Board of Directors Agenda

Friday, July 26, 2024
9 a.m.

Welcome to SANDAG. The Board of Directors meeting scheduled for Friday, July 26, 2024, will be held in person in the SANDAG Board Room. While Board of Directors members will attend in person, members of the public will have the option of participating either in person or virtually.

For public participation via Zoom webinar, click the link to join the meeting: https://us02web.zoom.us/j/85812570019

Webinar ID: 858 1257 0019

To participate via phone, dial a number based on your current location in the US:

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Public Comments: Members of the public may speak to the Board of Directors on any item at the time the Board of Directors is considering the item. Public speakers are generally limited to three minutes or less per person.

Persons who wish to address the members on an item to be considered at this meeting, or on non-agendized issues, may email comments to the Clerk at clerkoftheboard@sandag.org (please reference Board of Directors meeting in your subject line and identify the item number(s) to which your comments pertain). Comments received by 4 p.m. the business day before the meeting will be provided to members prior to the meeting. All comments received prior to the close of the meeting will be made part of the meeting record.

If you desire to provide in-person verbal comment during the meeting, please fill out a speaker slip, which can be found in the lobby. If you have joined the Zoom meeting by computer or phone, please use the “Raise Hand” function to request to provide public comment. On a computer, the “Raise Hand” feature is on the Zoom toolbar. By phone, enter *9 to “Raise Hand” and *6 to unmute. Requests to provide live public comment must be made at the beginning of the relevant item, and no later than the end of any staff presentation on the item. The Clerk will call on members of the public who have timely requested to provide comment by name for those in person and joining via a computer, and by the last three digits of the phone number of those joining via telephone. Should you wish to display media in conjunction with your comments, please inform the Clerk when called upon. The Clerk will be prepared to have you promoted to a position where you will be able to share your media yourself during your allotted comment time. In-person media sharing must be conducted by joining the Zoom meeting on the personal device where the content resides. Please note that any available chat feature on the Zoom meeting platform should be used by panelists and attendees solely for procedural or other “housekeeping” matters as comments provided via the chat feature will not be retained as part of the meeting record. All comments to be provided for the record must be made in writing via email or speaker slip, or verbally per the instructions above.

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Los materiales de la agenda de SANDAG están disponibles en otros idiomas. Para hacer una solicitud, llame al (619) 699-1900 al menos 72 horas antes de la reunión.

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

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SANDAG operates its programs without regard to race, color, and national origin in compliance with Title VI of the Civil Rights Act. SANDAG has developed procedures for investigating and tracking Title VI complaints, and the procedures for filing a complaint are available to the public upon request. Questions concerning SANDAG nondiscrimination obligations or complaint procedures should be directed to the SANDAG General Counsel, John Kirk, at (619) 699-1997 or john.kirk@sandag.org. Any person who believes they or any specific class of persons to be subjected to discrimination prohibited by Title VI also may file a written complaint with the Federal Transit Administration.

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Esta reunión se llevará a cabo en inglés, y se ofrecerá interpretación simultánea en español. Se ofrecerá interpretación en otros idiomas previa solicitud a ClerkoftheBoard@sandag.org al menos 72 horas antes de la reunión.

Free Language Assistance | Ayuda gratuita con el idioma | Libreng Tulong sa Wika | Hỗ trợ ngôn ngữ miễn phí | 免费语言协助 | 免費語言協助 | مجانية لغوية مساعدة | 무료 언어 지원 | رایگان زبان کمک | 無料の言語支援 | Бесплатная языковая помощь | Assistência linguística gratuita | मुफ़्त भाषा सहायता | Assistance linguistique gratuite | ជំនួយភាសាឥតគិតថ្លៃ | ఉచిత భాషా సహాయం | ການຊ່ວຍເຫຼືອດ້ານພາສາຟຣີ | Kaalmada Luqadda ee Bilaashka ah | Безкоштовна мовна допомога | sandag.org/LanguageAssistance | (619) 699-1900

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fax (619) 699-1905 at least 72 hours in advance of the meeting.

Vision Statement: *Pursuing a brighter future for all*

Mission Statement: *We are the regional agency that connects people, places, and innovative ideas by implementing solutions with our unique and diverse communities.*

Our Commitment to Equity: *We hold ourselves accountable to the communities we serve. We acknowledge we have much to learn and much to change; and we firmly uphold equity and inclusion for every person in the San Diego region. This includes historically underserved, systemically marginalized groups impacted by actions and inactions at all levels of our government and society.*

We have an obligation to eliminate disparities and ensure that safe, healthy, accessible, and inclusive opportunities are available to everyone. The SANDAG equity action plan will inform how we plan, prioritize, fund, and build projects and programs; frame how we work with our communities; define how we recruit and develop our employees; guide our efforts to conduct unbiased research and interpret data; and set expectations for companies and stakeholders that work with us.

We are committed to creating a San Diego region where every person who visits, works, and lives can thrive.

SANDAG Board of Directors – Agency Affiliations

The noted affiliations represent reasonably foreseeable applicants under SANDAG's various grants programs and are to the best of staff's knowledge. Members should notify the Clerk of the Board if any information is incomplete or incorrect.

Member Agencies[1]	Title	Name	Additional Affiliation
City of Carlsbad	Councilmember	Melanie Burkholder (Primary)	
	Mayor Pro Tem	Priya Bhat-Patel (1st Alt)	North County Transit District (NCTD)[2]
	Mayor	Keith Blackburn (2nd Alt)	
City of Chula Vista	Councilmember	Carolina Chavez (Primary)	
	Deputy Mayor	Alonso Gonzalez (1st Alt)	Metropolitan Transit System (MTS)[2]
	Councilmember	Jose Preciado (2nd Alt)	
City of Coronado	Councilmember	John Duncan (Primary)	Facilitating Access to Coordinated Transportation (FACT)[3]
	Councilmember	Mike Donovan (1st Alt)	Metropolitan Transit System (MTS)[2]
	Mayor	Richard Bailey (2nd Alt)	
County of San Diego	Chairwoman	Nora Vargas (Primary)	
	Supervisor	Terra Lawson-Remer (1st Alt)	
	Supervisor	Monica Montgomery Steppe (2nd Alt)	Metropolitan Transit System (MTS)[2]
County of San Diego	Supervisor	Joel Anderson (Primary)	
	Supervisor	Terra Lawson-Remer (1st Alt)	
	Supervisor	Monica Montgomery Steppe (2nd Alt)	Metropolitan Transit System (MTS)[2]
City of Del Mar	Deputy Mayor	Terry Gaasterland (Primary)	
	Councilmember	Tracy Martinez (1st Alt)	North County Transit District (NCTD)[2]

[1] Eligible recipient of salary, per diem, or reimbursement of expenses from the listed member agency
[2] Eligible recipient of salary, per diem, or reimbursement of expenses from the listed government entity
[3] Non-salaried members of the listed nonprofit corporation

Member Agencies[1]	Title	Name	Additional Affiliation
	Mayor	Dave Druker (2nd Alt)	
City of El Cajon	Mayor	Bill Wells (Primary)	
	Councilmember	Steve Goble (Alternate)	Metropolitan Transit System (MTS)[2]
City of Encinitas	Mayor	Tony Kranz (Primary)	
	Councilmember	Kellie Hinze (1st Alt)	North County Transit District (NCTD)[2] Facilitating Access to Coordinated Transportation (FACT)[3]
	Deputy Mayor	Joy Lyndes (2nd Alt)	
City of Escondido	Mayor	Dane White (Primary)	
	Councilmember	Michael Morasco (Alt)	
	Councilmember	Joe Garcia (2nd Alt)	North County Transit District (NCTD)[2]
City of Imperial Beach	Councilmember	Jack Fisher (Primary)	
	Mayor Pro Tem	Mitch McKay (1st Alt)	
	Councilmember	Matthew Leyba-Gonzalez (2nd Alt)	Metropolitan Transit System (MTS)[2]
City of La Mesa	Councilmember	Jack Shu (Primary)	
	Councilmember	Patricia Dillard (1st Alt)	Metropolitan Transit System (MTS)[2]
City of Lemon Grove	Mayor	Racquel Vasquez (Primary)	
	Councilmember	George Gastil (1st Alt)	Metropolitan Transit System (MTS)[2] Facilitating Access to Coordinated Transportation (FACT)[3]
	Councilmember	Alysson Snow (2nd Alt)	
City of National City	Councilmember	Luz Molina (Primary)	
	Councilmember	Jose Rodriguez (1st Alt)	
	Mayor	Ron Morrison (2nd Alt)	
City of Oceanside	Deputy Mayor	Ryan Keim (Primary)	
	Councilmember	Rick Robinson (Alt)	North County Transit District (NCTD)[2]

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Member Agencies[1]	Title	Name	Additional Affiliation
City of Poway	Mayor	Steve Vaus (Primary)	
	Deputy Mayor	Caylin Frank (1st Alt)	Metropolitan Transit System (MTS)[2]
	Councilmember	Brian Pepin (2nd Alt)	
City of San Diego	Mayor	Todd Gloria (Primary)	Metropolitan Transit System (MTS)[2]
	Councilmember	Raul Campillo (Alternate)	
	Council President Pro Tem	Joe LaCava (2nd Alt)	
City of San Diego	Vice Chair	Sean Elo-Rivera (Primary)	Metropolitan Transit System (MTS)[2]
	Councilmember	Vivan Moreno (Alternate)	Metropolitan Transit System (MTS)[2]
	Councilmember	Marni Von Wilpert (2nd Alt)	
City of San Marcos	Mayor	Rebecca Jones (Primary)	
	Councilmember	Ed Musgrove (1st Alt)	
	Deputy Mayor	Sharon Jenkins (2nd Alt)	North County Transit District (NCTD)[2]
City of Santee	Mayor	John Minto (Primary)	
	Councilmember	Laura Koval (1st Alt)	
	Councilmember	Ronn Hall (2nd Alt)	Metropolitan Transit System (MTS)[2]
City of Solana Beach	Second Vice Chair	Lesa Heebner (Primary)	
	Councilmember	David Zito (1st Alt)	
	Deputy Mayor	Jewel Edson (2nd Alt)	Facilitating Access to Coordinated Transportation (FACT)[3] North County Transit District (NCTD)[2]
City of Vista	Deputy Mayor	Katie Melendez (Primary)	
	Councilmember	Dan O'Donnell (1st Alt)	
	Mayor	John Franklin (2nd Alt)	

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Advisory Agencies[1]	Title	Name	Additional Affiliation
Caltrans	Director	Everett Townsend	
	Deputy Director	Roy Abboud (1st Alt)	
Metropolitan Transit System	Councilmember	Matthew Leyba-Gonzalez (Primary)[2]	Metropolitan Transit System (MTS)[2]
	Councilmember	Patricia Dillard (Alternate)[2]	Metropolitan Transit System (MTS)[2]
	Councilmember	Ronn Hall (Alternate)[2]	Metropolitan Transit System (MTS)[2]
North County Transit District	Deputy Mayor	Jewel Edson (Primary)[2]	Facilitating Access to Coordinated Transportation (FACT)[3] North County Transit District (NCTD)[2]
	Mayor Pro Tem	Priya Bhat-Patel (1st Alt)[2]	North County Transit District (NCTD)[2]
	Councilmember	Sharon Jenkins (2nd Alt)[2]	North County Transit District (NCTD)[2]
Imperial County	Supervisor	Jesus Eduardo Escobar	
U.S. Department of Defense	Executive Director	Dennis Keck (Primary)	
		Anna Shepherd (Alternate)	
Port of San Diego	Commissioner	Dan Malcolm (Primary)	
		Job Nelson (Alternate)	
San Diego County Water Authority	Director	Mel Katz (Primary)	
		Nick Serrano (1st Alt)	
		Consuelo Martinez (2nd Alt)	
SDCRAA	Director	Gil Cabrera (Primary)	
		James Sly (Alt)	
Mexico	Consul General	Alicia Kerber (Primary)	
	Deputy Consul General	Gilberto Luna (Alternate)	
SCTCA	Chairman	Cody Martinez (Primary)	

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Advisory Agencies[1]	Title	Name	Additional Affiliation
	Chairwoman	Erica Pinto (Alt)	
Association of Planning Groups	Chairwoman	Robin Joy Maxson (Primary)	
		Eileen Delaney (Alt)	

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Board of Directors

Friday, July 26, 2024

Comments and Communications

1. Non-Agenda Public Comments/Member Comments

Members of the public shall have the opportunity to address the Board of Directors on any issue within the jurisdiction of SANDAG that is not on this agenda. Public speakers are limited to three minutes or less per person. Public comments under this agenda item will be limited to five public speakers. If the number of public comments under this agenda item exceeds five, additional public comments will be taken at the end of the agenda. Board members and SANDAG staff also may present brief updates and announcements under this agenda item.

Consent

+2. Approval of Meeting Minutes — Approve

Tessa Lero, SANDAG

The Board of Directors is asked to approve the minutes from its July 12, 2024, meeting.

Meeting Minutes.pdf

+3. Chief Executive Officer Delegated Actions* — Information

Beth Lupu, SANDAG

In accordance with various Board Policies, this report summarizes delegated actions taken by the Chief Executive Officer.

CEO Delegated Actions.pdf
Att. 1 - Semi-Annual Sole Source Awards.pdf
Att. 2 - 2023 RTIP Amendment No. 12 - Table 1.pdf
Att. 3 - 2023 RTIP Amendment No. 15 - Table 1.pdf

+4. Draft 2025 Regional Transportation Improvement Program* — Accept

Richard Radcliffe, SANDAG

The Transportation Committee recommends that the Board of Directors accept the draft 2025 Regional Transportation Improvement Program, including its air quality conformity analysis and draft air quality conformity redetermination of the revenue constrained San Diego Forward: The 2021 Regional Transportation Plan, for distribution for a 30-day public review and comment period.

Draft 2025 RTIP.pdf
Att. 1 - Draft 2025 RTIP Federal Requirements Analysis.pdf
Att. 2 - Draft 2025 RTIP Program Summary.pdf
Att. 3 - Draft 2025 RTIP Major Projects by Mode.pdf
Att. 4 - Draft Ch 5 Air Quality Conformity Analysis.pdf
Att. 5 - 2025 RTIP Fact Sheet.pdf
Supporting Materials.pdf

+5. Policy Advisory Committee Actions — Approve

Francesca Webb, SANDAG

The Board of Directors is asked to ratify the actions taken by the Policy Advisory Committees as noted in the report.

PAC Actions.pdf

+6. Federal Transit Administration Final Federal Fiscal Years 2025-2027 Disadvantaged Business Enterprise Program Triennial Goal — Approve

Jennifer Bianchi, SANDAG; Ed Salcedo, GCAP Services

The Board of Directors is asked to approve the Final Proposed Triennial Federal Transit Administration Overall Disadvantaged Business Enterprise Goal and Methodology for Federal Fiscal Years 2025-2027.

FFY 2025-2027 DBE Program Triennial Goal.pdf
Att. 1 - FTA Overall DBE Goal-Setting Methodology FFY 2025-2027.pdf

+7. Conflict of Interest Code Updates — Approve

Tessa Lero, SANDAG

The Board of Directors is asked to approve the updated SANDAG Conflict of Interest Code.

Conflict of Interest Code Updates.pdf
Att. 1 - COI Update July 24 - Red Line.pdf

+8. Equal Employment Opportunity Program — Information

Joshua Golter, SANDAG

In accordance with Board Policy No. 007: Equal Employment Opportunity (EEO) Program, this report summarizes employment results for FY 2024 and reviews EEO Program goals for the upcoming year.

Equal Employment Opportunity Program.pdf
Att. 1 - FY 2024 EEO Program Results.pdf

+9. Section 5310 Grant Program: Award Amendment Request — Consider Request

Jenny Russo, SANDAG

The Transportation Committee recommends that the Board of Directors deny a scope of work change to Facilitating Access to Coordinated Transportation's RideFACT Section 5310 award.

Section 5310 Award Amendment.pdf
Att. 1 - Discussion Memo.pdf
Att. 2 - FACT Award Change Request Letter.pdf

+10. 2023 Regional Transportation Improvement Program: Amendment No. 14* — Adopt

Richard Radcliffe, SANDAG

The Transportation Committee recommends that the Board of Directors, acting as the Regional Transportation Commission, adopt Resolution No. RTC-2025-01, approving Amendment No. 14 to the 2023 Regional Transportation Improvement Program.

2023 RTIP Amendment No 14.pdf
Att. 1 - Resolution RTC 2025-01.pdf
Att. 2 - Table 1 - Summary of Changes Report.pdf
Att. 3 - Table 2 - Amendment No. 14.pdf
Att. 4 - Tables 3a-3c - Financial Summary.pdf
Att. 5 - Table 4 - Changes During Public Comment.pdf
Att. 6 - Federal Requirements Analysis.pdf

+11. FY 2025 Proposed Program Budget Amendment: Imperial Avenue Bikeway Art Installations

Paula Zamudio, SANDAG

Approve

The Board of Directors is asked to:

1. Approve an amendment to the FY 2025 Program Budget to add a new project titled Imperial Avenue Bikeway Art Installations project (Work Element No. 3322800), to accept Clean California funding in the amount of $780,000; and
2. Authorize agreements with the Urban Collaborative Project and the Logan Heights Community Development Corporation Community Based Organizations consistent with the terms of Project Implementation Order 122 and the approved project budget.

Budget Amendment Imperial Avenue Bikeway Art Installations.pdf
Att. 1 - Work Element No 3322800.pdf
Att. 2 - PIO 122 (EXECUTED).pdf

Reports

+12. FY 2025 Proposed Program Budget Amendment: TransNet Regional Bike Early Action Program*

Omar Atayee, Susan Huntington, SANDAG

Approve

The Transportation Committee recommends that the Board of Directors, also acting as the Regional Transportation Commission:

1. Approve the borrowing of Commercial Paper up to $20 million for eight projects in the Bike Early Action Program to support near-term budget needs for projects funded with TransNet Bicycle, Pedestrian, and Neighborhood Safety funds; and
2. Approve the corresponding FY 2025 Program Budget Amendment.

