

TransNet Today

Keeping faith with the voters while achieving the region's transportation goals



Acknowledgements



Ryan Wiggins

Lead Author – TransForm

Ryan coordinates a statewide movement to ensure that revenues from California's landmark Global Warming Solutions Act are reinvested in world-class transit systems and livable communities that improve the health and prosperity of all Californians.

Ryan joined TransForm in 2013 with experience leading both federal and local efforts to establish policies and funding streams that provide more transportation choices, reduce oil dependency and air pollution, and promote sustainable economic development. He also has extensive experience leading efforts to shape the federal transportation bill and local, regional, and statewide campaigns to transition to a sustainable goods movement system.



Colin Parent

Editor and Co-Author – Circulate San Diego

Colin Parent is Policy Counsel at Circulate San Diego. He is responsible for advocating for affordable transit, safe walkable neighborhoods, and effective land use policy.

Colin served on the Jerry Brown for Governor 2010 campaign, and was appointed by Governor Brown as the Director of External Affairs for the California Department of Housing and Community Development. Prior to working for Governor Brown, Colin practiced law for three years as a commercial litigator at DLA Piper US LLP. During 2013 and 2014, Colin served as the Director of Policy at the San Diego Housing Commission.



Stuart Cohen

Co-Author – TransForm

Stuart Cohen is co-founder and Executive Director of TransForm. Stuart has helped launch many of TransForm's pioneering programs, including the Great Communities Collaborative, ClimatePlan, and GreenTRIP. Stuart oversees TransForm's work on state policy, the expansion of GreenTRIP, and dissemination of regional policy outside the Bay Area and California.

TransForm builds powerful, diverse coalitions to promote walkable communities with excellent transportation choices to connect people of all incomes to opportunity, keep California affordable, and help solve the climate crisis. Founded in 1997, TransForm now has 35 staff with offices in Oakland, San Jose, and Sacramento.

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Executive Summary

This report makes the following findings:

- (1) SANDAG's Draft 2015 Regional Plan is inadequately designed to reduce greenhouse gas emissions, and promote health, equity, and economic development.
- (2) SANDAG must shift priorities toward transit and active transportation to maintain the region's ability to compete for federal and state transportation funds.
- (3) SANDAG has the flexibility to advance a number of transit and active transportation projects in the Regional Plan without needing to amend TransNet.

As SANDAG makes its plans to invest in the future of San Diego's transportation system, it faces the same challenges that other regions throughout the state and the country are grappling with including maintaining rapidly aging infrastructure, serving the changing needs and preferences of residents, and addressing sustainability, health, the economy, and equity.

The Regional Transportation Plan (RTP) process is the forum for laying out the vision for the transportation future of San Diego. SANDAG continues to make commendable progress in its Draft 2015 Regional Plan (titled "San Diego Forward: the Regional Plan") which updates both its Regional Comprehensive Plan, and its Regional Transportation Plan. The Draft 2015 Regional Plan contains a greater commitment to projects that will address climate change and economic development by increasing investment in transit, bicycle and pedestrian infrastructure, and smart-growth communities. However, the overall investments proposed in the 2015 Draft Regional Plan do not adequately advance long-term changes that are required by California's climate laws, and necessary to substantially contribute to equitable regional prosperity.

Despite the reality of limited funding, SANDAG has the resources and flexibility to ensure the 2015 Regional Plan establishes a more innovative long-term investment strategy. SANDAG has access to significant federal and state sources that can be used for nearly any project. Additionally, it can tap into a growing number of competitive funding programs that reward innovation and sustainability.

The most important perceived limiting factor that stands in the way of a transformational Regional Plan is TransNet, San Diego's half-cent sales tax dedicated to transportation. Due to the large amount of funding it generates, and additional policies SANDAG has passed that commit flexible federal and state resources towards projects in TransNet, the measure has a tremendous influence over the Regional Plan.

SANDAG has the ability to implement and adapt TransNet without amending its text

SANDAG has the ability to implement and adapt TransNet without amending its text, and in fact has done both in order to prioritize individual and groups of projects. The willingness to take advantage of this flexibility is critical for ensuring TransNet doesn't become a 40-year weight that limits the ability to craft a long-term visionary investment strategy – the Regional Plan – that responds to the region's evolving needs.

