stated that the groups involved in reviewing the RHNA numbers did not come to unanimous agreement, but a general consensus was reached. Most of those involved in this process believe that the numbers are equitable and strike a balance among the many issues raised during the process.

Ms. Baldwin stated that the RHNA identifies the region's housing needs for the next housing element cycle by jurisdiction and by income category. Each jurisdiction is to identify adequate sites for its share of the region's housing needs to provide opportunities for the construction of lower-income housing. Potential sites for lower-income housing include smart growth opportunity areas, older shopping centers and strip commercial areas, downtown redevelopment areas, and transit-oriented development sites. Tools for producing lower-income housing include density bonus projects, inclusionary housing ordinances, accessory units, local housing trust funds, acquisition/rehabilitation of rental units, and homebuyer assistance programs.

Ms. Baldwin also showed the household income limits in San Diego County for a household of four for the four categories: Very low, \$34,250; low, \$54,800; moderate, \$76,100; and above moderate, \$63,400.

Mayor Mark Lewis (El Cajon) asked who would be enforcing these housing numbers.

Councilmember Morrison indicated that this is probably one of the most simplistic formulas for a complex issue. National City is the densest city in the County with over 1,000 affordable housing units and no open space. All of National City's affordable housing is related to redevelopment and higher structures. He noted that increases in taxes for this type of development goes to the redevelopment agency, not to the city. He added that the only way that National City will be able to look at building this number of housing units is related to the tie-in with transit. Without public transportation we can't even think about doing it. We are going to have to start making some regional sense and sharing, and to look at the housing situation realistically rather than parochially. He reminded Board members that these numbers will not meet the real need for housing in our region.

Chair Cafagna stated that at some point those communities that are built out will see a degradation of their quality of life and infrastructure issues if forced to continue to add

more housing. The City of Poway has some major issues with the numbers associated with its area.

Public Comment:

Bob Emery, Councilmember, City of Poway, commented that in the North County area, there are 19,000 acres of habitat conservation land, and 13,000 of those are in the City of Poway. It is locked into a habitat conservation plan which places restrictions on land use. We have met our housing needs (696 out of 717—96 percent) and are not ignoring our responsibilities. The number that has been determined for Poway is more than has been built in the last ten years. It just doesn't fit within the General Plan for Poway and causes a great deal of consternation. There are cities in this region that want to grow and want to build out at levels greater than Poway. He asked the Board to consider this. He said that it will be interesting how HCD will respond to the difference in numbers between it and SANDAG.

Chair Cafagna clarified that Poway has 13,000 out of 25,000 acres of habitat conservation plan land and the rest of North County has 19,000 acres.

Jim Bowersox, City Manager of Poway, stated that he was puzzled about how Poway will be able to meet the housing responsibilities. Only 650 houses have been built in Poway over the past five years. The amount of housing assigned for Poway for the next cycle is twice that amount. He added that Poway shouldn't be penalized for preserving open space.

Scott Molloy, representing the Building Industry Association (BIA), indicated that the BIA is comprised of 1,450 companies and has a workforce of 65,000. They are very concerned about the housing problem. He said that this process has not gone far enough to accommodate the existing gap in housing. There needs to be both an individual and a collective commitment to work together to address the housing gap before the next housing cycle. We need to ensure that economic growth for this area continues.

Lynne Baker, representing the Endangered Habitats League, pointed out that we can provide adequate housing, but it is where you put it and what you build that is important. She said that 59 percent of the need is for houses that cost less than \$300,000. She said that it would be difficult to find any single family homes in this price range today. She noted that the region's need for multifamily housing is 59 percent, not 40 percent. She said that the housing requirements are an unfunded mandate from the state. She also noted that it makes sense for the region to grow vertically, and that there is a fiscal advantage to redevelopment and growth in existing areas.

Board Comments:

Councilmember Madaffer thought that what is most important is that there is some common sense mixed in. We should provide housing that is affordable and place that housing where it makes the most sense. He thanked staff and the members of

the working groups for working on this issue. He also thanked the County and City of San Diego staffs who worked together. The City agreed to increase its numbers of very low and low housing units from the County and gave the County the same number of above moderate units. This agreement should serve as a guide and a model.

Chair Cafagna said that the idea is to get the housing built to satisfy the need. He wondered what will happen in Poway if a number is issued and it can't meet the need. He asked if we have served the community by adopting a number that is not realistic.

Councilmember Madaffer said that everyone needs to do their best and we need to work together within the region to meet our housing needs.

Supervisor Jacob agreed that this was an unfunded mandate from the state. The state chooses to impose certain standards on us locally that undermine our local control. The County is in the process of preparing the Environmental Impact Report (EIR) for the update of the County's General Plan 2020. These numbers are consistent even though our update will go far beyond 2010. There is still a real lack of understanding of the unincorporated area and the needs of that area. She said that two-thirds of the eastern portion of the County is on groundwater, and is groundwater dependent, which will restrict the amount of growth that can be placed into this portion of the County. The state doesn't understand that. She applauded the City of Poway for doing an excellent job of planning its housing. Each city should determine what is best for its jurisdiction. We shouldn't force a number of dwelling units on any area. We are also not given an opportunity to take the existing low-income housing into consideration.