Budget Amendment Bike EAP.pdf
Att. 1 - TransNet Regional Bike Early Action Program Map.pdf
Att. 2 - TransNet Regional Bike EAP Progress Update Feb 2024.pdf
Att. 3 - Reg Bikeway EAP_EAP Crosswalk and Project Status.pdf
Att. 4 - Project Status Chart.pdf
Att. 5 - Overview of the Commercial Paper Program.pdf
Att. 6 - 2025 Budget Amendment Table.pdf
Att. 7 - Proposed FY 2025 Active Transportation CIPs.pdf
Supporting Materials.pdf

+13. 2024 TransNet Independent Taxpayer Oversight Committee Annual Report*

Jonathan Frankel, FY 2024 ITOC Chair

Information

In accordance with the TransNet Extension Ordinance, Jonathan Frankel, TransNet ITOC Chair, will present the 2024 TransNet ITOC Annual Report, including the results of the FY 2023 TransNet Fiscal and Compliance Audit, FY 2024 TransNet Triennial Performance Audit, and the status of implementation of recommendations from the FY 2021 TransNet Triennial Performance Audit.

2024 TransNet ITOC Annual Report.pdf
Att. 1 - 2024 ITOC Annual Report - Finalized.pdf
Supporting Materials.pdf

+14. FY 2024 TransNet Triennial Performance Audit* Discussion

Jonathan Frankel, FY 2024 ITOC Chair; Sunnie House, ITOC Audit Subcommittee Chair; Dawn Vettese, SANDAG

The TransNet ITOC Chair, Jonathan Frankel, will present the results of the FY 2024 TransNet Triennial Performance Audit, including an overview of progress toward meeting TransNet Extension Ordinance goals.

FY 2024 TN Triennial Performance Audit.pdf
Att. 1 - FY 2024 TPA Executive Summary and Recommendations.pdf
Att. 2 - FY 2024 TPA Appendix D SANDAG Response.pdf
Att. 3 - FY 2024 TransNet TPA Final Report.pdf
Supporting Materials_Part 1_ITOC_Sjoberg.pdf
Supporting Materials_Part 2_Management Reponse.pdf

+15. FY 2023 Annual Comprehensive Financial Report and Other Financial and Compliance Matters Information

Kim Trammel, SANDAG; Jennifer Farr, Davis Farr

In accordance with SANDAG Bylaws, SANDAG and Davis Farr staff will present the FY 2023 Annual Comprehensive Financial Report and other Financial and Compliance Matters in compliance with the Statement of Auditing Standards 114.

FY 2023 ACFR and Other Financial and Compliance Matters.pdf
Att. 1 - FY 2023 SANDAG GAGAS Report.pdf
Att. 2 - FY 2023 SANDAG Single Audit Report.pdf
Att. 3 - FY 2023 Coronado Toll Bridge Report.pdf
Att. 4 - FY 2023 SANDAG NTD AUP Report.pdf
Att. 5 - FY 2023 SAS 114 Letter.pdf
Att. 6 - FY 2023 TDA Reports.pdf
Att. 7 - CAP for the Findings of FY 2023 Single Audit.pdf
Supporting Materials_Davis Farr.pdf
Supporting Materials.pdf

Closed Session

+16. Conference with Property Negotiators Pursuant to Government Code Section 54956.8

Betsy Blake, SANDAG; Matt Carlson, Hunter Rowe, CBRE

The Board of Directors will be briefed on the status of purchase offers for the real property located at 5965 & 5975 Santa Fe Street, San Diego, CA (Assessor Parcel Nos. 359-010-40 and 359-010-41) and asked to provide authorization to its negotiator regarding the price and terms of payment for the related sale.

+17. Conference with Legal Counsel – Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2) (One Potential Case)

Amberlynn Deaton, SANDAG

The Board of Directors will be briefed on a written claim filed by Veronica and Luis Barrios alleging damage to real and personal property caused by flooding in the vicinity of the State Route 125 in Spring Valley, CA.

Adjournment

18. Adjournment

The next Board of Directors meeting is scheduled for Friday, September 13, 2024, at 10 a.m.

+ next to an agenda item indicates an attachment
* next to an agenda item indicates that the Board of Directors also is acting as the San Diego County Regional Transportation Commission for that item

July 12, 2024, Board of Directors Minutes

View Meeting Video

Second Vice Chair Lesa Heebner (Solana Beach) called the meeting of the Board of Directors to order at 10:30 a.m.

1. Non-Agenda Public Comments/Member Comments

Public Comments: Truth, Alan C., Mike, Kathryn Rhodes, and Mark.

Member Comments: Mayor Rebecca Jones (San Marcos), Councilmember Melaine Burkholder (Carlsbad), and Executive Director Everett Townsend (Caltrans).

Agency Updates: Chief Executive Officer Mario Orso.

Consent

2. Approval of Meeting Minutes

The Board of Directors was asked to approve the minutes from its June 28, 2024, meeting.

3. Meetings and Events Attended on Behalf of SANDAG

This report provided an update on meetings and events attended by Board members.

Public Comments: Truth, Alan C., Mark, Paul Henkin, Blair Beekman, and Consuelo.

Action: Upon a motion by Councilmember Jack Shu (La Mesa), and a second by Deputy Mayor Ryan Keim (Oceanside), the Board voted to approve the Consent Agenda.

The motion passed.

Yes: Second Vice Chair Heebner, Councilmember Burkholder, Deputy Mayor Alonso Gonzalez (Chula Vista), Councilmember John Duncan (Coronado), Councilmember Tracy Martinez (Del Mar), Mayor Tony Kranz (Encinitas), Mayor Dane White (Escondido), Councilmember Jack Fisher (Imperial Beach), Councilmember Shu, Councilmember Georg Gastil (Lemon Grove), Councilmember Luz Molina (National City), Deputy Mayor Keim, Councilmember Vivan Moreno (City of San Diego), Mayor Jones, and Deputy Mayor Katie Melendez (Vista).

No: None.

Abstain: None.

Absent: County of San Diego, El Cajon, Poway, and Santee.

Reports

4. FY 2025 Annual Audit Plan

Audit Committee Chair David Zito (Solana Beach) introduced the item.

Independent Performance Auditor Courtney Ruby presented the FY 2025 Annual Audit Plan for adoption by the Board of Directors.

DRAFT

Public Comments: Truth, Kathryn Rhodes, Alan C., Mark, Mike, Paul Henkin, Consuelo, and Blair Beekman.

Action: Upon a motion by Mayor Kranz, and a second by Councilmember Molina, the Board voted to adopt the FY 2025 Annual Audit Plan.

The motion passed.

Yes: Second Vice Chair Heebner, Councilmember Burkholder, Deputy Mayor Gonzalez, Councilmember Duncan, Councilmember Martinez, Mayor Kranz, Mayor White, Councilmember Fisher, Councilmember Shu, Councilmember Gastil, Councilmember Molina, Deputy Mayor Keim, Councilmember Moreno, Mayor Jones, and Deputy Mayor Melendez.

No: None.

Abstain: None.

Absent: County of San Diego, El Cajon, Poway, and Santee.

5. State Route 11/Otay Mesa East Port of Entry Agreements

The Borders Committee recommended that the Board of Directors approve the Binational Agreements for State Route 11/Otay Mesa East Port of Entry.

Public Comments: Truth, Mary Davis, Alan C., Mark, Kathryn Rhodes, Paul Henkin, Consuelo, and Blair Beekman.

Action: Upon a motion by Councilmember Fisher, and a second by Councilmember Duncan, the Board voted to direct the CEO develop a temporary working group to address environmental concerns, including but not limited to transborder sewage issues in the border region, and to adopt Resolution No. 2024-32, approving the Binational Agreements for State Route 11/Otay Mesa East Port of Entry.

The motion passed.

Yes: Second Vice Chair Heebner, Councilmember Burkholder, Deputy Mayor Gonzalez, Councilmember Duncan, Councilmember Martinez, Mayor Kranz, Mayor White, Councilmember Fisher, Councilmember Shu, Councilmember Gastil, Councilmember Molina, Deputy Mayor Keim, Councilmember Moreno, Mayor Jones, and Deputy Mayor Melendez.

No: None.

Abstain: None.

Absent: County of San Diego, El Cajon, Poway, Santee.

Continued Non-Agenda Public Comments: Mary Davis, Rita Clement, Paul Henkin, Blair Beekman, and Consuelo.

Closed Session Public Comments: Truth, Mark, and Consuelo.

Second Vice Chair Heebner recessed to closed session at 1:13 p.m.

Closed Session

6. Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1) – Osmon v. City of San Diego (San Diego Superior Court Case No. 2020-00018911) and Potential Initiation of Litigation Pursuant to Government Code Section 54956.9(d)(4) (Two Potential Cases)

The Board of Directors was briefed regarding the status of the referenced litigation, as well as the potential initiation of litigation for two related matters.

DRAFT

Second Vice Chair Heebner reconvened to open session at 1:24 p.m.

Senior Counsel Ryan Kohut reported the following out of closed session: The Board met in closed session on Agenda Item No.6, and there was no reportable action.

7. Adjournment

The next Board of Directors meeting is scheduled for Friday, July 26, 2024, at 9 a.m.

Second Vice Chair Heebner adjourned the meeting at 1:25 p.m.

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Confirmed Attendance at SANDAG Board of Directors Meeting

Board of Directors	Title	Name	Attend
City of Carlsbad	Councilmember	Melanie Burkholder (Primary)	Yes
City of Chula Vista	Deputy Mayor	Alonso Gonzalez (Alternate)	Yes
City of Coronado	Councilmember	John Duncan (Primary)	Yes
County of San Diego	Chairwoman	Nora Vargas (Primary)	No
County of San Diego	Supervisor	Joel Anderson (Primary)	No
City of Del Mar	Councilmember	Tracy Martinez (Alternate)	Yes
City of El Cajon	Mayor	Bill Wells (Primary	No
City of Encinitas	Mayor	Tony Kranz (Primary)	Yes
City of Escondido	Mayor	Dane White (Primary)	Yes
City of Imperial Beach	Councilmember	Jack Fisher (Primary)	Yes
City of La Mesa	Councilmember	Jack Shu (Primary)	Yes
City of Lemon Grove	Councilmember	George Gastil (Primary)	Yes
City of National City	Councilmember	Luz Molina (Primary)	Yes
City of Oceanside	Deputy Mayor	Ryan Keim (Primary)	Yes
City of Poway	Mayor	Steve Vaus (Primary)	No
City of San Diego	Councilmember	Raul Campillo (Alternate)	No
City of San Diego	Councilmember	Vivan Moreno (Alternate)	Yes
City of San Marcos	Mayor	Rebecca Jones (Primary)	Yes
City of Santee	Mayor	John Minto (Primary)	No
City of Solana Beach	Second Vice Chair	Lesa Heebner (Primary)	Yes
City of Vista	Deputy Mayor	Katie Melendez (Primary)(left 12:04pm)	Yes
Caltrans	Director	Everett Townsend	Yes
Metropolitan Transit System	Councilmember	Matthew Leyba-Gonzalez (Primary)	Yes
North County Transit District	Deputy Mayor	Jewel Edson (Primary)	No
Imperial County	Supervisor	Jesus Eduardo Escobar	No
U.S. Department of Defense	Executive Director	Dennis Keck (Primary)	Yes
Port of San Diego	Commissioner	Dan Malcolm (Primary)	Yes
San Diego County Water Authority	Director	Mel Katz (Primary)	No
SDCRAA	Director	Gil Cabrera (Primary)	Yes
Mexico	Consul General	Alicia Kerber (Primary)	No
SCTCA	Chairwoman	Erica Pinto (Primary)	No
Association of Planning Groups	Chairwoman	Robin Joy Maxson	No

Chief Executive Officer Delegated Actions

Action: **Information**
In accordance with various Board Policies, this report summarizes delegated actions taken by the Chief Executive Officer.

Fiscal Impact:
None.

All Items listed in Attachment 1 (Semi-Annual Sole Source Awards – Jan-June 2024) were funded through Board-approved budgets.

Schedule/Scope Impact:
None.

Overview

Various Board Policies require the Chief Executive Officer to report certain actions to the Board of Directors monthly or upon taking specified actions.

Delegated Actions

Investment Transactions: Board Policy No. 003 , Section 11.2, states that a monthly report of all investment transactions shall be submitted to the Board. There were no reportable investment transactions for June 2024.

Legal Matters: Board Policy No. 008, Section 6.1, authorizes the Office of the General Counsel or outside counsel to file documents and make appearances on behalf of the agency in court proceedings.

In the matter of McSpadden v. City of San Diego (Superior Ct. Case No. 2022-00019227), the following actions were taken by Bremer Whyte Brown & O'Meara on behalf of SANDAG:

- On June 21, 2024, filed a Notice of Non-Opposition to Demurrer to Cross-Complainant City of San Diego's Cross-Complaint
- On June 28, 2024, attended a Status Conference and a Demurrer Hearing

In the matter of Neel v. SANDAG (Superior Ct. Case No. 2023-00011222), the following actions were taken by Quarles & Brady on behalf of SANDAG:

- On June 7, 2024, filed two Motions in Limine
- On June 11, 2024, filed an Opposition to Plaintiff's Motion in Limine
- On June 12, 2024, filed a Trial Brief
- On June 14, 2024, attended a Trial Status Conference

On-Call Task Order Awards: Board Policy No. 017, Section 1, authorizes the Chief Executive Officer to enter into any agreements or take any other actions necessary to implement the budget items or other actions approved by the Board. No on-call task orders valued at $5 million or more were executed in June 2024.

Sole Source Awards: Board Policy No. 017, Section 1, authorizes the Chief Executive Officer to enter into any agreements or take any other actions necessary to implement the budget items or other actions approved by the Board. See Attachment 1 for all sole source contracts and amendments awarded from January 1, 2024, to June 30, 2024.

California Environmental Quality Act (CEQA): Board Policy No. 017, Section 4.17, authorizes the Chief Executive Officer to approve exemptions and addendums to a previously-approved Environmental Impact Report or Negative Declaration consistent with CEQA Section 15164 where only minor technical changes or additions are necessary.

- A Notice of Exemption for the Batiquitos Lagoon Double Track Project was signed by SANDAG's Chief Executive Officer on June 13, 2024.

Plans, Specifications, and Estimates (PS&E) Design Approvals: Board Policy No. 017, Section 4.2, states a monthly report of all approvals of design PS&E for capital improvement projects shall be submitted to the Board of Directors. The PS&E for the following capital improvement project was approved.

- North Park/Mid-City Bikeways: University Bikeway Project, CIP 1223081
- San Onofre to Pulgas Double Track Phase 2 Project, CIP 1146600

Schedule Extensions: Board Policy No. 035, Section 4.3.1, authorizes the Chief Executive Officer to approve requests by grantees for time extensions on their project schedule of up to twelve months aggregate for good cause if the extension would not cause the project to miss a completion deadline. The delegated action(s) to report to the Board are summarized below:

Contract No.	Grantee	Project	Extension (in Months)	From	To
S1130477	Full Access & Coordinated Transportation (FACT)	RideFACTNOW	3	5/11/2024	7/31/2024

Regional Transportation Improvement Program Administrative Modification*:* Regional Transportation Commission (RTC) Resolution No. RTC-2020-01 authorizes the Chief Executive Officer to approve administrative modifications to the Regional Transportation Improvement Program (RTIP). Changes are authorized by the requesting agencies by resolution or approved policy.

- Administrative Modification No. 12 was approved on June 4, 2024. Table 1 (Attachment 2) summarizes the changes made to 4 projects and 7 grouped listings in the region.
- Administrative Modification No. 15 was approved on June 13, 2024. Table 1 (Attachment 3) summarizes the changes made to 5 projects and 1 grouped project listing in the region.

Mario Orso, Chief Executive Officer

Attachments: 1. Semi-Annual Sole Source Awards – Jan-June 2024
2. 2023 RTIP Amendment No.12 – Table 1
3. 2023 RTIP Amendment No.15 – Table 1

SANDAG Sole Source Contract Awards

Semi-Annual Report for period January 1 through June 30, 2024

By direction of the Board of Directors: The Director of Contracts and Procurement Services shall oversee the preparation of a semi-annual report for review by the CEO, and the Board of Directors. The report shall include sole source contract awards for the period including the project, the underlying reason (and demonstrating adherence to public procurement laws), funding source(s), value of the award, and name of the approving official.

Note: All sole source awards listed in the table below were executed in compliance with Board Policies and the current SANDAG Procurement Manual.