By placing a greater priority on long-term greenhouse gas (GHG) reductions to align with state goals and regional equity, SANDAG can ensure the region will attract maximum federal and state revenues and drive economic growth and overall sustainability.

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The critical variable is that SANDAG must redefine its vision for San Diego's transportation system to align with California's increasingly ambitious GHG reduction goals, and set regional goals for improving health, equity, and the economy. This is a fundamental reorientation of the Regional Plan to become progressively more outcome and goal-oriented. In other words TransNet – along with federal and state resources – should be treated as innovative tools to construct a visionary Regional Plan rather than as limiting factors.

Introduction

As San Diego moves forward with its long-term investments in the regional transportation system, it is at a pivotal point in deciding how to allocate the next several decades of revenue to address regional needs. At the same time, it must also react to California's policies to address climate change and ensure that public investment addresses economic, equity, and health concerns.

With the passage and continuing implementation of AB 32 and SB 375, the focus of transportation planning is increasingly centered on reducing GHGs, improving equity and health, and achieving long-term sustainable economic growth. SB 375 requires regions to reduce emissions by providing efficient and affordable transportation choices and smart innovative land use policies that will allow Californians to drive less. This can be achieved by investments in expanding public transportation, increasing biking and walking, and reducing the distance in between key destinations such as job centers, housing, education, and healthcare.

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This legislative and policy focus is complemented by rapidly changing population demographics and shifting preferences for reduced dependency on automobile travel. Seniors and millennials are just two of a growing number of population groups that increasingly prefer to live in communities that are transit rich, walkable, and provide a healthy and more eco-conscious lifestyle.¹

Responding to this new reality requires regions to become more innovative and to better utilize limited transportation funding resources. This includes becoming more creative and visionary with traditional federal and state formula revenues, competitive funds such as the federal New Starts and TIGER programs, funding from California's landmark cap-and-trade program, as well as regional sales tax measures such as SANDAG's TransNet. Thankfully, the vast majority of these funding sources

provide significant flexibility that can be used to prioritize investments that will address long-term sustainability goals while also driving a dynamic economy and responding to the changing demographic demands.

SANDAG has made considerable progress in addressing this new reality as demonstrated by a significant increase in funding for expanding its regional public transit systems, biking and walking infrastructure, and investing in a smarter and more efficient transportation network. Unfortunately the legacy of historical overinvestment in freeway and road networks focused on single occupancy vehicles, and the low-density growth it has enabled, has resulted in communities that have limited transportation choices.

This manifests itself in concrete terms with significant portions of the population having insufficient access to economic opportunities, affordable homes, education and healthcare, and suffering negative health impacts from pollution and lack of physical activity. The stark reality of this is best demonstrated by the region's Draft 2015 Regional Plan and the modest projected improvements in rates of public transit ridership and biking and walking despite the billions of dollars in planned investments in the coming decades.



The flexibility inherent in many of the transportation funding sources – both controlled directly by SANDAG, and state and federal funds over which it has significant input – hold promise for improvement above and beyond the current Draft 2015 Regional Plan. By placing a greater priority on long-term GHG reductions to align with state goals and regional equity, SANDAG can ensure the region will attract maximum federal and state revenues and drive economic growth and overall sustainability. This will require SANDAG to reorient the transportation planning process to invest in projects and programs that will achieve these outcomes and create a plan that will enhance sustainability, regional equity, and long-term economic growth.

The following contains an initial review of flexible funding sources available to SANDAG followed by an analysis of adopted policies. Collectively this is intended to illustrate the ability of the region to innovate within the limited amount of revenues that will be available for investment on important transportation outcomes. This report concludes that while the collective available funds have significant flexibility, SANDAG has adopted policies that have restricted their ability to achieve significant expansion of transit, biking and walking infrastructure, and smart growth communities.

By placing a greater priority on long-term GHG reductions to align with state goals and regional equity, SANDAG can ensure the region will attract maximum federal and state revenues

Primarily these policies have revolved around requiring the dedication of flexible funds to the construction of projects included in the TransNet Expenditure Plan, some of which work against the above objectives. Fortunately, TransNet itself has built in flexibility that permits phasing of projects contemplated by the ordinance, as well as flexibility for the SANDAG Board to adjust the list and scope of projects to adapt to changing transportation needs and goals.