Councilmember Jantz agreed that this is an unfunded state mandate. He also wondered how the numbers will be enforced. He mentioned that if La Mesa didn't have a parking lot along the trolley right-of-way that is being planned for development, there wouldn't be an opportunity for low income housing. Very little has been taken into account about what we have already done.

Mayor Smith indicated that San Marcos is in a similar situation as Poway. We have provided a lot of open space. One of their projects was 2,000 acres but 1,100 of those acres were required to be set aside as open space. If we are allowed to use some of the land that we have had to give up for open space, we could build more houses. San Marcos is also unhappy with the numbers. We approved a 200-unit low income housing project in one neighborhood and before we approved it, we looked at what was already there. There were already 780 low income housing units in that neighborhood. We should be able to count the existing low-income housing numbers.

Mayor Kellejian asked if the Board is presenting one income alternative or all three. Mayor Pfeiler clarified that we are forwarding Alternative 3.

Mayor Kellejian stated that Solana Beach has a transit project that will help meet its low income housing figure. He said that allocating the 130 units in Solana Beach

into the four income categories will be a problem. He asked for staff to send him the information related to Alternatives 1 and 2. *Ms. Baldwin agreed to provide all three income allocation alternatives.*

Councilmember Tom Golich, representing NCTD, stated that affordable housing units are being built in the Carmel Valley area; however, there is no public transportation serving that area. He said that we need to put public transit in areas where affordable housing is located.

Chair Cafagna agreed that affordable housing has to have corresponding public transit.

Councilmember Jack Feller (Oceanside) said that Oceanside already has a lot of affordable housing. He thought it was a shame not to be able to count any of the existing affordable housing toward meeting these numbers and that we should figure out a way to do that.

Mayor Pro Tem Finnila asked staff to explain why the San Diego region is able to self-certify our housing elements. *Ms. Baldwin explained that self-certification is a pilot program that allows jurisdictions in the San Diego region to self-certify their housing elements if they meet affordable housing production goals set for the region. If a jurisdiction self-certifies its housing element, it is not required to submit the element to HCD for review. Our housing self-certification program only runs through this current housing element cycle. If you met the goals during this cycle you will be able to self-certify your 2005-2010 housing element. Right now there is no legislation in place to allow self-certification for the next housing element for the 2010-2015 time frame. Ms. Baldwin commented on not being able to count existing low-income units. She said that the RHNA determines one, which is why existing units do not count for future housing needs. About 40 percent of the future population will be in the low-income range and that is what we should be planning for.*

Councilmember Morrison said that every jurisdiction in the region has had to take some undesirable things. Regionally less than 1 percent of housing units are Section 8; however, National City has 17.9 percent of Section 8 housing units. Our children need for us to address the housing issue with some realistic solutions, not with rhetoric. How we share that need is how we come together at this table.

Councilmember Rindone stated that low-cost housing is an oxymoron. SANDAG is a regional Board and all of us represent the community at large and the parochial views of the communities we come from. We are hearing a concern about trying to meet these goals. The number before us is about half of what we really need. This is a beginning of the process. We have to look at the bigger picture of where we are going and need to come back to the planning guide and look at the number one issue in the region, which is housing. These are goals to strive for. This is a regional issue, not just a state mandate.

Corky Smith clarified that the action on this item is to release the RHNA numbers for public review; the Board is not voting to approve the numbers.

Action: Upon a motion by Supervisor Jacob and a second by Mayor Smith, the SANDAG Board approved release of the draft RHNA for 2005-2010, for a 90-day public review period, as follows: (1) the region's share of the state's housing need (regional share) for the 2005-2010 housing element cycle should be 107,000 units; (2) the allocation by jurisdiction should be based on the methodology that uses SANDAG's 2030 forecast to allocate the 88,922 units forecast for the 2003-2010 time period, and allocates the 18,078 units remaining based on each jurisdiction's projected share of the region's 2000-2010 employment growth with two modifications described in the report; and (3) the allocation by income category should be based on the methodology that seeks to reduce the concentration of lower income households to the greatest degree (Alternative 3). Final action on the RHNA is scheduled for the January 28, 2005, SANDAG Board meeting. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (%). Absent – City of San Diego B.

19. LOCAL PROJECT SAFE NEIGHBORHOODS PROGRAM (INFORMATION)

Mayor Sessom provided introductory remarks in place of Councilmember Guerin, Vice Chair of the Public Safety Committee, who had to leave. Mayor Sessom reported that in the United States, guns are involved in over 300,000 violent crimes annually and a teenager is more likely to die from a gunshot than from all other natural causes of death combined. President George Bush and Attorney General John Ashcroft announced Project Safe Neighborhood (PSN) in 2001 as a comprehensive, strategic approach to reducing gun violence in our nation. Mayor Sessom thanked Dr. Cindy Burke for all of the work she has done on this program.