Sole Source Contract Awards

	Vendor Name/ Contract No.	Title/Project	Underlying Reason*/Adherence to Public Procurement Laws	Value of Sole Source	Award Date	Funding Source(s)	Approving Official
1	CDM Smith #S1243689	Binational Investment Grade Traffic/Revenue Study – Otay Mesa East POE Project	#3: Public Interest Additional services are needed to refresh the model built by CDM Smith under a competitive contract. Required to meet industry standards on accuracy for financing.	$1,205,096	January 4, 2024	Federal/ State/ Local	Sharon Humphreys, Director, Engineering and Construction
2	Brinks US, A Division of Brinks Incorporated #5006112 AM3	SR-125 Armored Transportation Services	#17: Essential to Research or Operational Continuity Time extension of existing competitively bid contract. No proposals were received in response to an advertised RFP. Staff are researching alternatives.	$160,700	January 11, 2024	Local	Lucinda Broussard, Director, Regional Transportation Services
3	Deloitte Consulting LLP #6000052	Regional Back Office System (BOS) Replacement	#3: Public Interest #6: Unusual and Compelling Urgency/Emergency Vendor has committed to implementation of a replacement BOS in 7-8 months; this will minimize disruption to tolling operations and resulting revenue losses.	$28,767,303	February 7, 2024	Local	Lucinda Broussard, Director, Regional Transportation Services *The Board approved the sole source on January 12, 2024.*

Sole Source Contract Awards							
	Vendor Name/ Contract No.	Title/Project	Underlying Reason*/Adherence to Public Procurement Laws	Value of Sole Source	Award Date	Funding Source(s)	Approving Official
4	Carasoft #5240441	Atlassian SW Lic – JIRA & Confluence Prod	#3: Public Interest To provide gap coverage with a reduction in the use of these software products with existing supplier while a new competitive procurement is conducted.	$831.53	February 21, 2024	Federal/ State/ Local	Cindy Burke, Senior Director, Data Science
5	WSP USA Inc #S882177 TO2 AM2	Design Support During Construction - Border to Bayshore	#13: Unique/Highly Specialized Item/Service #14: Existing Contractor/Consultant Follow-On Work WSP was awarded work on this project through a competitively bid procurement. The amendment adds scope and follow-on work for unanticipated additional conceptual design services related to bike accommodation during construction.	$132,472	March 4, 2024	Local	Sharon Humphreys, Director, Engineering and Construction
6	Fagan Consulting #S1000973 AM6	Technical Support Services for SR-125 Regional Back Office System (BOS)	#14: Existing Consultant Follow-On Work The vendor will provide technical support services during the BOS replacement.	$2,674,781	March 6, 2024	Local	Lucinda Broussard, Director, Regional Transportation Services
7	Wilson & Co., Inc. Wilson & Co, Inc. #5240497	Bayshore Bikeway Barrio Logan – Flagging & Inspection Services	#3: Public Interest Wilson & Co exclusively provides flagging services for any work performed within the BNSF right-of-way.	$112,210	March 19, 2024	Federal/ State/ Local	Omar Atayee, Acting Director, Engineering and Construction

Sole Source Contract Awards							
	Vendor Name/ Contract No.	Title/Project	Underlying Reason*/Adherence to Public Procurement Laws	Value of Sole Source	Award Date	Funding Source(s)	Approving Official
8	Anser Advisory #S855531 TO2 AM3	Construction Management Services for Slope and Drainage Improvements at San Ysidro Yard	#13: Unique/Highly Specialized Item/Service #14: Existing Contractor/Consultant Follow-On Work Anser Advisory was awarded work on this project through a competitively bid procurement. The amendment adds scope and follow-on work for a specialist biologist/paleontologist.	$95,586	March 21, 2024	Local	Sharon Humphreys, Director, Engineering and Construction
9	HNTB Corporation #S882170 TO6 AM1	Batiquitos Lagoon Double Track Final Design/ Permitting	#13: Unique/Highly Specialized Item/Service #14: Existing Contractor/Consultant Follow-On Work HNTB is the Engineer of Record for the Batiquitos Lagoon Double Track project, and thus has extensive knowledge of the design, permitting and background of the project. This permitting and agreement support is integral to negotiation with the CMCG and build-out of the project.	$233,463	March 26, 2024	Federal/ State/ Local	Omar Atayee, Acting Director Engineering and Construction *The Board approved the sole source at its meeting on March 12, 2024.*
10	Kimley Horn and Associates #6000039	As-Built Services for South Bay Rapid	#3: Public Interest Kimley Horn provided the original services under a competitively procured contract and Kimley Horn has possession of the contractor and RE redlines and could most efficiently complete the record drawings.	$336,561	March 28, 2024	Federal/ Local	Omar Atayee, Acting Director, Engineering and Construction

Sole Source Contract Awards							
	Vendor Name/ Contract No.	Title/Project	Underlying Reason*/Adherence to Public Procurement Laws	Value of Sole Source	Award Date	Funding Source(s)	Approving Official
11	Carahsoft #5004898 AM8	Salesforce Config, Dev, Int & App Deployment	#14: Existing Consultant Follow-On Work 1-year extension of existing software licenses while competitive RFP was in progress.	$33,682	April 4, 2024	Local	Lucinda Broussard, Director, Regional Transportation Services
12	Quality Infrastructure Corporation #S882181 TO1AM3	Bayshore Bikeway Barrio Logan	#1: Authorized by Statute #14: Existing Consultant Follow-On Work Additional services required from Engineer of Record to support permitting, negotiations, and coordination with the Navy and other stakeholders.	$359,591	April 10, 2024	Local	Omar Atayee, Acting Director, Engineering and Construction
13	Kimley-Horn and Associates, Inc. 6000037	Downtown Rapid Bus Stations - Record Drawings	#17: Operational Continuity Additional work, completion of record drawings, is required for project close-out. Kimley-Horn provided original design services for the project under the previous A&E contracts (now expired).	$69,466	April 12, 2024	Local	Omar Atayee, Acting Director, Engineering and Construction
14	Merkel & Associates, Inc. #S1220601	CP Rose and Sorrento Vally Double Track Projects – Final Signoff Tasks	#3: Public Interest #17: Operational Continuity Merkel was a subconsultant to BRG who was originally awarded work through a competitively procured process. BRG closed their business, and a contract was executed directly to Merkel as they had history and knowledge of the project.	$91,856	April 19, 2024	Local	Sharon Humphreys, Director, Engineering and Construction

Sole Source Contract Awards							
	Vendor Name/ Contract No.	Title/Project	Underlying Reason*/Adherence to Public Procurement Laws	Value of Sole Source	Award Date	Funding Source(s)	Approving Official
15	Fagan Consulting #S1000973 AM7	ETAN Migration Production and Disaster Recovery	#14: Existing Consultant Follow-On Work Fagan's technical expertise was required for unforeseen work to minimize risks associated with ETAN's migration of both production and disaster recovery environments to a new data center.	$81,422	April 26, 2024	Local	Lucinda Broussard, Director, Regional Transportation Services
16	Datadel LLC #6000106	Database Administration and Cloud Deployment	#3: Public Interest Vendor forced out of data center with very little notice which necessitated an immediate alternate to protect the data stored.	$38,400	May 10, 2024	Federal/ State/ Local	Ray Major, Chief Deputy CEO
17	MicroAge #5240612	Automox Patch Management	#6: Emergency A bidding error occurred during the competitive solicitation process which resulted in the cancellation of the solicitation after bids were received. In order to keep operational continuity of necessary licenses, a sole source was issued to the vendor who bid the lowest unit cost per license.	$31,321	May 24, 2024	Federal/ State/ Local	Bill Parris, Director, Business Information & Technology Services
18	Bergman Dacey Goldsmith, Law Group, A Professional Corporation #6000166	Litigation Legal Services in Osmon Matter	#3: Public Interest #10: Protests, Disputes, Claims, Litigation BDG had worked on this litigation previously, but SANDAG had been dropped from the case. A cross-complaint was later filed and BDGs knowledge of the matter provided	$100,000	June 4, 2024	Local	John Kirk, General Counsel

Sole Source Contract Awards							
	Vendor Name/ Contract No.	Title/Project	Underlying Reason*/Adherence to Public Procurement Laws	Value of Sole Source	Award Date	Funding Source(s)	Approving Official
			expeditious response and cost efficiency.				
19	SuccessFactors, Inc. #S832943 AM2	SuccessFactors Performance Evaluation	#5: Unique or Innovative Concept (One Source) Two-year extension of the performance evaluation platform only available from current provider. New RFP will be done after full implementation of ERP when a full needs assessment can be adequately performed.	$29,757	June 6, 2024	Federal/ State/ Local	Josh Golter, Director, Human Resources
20	Verizon #5240344	Verizon CalNet Cat19.2 (Public Safety)	#13: Unique/Highly Specialized Item/Service 14: Existing Contractor/Consultant Follow-On work Verizon is the only wireless carrier that provides the type of networking necessary for law enforcement access through a static I.P. route. Static I.P. provides the level of security required.	$526,335	June 7, 2024	Local	Anthony Ray, Director, ARJIS
21	HNTB Corporation #S882170 TO5 AM2	San Onofre to Las Pulgas Double Track Phase 2 – Design Support During Construction	#1: Authorized by Statute #3: Public Interest Additional services required from Engineer of Record to support responding to RFIs and reviewing submittals. Conducting a procurement would not lead to an allowable different consultant selection.	$1,189,250	June 18, 2024	State	Omar Atayee, Acting Director Engineering and Construction

Sole Source Contract Awards							
	Vendor Name/ Contract No.	Title/Project	Underlying Reason*/Adherence to Public Procurement Laws	Value of Sole Source	Award Date	Funding Source(s)	Approving Official
22	Kimley Horn and Associates #6000103	Design Services During Construction for Imperial Bikeway	#17: Essential to Research or Operational Continuity Kimley Horn is the Engineer of Record for design of the Imperial Bikeway. Continued design support during the construction phase is integral to successful completion.	$203,372	June 20, 2024	Local	Omar Atayee, Acting Director Engineering and Construction
23	Nixon Peabody LLC #5240537	SR-125 Audit Services	#14: Existing Contractor/ Consultant Follow-On Work Nixon Peabody was awarded a contract for Disclosure Counsel Services for the SR 125 Loan Refinance through a competitive process. This is logical follow-on work where their knowledge related to the transaction will provide time and cost efficiency.	$156,200	June 24, 2024	Local	Amberlyn Deaton, Deputy General Counsel

** Refer to the Appendix: Sole Source Award Justifications on the following page.*

Appendix: Sole Source Award Justifications

SANDAG'S procurement policies, including Board Policy No. 016 (Procurement of Services), require full and open competition.

In limited situations, the award of a contract without competition may be permitted if justified by one or more of the reasons below, fully documented as part of the procurement record, and approved in accordance with the Delegation of Authority by CEO policy.

Additionally, the need for a sole source award cannot be due to a failure to plan or because federal funds are expiring.

Acceptable Justifications for Sole Source Awards by Funding Type

No.	Reason
Applicable to all funding sources	
1	Authorized by Statute
2	Funding Agency Approval
3	Public Interest
4	*No longer used*
5	Unique or Innovative Concept (One Source)
6	Unusual and Compelling Urgency/Emergency
Applicable to Local or Federal Transit Administration funding sources	
7	International Arrangements
8	National Emergency
9	National Security
10	Protests, Disputes, Claims, Litigation
11	Substantial Duplication Costs (Equipment)
12	Unacceptable Delay (Equipment)
Applicable to ONLY Local funding sources	
13	Unique/Highly Specialized Item/Service
14	Existing Contractor/Consultant Follow-on Work
15	Competitive Procurement Cost Exceeds Cost of Work/Item
16	Integral to Existing Equipment
17	Essential to Research or Operational Continuity
18	Existing Specialized Training/Expertise

Attachment 2

Table 1 - Summary of Changes Report ($000)
2023 RTIP Amendment No. 12

LEGEND:
↑ Increase
↓ Reduce
↔ Revise
+ Add new

Project ID	Lead Agency	Project Title	Total Programmed Before	Total Programmed Revised	Cost Difference	Percent Change	Change Description
CAL46A	Caltrans	Grouped Projects for Safety Improvements - SHOPP Mobility Program	$174,873	$251,824	$76,951	44%	↑ SHOPP-SB1-RMRA; ↑ SHOPP-State Cash-Mobility
CAL46D	Caltrans	Grouped Projects for Bridge Rehabilitation and Reconstruction-SHOPP Program	$69,817	$134,016	$64,199	92%	↑ SHOPP-SB1-RMRA
CAL46E	Caltrans	Grouped Projects for Pavement Resurfacing and/or Rehabilitation - SHOPP Roadway Preservation Program	$540,392	$805,423	$265,031	49%	↑ SHOPP (AC)-NHS-Roadway Preservation; ↑ SHOPP-SB1-RMRA; + SHOPP-NHS-Roadway Preservation
CAL46I	Caltrans	Grouped Projects for Safety Improvements - SHOPP Mandates Program	$43,744	$52,191	$8,447	19%	SHOPP-NHS-Mobility
CHV69	Chula Vista, City of	Heritage Road Bridge	$48,342	$68,341	$20,000	41%	↑ HBP; ↑ Local Funds
CHV88	Chula Vista, City of	F Street Promenade	$15,836	$15,836	$0	0%	↔ Revised ATP-R and Local Funds between fiscal years
SAN129	San Diego Association of Governments	Downtown Multiuse and Bus Stopover Facility	$57,975	$57,975	$0	0%	↓ TransNet - MC; ↑ RSTP
SAN213	San Diego Association of Governments	Grouped Projects for Operating Assistance - FTA Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities	$9,382	$9,477	$95	1%	↑ FTA 5310
SAN214	San Diego Association of Governments	Grouped Projects for Capital Purchase - FTA Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities	$9,187	$8,500	-$687	-7%	↓ TransNet - SS
V11	Various Agencies	State Route 11	$1,109,594	$1,124,594	$15,000	1%	↑ CBI
V12	Various Agencies	Grouped Projects for Bicycle and Pedestrian Facilities.	$56,124	$56,124	$0	0%	Revised fund source; Removed SB1-LPP-Formula; ↑ CRP; + RSTP

Abbreviation	Fund Type
ATP-R	Active Transportation Program - Regional
BIP/CBI	Border Infrastructure Program/Corridors and Borders Infrastructure Program
FTA 5310	Federal Transit Administration Elderly & Disabled Program
HBP	Highway Bridge Program under SAFETEA-LU
Local Funds	Funds available from other sources such as developer fees, fare revenue or general fund
RSTP	Regional Surface Transportation Block Grant
SHOPP - Roadway Preservation	State Highway Operation and Protection Program - Roadway Preservation
SHOPP - Mobility	State Highway Operation and Protection Program - Mobility
SHOPP - SB1 - RMRA	State Highway Operation and Protection Program - Roadway Maintenance and Rehabilitation Account
TransNet - MC	Prop A Extension - Major Corridors
TransNet - SS	Prop A Extension - Senior Services

Table 1 - Summary of Changes Report ($000)
2023 RTIP Amendment No. 15

LEGEND:
↑ Increase
↓ Reduce
↔ Revise
+ Add new

Project ID	Lead Agency	Project Title	Total Programmed Before	Total Programmed Revised	Cost Difference	Percent Change	Change Description
CHV69	Chula Vista, City of	Heritage Road Bridge	$68,341	$72,365	$4,024	6%	↑ Local Funds
IB02	Imperial Beach, City of	Street Maintenance Operations	$6,133	$6,023	-$110	-2%	↓ TransNet - LSI; ↓ TransNet - LSI Carry Over
IB12	Imperial Beach, City of	Major Street Improvements	$9,229	$8,083	-$1,146	-12%	↓ TransNet - LSI; ↓ TransNet - LSI Carry Over
IB21	Imperial Beach, City of	SR-75 Signal Interconnection Project	$600	$600	$0	0%	↔ Revised TransNet - CP between fiscal years
IB23	Imperial Beach, City of	10th Streetscape Enhancement Project	$1,152	$1,493	$341	30%	↑ TransNet - LSI; + TransNet - LSI Carry Over; ↑ Local Funds
V14	Various Agencies	Grouped Projects for Bicycle and pedestrian facilities - Active Transportation Program (ATP)	$124,453	$124,453	$0	0%	↑ TransNet - LSI; ↓ Local Funds

Abbreviation	Fund Type
Local Funds	Funds available from other sources such as developer fees, fare revenue or general fund
TransNet - CP	Prop A Extension - Commercial Paper
TransNet - LSI	Prop A Extension - Local System Improvements

Draft 2025 Regional Transportation Improvement Program

Overview

SANDAG, serving as the region's Metropolitan Planning Organization, is required by state and federal law to develop and adopt a Regional Transportation Improvement Program (RTIP). The RTIP is a multiyear program of proposed major transportation projects in the San Diego region, including the TransNet Program of Projects.

SANDAG updates the RTIP every two years. The current 2023 RTIP, adopted by the Board of Directors on September 23, 2022, covers the five-year period FY 2023 through FY 2027. SANDAG typically adopts a new RTIP by October 1 of every even year. The California Federal Programming Group has set a due date of September 30, 2024, for submitting an updated RTIP.

This draft 2025 RTIP, covering the period FY 2025 through FY 2029, is a $22 billion program which implements projects included in San Diego Forward: The 2021 Regional Transportation Plan (2021 Regional Plan) and the 2015 Sustainable Communities Strategy, and includes funds programmed on projects in prior years. Total funds programmed during the five-year period of FY 2025 through FY 2029 are $5.9 billion.

Action: **Accept**

The Transportation Committee recommends that the Board of Directors accept the draft 2025 Regional Transportation Improvement Program, including its air quality conformity analysis and draft air quality conformity redetermination of the revenue constrained San Diego Forward: The 2021 Regional Transportation Plan, for distribution for a 30-day public review and comment period.

Fiscal Impact:

The 2025 Regional Transportation Improvement Program (RTIP) is a nearly $22 billion program that implements the projects in the San Diego Forward: The 2021 Regional Transportation Plan. Total funds programmed during the five-year period of FY 2025 through FY 2029 are $5.9 billion.

Schedule/Scope Impact:

Federal approval of the 2025 RTIP is expected on December 16, 2024.

Key Considerations

Federal and state regulations identify the process and required content of the RTIP. Attachment 1 details the federal requirements and how the draft 2025 RTIP meets those requirements. In general, the RTIP must include all major projects receiving certain categories of federal or state transportation funding, projects needing federal project approval, and/or projects identified as being regionally significant.

As prescribed by the TransNet Ordinance, the RTIP also includes the TransNet Program of Projects. To meet the requirements of the Ordinance, the TransNet Program of Projects was updated by local agencies after holding a public hearing. The Program of Projects is included in the draft 2025 RTIP.

The tables contained in Chapter 3 of the 2025 RTIP illustrate the source and amount of each fund type as well as the year and project phase for which the funding is planned. The projects included in the draft 2025 RTIP can be found in our public-facing ProjectTrak database here, while the draft RTIP document will be posted in its entirety on the SANDAG website at sandag.org/RTIP.

The Transportation Committee has historically been interested in the split of investments by mode. Attachment 3 provides two charts, one for the total draft 2025 RTIP including prior, and one for FY 2025 through FY 2029, that illustrate how funds are being invested per transportation mode including highway, multi-modal, transit, bike/pedestrian, and operations/maintenance.

Federal regulations require that SANDAG conduct an air quality conformity analysis of all regionally significant projects that increase the transportation system capacity. This includes major local and privately funded projects and any other state or federally funded projects that might not otherwise appear in the RTIP, as well as new projects or major changes in the project scope for existing programmed projects.

The draft quantitative emissions analyses for the draft 2025 RTIP and for the conformity redetermination for the 2021 Regional Plan have been completed, and the draft results indicate that they meet the air quality conformity requirements (Attachment 4). The San Diego Region Conformity Working Group (CWG) reviewed the draft air quality conformity assessment at its June 5, 2024, meeting and any comments were incorporated into the document. The CWG will continue to provide comments throughout the RTIP process.

SANDAG has performed an analysis of the projects programmed in the RTIP to evaluate their equitable distribution in disadvantaged communities. This analysis shows that the projects and investments are distributed in vulnerable census tracts proportional to the population of those census tracts. A detailed explanation of the results and methodology will be included in Appendix G of the 2025 RTIP.

Outreach

In addition to the CWG, the development process and schedule for the 2025 RTIP was presented to the Regional Plan Social Equity Working Group (SEWG) in March 2024.