Funding Source Review

Like many regions in California, SANDAG is increasingly dependent on local “self-help” taxes to fund major transportation investments. The need for self-help measures throughout the state has grown as federal and state funding sources have been stagnant and in some cases intermittent. Despite this, both federal and state funding is significant and provides considerable flexibility that SANDAG can use to meet critical transportation goals for the region. This is not an exhaustive list of all the funding sources available but a review of those that figure most prominently in this discussion.

Federal Resources

Surface Transportation Program (STP)

SANDAG receives a direct allocation of [STP](#)² funds from the federal government. It is the most flexible source of funding under the control of the region and can be used for a wide variety of investments including: highway, bridge and tunnel projects on any public road, pedestrian and bicycle infrastructure, and transit capital projects including both rail and bus projects. Like other federal transportation funds it must be matched with local or state funding.

[T]he SANDAG Board has broad discretion in the allocation of these funds

Due to their inherent flexibility, the SANDAG Board has broad discretion in the allocation of these funds and can match them with a wide variety of other state and local revenues to complete projects.

Transportation Alternatives Program (TAP)

[TAP](#) provides funding for active transportation including biking, walking, safe and complete streets programs, and infrastructure.³ SANDAG receives a direct allocation of funding from this program and allocates the funding regionally. This funding is matched with local, regional, and state funds to build out regional and local active transportation networks. Other sources that augment this funding include both the state’s Active Transportation Program (ATP), cap-and-trade program, and a small set-aside of TransNet funding.

Congestion Mitigation Air Quality Improvement Program (CMAQ)

[CMAQ](#)⁴ is apportioned to SANDAG by the state and provides funding for projects that will relieve congestion and reduce pollution levels to help regions meet federal air quality standards. Eligible project types include transit, active transportation, carpool lanes, vanpool services, and a variety of other projects.

These funds can be matched with other local, regional, and state funding sources.

National Highway Performance Program (NHPP)

[NHPP](#)⁵ funding is not sub-allocated to SANDAG but is programmed for investment in the region by Caltrans with SANDAG’s input. It can be dedicated to freeways and roads on the National Highway System, which includes interstates, state highways, and a large network of arterials and major roads that are critical for regional mobility. It can also be invested in transit capital projects provided they are adjacent to freeways or interstates, reduce congestion on them, and are more cost-effective than direct investments on those highways.



Highway Safety Improvement Program (HSIP)

[HSIP](#) is intended to address safety issues on all public roads, pathways, or trails, and can fund projects to reduce crashes for motorists, bicyclists, and pedestrians.⁶ Funding is managed by the state in consultation with SANDAG and also distributed regionally and locally through an application process.

Formula Transit Programs

There are a number of [formula transit programs](#) that can be used to invest in new transit capital and expansion as well as maintenance of existing systems.⁷ It is important to note that in most cases federal rules prohibit the use of these funds to operate transit systems. This federal restriction represents a significant obstacle to the region's ability to build and operate a robust, affordable, and efficient transit system. This limitation is one that SANDAG has committed to address through a future regional sales tax vote, often referred to as a "Quality of Life" measure.

Competitive, Discretionary, and Financing Programs

There are a number of non-formula funded and discretionary federal funding sources available for investments in the region. Those that warrant the most attention in this discussion are the competitive funding programs such as [TIGER](#)⁸ and New Starts. Regions must apply for these funds and have their projects weighed against the benefits of other projects across the country.

The San Diego region has successfully applied for grants from this program for rail and border infrastructure improvements

The TIGER program came into existence as part of the American Recovery and Reinvestment Act and has continued to receive funding in the years since. This program has funded key congestion reduction and smart growth projects across the country that include freight, transit, road, and active transportation improvements.

The San Diego region has successfully applied for grants from this program for rail and border infrastructure improvements.

New Starts is a longstanding national competitive program that provides grants to regions for transit capital investments. In a similar fashion to TIGER, SANDAG submits projects that are evaluated against others throughout the country.