Dr. Burke stated that SANDAG received a federal grant in 2003 to provide an approach to reduce gun violence in our nation. Strategies include aggressive enforcement of gun laws, an outreach program, and handgun violence prevention curriculum. SANDAG's Criminal Justice Division was selected as the media outreach partner in October 2003 after completing a competitive selection process. The objective was to create a message that would be informative and effective. We looked at crime statistics for 2002, and found that one in three juveniles had been threatened with a gun, most had prior history and gang involvement related to having a gun, protection was most often cited as the reason for having a gun, and family pressure was most often cited as the reason for not getting a gun. SANDAG staff conducted focus groups with youth and held interviews at juvenile hall. They also held supplemental focus groups with youth to see if they thought the messages would be effective. Area maps were shown representing 2002 arrest data. Three messages/images approved by the Office of Justice programs were shown.

Ms. Burke stated that the fall pilot program will be kicked off in the next several weeks at the following middle schools: Lincoln Middle School (Oceanside), Gompers Secondary School (San Diego), Horace Mann Middle School (San Diego), Palm Middle School (Lemon Grove), and Chula Vista Middle School. Message dissemination includes the kick-off event, signs placed at transit shelters and on billboards, posters, and book covers; and public service announcements. The next steps are to complete the initial message dissemination, monitor the effectiveness of the message, modify the message as necessary, and to expand the message distribution.

Action: This item was presented for information only.

20. UPCOMING MEETINGS

The next regular Board of Directors business meeting is scheduled for Friday, October 22, 2004.

21. ADJOURNMENT

The meeting was adjourned at 11:58 p.m.

GARY L. GALLEGOS
Secretary

DGunn/M/DGU

**ATTENDANCE
SANDAG BOARD OF DIRECTORS' MEETING
SEPTEMBER 24, 2004**

JURISDICTION/ ORGANIZATION	NAME	ATTENDING	COMMENTS
City of Carlsbad	Ramona Finnilla (Member)	Yes	
City of Chula Vista	Jerry Rindone (Alternate)	Yes	
City of Coronado	Phil Monroe (Member)	Yes	
City of Del Mar	Crystal Crawford (Member)	Yes	
City of El Cajon	Mark Lewis (Member)	Yes	
City of Encinitas	Christy Guerin (Member)	Yes	
City of Escondido	Lori Holt Pfeiler (Member)	Yes	
City of Imperial Beach	Mayda Winter (Alternate)	Yes	
City of La Mesa	Barry Jantz (Member)	Yes	
City of Lemon Grove	Mary Sessom, Vice Chair (Member)	Yes	
City of National City	Ron Morrison (Member)	Yes	
City of Oceanside	Jack Feller (Member)	Yes	
City of Poway	Mickey Cafagna, Chair (Member)	Yes	
City of San Diego - A	Dick Murphy (Member)	Yes	
City of San Diego - B	Jim Madaffer (Member)	Yes	
City of San Marcos	Corky Smith (Member)	Yes	
City of Santee	Hal Ryan (Member)	Yes	
City of Solana Beach	Joe Kellejian (Member)	Yes	
City of Vista	Judy Ritter (Alternate)	Yes	
County of San Diego	Diane Jacob (Member)	Yes	
ADVISORY MEMBERS LISTED BELOW (ATTENDANCE NOT COUNTED FOR QUORUM PURPOSES)			
Caltrans	Pedro Orso-Delgado (Alternate)	Yes	
MTDB	Leon Williams (Member)	Yes	
NCTD	Tom Golich (1st Alternate)	Yes	
Imperial County	Victor Carrillo (Member)	No	
US Dept. of Defense	CAPT Daniel King (Member)	Yes	
SD Unified Port District	Jess Van Deventer (Member)	No	
SD County Water Authority	Bud Lewis (Alternate)	Yes	
Baja California/Mexico	Javier de Leon (Alternate)	Yes	



**BOARD OF DIRECTORS
OCTOBER 22, 2004**

**AGENDA ITEM NO. 04-10- 4
ACTION REQUESTED - APPROVE**

**ACTIONS FROM POLICY
ADVISORY COMMITTEES**

The following actions were taken by the Policy Advisory Committees (PACs) since the last Board meeting. **Actions printed in bold typeface must be ratified by the Board of Directors to be effective.**

**Transportation Committee
(October 1, 2004)**

The Transportation Committee took the following actions:

- Adopted Resolution No. 2004-07, approving Bicycle and Pedestrian Claim revisions.
- **Recommended that the SANDAG Board of Directors adopt the Regional Fare Policy.** Directed staff to develop alternative language for the setting of fares for special events by the two transit agencies for consideration at the next committee meeting.
- Approved support of a more detailed approach for applying new ramp-metering technology at a limited number of test locations throughout the region.