The Independent Taxpayer Oversight Committee reviewed the draft 2025 RTIP at its meeting on July 10, 2024, focusing its review on the TransNet Program of Projects, including compliance with the Ordinance and requirements of SANDAG Board Policy No. 031. No comments were received.

Next Steps

Pending acceptance by the Board of Directors, the draft 2025 RTIP will be distributed for a 30-day public review and comment period, and a public hearing will be set for the September 20, 2024, Transportation Committee meeting to receive public testimony on the proposed final 2025 RTIP. The Board will be asked to adopt the final 2025 RTIP at its meeting on September 27, 2024. The final 2025 RTIP is due to the state by September 30, 2024.

Susan Huntington, Director of Financial Planning, Budgets, and Grants

Attachments:
1. Draft 2025 RTIP Federal Requirements Analysis
2. Draft 2025 RTIP Program Summary
3. Draft 2025 RTIP Major Projects by Mode
4. Draft Chapter 5 – Air Quality Conformity Analysis
5. 2025 RTIP Fact Sheet

Federal Requirements Analysis for the Draft 2025 RTIP

Metropolitan Planning and Transportation Conformity

The U.S. Department of Transportation (U.S. DOT) Metropolitan Planning Regulations[1] and U.S. Environmental Protection Agency (U.S. EPA) Transportation Conformity Regulations[2] establish six criteria requirements which the Regional Transportation Improvement Program (RTIP) must satisfy. The metropolitan planning regulations require that: (1) the RTIP be financially constrained and (2) make progress toward achieving federal performance targets. The transportation conformity regulations state that the RTIP must: (3) be consistent with San Diego Forward: The 2021 Regional Transportation Plan (2021 Regional Plan); (4) meet regional emissions tests; (5) include timely implementation of transportation control measures (TCMs); and 6) include inter-agency consultation and public involvement.

The Draft 2025 RTIP meets all six tests required under federal metropolitan planning and transportation conformity regulations. The SANDAG Board of Directors will be asked to make these findings for the Proposed Final 2025 RTIP under the required federal tests on September 27, 2024. On December 16, 2024, Federal Highways and the Federal Transit Administration are expected to find that the 2025 RTIP conforms with the provisions of 40 CFR Parts 51 and 93.

Financial Constraint Test

Federal regulations 23 CFR Section 450.326(j) require the Draft 2025 RTIP to be a revenue-constrained document with programmed projects based upon available or committed funding and/or reasonable estimates of future funding. Chapter 4 of the Draft 2025 RTIP discusses in detail the financial capacity analysis of major program areas, including a discussion of available revenues.

Finding: The projects contained within the Draft 2025 RTIP are reasonable when considering available funding sources as demonstrated in Chapter 4, Tables 4-1a through c.

Performance Management Test

Federal regulations 23 CFR Section 450.326(c) require the Draft 2025 RTIP to be designed such that once implemented, it makes progress toward achieving the performance targets established under 450.306(d) and shall include, to the maximum extent practicable, a description of the anticipated effect of the RTIP toward achieving the performance targets identified in the transportation plan, linking investment priorities to those performance targets. Appendix H of the Draft 2025 RTIP provides information on the projects which support the required federal performance management requirements.

Finding: The projects contained within the Draft 2025 RTIP make progress toward achieving the performance targets for safety (PM1) established by the Board of Directors through investment in projects with the primary purpose of improving safety, active transportation projects, and safety features within larger transportation projects.

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Finding: The projects contained within the Draft 2025 RTIP make progress toward achieving the 2020 and 2022 performance targets for pavement and bridge condition (PM2) through investment in projects with the primary purpose of improving pavement conditions on the National Highway System.

Finding: The projects contained within the Draft 2025 RTIP make progress toward achieving the approved performance targets for the system performance, freight, and CMAQ performance measures (PM3) through investment in projects that provide travel choices, promote non-single occupant vehicle travel, reduce excessive delay and pollutant emissions.

Finding: The projects contained within the Draft 2025 RTIP make progress toward achieving the 2020 regional performance targets for transit asset management. The program includes investments in the four key categories for transit asset management: equipment, facilities, infrastructure, and rolling stock.

Consistency with San Diego Forward: The 2021 Regional Transportation Plan

Finding: The Draft 2025 RTIP is consistent with San Diego Forward: The 2021 Regional Transportation Plan (2021 Regional Plan) adopted on December 10, 2021 (policies, programs, and projects). All projects conform to the scope, cost, and schedule included in the 2021 Regional Plan.

Regional Emissions Tests

These findings are based on the regional emissions analysis shown in Table B.9 in Appendix B of the 2021 Regional Plan which demonstrates conformity for the 2021 Regional Plan and Draft 2025 RTIP for the 2008 and 2015 eight-hour ozone standards.

Finding: The regional emissions analyses for the Draft 2025 RTIP are consistent with the emissions analyses for the 2021 Regional Plan.

Finding: The Draft 2025 RTIP is in conformance with the applicable State Implementation Plan[3] (SIP).

Timely Implementation of TCM Test

Finding: The TCMs, established as Transportation Tactics in the 1982 SIP, have been fully implemented and the Draft 2025 RTIP continues to fund the four TCMs, which include: (1) ridesharing; (2) transit improvements; (3) traffic flow improvements; and (4) bicycle facilities and programs.

Inter-Agency Consultation and Public Involvement Test

Finding: The Draft 2025 RTIP complies with all federal and state requirements for public involvement by following the strategies described in Board Policy No. 025: Public Participation Plan Policy. The Draft 2025 RTIP will be posted for a 30-day public comment period from July 26, 2024, through August 26, 2024.

Finding: The SANDAG Conformity Working Group (CWG), including members from the San Diego County Air Pollution Control District, Caltrans, California Air Resources Board, SANDAG, U.S. DOT, and U.S. EPA, serve as a forum to meet the federal and state requirements for interagency consultation for the 2025 RTIP. All exempt projects in the Draft 2025 RTIP were submitted to the CWG on April 29, 2024, for its review, and members concurred with the exempt categorizations.

[1] 23 Code of Federal Regulation (CFR) Part 450, subpart C
[2] 40 CFR part 93, subpart A
[3] 2008 Eight-Hour Ozone Attainment Plan for San Diego County (December 2016)

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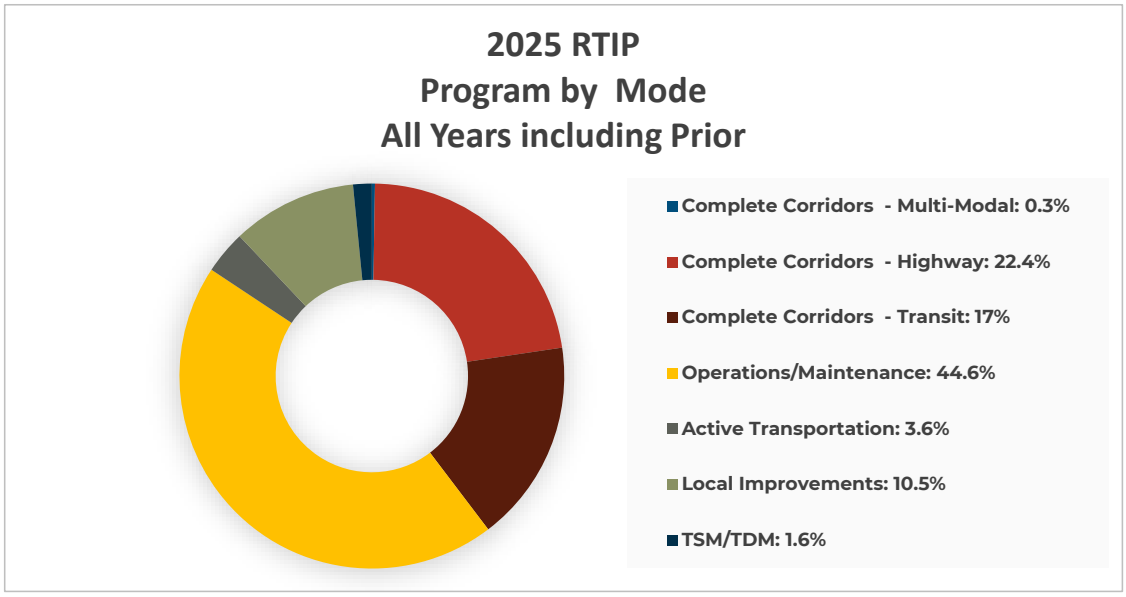
2025 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM

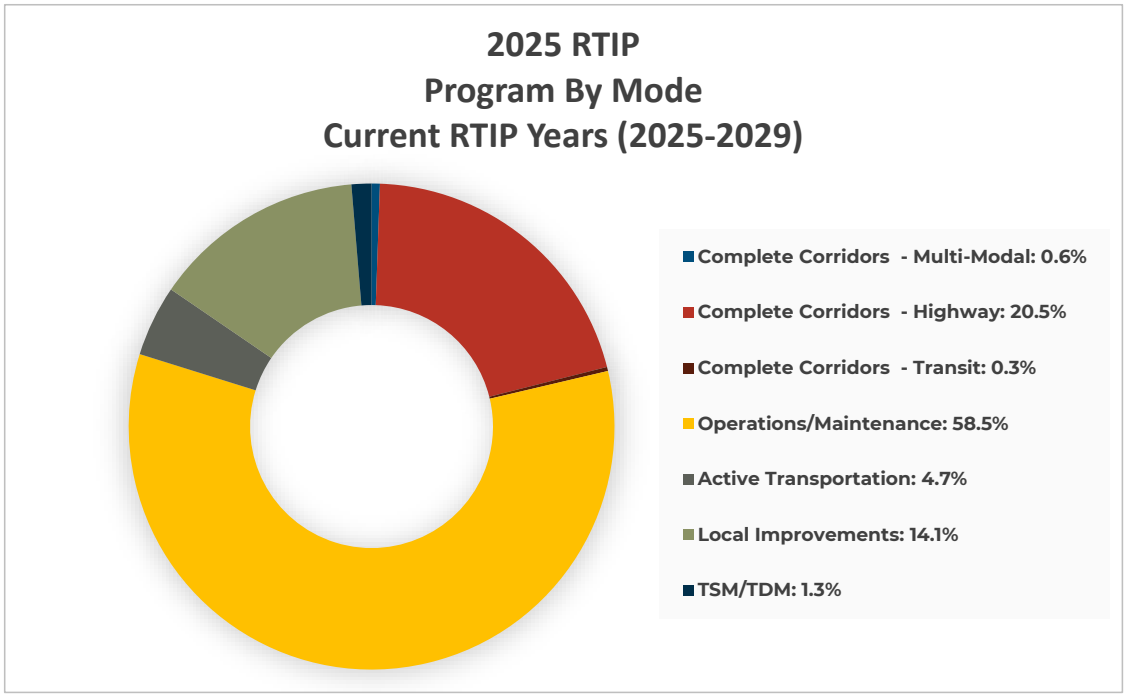
PROGRAM SUMMARY (IN $000s)

DESCRIPTION	FEDERAL	STATE	TRANSNET	LOCAL/ PRIVATE	TOTAL RTIP (All years incl. Prior)
Corridors					
South Bay to Sorrento	$93,157	$19,900	$56,576	$0	$169,633
Coast, Canyons and Trails	$5,000	$3,000	$6,000	$11,672	$25,672
San Vicente	$11,125	$37,043	$3,832	$0	$52,000
North County	$19,595	$407,530	$54,566	$372	$482,063
Central Mobility Hub and Connections	$53,748	$0	$3,194	$1,127	$58,069
I-5 NCC	$531,649	$934,666	$278,295	$26,747	$1,771,356
SR 125/Border Access	$773,551	$311,074	$42,901	$2,900	$1,130,426
SR 56	$13,122	$0	$2,091	$23,409	$38,622
I-15	$4,854	$24,646	$0	$0	$29,500
SR 94	$14,800	$142,526	$15,985	$0	$173,311
Subtotal Corridors	*$1,520,600*	*$1,880,385*	*$463,440*	*$66,227*	*$3,930,652*
Other Corridors and Substantially Completed Projects					
MidCoast Projects [1]	$1,175,406	$81,733	$1,150,718	$29,044	$2,436,901
Substantially Completed Projects [2]	$653,534	$979,231	$662,331	$45,752	$2,340,848
Subtotal Other Corridors and Substantially Completed Projects	$1,828,940	$1,060,964	$1,813,049	$74,796	$4,777,749
Operations/Maintenance					
Highway	$455,620	$942,613	$20,440	$90,473	$1,509,146
Transit (incl. operations/planning/infrastructure/capital)	$2,610,446	$1,341,453	$1,343,948	$1,842,993	$7,138,839
Local Street and Road	$9,057	$0	$495,041	$111,056	$615,154
Local EMP Program	$58,484	$0	$477,084	$4,703	$540,271
Subtotal Operations/Maintenance	*$3,133,607*	*$2,284,065*	*$2,336,513*	*$2,049,225*	*$9,803,411*
Active Transportation					
Bicycle/Pedestrian	$88,229	$222,699	$322,636	$122,372	$755,937
Smart Growth	$0	$0	$21,147	$18,586	$39,733
Subtotal Active Transportation	*$88,229*	*$222,699*	*$343,783*	*$140,958*	*$795,670*
Local Improvements					
Street and Road	$56,354	$8,276	$905,308	$821,187	$1,791,125
Regional Arterial System	$55,257	$35,200	$195,231	$228,227	$513,915
Subtotal Local Improvements	*$111,611*	*$43,476*	*$1,100,539*	*$1,049,414*	*$2,305,039*
Transportation Systems/Demand Management					
ITS/Traffic Signals	$9,752	$38,763	$150,589	$33,493	$232,597
TDM	$108,949	$0	$752	$1,500	$111,200
Subtotal Transportation Systems/Demand Management	*$118,701*	*$38,763*	*$151,340*	*$34,993*	*$343,797*
GRAND TOTAL	**$6,801,688**	**$5,530,352**	**$6,208,665**	**$3,415,612**	**$21,956,317**

[1] MidCoast Projects include the primary MidCoast project and associated projects - Elvira to Morena, San Diego River Bridge, Gilman, Voigt, & Rose Canyon Bridges

[2] Substantially Completed Projects are open to traffic but not closed out of the budget or RTIP for miscellaneous remaining tasks including plant establishment





TSM/TDM - Transportation Systems Managmenet/Transportation Demand Management

Chapter 5
Air Quality Conformity Analysis

San Diego Air Basin Transportation Conformity Background

On May 21, 2012, the U.S. Environmental Protection Agency (U.S. EPA) designated the San Diego air basin as a nonattainment area for the 2008 Eight-Hour Ozone National Ambient Air Quality Standard (NAAQS) and classified it as a Marginal area with an attainment date of December 31, 2015. This designation became effective on July 20, 2012. SANDAG determined conformity to the new standard on May 24, 2013, using the applicable model approved by the U.S. EPA to forecast regional emissions (EMFAC2011). The U.S. Department of Transportation (U.S. DOT), in consultation with the U.S. EPA, made its conformity determination on June 28, 2013.

Effective June 3, 2016, the U.S. EPA determined that 11 areas, including the San Diego air basin, failed to attain the 2008 ozone NAAQS by the applicable attainment date of December 31, 2015, and thus were reclassified by operation of law as Moderate nonattainment areas. States containing any portion of these new Moderate areas were required to submit State Implementation Plan (SIP) revisions to meet the statutory and regulatory requirements that apply to Moderate nonattainment areas, by January 1, 2017.

The San Diego County Air Pollution Control District (SDAPCD) submitted a SIP revision addressing Moderate area requirements to the California Air Resources Board (CARB) on December 27, 2016. CARB submitted the SIP revision document to the U.S. EPA on April 12, 2017. Effective December 4, 2017, the U.S. EPA found the motor vehicle emissions budgets for the Reasonable Further Progress milestone year of 2017 from the *2008 Eight-Hour Ozone Attainment Plan for San Diego County* adequate for transportation conformity purposes for the 2008 ozone NAAQS.

On August 23, 2019, the U.S. EPA published a final rule in the Federal Register reclassifying the San Diego air basin by operation of law from a Moderate nonattainment area for the 2008 ozone NAAQS to Serious, effective September 23, 2019 (84 FR 44238). This rulemaking changed the 2008 ozone NAAQS attainment deadline to July 20, 2021, with an attainment year of 2020.

On October 26, 2015, the U.S. EPA published in the Federal Code of Regulation a new ozone NAAQS, referred to as the 2015 ozone standard. The new standard revised the allowable ozone level to 0.070 parts per million (ppm). The 2015 ozone standard became effective on December 28, 2015. On June 4, 2018, U.S. EPA published a final rule that designated the San Diego region as nonattainment, with a classification of Moderate, for the 2015 ozone NAAQS, with an attainment deadline of August 3, 2024, and an attainment year of 2023.

At its May 24, 2019, meeting the Board adopted the *2015 Ozone National Ambient Air Quality Standard Conformity Demonstration* for the 2018 Regional Transportation Improvement Program (2018 RTIP) and 2015 Regional Plan and found the documents, as amended, in conformity with the requirements of the federal Clean Air Act (CAA) and applicable SIP. The U.S. DOT, in consultation with the U.S. EPA made its conformity determination on June 21, 2019.

On November 19, 2020, CARB adopted the *2020 Plan for Attaining the National Ambient Air Quality Standards for Ozone in San Diego County* (2020 SIP) developed by the SDAPCD, which addressed both the 2008 and 2015 ozone standards. Included in the San Diego 2020 SIP was a request for a voluntary reclassification to Severe nonattainment for both the 2008 and 2015 ozone NAAQS. The reclassification extended the timeline to meet the standards and aligned with air quality modeling.

Effective July 2, 2021, the U.S. EPA approved the request from CARB to reclassify the San Diego air basin ozone nonattainment area to Severe for both the 2008 and 2015 ozone NAAQS. The reclassification of the 2008 ozone NAAQS from Serious to Severe changed the attainment date from July 20, 2021, (as a Serious area) to July 20, 2027, (as a Severe area) and the attainment demonstration year from 2020 to 2026. The reclassification of the 2015 ozone NAAQS from Moderate to Severe changed the attainment date from August 3, 2024, (as a Moderate area) to August 3, 2033, (as a Severe area) and the attainment demonstration year from 2023 to 2032. On October 4, 2021, the U.S. EPA published in the Federal Register the adequacy finding for the on-road transportation air quality budgets in the 2020 SIP with an effective date of October 19, 2021.