The federal government also acts as a lender with programs such as [TIFIA](#) that provide low-interest loans for transit – road projects are eligible as well – on a first-come first-serve basis that allow for agencies to borrow against future revenues to accelerate project construction.⁹

State Funding Resources

The state provides funding to regional projects through a variety of methods including state fuel taxes on conventional and diesel fuel that are used to invest in public transit capital and operations, freeway and interstate projects, and local and regional roads. It also provides competitive pots of funding such as the Active Transportation Program (ATP) and the state's Greenhouse Gas Reduction Fund.

Finally, funding is also available from numerous voter-approved state propositions for road maintenance and expansion, maintenance, freight, and transit projects. A nearly complete list of these funding resources can be found [here](#).¹⁰ In some cases SANDAG receives a direct allocation that it can utilize on its own discretion while others are programmed in consultation with the state. The following review examines the flexible sources which can be utilized to fund transit capital, operations, smart-growth, and/or bicycle and pedestrian infrastructure.

Transportation Development Act (State Transit Assistance and Local Transportation Fund)

The State Transit Assistance Account (STA) and the Local Transportation Fund (LTF) are formula funded programs that can fund both transit capital and transit system operations.¹¹ The STA is notable in that it has not been a dependable source of revenue during state fiscal crises as it has been redirected to fill gaps in the state's general fund; however, much more stability is expected in this fund in the coming years.¹² These are two critical sources that can be used for operations funding to ensure frequent and efficient transit service. They can also be used to fund bicycle and pedestrian projects.

State Fuel Tax Programs

California's fuel excise tax is administered by the state in consultation with regional entities such as SANDAG and funds statewide, regional, and local transportation projects. This funding is largely restricted to road investments but it can also be used to fund fixed guideway rail projects.

Active Transportation Program (ATP)

In 2013 California created the [ATP](#) to fund bicycle and pedestrian projects and programs to improve safety, reduce GHGs, and increase biking and walking trips.¹³ This is another key program that requires regions and localities to compete against one another to access funding.

SANDAG has considerable leveraging opportunities including the bicycle and pedestrian set-aside from TransNet and its federal share of TAP funding to leverage ATP funding and the following cap-and-trade programs.

Greenhouse Gas Reduction Fund

The cap-and-trade program is a centerpiece of the state's effort to fight climate change under the [Global Warming Solutions Act of 2006 \(AB 32\)](#).¹⁴ It establishes an annual declining cap on carbon emissions from the included sectors and requires emitters to hold carbon emissions permits to cover their emissions. A large proportion of these permits must be purchased at auction and the resulting proceeds are then deposited in the state's [Greenhouse Gas Reduction Fund \(GGRF\)](#).¹⁵ These proceeds in turn must be invested in projects and programs that reduce GHGs and provide substantial economic, public health, and equity benefits in communities around the state. The majority of these funds are allocated on a competitive basis statewide.

The state budget passed in [June of 2014](#)¹⁶ established a framework for investing these programs in sustainable communities, transportation, energy and natural resources projects. To create ongoing funding certainty, the budget agreement established significant ongoing allocations to land use and transportation programs that will provide funds to projects that achieve GHG and vehicle miles traveled (VMT) reductions to achieve SB 375 and AB 32 goals. They can be invested in expanding transit systems, improving transit service, increasing ridership, and transit oriented development.

Two of the programs, the [Transit and Intercity Rail Capital](#)

[Program \(TIRCP\)](#)¹⁷ and the [Low Carbon Transportation Operations \(LCTOP\)](#),¹⁸ receive 15% of the annual available GGRF funding. The state makes TIRCP allocations on a competitive basis with agencies such as SANDAG submitting applications that are evaluated for their ability to reduce GHGs through transit expansion projects. The LCTOP is awarded on a formula basis consistent with the population and size of transit systems. Agencies such as SANDAG will receive growing allocations on an annual basis that they are responsible for programming to capital and operations projects that will increase ridership and efficiency of transit systems. These funds can also be used to invest in increasing bicycle and pedestrian access to transit systems thereby improving safety and spurring transit ridership.

The [Affordable Housing and Sustainable Communities Program \(AHSC\)](#)¹⁹ receives 20% of the annual GGRF funding. This is also a competitive program that funds affordable transit oriented development. The intent of this program is to achieve GHG reductions through an increase in transit ridership, biking and walking, and to promote sustainable, affordable, and equitable communities.