**Regional Planning Committee
(October 1, 2004)**

The Regional Planning Committee took the following actions:

- **Recommended that the SANDAG Board of Directors approve the**

agenda report on the Regional Housing Needs Assessment for distribution for a 90-day review period, and to direct staff to work on a subregional approach.

Executive Committee (October 8, 2004)

The Executive Committee took the following actions:

- Approved an amendment to the FY 2005 OWP and Program Budget to add \$222,000 in funding from the U.S. Fish & Wildlife Service to the Regional Open Space and Natural Resource Strategies work element (#30027). A total of \$109,000 would be passed through to the City of San Diego for its Vernal Pool Management Program, and \$113,000 would be set aside for consultant services for SANDAG's habitat conservation program work.
- Directed staff to incorporate the input provided by Committee members related to the Bylaws and Board Policies and to bring this item back to the Executive Committee at its next meeting.

**Board of Directors Policy Meeting
(October 8, 2004)**

This meeting was cancelled.

Public Safety Committee (October 8, 2004)

The Public Safety Committee took the following actions:

- The Public Safety Committee held a half-day retreat in lieu of its regularly scheduled meeting. Members discussed

potential short- and long-term goals and agreed that an appropriate next step in determining the Committee's vision would be to conduct a regional public safety needs assessment. Staff was directed to begin to research necessary next steps, including verifying what information has already been collected and developing a concise statement of work.

Interregional Partnership Policy Committee and the I-15 Interregional Partnership Technical Working Group.

GARY L. GALLEGOS
Executive Director

Transportation Committee (October 15, 2004)

The Transportation Committee took the following actions:

- Adopted Resolution No. 2005-09, approving Amendment No. 1 to the 2004 Regional Transportation Improvement Program (RTIP).
- Approved the Metropolitan Transit System (MTS) claim amendment for the City of El Cajon.
- Approved forwarding comments on the Los Angeles to San Diego Proposed Rail Corridor Improvement Studies Draft Programmable Environmental Impact Report/Environmental Impact Statement (PEIR/EIS) to Caltrans and the Federal Railroad Administration (FRA) by October 25, 2004.
- **Approved the following changes to the Regional Fare Policy: (1) selected the preferred language option for Section 29.5.7 related to special event fares, (2) approved the revisions made to Sections 29.5.3 and 29.5.5 related to the public hearing process and Transportation Committee role, and (3) recommended that the SANDAG Board of Directors adopt the Regional Fare Policy as revised.**

Borders Committee (October 15, 2004)

The Borders Committee meeting was replaced by a joint meeting of the Interstate 15 (I-15)

2005 CALENDAR OF MEETINGS OF THE SANDAG BOARD AND POLICY ADVISORY COMMITTEES

Board of Directors – Policy or Business Meeting (Normally second Friday, 9:00 a.m. – noon)	Board of Directors – Business Meeting (Normally fourth Friday, 9 a.m. – noon)	Transportation Committee (Normally first and third Fridays, 9 a.m. - Noon)	Regional Planning Committee (Normally first Friday, Noon – 2 p.m.)	Executive Committee (Normally second Friday, 8 a.m. – 9 a.m.)	Borders Committee (Normally third Friday, 12:30 p.m. – 2:30 p.m.)	Public Safety Committee (Normally second Friday, 1:30 -3:30 p.m.)
January 14, 2005	January 28, 2005	January 7, 2005 January 21, 2005	January 7, 2005	January 14, 2005	January 21, 2005	January 14, 2005
February 11, 2005	February 25, 2005	February 4, 2005 February 18, 2005	February 4, 2005	February 11, 2005	February 18, 2005	February 11, 2005
March 11, 2005	March 25, 2005	March 4, 2005 March 18, 2005	March 4, 2005	March 11, 2005	March 18, 2005	March 11, 2005
April 8, 2005	April 22, 2005	April 1, 2005 April 15, 2005	April 1, 2005	April 8, 2005	April 15, 2005	April 8, 2005
May 13, 2005	May 27, 2005	May 6, 2005 May 20, 2005	May 6, 2005	May 13, 2005	May 20, 2005	May 13, 2005
June 10, 2005	June 24, 2005	June 3, 2005 June 17, 2005	June 3, 2005	June 10, 2005	June 17, 2005	June 10, 2005
July 8, 2005	July 22, 2005	July 1, 2005 July 15, 2005	July 1, 2005	July 8, 2005	July 15, 2005	July 8, 2005
August 12, 2005	August 26, 2005	August 5, 2005 August 19, 2005	August 5, 2005	August 12, 2005	August 19, 2005	August 12, 2005
September 9, 2005	September 23, 2005	September 2, 2005 September 16, 2005	September 2, 2005	September 9, 2005	September 16, 2005	September 9, 2005
October 14, 2005	October 28, 2005	October 7, 2005 October 21, 2005	October 7, 2005	October 14, 2005	October 21, 2005	October 14, 2005
*November 4, 2005 <i>(First Friday)</i>	*November 18, 2005 <i>(Third Friday)</i>	*November 11, 2005 <i>(Second Friday, Committee only meets once due to Thanksgiving Holiday)</i>	*November 4, 2005 <i>(12-2 pm, Following Board Policy Meeting)</i>	*November 4, 2005 <i>(First Friday)</i>	November 18, 2005 <i>(Following Board Meeting)</i>	November 11, 2005
*December 2, 2005 <i>(First Friday)</i>	*December 16, 2005 <i>(Third Friday)</i>	*December 9, 2005 <i>(Second Friday, Committee only meets once due to Christmas Holiday)</i>	*December 2, 2005 <i>(12-2 pm, Following Board Policy Meeting)</i>	*December 2, 2005 <i>(First Friday)</i>	December 16, 2005 <i>(Following Board Meeting)</i>	December 9, 2005