On December 10, 2021, the Board adopted San Diego Forward: The 2021 Regional Plan (2021 Regional Plan) found it along with the 2021 RTIP, as amended, in conformity with the requirements of the federal CAA and applicable SIP. The U.S. DOT, in consultation with the U.S. EPA, made its conformity determination on January 28, 2022.

Demonstration of Fiscal Constraint

The 2025 RTIP is consistent with the 2021 Regional Plan. As a financially constrained document, the 2025 RTIP contains only those major transportation projects listed in the Revenue Constrained 2021 Regional Plan. Chapter 4 of the 2025 RTIP includes detailed discussion on fiscal constraint and overall financial capacity to carry out projects included in the RTIP. Tables 4-1a through 4-1c are program summaries for the 2025 RTIP. Based on the analysis, the projects contained in the 2025 RTIP are reasonable when considering available funding sources.

Development of Transportation Control Measures

In 1982, SANDAG adopted four Transportation Tactics as elements of the 1982 Regional Air Quality Strategy (RAQS). These Transportation Tactics are: (1) ridesharing; (2) transit improvements; (3) traffic flow improvements; and (4) bicycle facilities and programs.

These four Transportation Tactics were subsequently approved by the SDAPCD Board and are included in the 1982 SIP for Air Quality as Transportation Control Measures (TCMs). The U.S. EPA approved this SIP revision for the San Diego Air Basin in 1983. The four TCMs have been fully implemented. Ridesharing, transit, bicycling, and traffic-flow improvements continue to be funded, although the level of implementation established in the SIP has been surpassed.

The California CAA required the preparation of a 1991 RAQS, including TCMs. During 1991 and 1992, SANDAG, in cooperation with local agencies, transit agencies, and the SDAPCD, developed a TCM Plan. SANDAG approved the TCM Plan on March 27, 1992.

On June 30, 1992, the SDAPCD amended the TCM Plan and adopted the 1991 RAQS, including the amended TCM Plan. TCMs included in the 1991 RAQS include the four Transportation Tactics described above as well as a Transportation Demand Management (TDM) program, vanpools, high-occupancy vehicle lanes, and Park & Ride facilities. On November 12, 1992, CARB gave approval to the 1991 RAQS, including the TCMs.

The 1995 Triennial RAQS Update subsequently deleted the Employee Commute Travel Reduction Program contained in the TDM program because the program was no longer required under federal law. Assembly Bill 3048 (Statutes of 1996, Chapter 777) eliminated all state requirements for mandatory trip-reduction programs. As a result, the Student Travel Reduction Program, the Non-Commute Travel Reduction Program, and the Goods Movement/Truck Operation Program proposed in the 1991 RAQS were no longer statutorily mandated and were deleted from the RAQS in 1998. The 2001, 2004, 2009, and 2016 RAQS Revisions did not make changes to measures related to mobile sources or the TCM Plan.

Air Quality Conformity Requirements

SANDAG—as the Metropolitan Planning Organization—and the U.S. DOT must determine that the 2025 RTIP and the 2021 Regional Plan conform to the applicable SIP. Conformity to the SIP means that transportation activities will not create new air quality violations, worsen existing violations, or delay the attainment of the NAAQS.

Based upon the U.S. EPA's Transportation Conformity Rule, as amended, conformity of transportation plans and programs, including the 2025 RTIP, is determined according to the 1990 CAA Amendments [Section 176(c)(3)(A)] if the following is demonstrated:

- The 2025 RTIP provides for the timely implementation of the Transportation Tactics contained in the 1991 RAQs. These tactics also are included as TCMs in the 1982 SIP.
- A quantitative analysis is conducted on the cumulative emissions of projects programmed within the 2025 RTIP including all regionally significant, capacity-increasing projects. Further, implementation of the projects and programs must meet the motor vehicle emissions budget developed by local and state air quality agencies and be approved by the U.S. EPA. The 2025 RTIP must meet the applicable emission budgets prescribed in the 2020 Plan for Attaining the National Ambient Air Quality Standards which were found adequate for transportation conformity purposes by the U.S. EPA effective October 19, 2021, and which were approved by the U.S. EPA effective April 1, 2024.
- In addition to the required emissions tests, consultation with transportation and air quality agencies is required. The consultation process followed to prepare the air quality conformity analysis must comply with the San Diego Transportation Conformity Procedures adopted in July 1998.
- Interagency consultation involves SANDAG, SDAPCD, Caltrans, CARB, the U.S. DOT, and the U.S. EPA, which form the San Diego Region Conformity Working Group (CWG).

Consultation is a three-tier process that:

1. Formulates and reviews drafts through a conformity working group.
2. Provides local agencies and the public with opportunities for input through existing regional advisory committees and workshops.

3. Seeks comments from affected federal and state agencies through participation in the development of draft documents and circulation of supporting materials prior to formal adoption.

SANDAG consulted with the CWG for the preparation of the new air quality analysis of the 2025 RTIP. Conformity of the 2021 Regional Plan also is being redetermined for consistency purposes.

The schedule for the development of the 2025 RTIP, and criteria and procedures for determining conformity were presented to the CWG on March 6, 2024. In addition, the draft list of projects was distributed to the CWG on April 29, 2024, and the list was discussed at the May 1, 2024, CWG meeting.

The quantitative emissions analyses for the 2025 RTIP conformity determination and 2021 Regional Plan redetermination were initiated on April 24, 2024, and the results were distributed on June 3, 2024, to the CWG for an initial review and 30-day comment period. The CWG reviewed the draft air quality conformity analysis at its June 5, 2024, meeting.

The draft 2025 RTIP and its conformity analysis and the 2021 Regional Plan conformity redetermination will be released for public review and comment on July 26, 2024. Subsequently, the conformity analysis will be adopted by the Board on September 27, 2024. The following sections provide a summary of the air quality conformity analysis of the 2025 RTIP and 2021 Regional Plan in relation to the above conformity requirements.

Conformity Finding – Transportation Control Measures

The first requirement of the air quality conformity finding is to provide for the expeditious implementation of adopted TCMs, which are also the Transportation Tactics included in the 1991 RAQS. These tactics are ridesharing, transit improvements, traffic flow improvements, and bicycle facilities and programs.

The 1982 SIP established the TCMs, which identified general objectives and implementing actions for each tactic. Due to substantial investments since 1982, SANDAG has fully implemented the TCMs. Ridesharing, transit, bicycling, and traffic flow improvements continue to be funded, although the level of implementation established in the SIP has been surpassed. No TCMs have been removed or substituted from the SIP.

The 2025 RTIP programs substantial funds for the implementation of the four TCMs (identified as Transportation Tactics) in the 1982 SIP and 2016 RAQS, which have been fully implemented. The Transportation Tactics programmed for implementation are provided in Table 5-1, with approximately $11.8 billion, or 53.82% of the total funds programmed. Included are $110.4 million for Ridesharing, $10.7 billion for Transit Improvements, $724.2 million for Bicycle Facilities and Programs, and $232.5 million for Traffic Flow Improvements.
Based upon this analysis, the 2025 RTIP provides for the expeditious implementation of the existing TCMs in the 1982 SIP and 2016 RAQS, which remain the federally approved TCMs for the San Diego region.

Table 5-1: 2025 RTIP – San Diego Region (in $000s) Transportation Tactics

Transportation Tactic	Amount
Ridesharing	
Transportation Demand Management	$110,449
Subtotal Ridesharing:	*$110,449*
Transit Improvements	
Mid-Coast	$2,371,134
Major Transit - LOSSAN Corridor	$576,786
BRT	$133,866
Purple/Blue Line	$4,550
Ops/Maint - Transit	$7,664,303
Subtotal Transit Improvements:	*$10,750,639*
Bicycle Facilities	
Bicycle/Pedestrian Projects	$724,245
Subtotal Bicycle Facilities:	$724,245
Traffic Flow Improvements	
Transportation Management System/Intelligent Transportation System	$232,597
Subtotal Traffic Flow Improvements:	*$232,597*
Total Transportation Tactics in 2023 RTIP:	**$11,817,929**
Total All Transportation Projects in 2023 RTIP:	**$21,956,317**
Share of Transportation Tactics Projects in 2023 RTIP:	**53.82%**

Conformity Finding – Quantitative Emissions Analysis

The second requirement of the conformity finding is to conduct a quantitative emissions analysis for the 2025 RTIP. The emissions analysis must show that implementation of the 2025 RTIP and 2021 Regional Plan meet the emissions budgets established in the 2020 SIP.

A quantitative emissions analysis was conducted according to the requirements established in the Transportation Conformity Rule under Section 93.122(b). Motor vehicle emissions forecasts were produced for the following analysis years:, 2026, 2029, 2032, 2040, and 2050.

Severe nonattainment area classification for the 2008 Eight-Hour Ozone Standard established 2026 as the attainment year and 2023 as a reasonable further progress demonstration year. The analysis years were selected to comply with 40 CFR 93.106(a)(1) and 93.118(a). According to these sections of the Conformity Rule, analysis years must include reasonable further progress demonstration years (2023), attainment year (2026), the horizon year of the plan's forecast period (2050), and no more than ten years between analysis years (2032, 2040). Additionally, the first horizon year (2023) must be within ten years from the base year used to validate the transportation model (2016).

Severe nonattainment area classification for the 2015 Eight-Hour Ozone Standard established 2032 as the attainment year and 2023, 2026, and 2029 as reasonable further progress demonstration years. The analysis years were selected to comply with 40 CFR 93.106(a)(1) and 93.118(a). According to these sections of the Conformity Rule, analysis years must include reasonable further progress demonstration years (2023, 2026, 2029), attainment year (2032), the horizon year of the plan's forecast period (2050), and no more than ten years between analysis years (2040). Additionally, the first horizon year (2023) must be within ten years from the base year used to validate the regional transportation model (2016).

The SANDAG regional growth forecasts and transportation models, as well as the CARB emissions model, were used to generate the emissions forecasts. Transportation forecasts were developed using SANDAG's activity-based model (ABM). The ABM simulates individual and household transportation decisions that comprise their daily travel itinerary. It predicts whether, where, when, and how people travel outside their home for activities such as work, school, shopping, healthcare, and recreation. ABM outputs are used as inputs for regional emissions forecasts.

Emissions Factors, EMFAC2017 v1.0.3, was used to project the regional emissions for the 2025 RTIP and Amended 2021 Regional Plan conformity determination. On August 24, 2020, CARB released EMFAC2017 v1.0.3 to the public. On August 15, 2019, the U.S. EPA approved EMFAC2017 for use in conformity determinations. On November 15, 2022, the U.S. EPA approved EMFAC2021 for use in conformity determinations and set a two-year grace period for continued use of EMFAC2017, expiring on November 15, 2024 (87 FR 68483). Consistent with U.S. EPA rulemaking (87 FR 68483) and 40 CFR 93.111, EMFAC2017 was used to project the regional emissions for the air quality conformity analyses of the 2025 RTIP.

The 2025 RTIP and 2021 Regional Plan air quality conformity analysis was conducted for the years 2023–2050. All the capacity-increasing improvements identified in the 2025 RTIP that are on the Regional Arterial System (as defined in the Regional Plan) or the Federal Highway Administration functional classification system (other principal arterials and higher classifications) were modeled.

Table 5-2 provides a summary of the results of the quantitative emissions analysis conducted for the 2025 RTIP and 2021 Regional Plan using budgets from the 2020 SIP. The table demonstrates that the 2025 RTIP and 2021 Regional Plan meet the budgets for the 2008 and 2015 Eight-Hour Ozone Standards. Projected ROG and NOx emissions for 2026, 2029, 2032, 2040, and 2050 are below the established SIP budgets.

Table 5-2: 2025 RTIP and the Revenue Constrained 2021 Regional Plan
Air Quality Conformity Analysis for 2008 and 2015 Eight-Hour Ozone Standards
(EMFAC2017)

Year	Average Weekday Vehicle Starts (1,000s)	Average Weekday Vehicle Miles (1,000s)	ROG		NOx	
			SIP Emissions Budget Tons/Day	ROG Emissions Tons/Day	SIP Emissions Budget Tons/Day	NOx Emissions Tons/Day
2026	11,533	85,469	12.1	11.6	17.3	14.9
2029	11,881	86,210	11.0	10.3	15.9	13.5
2032	11,281	87,389	10.0	9.2	15.1	12.5
2040	12,972	88,610	10.0	7.3	15.1	11.6
2050	13,673	89,798	10.0	6.7	15.1	11.9

Note: Emissions budgets from the 2020 Plan for Attaining the National Ambient Air Quality Standards for Ozone in San Diego County (October 2020) were found adequate for transportation conformity purposes by U.S. EPA, effective October 19, 2021, and were approved by U.S. EPA, effective April 1, 2024.

Conclusion

Based upon an evaluation of projects and funds programmed and a quantitative emissions analysis, the 2025 RTIP and 2021 Regional Plan meet the U.S. EPA transportation conformity regulations contained within the federal guidelines published on August 15, 1997, and subsequent amendments, as well as the requirements of the federal CAA of 1990.

2025 RTIP

Regional Transportation Improvement Program

What goes into the RTIP?

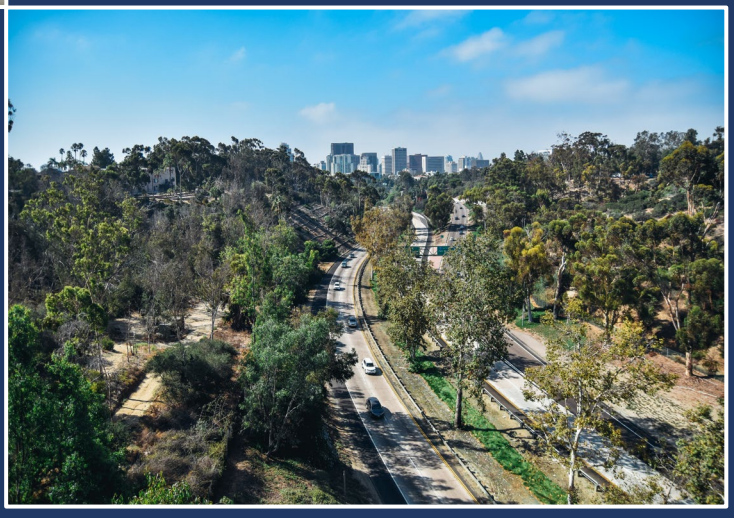
Projects funded with federal, state, and/or TransNet funds are programmed in the RTIP. Programming is a process required by federal law, which requires that projects be included in a Transportation Improvement Program for funds to be accessed for expenditures.

How does the RTIP relate to the 2021 Regional Plan?

The Regional Transportation Improvement Program implements the projects in the first five years of the 2021 Regional Plan.

How do projects get into the RTIP?

Projects are conceptualized, planned, then added to the SANDAG Program Budget, and approved by a SANDAG Board action before they are programmed in the RTIP. Projects sponsored by Local Agencies, Transit Agencies, and the State are also added to the RTIP after approval by these entities.



How & when can you get involved?

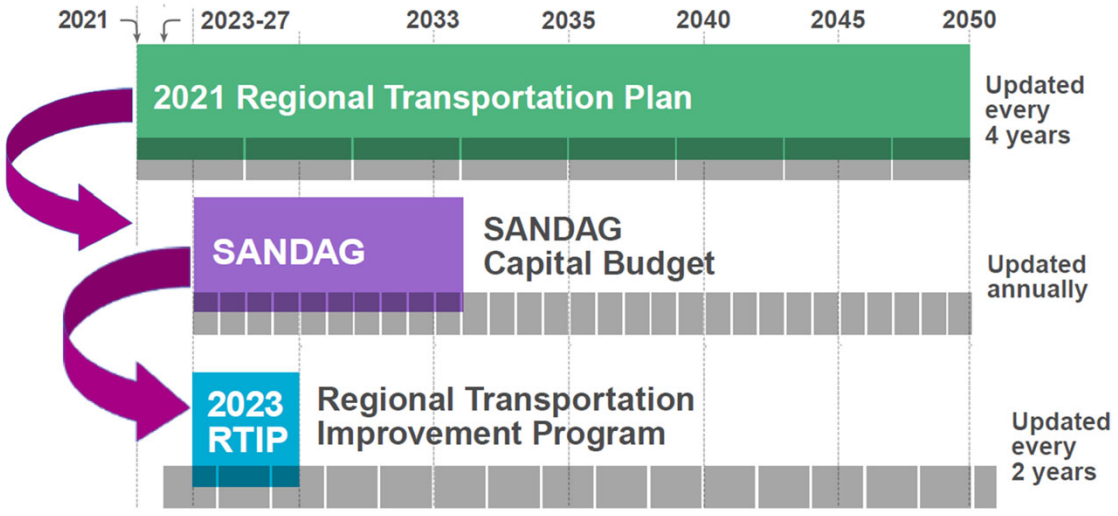
There are opportunities throughout the year to get involved with the RTIP. The program is updated every two years and amended quarterly. Get involved in project selection at the local level in your community. A public hearing for the RTIP is held every two years, and amendments to the RTIP are posted for public comment on the SANDAG website.

Draft 2025 Regional Transportation Improvement Program (RTIP)

Board of Directors | Item 4
Richard Radcliffe, SANDAG
July 26, 2024

1

Regional Plan vs SANDAG Budget vs Regional Transportation Improvement Program



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2

What is the RTIP?

- Short-term document that implements the Regional Plan
  - Covers 5-year time period
- Listing of transportation projects in the San Diego region which includes the TransNet Program of Projects (POP)
- Air Quality Conformity
  - Capacity Increasing (CI) vs. Non – Capacity Increasing (NCI)
- Map 21 Performance Management

3

Regional Plan vs Regional Transportation Improvement Program

RTP:

- Long Term (20+ years)
- Updated every 4 years
- General Project Listing
- Total Project Cost

RTIP:

- Short Term (5 years)
- Updated every 2 years
- Detailed scope and schedule
- Funding by Type, Year, and Phase

4

Purpose

- Federal Law
- Title 23 CFR Part 450
  - MPO develop RTIP for San Diego Region
  - Federally/State funded projects
  - Develop no later than 4 years
    - Currently update every 2 years
  - Financially constrained by Fiscal Year

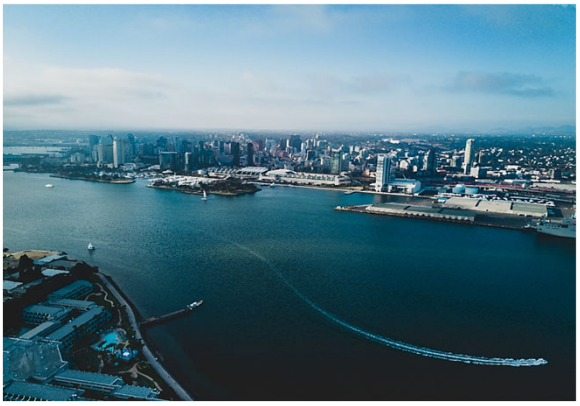
Purpose (cont.)