The state's High Speed Rail project receives 25% of ongoing funding to construct the core system and improve regional rail systems such as the LOSSAN corridor, which serves the SANDAG region.

Finally, there are other programs such as the [Low Carbon Transportation Program](#)²⁰ that are available to fund low and zero-emission transit, freight, and passenger vehicles. This includes transit vehicles such as buses and rail cars.

The overall allocation of these funds is highly competitive. The success of regions in acquiring these funds depends on the ability of regions to enact innovative regional transportation plans and leverage federal, state, and local funding sources to invest in expanding public transit, biking and walking, and smart, sustainable communities.

The state is currently moving to set more ambitious targets for GHG reductions with an ultimate goal of an 80% reduction by 2050 along with interim targets

The amount of funding available is expected to increase dramatically in the coming years. \$872 million is available in 2015, as much as \$2.3 billion in the following fiscal year, and as much as \$5 billion by 2019. The state is currently moving to set more ambitious targets for GHG reductions with an ultimate goal of an 80% reduction by 2050 along with interim targets.²¹

Meeting these targets will require a dramatic reduction in GHG emissions from the transportation sector that includes more ambitious limits on VMT in addition to cleaner vehicles.²² Governor Brown and Senate President *pro tem* Kevin de Leon recently announced intentions to achieve a 50% reduction in petroleum use by 2030.²³ This will require continued investment in public transit, bicycling and walking, and sustainable transit oriented communities. Cap-and-trade proceeds will continue to be a centerpiece in funding these investments.

The [SANDAG region has approximately 8%](#) of the overall state population.²⁴ If the region competes effectively for

GGRF funds it can expect to receive a reasonably proportionate share of the overall allocation. Once again, this will depend on its commitment to prioritize innovative transportation projects and smart growth strategies in its long-term planning.

Competitive Funds Point the Way to the Future

It is important to note that competitive funds such as cap-and-trade, the Active Transportation Program, TIGER, New Starts, and numerous others – whether they come from the federal or the state levels – are expected to continue to grow both in overall numbers and in the proportion of funding available for transportation investment. It bears repeating that innovative and visionary planning and investment strategies are critical for increasing the amount of funding accessible to regions.



Regional Funding

A total of 19 counties throughout California have passed regional tax measures to fund transportation investments. Because these regional funding revenues constitute increasingly large portions of projected available revenues for transportation investments, they greatly influence the shape of future transportation systems.

In the absence of built-in flexibility for adapting sales tax measures to changing transportation needs and closer alignment with statewide GHG goals and other sustainability, economic, and quality of life objectives, regions are potentially locking a large portion of their sales tax measure revenues into an inflexible long-term investment strategy and suboptimal outcomes. This lack of flexibility has a domino effect requiring significant portions of formula federal and state funds to be matched with the sales tax measure project lists to achieve their construction. It also holds potential negative impacts in the playing field of competitive funding sources described in this report, since both innovative projects and leveraging other sources of funding are key for winning funds from cap-and-trade and other programs.

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In the case of the TransNet extension, which covers 40 years, a perceived lack of flexibility on the implementation of the project lists renders the Draft 2015 Regional Plan less dynamic and results in communities that lack the transportation and housing choices and overall land uses to address the environmental and economic needs of the region's population. Fortunately, TransNet is not as inflexible as some perceive it to be. While it is highly prescriptive, SANDAG has wide discretion in terms of the scope and timing of the projects themselves. Paired with the aforementioned flexible state and federal sources, SANDAG can implement TransNet to improve its transportation system in a sustainable and economically dynamic manner.

To be sure, optimizing the implementation of TransNet requires political leadership to agree on a change in regional direction.

Adapting TransNet to Improve Outcomes

With a substantial share of the region's projected transportation revenue generated locally, it is important to examine what flexibility is inherent in TransNet. SANDAG needs to evaluate what options exist for enhancing flexibility, and what additional options may be considered to plan and invest in a transportation system that meaningfully increases the transportation choices available to communities.