* Changes to normal schedule due to holidays shown in bold

- Board Meetings on the second Friday of each month will take place as needed based on the schedule

August meetings will be held if needed

10/15/04- DGU

LOCAL TECHNICAL ASSISTANCE ANNUAL REPORT—FY 2004

Introduction

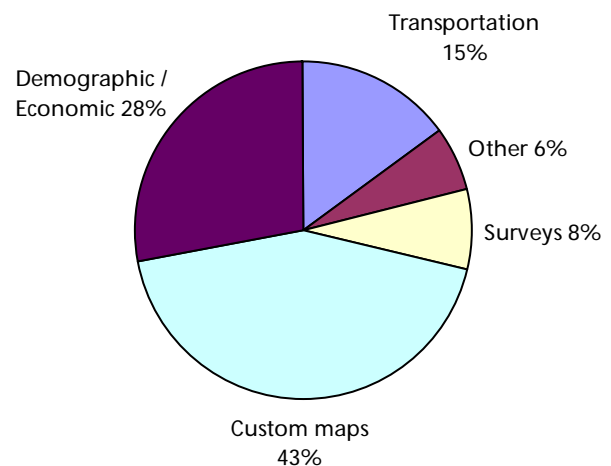
In accordance with the policy guidelines approved by the SANDAG Board, this report summarizes the projects and activities conducted under the Local Technical Assistance (LTA) Program in FY 2004. Attached to this report is the most recent annual newsletter we produce to keep member agencies informed about the LTA Program and its services. The work conducted through the LTA Program benefits our member agencies through cost savings and by providing access to information and technical capabilities that may otherwise not be available.

The SourcePoint Board of Directors met on July 22, 2004, to consider a draft business plan. This plan includes the possible formation of a service bureau to consolidate and streamline the work conducted through our assistance programs, including LTA. The SourcePoint Board will meet again on October 28, 2004, to discuss this issue further.

Currently, LTA policy guidelines state that the first \$1,000 of staff time and agency resources for each project are provided free of charge, with costs in excess of \$1,000 reimbursed by the requesting agency. A total of 71 projects were conducted in FY 2004, about the same number as in the previous year. About two-thirds of these projects were done at no cost to the requesting agency. Figure 1 shows LTA projects by the type of service provided. Compiling, analyzing, and mapping demographic and economic information comprise the greatest number of LTA projects. Smaller in number but generally much larger in scope are subarea

transportation modeling and analysis projects and survey design and analysis.

FIGURE 1.—LTA PROJECTS BY TYPE OF SERVICE (FY 2004)



Discussion

The LTA Program is our member agencies' link to the Regional Information System (RIS).

The RIS is a fully integrated system of data, computer hardware and software, and staff expertise. It consists of historic, current, and forecasted demographic, economic, land use, criminal justice, and transportation-related information. This nationally recognized system has been developed, updated, and maintained through the projects and tasks identified in the Overall Work Program and projects conducted with member agencies.

The mission of the LTA Program in recent years has been to:

- promote collaborative projects to increase efficiency and cost-effectiveness;
- develop innovative approaches;
- enhance our Web site to provide more information and tools to display and download the information; and
- inform and educate member agency staffs about the LTA Program.

Collaboration on LTA projects takes many forms. SANDAG has spearheaded several data development partnerships, where a consortium of public and private agencies pooled resources to create large, regional datasets (such as the digital aerial photography shown in Figure 2) that would be too cost-prohibitive for an individual agency to purchase. This concept has been implemented in LTA projects such as the development of a customized subarea transportation model for the Cities of Carlsbad, Oceanside, Vista, and San Marcos. City staffs reviewed and updated land use, traffic count, and street network information. SANDAG staff calibrated the model and prepared future year forecasts. This collaborative model is being used by the jurisdictions in future transportation modeling efforts, resulting in cost savings and more consistent traffic forecasts, maps, and reports.

FIGURE 2.—DIGITAL AERIAL PHOTOGRAPHY MISSION BAY



Innovation helps us prepare products that more clearly illustrate the purpose or

outcome of a project. It results from the combination of two things: the requestor's detailed understanding of how the project will ultimately be used, and the tools and expertise SANDAG has gained in the 25 years the LTA program has been part of the agency's Work Program.