- TransNet Ordinance/Board Policy No. 31 Requirements
  - TransNet Program of Projects (POP) (Section 6 of Ordinance)
  - TransNet payments
    - Funds must be programmed in order to be paid

2025 Regional Transportation Improvement Program (RTIP)

What goes into the RTIP?
Projects funded with federal, state, and/or TransNet funds are programmed in the RTIP.

Programming is a process required by federal law, which requires that projects be included in a Transportation Improvement Program (TIP) for funds to be accessed for expenditures.



7

Types of Projects in the RTIP

Includes projects funded with Federal, State, Local and TransNet funds

- Regional Plan Projects
  - Capacity Increasing & Regional Arterial
  - Bicycle and Pedestrian Projects
  - Transit Projects
- Operational Improvements
  - Traffic Calming
  - Signal
  - Streetlights
- Safety Projects
- Operating and Maintenance Projects
  - Pavement and Bridge Rehab
  - Drainage Improvements
  - Highway Culvert/Railing/Signage
  - Transit Ops/Maintenance

8

2025 Regional Transportation Improvement Program (RTIP)

How does the RTIP relate to the 2021 Regional Plan?

The Regional Transportation Improvement Program (RTIP) implements the projects in the first five years of the 2021 Regional Plan.

Regional Plan vs. RTIP

Regional Plan:	RTIP:
• Long Term (20+ years)	• Short Term (5 years)
• Updated every 4 years	• Updated every 2 years
• General Project Listing	• Detailed scope & schedule
• Shows Total Project Cost	• Shows funding by Type, Year, and Phase

9

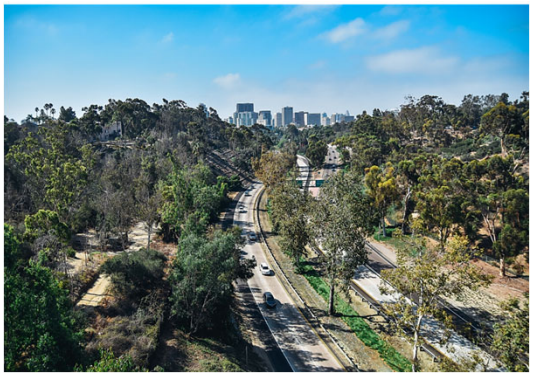
2025 Regional Transportation Improvement Program (RTIP)

How do projects get into the RTIP?

Projects are conceptualized, planned, then added to the SANDAG Program Budget.

Projects must be approved by a SANDAG Board action before they can be programmed in the RTIP.

Projects sponsored by Local Agencies, Transit Agencies, and the State are also added to the RTIP after approval by these entities.



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2025 Regional Transportation Improvement Program (RTIP)

How & when can you get involved?

There are opportunities throughout the year to get involved with the RTIP.

The RTIP is updated every two years and amended quarterly.

A public hearing for the RTIP is held every two years, and amendments to the RTIP are posted for public comment on the SANDAG website.

2025 Regional Transportation Improvement Program (RTIP)

Project Example

MPO ID: SD34 — **ADOPTION: 25-00**

Project Title: El Camino Real — RAS (M - 46)

Project Description: Bridge 57C0042 - In San Diego on El Camino Real from San Dieguito Road to Via de la Valle - reconstruct & widen from 2 to 4 lanes and extend transition lane and additional grading to avoid biological impacts (CIP 52-479.0/S-00856) — *TransNet* - LSI: CR

Change Notes:

Capacity Status: CI — Exempt Category: Non-Exempt

Est Total Cost: **$65,973** — Open to Traffic: Jul 2025

	TOTAL	PRIOR	24/25	25/26	26/27	27/28	28/29	FUTURE	PE	RW	CON
TransNet - LSI	$491	$491							$491		
TransNet - LSI Carry Over	$334	$334							$334		
HBP	$36,220	$3,420			$32,800				$1,420	$2,000	$32,800
HBRR	$1,700	$1,700							$1,700		
RSTP	$2,560	$2,560							$2,560		
Local Funds	$23,668	$19,418	$4,250						$1,955	$2,165	$19,548
Local Funds AC	$0		$32,800		$(32,800)						
Local RTCIP	$1,000	$1,000									$1,000
TOTAL	**$65,973**	**$28,923**	**$37,050**						**$8,460**	**$4,165**	**$53,348**

2025 Regional Transportation Improvement Program (RTIP)

MAJOR TASKS	2024					
	J	A	S	O	N	D
Project submissions finalized	1st					
Draft 2025 RTIP presented to ITOC	10th					
Draft 2025 RTIP presented to TC	19th					
BOD releases 2025 RTIP w/ draft AQ analysis for 30-day public comment period	26th					
TC conducts public hearing on 2025 RTIP			20th			
BOD asked to adopt final 2025 RTIP w/AQ analysis			27th			
Final 2025 RTIP due to state			30th			
Federal approval of 2025 RTIP						16th

- **July 1** – Project submissions finalized
- **July 10** – Draft 2025 RTIP presented to ITOC
- **July 19** – Draft 2025 RTIP presented to TC
- **July 26** – SANDAG Board releases 2025 RTIP w/ draft AQ analysis for public comment
- **September 20** – SANDAG Transportation Committee will hold a public hearing
- **September 27** – SANDAG Board will be asked to adopt final 2025 RTIP w/ AQ analysis

Main Sections of RTIP Document

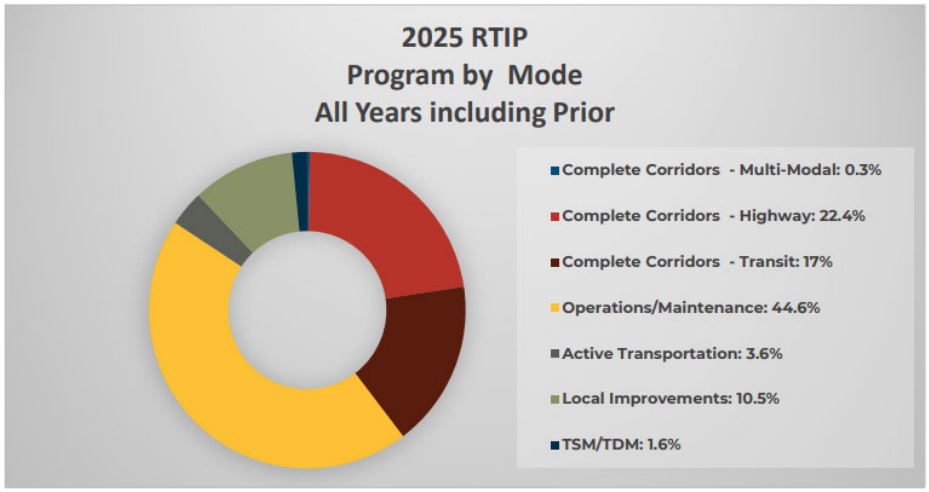
Chapters

- 01 – Executive Summary
- 02 – RTIP Development Process
- 03 – Project Listings
- 04 – Financial Capacity Analysis
- 05 – Air Quality Analysis

Appendices

- Grouped Project Listings
- Regional Emissions Analysis
- Social Equity Analysis
- Performance Management
- SANDAG Funding and Project Selection Process
- Public Participation Plan Policy

2025 RTIP Programming Summary



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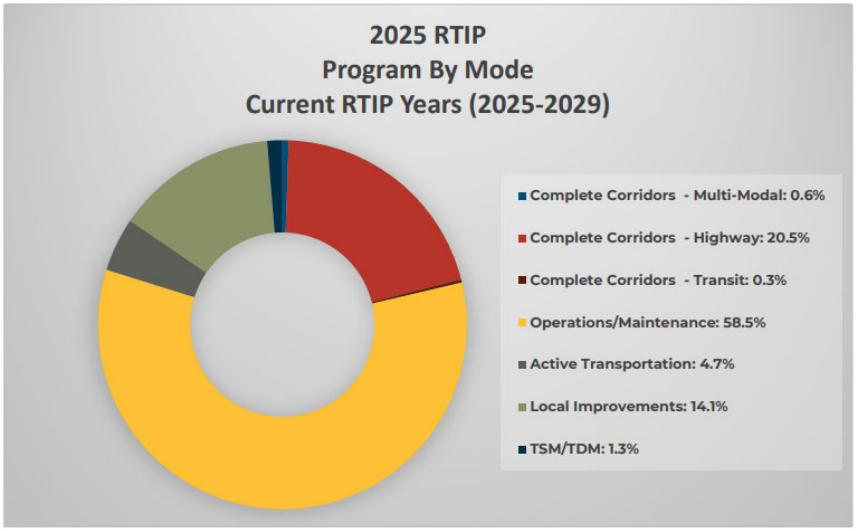
2025 RTIP Programming Summary (cont.)



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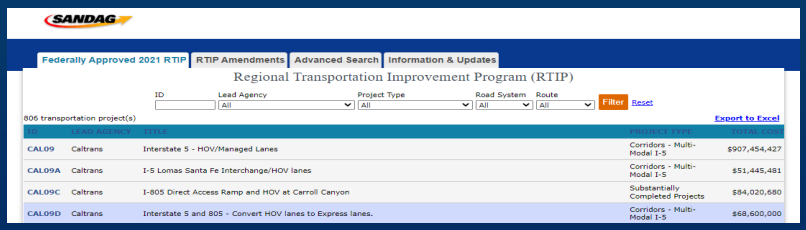
2025 Regional Transportation Improvement Program (RTIP)

Stay up-to-date on the 2025 RTIP

RTIP Webpage

RTIP Public Website



Email: richard.radcliffe@sandag.org

SANDAG

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Recommendation

Action: Accept

The Transportation Committee recommends that the Board of Directors accept the draft 2025 Regional Transportation Improvement Program, including its air quality conformity analysis and draft air quality conformity redetermination of the revenue constrained San Diego Forward: The 2021 Regional Transportation Plan, for distribution for a 30-day public review and comment period and to set a public hearing for the September 20, 2024, Transportation Committee meeting.

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Policy Advisory Committee Actions

Overview

SANDAG Board Policy No. 001 delegates certain responsibilities to the Policy Advisory Committees to allow SANDAG to effectively address key public policy and funding responsibilities. All items delegated to the Policy Advisory Committees are subject to ratification by the Board of Directors. Below are the delegated actions taken by the Policy Advisory Committees that are subject to ratification.

Action: **Approve**

The Board of Directors is asked to ratify the actions taken by the Policy Advisory Committees as noted in the report.

Fiscal Impact:

None.

Schedule/Scope Impact:

None.

The links provided below will navigate to the SANDAG web page where the meeting agenda and minutes (when available) will be posted.

Executive Committee, July 12, 2024

Approved the draft agendas for its July 26, 2024, and September 13, 2024, Board of Directors meetings.

Approved taking a “support if amended” position on Senate Bill 1098.

Approved the proposed legislative principles and a “support” position for AB 2485 (Carrillo) and directed staff to work with the Sustainable Communities Working Group to update the legislative letter with comments provided at the July 12, 2024, Executive Committee meeting and return to the Executive Committee for approval.

Transportation Committee, July 19, 2024

Approved the North County Transit District and the Metropolitan Transit System’s FY 2025 operating budgets for funding.

Approved a 16-month schedule extension for the City of Escondido’s General Plan Amendments and Environmental Review SGIP project.

Victoria Stackwick, Chief of Staff

Federal Transit Administration Final Federal Fiscal Years 2025-2027 Disadvantaged Business Enterprise Program Triennial Goal

Overview

The SANDAG Disadvantaged Business Enterprise (DBE) Program is designed to level the playing field and encourage DBE participation on SANDAG contracts that utilize Federal Transit Administration (FTA) funding. The U.S. Department of Transportation requires submission of a DBE goal-setting methodology on a triennial (three-year) cycle, which establishes an agency-wide DBE goal for FTA-assisted contracts.

Action: **Approve**

The Board of Directors is asked to approve the Final Proposed Triennial Federal Transit Administration Overall Disadvantaged Business Enterprise Goal and Methodology for Federal Fiscal Years 2025-2027.

Fiscal Impact:

None.

Schedule/Scope Impact:

None.

At its May 24, 2024, meeting, the Board of Directors accepted the release of the draft proposed FTA Federal Fiscal Year (FFY) 2025–2027 Triennial Goal-Setting Methodology and 12% DBE goal to the public for a 30-day comment period. SANDAG received and evaluated questions and comments through focused meetings with numerous minority and trade organizations. Although valuable input was received that will inform overall process improvements, no adjustment was made to the proposed DBE goal.

Key Considerations

Proposed Overall Triennial DBE Goal and Methodology for FFY 2025-2027

The proposed overall goal for FFY 2025-2027 (Attachment 1) is 12%, which increased from the previous goal of 9.8%. The FFY 2025-2027 DBE goal considers the number of anticipated FTA-funded projects and the estimated availability of DBEs in the SANDAG market area over the next three years.

During the upcoming triennial period, SANDAG is scheduled to conduct annual reviews to account for changes that may warrant an adjustment to the goal. The annual review of the goal is done to ensure the program is appropriately tailored to SANDAG-specific contracts, the relevant market area, and available DBEs throughout the triennial period.

Public Participation Facilitation Efforts

In accordance with Public Participation Regulatory Requirements of Title 49 CFR Part 26, minority, women, local business associations, and community organizations within the SANDAG market area were contacted and provided an opportunity to review the triennial goal analysis and provide input. A Public Notice was issued on the SANDAG website on May 24, 2024, publishing the Draft Proposed FTA Overall DBE Goal-Setting Methodology for FFY 2025-2027. The notice informed the public that the proposed goal and rationale were available upon request, that SANDAG would host a webinar to present the DBE goal and methodology, and that comments would be accepted on the proposed goal for 30 days from the date of the Public Notice. SANDAG prepared and sent Outreach Consultation Letters advising 12 business community groups of the proposed DBE goal and methodology and its availability for review and comment. Meetings were held virtually with four (4) industry and trade groups, including minority and women-specific groups.

Public Consultation Forum Webinar

SANDAG hosted a Public Consultation Forum Webinar on June 12, 2024, from 12:00 p.m. to 2:00 p.m., as part of this process. A public notice announcing the webinar was posted on the SANDAG website and SANDAG sent e-blasts to 26 organizations that had not scheduled a one-on-one meeting and provided a link to the draft proposed DBE Goal-Setting Methodology and an invitation to participate in the webinar to provide their comments. A summary of outreach efforts and materials are included in the exhibits of Attachment 1.

Summary of Public Comments

All comments received during the public comment period were carefully reviewed; however, the comments did not merit an adjustment to the proposed methodology and goal that was released for public comment in May. The comments received did not address new evidence demonstrating the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, or the effects of SANDAG efforts to establish a level playing field for the participation of DBEs. The public participation process was conducted in conformance with 49 CFR Part 26.45. A summary of the public comments and responses are included in Attachment 1 – Exhibit 7.

Next Steps

Upon Board approval of the FTA Triennial DBE Goal and Methodology for FFY 2025-2027, SANDAG staff will submit this report to the FTA Office of Civil Rights for review and approval.

Elaine Richardson, Director of Diversity and Equity

Attachment: 1. FTA Overall DBE Goal-Setting Methodology for FFY 2025-2027, Outreach Efforts and Public Comments

SAN DIEGO ASSOCIATION OF GOVERNMENTS

Federal Transit Administration (FTA) Overall Disadvantaged Business Enterprise (DBE) Goal-Setting Methodology

Federal Fiscal Year (FFY) 2025-2027

Submitted in fulfillment of:
Title 49 Code of Federal Regulations Part 26

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DBE GOAL METHODOLOGY

I. INTRODUCTION

The San Diego Association of Governments (SANDAG) herein sets forth its Overall Disadvantaged Business Enterprise (DBE) Goal and corresponding federally prescribed goal-setting methodology for the three-year Federal Fiscal Year (FFY) goal period of 2025-2027 (October 1, 2024 through September 30, 2027), pursuant to Title 49 Code of Federal Regulations (CFR) Part 26 "Participation by Disadvantaged Business Enterprises in U.S. Department of Transportation Programs." The purpose of the DBE goal-setting process is to level the playing field so that DBEs can compete fairly for Department of Transportation-assisted contracts; however, the program must be narrowly tailored in accordance with applicable law.

II. BACKGROUND

SANDAG is a recipient of U.S. Department of Transportation (USDOT), Federal Transit Administration (FTA), funding. As a condition of receiving this assistance, SANDAG signed an assurance that it will comply with FTA's DBE requirements. In accordance with Title 49 CFR Part 26 provisions: Participation by DBEs in USDOT Programs, SANDAG is required to develop and submit a Triennial Overall DBE Goal for its FTA-assisted projects.

SANDAG herein presents its Overall DBE Goal Methodology for FFY 2025-2027.

III. FTA-ASSISTED CONTRACTING PROGRAM FOR FFY 2025-2027

Market Area

The Federal DBE Program requires agencies to implement the DBE Program based on information from the relevant geographic market area—the area in which the agency spends the substantial majority of its contracting dollars. The SANDAG local market for contracts consists of a geographic area that is:

- where a large majority of contracting dollars is expended, and
- where a substantial number of contractors and subcontractors are located and available to submit bids, quotes, or proposals.

The 2019 SANDAG Disparity Study[1] determined the relevant geographic market area as San Diego County as 86 percent of relevant contracting dollars went to businesses with locations in San Diego County. Therefore, SANDAG is amending its previously recognized market area of Orange and San Diego Counties to only San Diego County.

[1] https://www.sandag.org/-/media/SANDAG/Documents/PDF/about/work-with-us/doing-business-with-SANDAG/disadvantaged-business-enterprise/disparity-study-report-2019.pdf

Anticipated Projects

SANDAG has 17 FTA-assisted projects that are anticipated to be awarded during the triennial period and which were considered in preparing this goal methodology. These projects and their federal share are listed in Table 1.