With most successful regional transportation sales taxes, voters have shown a propensity to vote in favor of measures that outline in great specificity what their votes will pay for. As such, it is wise for these measures to contain relatively high obstacles to change what is in the ordinance so as to be consistent with voter wishes. TransNet achieves this specificity while containing provisions that allow for flexibility in implementation, provided there is regional political consensus to alter the modal distribution and scope of investments.

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SANDAG has three main options available for adjusting TransNet expenditures. First, TransNet lays out an option for 2/3 of the SANDAG Board to modify the distributions and project lists to achieve the long-term planning strategy in accordance with the RTP.²⁵ These modifications can occur at any time during the 40-year timeline of the measure. Additionally, it also mandates a ten-year comprehensive review of the ordinance to occur in 2019, 2029, and 2039.²⁶ Suggested changes brought forth in this review are also subject to the 2/3 requirement for modifications.

Second, the scope of highway projects is also subject to change albeit with much more flexibility. Changes to the scope of projects must first be approved by the SANDAG Board and then agreed upon between SANDAG and

Caltrans.²⁷ Reducing the scope of TransNet projects that don't further regional goals would have the positive effect of freeing up TransNet and other federal, state, and regional funds to be invested in other more innovative projects. This would require a project-by-project analysis to identify which aspects of projects could be reduced and have that capital invested elsewhere. In a 40-year measure this could free up considerable funding to respond to changing needs.

SANDAG can choose to rebalance the phasing of its Draft 2015 Regional Plan, to accelerate some transit and active transportation projects and to delay some TransNet projects

Third, TransNet calls for certain projects to be completed within its long-term time frame. However, the ordinance does not prescribe a timeline for those projects. SANDAG can choose to rebalance the phasing of its Draft 2015 Regional Plan, to accelerate some transit and active transportation projects and to delay some TransNet projects. By delaying some TransNet projects, SANDAG can free up federal and state monies contemplated for pairing with TransNet projects, which can be rededicated to more innovative uses that meet the evolving needs of the region. SANDAG can still fulfill its covenant with the voters, within the time frame required by the TransNet measure.

The SANDAG Board has enacted policies that prioritize the timing and schedule for delivering projects. Some of these policies have been enacted outside the scope of TransNet, meaning that they are not written into the ordinance itself.²⁸ The most well-known of these is the [Early Action Program \(EAP\)](#).²⁹ While many of the projects within the program are transit focused, the overall program contains a number of freeway widening projects that will not contribute to the achievement of long-term VMT and GHG reduction goals, nor sufficiently contribute to the improvement of the health, equity, and other performance measures set out in the adopted 2050

Regional Transportation Plan adopted in 2011. As detailed in the document, the "EAP strategy is to leverage as many federal and state dollars as are available, and then borrow against future *TransNet* revenues to complete these projects ahead of their initial schedules."³⁰

This type of policy has important and worrisome consequences. To begin, it essentially pushes other Regional Plan projects that would more effectively address VMT, GHG, and other goals further into the future when it is worthwhile to build them earlier. Just as important, it locks up very flexible state and federal funds that could otherwise be invested in more innovative projects that advance achievement of these goals more effectively. Fortunately, SANDAG has the latitude to adjust its scheduling of projects, and has done so. One notable example where SANDAG has taken advantage of this was with the [addition of the Sprinter to both TransNet and the EAP](#).³¹ Another was the acquisition of the [State Route 125 Toll Road](#) that utilized TransNet funds to purchase a new facility and reduce the scope of the I-805 project – thereby adding a project to TransNet and reducing the scope of another in one action.³²

Once again, the critical question in crafting policies such as the EAP, and deciding the scope and selection of projects, is the desired outcomes of those projects. Do the projects individually and collectively help to meet state mandated GHG and VMT reduction goals, improve the performance metrics outlined in the Draft 2015 Regional Plan, and respond to the changing needs and preferences of the region's population? The key takeaway from these examples is not only that SANDAG has the discretion to alter TransNet in a variety of ways, but also that it has already chosen to do so. SANDAG has the discretion to implement TransNet and ensure that it is a flexible 40-year funding tool to respond to the need for a low-carbon, affordable, equitable, healthy, world-class transportation system.

SANDAG can still fulfill its covenant with the voters, within the time frame required by the TransNet measure

All three of these options – changing the measure, modifying the scope of projects, and changing the scheduling of projects can and have been used to implement TransNet.