FIGURE 3.—MAP SHOWING TARGET AREAS FOR LEAD-BASED PAINT EDUCATION PROGRAMS

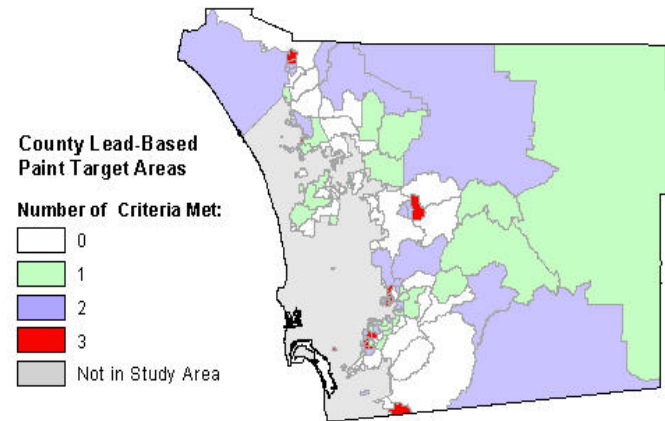


Figure 3 illustrates a project conducted for the San Diego County Lead-Based Paint Hazard Control Program. County staff identified three characteristics (children under age six, housing built before 1970, and families below poverty) that can be indicators of lead-based paint poisoning risk. The map shows how these three characteristics were combined on one map to highlight areas with concentrations of one, two, or all three criteria. This was used by the County of San Diego to target lead-based paint education programs.

Web enhancements are a continuing process at SANDAG and are designed to place data and tools for analysis in the hands of the people who need them. An enormous quantity of current, high-quality information is available at sandag.org in several forms: reports and other publications; meeting schedules and agendas; formatted profiles; Geographic Information System (GIS) data layers; and interactive mapping applications. Our Web applications are designed to be used by people with a wide range of skills, from novices to more experienced users.



**BOARD OF DIRECTORS
OCTOBER 22, 2004**

**AGENDA ITEM NO. 04-10-7
ACTION REQUESTED - ADOPT**

**REGIONAL FARE POLICY AND
COMPREHENSIVE FARE ORDINANCE**

Recommendation

That the Board of Directors adopt the Regional Fare Policy.

Introduction

With the approval of Senate Bill (SB) 1703, the planning and programming functions of the Metropolitan Transit Development Board (MTDB) and the North County Transit District (NCTD) were consolidated under the San Diego Association of Governments (SANDAG). Contained within these functions is the responsibility for developing a Regional Fare Policy, including setting fares for transit agencies in the region through a companion document, the Comprehensive Fare Ordinance (CFO). The Initial Transition Plan for the regional consolidation specifies that SANDAG will adopt a Regional Fare Policy, to be carried out in collaboration with the transit agencies and operators.

The proposed Regional Fare Policy is included in Attachment 1. A draft of the Fare Policy was presented to both the Metropolitan Transit System (MTS) and NCTD Boards of Directors in September 2004 and the SANDAG Transportation Committee in October 2004. Comments received from the transit agencies and Transportation Committee have been incorporated where appropriate in the attached Policy. These comments are summarized in Attachment 2. On October 15, 2004, the Transportation Committee took action recommending that the SANDAG Board of Directors adopt the Regional Fare Policy shown in Attachment 1.

Discussion

Fare Policy

Framework – The Regional Fare Policy, included in Attachment 1, was developed under a framework of principles that apply to each of the transit agencies and operators within the region. These principles include:

- *Regional Participation* – For the policy to be effective, it is necessary for all transit agencies and operators to participate. The policy outlines the mechanisms that allow for participation.
- *Production* – The overarching goal of this principle is that fare revenues should meet or exceed the level necessary to support the level of service provided given the recurring public subsidies available.
- *Fairness* – The policy must be fair and equitable to all transit operators and passengers within the region.
- *Simplicity* – The purpose of the fare policy is to promote seamless travel throughout the region by developing one common and easily-understood fare structure throughout the region.
- *Responsibilities* – SANDAG, the transit agencies, and transit operators all have roles and responsibilities to ensure successful implementation of the Regional Fare Policy. The Policy outlines the individual responsibilities of each of the agencies involved in fare structure implementation.

Comprehensive Fare Ordinance

The companion document to the Regional Fare Policy is the Comprehensive Fare Ordinance (CFO). While the Fare Policy sets the guiding framework, the CFO establishes the fare structure and sets the fare levels, identifies revenue sharing between the transit agencies, and establishes pass sales commissions for private sales outlets consistent with the adopted fare policy. SANDAG adopts the CFO, which sets fares for all regular transit services in the region as well as fares for ongoing special or unique transit services. Temporary promotional fares and fares for special event services are not part of the CFO and may be set by the transit agencies within their respective service areas. However, the Transportation Committee incorporated language into the fare policy that encourages the transit agencies to achieve full recovery of their operational expenses for these special event services.