TABLE 1: Anticipated Projects

(amounts subject to rounding differences)

PROJECT NAME/DESCRIPTION	EST. TOTAL PROJECT COST[2]	EST. FTA $ SHARE[3]	EST. FTA % SHARE[4]
A&E On-Calls	$16,002,000	$798,100	5.00%
CM On-Calls	$37,808,750	$14,083,759	37.25%
On-Call JOC	$454,271	$22,714	5.00%
On-Call ITS	$199,918	$9,996	5.00%
On-Call Legal	$2,702,774	$135,139	5.00%
On-Call Marketing	$1,891,710	$94,585	5.00%
On-Call P3	$1,806,580	$90,329	5.00%
On-Call Tolling	$114,482	$5,724	5.00%
On-Call Environmental	$1,416,490	$70,825	5.00%
On-Call Finance	$425,650	$21,283	5.00%
On-Call Vanpool	$147,200	$7,360	5.00%
Data Science: Conduct data analysis and modeling to inform regional planning and policy development. Develop, maintain, and operate data systems, models, and analytic tools.	$13,300,531	$3,143,637	23.64%
Regional Plan Development: Develop the 2025 Regional Plan in collaboration with the Board of Directors, stakeholders, and the community. Preparing technical studies and analysis for the draft Environmental Impact Report (EIR) while continuing public outreach.	$7,690,604	$2,879,124	37.44%
Blue Line Express Feasibility Study: Study the feasibility of implementing express-level transit service along the Blue Line corridor between San Ysidro and Downtown San Diego.	$488,688	$488,688	100.00%
Transportation-Related Public Mtg Activities: Support all work done by the Board of Directors, the Policy Advisory Committees, and the Working Groups by developing and communicating interagency solutions concerning regional issues, transportation project/program implementation, conflict resolution, and other coordination needs	$685,609	$200,000	29.17%
Social Equity Program: Advances non-discriminatory policies, practices, and outcomes at SANDAG; ensures SANDAG is in compliance with federal and state civil rights legislation, Executive Orders, and regulations; and supports development of social equity capacity with staff across the agency and	$776,896	$276,424	35.58%

[2] The total estimated cost of each project.
[3] The estimated FTA dollar share for each project.
[4] The estimated FTA percentage share for each project.

PROJECT NAME/DESCRIPTION	EST. TOTAL PROJECT COST[2]	EST. FTA $ SHARE[3]	EST. FTA % SHARE[4]
regional transit agency partners through training, project reviews, and other technical assistance.			
Bridge 257.2 Replacement	$14,500,000	$2,229,000	15.37%
Total	**$100,412,153**	**$24,556,686**	**24.46%**

Subrecipients

In FFY25, SANDAG plans to pass through approximately $4,800,000 of FTA Section 5310 Enhanced Mobility for Seniors and Individuals with Disabilities funds to subrecipients to continue providing transportation services for older adults and individuals with disabilities. During this time, SANDAG staff emphasis will be on monitoring and oversight of subrecipients, providing technical assistance to subrecipients, internal process improvements, and procuring vehicles on behalf of subrecipients. The increase in funding anticipated to be spent during this period is due to vehicle purchases that were delayed pervious fiscal years due to global supply chain shortages or reduced passenger demand.

Categories of Work

SANDAG reviewed each project anticipated to be awarded in the triennial period and determined the applicable categories of work for each project using North American Industry Classification System (NAICS) codes. The corresponding dollar values for each NAICS code for each project were summarized for the purposes of weighting the categories of work based on the staff estimates. Table 2 provides a summary of the categories of work with estimated dollars for each.

TABLE 2: Project NAICS Codes

(amounts subject to rounding differences)

PROJECT NAME	EST. FTA $ SHARE[5]	NAICS CODE[6]	NAICS TITLE[7]	EST. FTA $ SHARE NAICS[8]
A&E On-Calls	$798,100	541310	Architectural services	$39,905
		541330	Engineering services	$327,221
		541620	Environmental consulting services	$430,974
CM On-Calls	$14,083,759	541330	Engineering services	$7,746,068
		541370	Surveying and mapping (except geophysical) services	$281,675
		541380	Testing laboratories	$985,863
		541618	Other management consulting services	$281,675
		541620	Environmental consulting services	$281,675
		541690	Other scientific and technical consulting services	$985,863

[5] The estimated FTA dollar share for each project from Table 1.
[6] The category of work (NAICS code) for each project.
[7] The category of work (NAICS) title.
[8] The estimated FTA dollar share for each NAICS code.

PROJECT NAME	EST. FTA $ SHARE[5]	NAICS CODE[6]	NAICS TITLE[7]	EST. FTA $ SHARE NAICS[8]
		541990	All other professional, scientific, and technical services	$704,188
		541350	Building inspection services	$2,816,752
On-Call JOC	$22,714	237990	Other heavy and civil engineering construction	$11,641
		238210	Electrical contractors and other wiring installation contractors	$9,369
		423610	Electrical apparatus and equipment, wiring supplies, and related equipment merchant wholesalers	$1,704
On-Call ITS	$9,996	488999	All Other Support Activities for Transportation	$750
		541330	Engineering services	$2,749
		541511	Custom computer programming services	$1,499
		541512	Computer systems design services	$1,999
		541611	Administrative management and general management consulting services	$250
		541690	Other scientific and technical consulting services	$2,749
On-Call Legal	$135,139	492110	Couriers and express delivery services	$1,351
		531320	Offices of real estate appraisers	$4,054
		541110	Offices of lawyers	$124,328
		541191	Title abstract and settlement offices	$4,054
		561439	Other business service centers (including copy shops)	$1,351
On-Call Marketing	$94,585	323111	Commercial printing (except screen and books)	$14,188
		541430	Graphic design services	$12,296
		541820	Public relations agencies	$58,643
		541850	Outdoor advertising	$6,621
		541930	Translation and interpretation services	$2,838
On-Call P3	$90,329	541611	Administrative management and general management consulting services	$23,486
		541820	Public relations agencies	$31,615
		541990	All other professional, scientific, and technical services	$35,228
On-Call Tolling	$5,724	488490	Other support activities for road transportation	$5,724
On-Call Environmental	$70,825	541620	Environmental consulting services	$70,825
On-Call Finance	$21,283	541611	Administrative management and general management consulting services	$21,283
On-Call Vanpool	$7,360	488999	All Other Support Activities for Transportation	$7,360
Data Science	$3,143,637	541511	Custom computer programming services	$785,909
		541611	Administrative management and general management consulting services	$628,727

PROJECT NAME	EST. FTA $ SHARE[5]	NAICS CODE[6]	NAICS TITLE[7]	EST. FTA $ SHARE NAICS[8]
		541910	Marketing research and public opinion polling	$471,546
		541990	All other professional, scientific, and technical services	$1,257,455
Regional Plan Development	$2,879,124	541511	Custom computer programming services	$719,781
		541611	Administrative management and general management consulting services	$1,439,562
		541620	Environmental consulting services	$431,869
		541910	Marketing research and public opinion polling	$287,912
Blue Line Express Feasibility Study	$488,688	541330	Engineering services	$488,688
Transportation-Related Public Mtg Activities	$200,000	541611	Administrative management and general management consulting services	$200,000
Social Equity Program	$276,424	541611	Administrative management and general management consulting services	$276,424
Bridge 257.2 Replacement	$2,229,000	561730	Landscaping services	$22,290
		237990	Other heavy and civil engineering construction	$1,783,200
		238110	Poured concrete foundation and structure contractors	$111,450
		238910	Site preparation contractors	$22,290
		238120	Structural steel and precast concrete contractors	$222,900
		541370	Surveying and mapping (except geophysical) services	$22,290
		541380	Testing laboratories	$22,290
		221310	Water supply and irrigation systems	$22,290
Total	**$24,556,686**			**$24,556,686**

Table 3 is a summary of each NAICS code and the total dollar values for each NAICS code based on projects listed in Table 2.

TABLE 3: NAICS Code Summary

(amounts subject to rounding differences)

NAICS CODE	CATEGORY OF WORK	EST. FTA SHARE NAICS[9]	NAICS FUNDING WEIGHT[10]
221310	Water supply and irrigation systems	$22,290	0.09%
237990	Other heavy and civil engineering construction	$1,794,841	7.31%

[9] The total dollars for each category of work (NAICS) that are summed from the values in Table 2.
[10] The percentage of dollars for each category of work (NAICS) for all projects anticipated to be awarded.

NAICS CODE	CATEGORY OF WORK	EST. FTA SHARE NAICS[9]	NAICS FUNDING WEIGHT[10]
238110	Poured concrete foundation and structure contractors	$111,450	0.45%
238120	Structural steel and precast concrete contractors	$222,900	0.91%
238210	Electrical contractors and other wiring installation contractors	$9,369	0.04%
238910	Site preparation contractors	$22,290	0.09%
323111	Commercial printing (except screen and books)	$14,188	0.06%
423610	Electrical apparatus and equipment, wiring supplies, and related equipment merchant wholesalers	$1,704	0.01%
488490	Other support activities for road transportation	$5,724	0.02%
488999	All Other Support Activities for Transportation	$8,110	0.03%
492110	Couriers and express delivery services	$1,351	0.01%
531320	Offices of real estate appraisers	$4,054	0.02%
541110	Offices of lawyers	$124,328	0.51%
541191	Title abstract and settlement offices	$4,054	0.02%
541310	Architectural services	$39,905	0.16%
541330	Engineering services	$8,564,726	34.88%
541350	Building inspection services	$2,816,752	11.47%
541370	Surveying and mapping (except geophysical) services	$303,965	1.24%
541380	Testing laboratories	$1,008,153	4.11%
541430	Graphic design services	$12,296	0.05%
541511	Custom computer programming services	$1,507,190	6.14%
541512	Computer systems design services	$1,999	0.01%
541611	Administrative management and general management consulting services	$2,589,731	10.55%
541618	Other management consulting services	$281,675	1.15%
541620	Environmental consulting services	$1,215,342	4.95%
541690	Other scientific and technical consulting services	$988,612	4.03%
541820	Public relations agencies	$90,258	0.37%
541850	Outdoor advertising	$6,621	0.03%
541910	Marketing research and public opinion polling	$759,458	3.09%
541930	Translation and interpretation services	$2,838	0.01%
541990	All other professional, scientific, and technical services	$1,996,871	8.13%
561439	Other business service centers (including copy shops)	$1,351	0.01%
561730	Landscaping services	$22,290	0.09%
		$24,556,686	**100.0%**

IV. GOAL METHODOLOGY

Step 1: Determination of a Base Figure (26.45)[11]

To establish the Base Figure of the relative availability of DBEs to all comparable firms (DBE and Non-DBE) available to bid or propose on SANDAG FTA-assisted contracting opportunities projected to be solicited during the triennial goal period, SANDAG followed the prescribed federal methodology to determine relative availability. This was accomplished by assessing the *California Unified Certification Program (CUCP) DBE Database of Certified Firms* and the 2021 *U.S. Census Bureau County Business Patterns Database* within the SANDAG market area for each of the categories of work defined in Table 2.

$$\text{Base Figure} = \sum \frac{\text{(Number of Ready, Willing and Able DBEs)}}{\text{(Number of All Ready, Willing and Able Firms)}} \times \text{Estimated NAICS \%}$$

⇨ For the numerator: CUCP DBE Database of Certified Firms
⇨ For the denominator: 2021 U.S. Census Bureau's Business Patterns Database

In accordance with the formula listed above, the Base Figure is derived by:

- Relative Availability: dividing the number of ready, willing and able DBE firms identified for each NAICS work category by the number of all firms identified within the market are for each corresponding work category,
- Weighted Relative Availability: weighting the relative availability of each work category by the corresponding work category weight from Table 2 (*NAICS %*) to determine the Weighted Ratio for each NAICS work category and adding the weighted ratio figures together.

A concerted effort was made to ensure that the scope of businesses included in the numerator was as close as possible to the scope included in the denominator.

The relative availability of DBEs is calculated in Table 4 below.

TABLE 4: DBE Relative Availability

(amounts subject to rounding differences)

NAICS CODE	CATEGORY OF WORK	DBES[12]	ALL FIRMS[13]	REL. AVAL.[14]
221310	Water supply and irrigation systems	3	27	11.11%
237990	Other heavy and civil engineering construction	12	30	40.00%
238110	Poured concrete foundation and structure contractors	23	186	12.37%
238120	Structural steel and precast concrete contractors	9	41	21.95%

[11] 26.45 represents Title 49 CFR Part 26 regulatory goal setting methodology reference.
[12] The number of DBEs in the market area for each NAICS code from the CUCP DBE Database of Certified Firms.
[13] The number of all firms (DBE and non-DBE) in the market area for each NAICS code from the 2021 U.S. Census Bureau County Business Patterns Database.
[14] The number of DBEs divided by the number of all firms.

NAICS CODE	CATEGORY OF WORK	DBES[12]	ALL FIRMS[13]	REL. AVAL.[14]
238210	Electrical contractors and other wiring installation contractors	15	835	1.80%
238910	Site preparation contractors	21	234	8.97%
323111	Commercial printing (except screen and books)	4	174	2.30%
423610	Electrical apparatus and equipment, wiring supplies, and related equipment merchant wholesalers	5	144	3.47%
488490	Other support activities for road transportation	4	52	7.69%
488999	All Other Support Activities for Transportation	0	0	0.00%
492110	Couriers and express delivery services	0	99	0.00%
531320	Offices of real estate appraisers	0	146	0.00%
541110	Offices of lawyers	2	2,469	0.08%
541191	Title abstract and settlement offices	2	29	6.90%
541310	Architectural services	6	325	1.85%
541330	Engineering services	47	1,165	4.03%
541350	Building inspection services	6	110	5.45%
541370	Surveying and mapping (except geophysical) services	9	53	16.98%
541380	Testing laboratories	5	88	5.68%
541430	Graphic design services	16	230	6.96%
541511	Custom computer programming services	19	1,119	1.70%
541512	Computer systems design services	19	921	2.06%
541611	Administrative management and general management consulting services	81	1,952	4.15%
541618	Other management consulting services	38	130	29.23%
541620	Environmental consulting services	47	202	23.27%
541690	Other scientific and technical consulting services	30	559	5.37%
541820	Public relations agencies	30	134	22.39%
541850	Outdoor advertising	4	30	13.33%
541910	Marketing research and public opinion polling	6	86	6.98%
541930	Translation and interpretation services	4	55	7.27%
541990	All other professional, scientific, and technical services	14	277	5.05%
561439	Other business service centers (including copy shops)	2	80	2.50%
561730	Landscaping services	7	941	0.74%
Total		**490**	**12,923**	**3.79%**

The relative availability of DBEs from Table 4 is 3.79%. However, to make the Base Figure more accurate, weighting was used to take into account the amount of work that is available for each category of work (NAICS).

The weighted relative availability of DBEs is calculated in Table 5 below.

TABLE 5: DBE Weighted Relative Availability
(amounts subject to rounding differences)

NAICS CODE	CATEGORY OF WORK	EST. FTA % BY NAICS[15]	REL. AVAL.[16]	WEIGHTED RATIO[17]
221310	Water supply and irrigation systems	0.09%	11.11%	0.01%
237990	Other heavy and civil engineering construction	7.31%	40.00%	2.92%
238110	Poured concrete foundation and structure contractors	0.45%	12.37%	0.06%
238120	Structural steel and precast concrete contractors	0.91%	21.95%	0.20%
238210	Electrical contractors and other wiring installation contractors	0.04%	1.80%	0.00%
238910	Site preparation contractors	0.09%	8.97%	0.01%
323111	Commercial printing (except screen and books)	0.06%	2.30%	0.00%
423610	Electrical apparatus and equipment, wiring supplies, and related equipment merchant wholesalers	0.01%	3.47%	0.00%
488490	Other support activities for road transportation	0.02%	7.69%	0.00%
488999	All Other Support Activities for Transportation	0.03%	0.00%	0.00%
492110	Couriers and express delivery services	0.01%	0.00%	0.00%
531320	Offices of real estate appraisers	0.02%	0.00%	0.00%
541110	Offices of lawyers	0.51%	0.08%	0.00%
541191	Title abstract and settlement offices	0.02%	6.90%	0.00%
541310	Architectural services	0.16%	1.85%	0.00%
541330	Engineering services	34.88%	4.03%	1.41%
541350	Building inspection services	11.47%	5.45%	0.63%
541370	Surveying and mapping (except geophysical) services	1.24%	16.98%	0.21%
541380	Testing laboratories	4.11%	5.68%	0.23%
541430	Graphic design services	0.05%	6.96%	0.00%
541511	Custom computer programming services	6.14%	1.70%	0.10%
541512	Computer systems design services	0.01%	2.06%	0.00%
541611	Administrative management and general management consulting services	10.55%	4.15%	0.44%
541618	Other management consulting services	1.15%	29.23%	0.34%
541620	Environmental consulting services	4.95%	23.27%	1.15%
541690	Other scientific and technical consulting services	4.03%	5.37%	0.22%
541820	Public relations agencies	0.37%	22.39%	0.08%
541850	Outdoor advertising	0.03%	13.33%	0.00%
541910	Marketing research and public opinion polling	3.09%	6.98%	0.22%
541930	Translation and interpretation services	0.01%	7.27%	0.00%
541990	All other professional, scientific, and technical services	8.13%	5.05%	0.41%
561439	Other business service centers (including copy shops)	0.01%	2.50%	0.00%
561730	Landscaping services	0.09%	0.74%	0.00%

[15] From Table 3
[16] From Table 4
[17] The NAICS weight multiplied by the relative availability.

NAICS CODE	CATEGORY OF WORK	EST. FTA % BY NAICS[15]	REL. AVAL.[16]	WEIGHTED RATIO[17]
Total				**8.64%**

Step 2: Adjusting the Base Figure

Upon establishing the Base Figure, SANDAG reviewed and assessed other known evidence potentially impacting the relative availability of DBEs within the SANDAG market area, in accordance with prescribed narrow tailoring provisions set forth under 49 CFR Part 26.45: Step 2; DBE Goal Adjustment guidelines.

Evidence considered in making an adjustment to the Base Figure included past DBE goal attainments, the SANDAG Disparity Study, and other evidence, as follows:

Past DBE Goal Award Attainments

Historical DBE participation attainments provide demonstrable evidence of DBE availability and capacity to perform on SANDAG projects. The projects anticipated to be awarded during the triennial period are substantially similar to those awarded in the recent past. SANDAG calculated past DBE participation attainments for the last five (5) FFYs. The table below reflects the demonstrated capacity of DBEs (measured by actual historical DBE participation attainments) on FTA-assisted contracts awarded by SANDAG.