Funding the projects promised through TransNet is a major driver for the Draft 2015 Regional Plan. The discretionary policy choice by SANDAG to dedicate state and federal funds to accelerate highway projects further extends the weight it carries in short and long-term planning. It is important to recognize that the establishment of these types of policies by themselves does not lead to good or bad outcomes. Instead it is the projects that are funded that determine outcomes.

SANDAG has the latitude to adjust its scheduling of projects, and has done so

As a result, it is critical that project selection, scoping, and timing are carried out with a clear understanding and intention of their impacts. Again these projects also shape

the ability of the region to attract competitive funding sources that prioritize transit, biking and walking, and smart-growth and sustainable communities. The more funding SANDAG directs towards these types of projects, the more ability there will be to leverage increasingly important competitive sources and increase overall investment in the region.

Finally, there are other options to modify TransNet that involve the voters. As part of the TransNet Extension Ordinance, SANDAG committed itself to a subsequent public vote (generally referred to as a “Quality of Life” measure) to raise transit operating and environmental mitigation revenue. SANDAG has correctly pointed out that additional operating revenues are required to ensure an expanded transit system provides frequent, affordable, and efficient service.

There are multiple voter scenarios that could be pursued to address the deficit of revenues for transit operating and capital purposes as well as increasing biking and walking rates. The voters could be asked to modify the existing extension ordinance to reflect the changing demographics, preferences, and behaviors in the region – although this option also remains available to SANDAG with a 2/3 vote of the SANDAG Board. This could happen in concert or in isolation with SANDAG’s efforts to pass a future Quality of Life measure. All scenarios should be explored as the region considers how to move forward.



Conclusion

In the face of growing need and increasingly limited funds, many California regions have stepped forward to take transportation funding into their own hands. Regional sales-tax measures are an invaluable tool for providing the resources to invest in transportation systems that are critical for future prosperity.

If instituted and managed with both an eye for flexibility and recognition of changing needs and priorities, local revenue measures can be tools for leveraging state and federal funds to invest in a dynamic and innovative transportation network.

Measures that are not thoughtfully implemented play a significant role in locking regions into outcomes that are both undesirable and are inconsistent with evolving state climate change, equity, and economic goals.

The TransNet text adopted by voters did not intend the measure to be static and inflexible. As the region considers how to move forward, the question bears asking of what the long-term priorities of the region should be and what is required to achieve the long-term policy goals and legal requirements for addressing sustainability, equity, and economic goals.

The San Diego region has many assets that make it one of the most desirable places in the world to live: beaches, excellent weather, diversity, world-class educational institutions, and a growing knowledge economy that attracts highly skilled workers.

At the same time, it also has one of the highest costs of living with a lack of affordable housing and increasing transportation costs. Access to high quality transit and walkable communities result in considerable savings and significant reductions in GHGs. In San Diego, households with high quality transit save an average of \$ 3,515 and emit 30% fewer transportation GHGs each year.³³ They also result in improved air quality and overall public health. These are savings that can reduce the overall cost of living and enhance regional economic competitiveness while addressing regional sustainability and equity. Establishing and planning for these types of long-term outcomes will require the region to reorient its priorities in the coming years.

SANDAG has made commendable progress since its original 1987 TransNet ordinance. Despite significant investments in a much more multimodal transportation system, the region is not projected to meet the long-term goals established at the state level – goals that are almost certain to become more ambitious in the near future. It also continues to face considerable challenges in improving regional equity, health, and sustainable economic growth.

This report is not attempting to simplify the complexity of regional transportation and investment. Instead it lays out the breadth of tools SANDAG has at its disposal to achieve its evolving goals. While challenges remain to taking advantage of them, the flexibility and options are there.



Endnotes

- ¹ American Planning Association, Investing in Place: Two Generations' View on the Future of Communities, (2014), <https://www.planning.org/policy/polls/investing>.
- ² Moving Ahead for Progress in the 21st Century Act, Surface Transportation Program Fact Sheet, <http://www.fhwa.dot.gov/map21/factsheets/stp.cfm>.
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Circulate San Diego
1111 6th Ave Suite 402,
San Diego, CA 92101
(619) 544-9255
www.circulatesd.org
@CirculateSD