A Regional Fare Structure Working Group, comprised of SANDAG and transit agency and transit operator staffs, will be working on the CFO over the next several months. The CFO will be brought to the transit agency boards for endorsement and SANDAG for adoption in early 2005. The CFO will replace the existing Uniform Fare Structure Agreement. It is anticipated the CFO will not deviate significantly from the existing Uniform Fare Structure Agreement since there are no major fare changes proposed at this time.

Process for Fare Changes – The process for fare structure changes is defined in the Regional Fare Policy. Key points in the process are outlined below:

- A Regional Fare Structure Working Group (comprised of staff from SANDAG, transit agencies (MTS and NCTD), and transit operators) shall review the fare ordinance each year as part of the annual budget process and propose changes to the CFO.
- The transit agency boards shall review and provide input on proposed changes to the CFO, and solicit public input in accordance with transit agency policies prior to SANDAG Board action.

- SANDAG shall hold the public hearings and adopt any changes to the CFO as part of the annual budget process, unless needed for special circumstances.
- Transit operators shall implement and adhere to the Regional Fare Policy and CFO.

GARY L. GALLEGOS
Executive Director

Attachments

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Funds are budgeted in Work Element 3004800. No Budget Impact



BOARD POLICY NO. 029

REGIONAL FARE POLICY AND COMPREHENSIVE FARE ORDINANCE

Purpose:

To establish guidelines for setting a uniform, fair, and equitable areawide fare structure consistent with revenue-producing requirements and established budgets.

Background

With the approval of Senate Bill (SB) 1703, the planning and programming functions of the San Diego Metropolitan Transit Development Board (MTDB) and the North San Diego County Transit Development Board (NCTD) were consolidated under the San Diego Association of Governments (SANDAG). Contained within these functions is the responsibility for developing a Regional Fare Policy, including setting fares for transit services in the region through a Comprehensive Fare Ordinance. The Initial Transition Plan for the regional consolidation specifies that SANDAG will develop the Regional Fare Policy, carried out in consultation with the transit agencies and operators.

Regional Participation

For this policy to be effective, it will be necessary for all transit agencies and operators in the region to implement the regional policy according to the following guidelines:

- 1.1 A single, unified, regionwide fare policy and transfer system shall be maintained for all publicly subsidized operators.
 - 1.1.1 All publicly supported transit operators shall participate in the system to be eligible for public subsidy.
 - 1.1.2 All publicly supported transit operators shall use and accept regional fare media.

Production

Fare revenues shall meet or exceed the level necessary to support the level of service provided given the current public subsidies available.

- 2.2 SANDAG shall adopt a specific farebox recovery ratio objective for each transit agency each fiscal year, consistent with the requirements of the Public Utilities Code regarding the disbursement of Transportation Development Act funds. SANDAG's farebox recovery ratio shall be higher than that set by the Public Utilities Code to encourage revenue growth and ridership.

- 2.2.1 The fare-pricing schedule shall be set to be consistent with meeting or exceeding the specified farebox recovery requirements.
- 2.2.2 The annual average fare (per passenger), over time, shall generally be consistent with annual increases in regionwide transit cost indicators and/or the rate of inflation.
- 2.2.3 SANDAG shall consider the financial impacts of a fare change upon ridership, service provision, and operating budgets.
- 2.2.4 User-side subsidies and direct public/private funding shall be encouraged as sources of operating revenue, particularly for services with lower cost-effectiveness.

Fairness

The fare structure should be fair and equitable to all operators and passengers in the region.

- 3.3 Fare levels shall be consistent for similar types of service and similar service areas.
 - 3.3.1 Fare levels shall reflect a combination of the type of service, distance, speed of travel, and customer amenities provided to the customer, with higher fares set for premium services.
 - 3.3.2 Transfers between all routes shall be facilitated, with the cost of such transfer being related to any difference between the types of service and respective fare levels.
 - 3.3.3 Regionwide fare discounts shall generally be limited to senior patrons and patrons with disabilities, and prepaid fare programs, and any mandated federal, state, and local program.

Simplicity

The fare policy shall promote seamless travel throughout the region by developing one common and easily understood fare structure throughout the region.

- 4.4 The fare structure and transfer system shall be as simple and easy to understand for users as possible.
 - 4.4.1 The number of fare, transfer, and pass options shall be minimized to promote user friendliness and efficient fare validation.
 - 4.4.2 The pricing structure shall be based upon equal or easily identified coin increments.
 - 4.4.3 The fare collection process aboard a transit vehicle shall be designed to be as expeditious as possible.
 - 4.4.4 Vehicle driver/operator involvement in the fare collection process onboard the transit vehicle should be minimized.
 - 4.4.5 Use of prepaid fares (e.g., monthly passes and tokens) shall be encouraged to speed the patron boarding process.

- 4.4.6 The automated fare collection system shall be developed to simplify fare payment and collection, while providing the region with the opportunity to develop specialized fare structures that will be transparent to the user and driver/operator.

Responsibilities

SANDAG, the transit agencies, and transit operators all have roles and responsibilities to ensure successful implementation of the Regional Fare Policy.

- 5.5 SANDAG develops and adopts the Regional Fare Policy and Comprehensive Fare Ordinance which incorporates a uniform fare structure, a transfer policy, and agreement for revenue sharing of regional tickets, tokens, and passes, while also allowing the consolidated agency to adopt specialized fare procedures for travel within each operator's service area. SANDAG will regularly update the Regional Fare Policy and set the basic fare pricing for transit services in the region through adoption of a Comprehensive Fare Ordinance.
- 5.5.1 A Regional Fare Structure Working Group (comprised of staff from SANDAG, transit agencies, and operators) shall review the comprehensive fare ordinance each year during the annual budget process and propose changes to the ordinance, if appropriate.
- 5.5.2 Transit agency boards shall review and provide input on proposed changes to the fare ordinance and solicit public input in accordance with transit agency policies prior to SANDAG Board action.
- 5.5.3 SANDAG's Transportation Committee shall review the fare ordinance and develop fare recommendations as part of the annual budget process, unless needed at other times for special circumstances.
- 5.5.4 SANDAG shall adopt specialized fares and procedures for travel within each transit agency's service area.
- 5.5.5 Public notice of fare changes shall be provided as legally required, including written notice on all public transit vehicles, and legal notices to newspapers. Public hearings will be conducted by the SANDAG Transportation Committee according to SANDAG Policy No. 25, Public Participation/Involvement.
- 5.5.6 Transit operators shall implement and adhere to this Regional Fare Policy and Comprehensive Fare Ordinance. Transit operators shall take the necessary actions to authorize enforcement of the Comprehensive Fare Ordinance.
- 5.5.7 The two transit agencies shall have the ability to set special event fares. For special events the transit agencies are encouraged to achieve full recovery of their operational expenses. These fares because of their short-term/temporary nature would not need to be included in the Comprehensive Fare Ordinance and would not require a public hearing.

- 5.5.8 The two transit agencies shall have the ability to set temporary promotional fares. Temporary promotional fares are defined as fares implemented for no more than six months for seasonal events or for marketing purposes. These fares because of their short-term/temporary nature would not need to be included in the Comprehensive Fare Ordinance or require a public hearing.
- 5.5.9 The Regional Fare Policy should be reviewed every two years by SANDAG.

COMMENTS RECEIVED AND ACTIONS TAKEN

Metropolitan Transit System (MTS)

Resolution of Conflicts – MTS asked how conflicts related to fare policy would be handled.

Action Taken: The Regional Fare Structure Working Group would work to resolve conflicts at the staff level before they are presented to the transit agencies, Transportation Committee, or SANDAG Board of Directors. If the conflicts were unable to be resolved at the staff level, an issue could be brought for resolution by the Transportation Committee or ultimately the SANDAG Board of Directors.

Public Testimony/Redrafting/Readjustments to the Policy – MTS asked how the transit agencies would be made aware of changes that are made to the policy after the public hearing process.

Action Taken: SANDAG staff replied that depending upon the significance of the change, an item could be brought back to the transit agencies for review and comment. Staffs from the transit agencies would be kept informed and part of the process through coordination between the agencies.

North County Transit District Board

Timing for future fare increases – The North County Transit District (NCTD) Board requested additional information on how upcoming fare changes might be incorporated into the Comprehensive Fare Ordinance (CFO).

Action Taken: As the CFO is developed, new changes could be incorporated as long as a public hearing is conducted. If a new fare change were identified for FY 2006, the CFO would be completed with a public hearing by March 2005.

Location of public hearings – There was a request that public hearings held on North County Transit District fares be held in North County. This is addressed in SANDAG Policy No. 25 – Public Participation/Input which outlines that public participation and input would be gathered regionally and public hearings would be held in North County for items affecting that area.

Action Taken: Section 5.5.5 was updated to reflect SANDAG's adopted policy.

Clarification of Farebox Recovery Ratio – North County Transit District Board requested clarification that the Farebox Recovery ratio that is adopted by SANDAG annually be clearly designated as a goal that is higher than what is required by Transportation Development Act guidelines.

Action Taken: Section 2.2 was updated to reflect this language.

SANDAG Transportation Committee

Clarification of the Transportation Committee's Role in the Public Hearing Process

There was a request that clarifying language be added to Sections 5.5.3 and 5.5.5 that illustrates the role of the Transportation Committee in making recommendations to the SANDAG Board.

Action Taken: Sections 5.5.3 and 5.5.5 were updated to reflect that the Transportation Committee would hold the public hearing on fare changes and provide recommendations to the SANDAG Board.

Special event fares – Staff was requested to add language to the Section 5.5.7 (Special Event Fares) which would encourage the transit agencies to achieve full recovery of their operational expenses for special event fares.

Action Taken: The language, approved by the Transportation Committee, is included in Section 5.5.7 of the Regional Fare Policy.