TABLE 6: Past Participation

(amounts subject to rounding differences)

FEDERAL FISCAL YEAR	FTA DBE GOAL %[18]	FTA DBE AWARDS %[19]
FFY 2019	10.30%	9.05%
FFY 2020	10.30%	16.72%
FFY 2021	10.30%	15.34%
FFY 2022	9.80%	15.67%
FFY 2023	9.80%	9.57%
	Median DBE Awards	**15.34%**

The median DBE goal attainment for the past five years is higher than the Base Figure derived from Step 1; therefore, an adjustment to the Base Figure based on past DBE goal awards has been made. The adjustment is calculated in accordance with FTA guidance by averaging the Base Figure with the Median DBE Past Awards, as shown below.

TABLE 7: Adjusted Base Figure

[18] The FTA DBE Goal percentage for that FFY.
[19] The percentage of DBE awards on the FTA share from the SANDAG Semi-Annual Uniform reports that were submitted to FTA.

(amounts subject to rounding differences)

Base Figure[20]	8.64%
Median DBE Awards[21]	15.34%
Adjusted Base Figure[22]	**11.99%**

Disparity Study

SANDAG commissioned a disparity study, which was completed in 2020. This study looked at the procurement history of minority- and women-owned firms for a five-year period between January 1, 2013 and December 31, 2017. The primary objective of the study was to update the examination of any disparities between SANDAG utilization of minority and women-owned businesses on its transportation contracts, including those funded by the United States Federal Transit Administration (FTA) and the availability of those businesses to perform that work.

The utilization of minority and women-owned businesses was compared with the availability of minority and women-owned businesses for contracting work. As part of the disparity study, the utilization of minority and women-owned businesses on SANDAG transportation prime contracts and subcontracts were compared with the percentage of contract dollars that minority and women-owned businesses might be expected to receive based on their availability for that work. The disparity study analysis resulted in including all DBE groups in the SANDAG race/gender-conscious component of our overall goal.

V. PROPOSED OVERALL DBE GOAL

The Final Proposed Overall DBE Goal for FFY 2025-2027 for SANDAG FTA-assisted contracts is 12.0%[23]. As a part of the prescribed goal-setting methodology, SANDAG must project the percentage of its Proposed Overall DBE Goal that can be met utilizing race/gender-neutral and race/gender-conscious measures. SANDAG must meet the maximum feasible portion of the overall goal by using race/gender-neutral means of facilitating DBE participation.

SANDAG considered the amount by which the overall goal was exceeded for the past five years to determine what portion of the overall goal can feasibly be met using race/gender-neutral measures. SANDAG calculated the median of the past years' awards and commitments exceeding the goal, as seen on Table 8.

TABLE 8: Exceeding Goals

FEDERAL FISCAL YEAR	FTA DBE GOAL	FTA DBE Commitment %	EXCEEDING GOAL %
FFY 2019	10.30%	9.05%	-1.25%
FFY 2020	10.30%	16.72%	6.42%

[20] From Table 5.
[21] From Table 6.
[22] The average of the Base figure and the median DBE attainment [(8.64% + 15.34%) ÷ 2].
[23] Rounded from 11.99%.

FFY 2021	10.30%	15.34%	5.04%
FFY 2022	9.80%	15.67%	5.87%
FFY 2023	9.80%	9.57%	-0.23%
Median Amount by Which DBE Goals Were Exceeded			**5.04%**

The projection of race/gender-neutral participation for the coming triennial period, as seen below.

TABLE 9: Race/Gender-Conscious & Race/Gender-Neutral Projections

Overall DBE Goal	**12.0%**
Race/Gender-Conscious Component	**7.0%**
Race/Gender-Neutral Component[24]	**5.0%**

VI. RACE/GENDER-NEUTRAL IMPLEMENTATION MEASURES

SANDAG has implemented many race- and gender-neutral remedies and partners with other organizations serving small businesses in the Southern California region to outreach and promote the participation of DBEs and small businesses in the SANDAG FTA-assisted contracting program.

SANDAG plans to continue to implement the following race-neutral measures for FFY 2025-2027 and will continue to explore other options for consideration based on SANDAG's success in meeting its overall DBE goals based on these efforts:

- SANDAG will arrange solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate participation by DBE and other small businesses (e.g., unbundling large contracts to make them more accessible to small businesses, requiring or encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own forces). Planned race-neutral measures include holding pre-bid conferences for federally aided projects, which include a networking component to promote teaming opportunities between prospective prime contractors and the DBE and small business contracting community.
- To meet the requirements under 49 CFR Part 26 Section 26.39 "Fostering Small Business Participation," SANDAG developed a Small Business Program Strategic Plan. The strategic plan addresses all elements of the SANDAG Small Business Program. Additional information about the Plan is included below in the Fostering Small Business Participation section.
- SANDAG has put in place the unbundling of large On-Call Services procurements. The Architecture & Engineering, Construction Management, Planning, and Marketing On-Call Services contracting groups have designated several small dollar contracts with requirements that could be attainable by small businesses. The 2012 SANDAG A&E On-Call Services series awarded 15 contracts, 6 of these to certified Small Businesses and one to a DBE, while the 2016 series awarded 16 contracts, 5 of these to certified Small Businesses

[24] The Race-Neutral projection is the median amount by which goals were exceeded over the past five years (5.0%).

and one to a DBE, and the 2022 series awarded 15 contracts, 5 of these to certified Small Businesses and two awarded to DBEs. The 2016 CM On-Call series awarded 7 contracts, 3 to certified Small Businesses, 2 of which are also DBE certified, and the 2022 series awarded 8 contracts, 1 to a DBE. The 2019 Planning On-Calls awarded 10 contracts, 1 to a certified Small Business and DBE firm.

- To assist with the SANDAG small business goal of reaching out to firms that are either DBE or Small Business (SB) certified, the A&E, CM, and Planning Bench programs were developed. The Bench is intended to assist small firms in fostering new business/partnership opportunities with prime consultants that will ultimately help grow their emerging businesses. The previous Caltrans District 11 Director remarked that the SANDAG A&E Bench Program is recognized as the best in the State for DBE and SB utilization. The Bench is open to small and disadvantaged firms that provide a variety of professional services as identified in the A&E, CM, and Planning contracts. The Bench serves as a pool of firms that prime consultants may add to their On-Call contracts. SANDAG is committed to increasing opportunities for small businesses and to continue providing economic opportunities in the San Diego region. SANDAG highly encourages the participation of small and disadvantaged businesses on SANDAG projects. It is the intention of SANDAG to create a level playing field on which small businesses can compete fairly on contracts and subcontracts. Therefore, SANDAG has established the Small Business (SB) Program with a 15% goal for the purpose of promoting contracting opportunities. The SB goal of 15% applies to state and locally funded projects that have potential subcontracting opportunities.
- SANDAG provides assistance in overcoming limitations, such as the inability to obtain bonding, insurance, or financing (e.g., by such means as simplifying the bonding process, reducing bonding requirements, reducing general liability insurance requirements, and providing services to help DBEs and other small businesses meet the requirements to participate in procurements). Planned race-neutral measures include referring the DBE and small business contracting community, through the SANDAG website, to the Small Business Administration (SBA) bonding assistance program.
- Other planned race-neutral measures include carrying out information and communication programs on contracting procedures and specific contract opportunities (e.g., ensuring the inclusion of DBEs and other small businesses on recipient mailing lists of bidders; ensuring the dissemination of lists of potential subcontractors to bidders on prime contracts). SANDAG also solicits DBEs and small businesses within the SANDAG market area utilizing any or all of the following means: issuing solicitation flyers/letters to promote upcoming bid opportunities through e-mail blasts, website posting, electronic vendor database system, etc.
- SANDAG has implemented a supportive services program to develop and improve immediate and long-term business management, record keeping, and financial and accounting capability for DBEs and other small businesses. These race-neutral measures include providing educational and technical assistance through APEX and the Small Business Development Center (SBDC).
- SANDAG attends numerous outreach events each year reaching hundreds of registered attendees to share information about SANDAG and its opportunities.
- Services are provided to DBEs and other small businesses to help improve long-term development, increase opportunities to participate in a variety of types of work, handle increasingly significant projects, and achieve eventual self-sufficiency. These planned race-

neutral measures include co-sponsoring Caltrans District 11 Calmentor Program for small firms that are in the Architecture & Engineering (A&E) categories. The Calmentor program establishes a mentoring program that pairs small businesses with large firms. The goal is to enhance small business operations to achieve their growth potential, to create more small business opportunities and provide more meaningful participation on transportation projects.

- Other planned race-neutral measures include advising the contracting community of the availability of the CUCP database (directory of certified DBEs) website at https://californiaucp.dbesystem.com/. This database is discussed with potential bidders, included in the RFQ/RFP/IFB documents, listed on our outreach material, and included in the final contract agreement. This ensures the distribution of the Caltrans DBE directory to the widest feasible universe of potential prime contractors. SANDAG also has established an online electronic vendor registration and procurement management system. This system contains over 2,000 registered firms who can review and download procurement documents, submit bids, and receive specific SANDAG notifications relating to outreach events, news, and upcoming procurements. Additionally, the system provides SANDAG with specific company detail, including DBE and SB certification status, NAICS codes, license numbers, company type and contact information.
- SANDAG assists DBEs, and other small businesses, to develop their capability to utilize emerging technology and conduct business through electronic media. SANDAG has launched an online vendor requisition system through BidNet. By utilizing this system, the list of consultants, contractors, and vendors may be accessed by numerous public agencies. The consultants, contractors, and vendors themselves also can access information on upcoming training classes, upcoming business opportunities, DBE certification process and approval, and significant small business outreach events.
- SANDAG developed six (6) “Small Business Resources – COVID 19” e-blasts to small and disadvantaged business to help them locate financial resources during the height of the coronavirus pandemic. Each of the e-blasts included a multitude of valuable financial resources from public and private organizations. This information was specifically tailored to small and disadvantaged firms in California. SANDAG held two (2) Virtual Speed Networking events to support the On-Call Construction Management (CM) and Architecture and Engineering (A&E) Contracts. These events are typically held in-person with 200 to 400 attendees. However, due to the pandemic, SANDAG developed the new concept of a virtual speed networking event. These virtual events proved to be successful in connecting small and disadvantaged businesses with large consultant firms. The CM On-Call speed networking event matched over 600 one-on-one connections between small businesses and potential Prime Consultants. For the A&E speed networking event, there were over 1,600 virtual meetings held which was phenomenal. These results show the tremendous effort SANDAG has taken to ensure small and disadvantaged businesses are given the opportunity to work on SANDAG project.
- Lastly, SANDAG is actively performing increased outreach efforts by directly contacting DBEs that are utilized from the CUCP in developing contract DBE goals. All applicable DBEs are contacted through email, telephone, etc. to notify these firms of upcoming procurement opportunities and are highly encouraged to attend the pre-bid/proposal meetings. This provides DBEs with an opportunity to directly network with potential Prime bidders.

SANDAG additionally attends many other small business outreach events to promote its FTA-assisted contracting program.

Fostering Small Business Participation[25]

Small Businesses, including DBEs, are an integral part of the San Diego business economy. Approximately 86% of SANDAG vendors are San Diego based[26]. Small businesses represent approximately 99.8[27] percent of all employers in the United States and 99.4 percent of firms in the San Diego-Chula Vista-Carlsbad Metropolitan region, with 98% of those firms having fewer than 20 employees[28]. Over 50% of the 4,919 California certified DBE firms are located in southern California, 421 of which reside in San Diego county[29]. As the small and diverse business populations continue to grow, the Office of Diversity & Equity (ODE) is dedicated to serving these communities and promoting economic growth in San Diego County. With recent skilled and trained worker requirements being imposed on SANDAG procurement practices, it will be important for SANDAG to also identify effective policies to ensure small businesses meet the skilled and trained worker requirements that allow small businesses to participate in the SANDAG procurement process.

As mentioned above, SANDAG has implemented a Small Business Program to fully comply with 49 CFR Part 26.39. Key Procurement Strategies for the Program include the following:

Contract Small Business Goal

SANDAG understands the importance of small businesses and their impact on the economy and community as a whole. SANDAG recognizes that a robust Small Business program is critical for the success of small businesses by providing opportunities to firms who are not able to take advantage of the level-playing field offered by the DBE program. By implementing a Small Business Program and goal, we are able to provide opportunities to participate in larger SANDAG procurements. This results in fueling the local economies and creating more jobs. Small businesses add diversity, employ local workers, and invests money back into their communities.

SANDAG has established and implemented an overall small business goal of 15% on non-federally funded task orders for the Construction Management and Architectural and Engineering (A&E) on-call contracts (2021 series). This will reaffirm the SANDAG commitment to the successful inclusion of small business participation in SANDAG contracting.

Small Business Contracts

In order to provide greater participation by small businesses on SANDAG procurements and attracting more small businesses to successfully compete on SANDAG's larger contracts, we have carved out up to 5 Small Business certified contracts for the Architectural and Engineering (A&E) on-call procurement (2021 series) to small businesses to enable them to compete and win contracts and help grow their firm. The Small Business Program not only establishes goals on

[25] See Title 49 CFR Part 26 Section 26.39 "Fostering Small Business Participation."
[26] https://www.sandag.org/-/media/SANDAG/Documents/PDF/about/work-with-us/doing-business-with-SANDAG/disadvantaged-business-enterprise/disparity-study-report-2019.pdf
[27] U.S. Small Business Administration, Small Business Profile, 2022
[28] Statistics of U.S. Businesses Small Business Administration Office for Advocacy, San Diego-Chula Vista-Carlsbad Metro, 2023
[29] California Unified Certification Program database, collected April 4, 2024.

non-federally funded task orders, it also provides maximum practicable opportunities to small businesses to perform as prime and subconsultants. This will allow SANDAG to encourage greater small business participation while allowing the small businesses to provide an economic boost to our region.

Annual and Contract Specific Goals

SANDAG has identified overall DBE goals for FTA-assisted assisted contracts. The overall annual goal is achieved through establishing contract/project specific goals. Contract goals are established according to the requirements of each individual contract and will vary accordingly. Small business utilization and participation is tracked monthly, with participation being reported quarterly, bi-annually and/or annually.

Bench Program

To assist with the SANDAG small business goal of reaching out to firms that are either DBE or SB certified, the Architecture and Engineering (A&E), Construction Management (CM), and Planning Bench programs were developed. The Bench is intended to assist small firms in fostering new business/partnership opportunities with prime consultants that will ultimately help grow their emerging businesses. SANDAG has established three (3) separate Bench Programs to help create more opportunities for small and disadvantaged businesses to participate in SANDAG On-Call contracts:

A&E Bench

In 2012, SANDAG awarded multiple contracts totaling over $300 million for On-Call Environmental Planning and A&E Design services. These contracts are used for transportation infrastructure projects including transit system improvements, freeway and bridge enhancements, landscape design, freeway corridors, and other design efforts. The Bench Program was initially developed to assist certified small and disadvantaged businesses in their efforts to participate on SANDAG A&E contracts. To participate in the SANDAG Bench Program, firms must be an architecture or engineering firm and certified as either a DBE by the California Unified Certification Program (CUCP) or an SB by the Department of General Services (DGS). The Bench Program is open to DBE and SB firms that provide a variety of professional A&E services and can serve as a pool of certified firms that prime consultants will be able to access through a simplified process to work on SANDAG projects. The 2012 SANDAG A&E On-Call Services contracts awarded six contracts to certified Small Businesses, with one awarded to a DBE. Awarding these A&E On-Call contracts to small and disadvantaged businesses was a first for SANDAG. The Bench Program was highly successful with 17% or $50.4 million of the A&E task order work committed to DBE and SB firms under the original 2012 A&E Bench program. The 2017 A&E On-Call series was executed with five of the contracts awarded to certified Small Businesses, one of which was also a DBE. The 2017 A&E On-Call series showed great success with 17% or $35.3 million of the total contract value awarded to DBE and SB firms. The 2022 A&E On-Call series was executed with five of the contracts awarded to certified Small Businesses, two of which are also DBEs. Thus far, the 2022 A&E On-Call series is showing great success with 22% or $24.6 million of the total contract value awarded to DBE and SB firms.

CM Bench

In 2016, SANDAG awarded multiple contracts exceeding $200 million for On-Call Construction Management contracts. The CM Bench procurements consist of contracts for Professional, Technical Construction Management and Engineering services, and related services to support the development and construction of various proposed capital improvement and maintenance projects include heavy rail, light rail, bus rapid transit, freeways, highways, toll roads, local streets and roads, bikeways, and walkways. The CM Bench is open to small and disadvantaged firms that provide a variety of professional CM services as identified in the CM contracts. The CM Bench serves as a pool of firms that Prime consultants will be able to easily access to work on SANDAG projects. The 2016 CM Bench Program was very successful with 29% or $57.9 million of the total amount awarded to DBE and SB firms. Thus far, the 2022 CM On-Call series is showing great success with 21% or $7 million of the total contract value awarded to DBE and SB firms.

Planning Bench

In April of 2020, SANDAG created the Planning Bench that supported the ten (10) On-Call contracts valued at over $40 million. The Planning Bench is open to firms that provide one or more of the 14 transportation planning services and are SB and/or DBE certified. As of February 2024, DBE and SB firms have been awarded 15% of the total contract value or $3.1 million.

SANDAG will continue to look into additional opportunities to utilize the bench program for other on-call services.

DBE and Small Business Subcontracting Plans

For alternative delivery method procurements, including Design-Build contracts, a Subcontracting Plan will be used to plan and monitor DBE and small business commitments. A Subcontracting Plan is intended to describe the specific tools and procedures that the Prime will utilize to support the SANDAG DBE/SB programs. The plan is used to define the subcontractor commitments, identify work areas anticipated for subcontracting, and establish timelines for DBE and small business subcontracts. The primary objectives of the plan include:

- Providing DBE and SB firms practical information and tools necessary to compete for contracts on the Alternative Delivery Method Project;
- Create a level playing field on which DBE and SB firms can compete;
- Meet DBE goals, SB objectives, and related FTA funding requirements;
- Develop a program to get subcontractors construction ready; and
- Develop and utilize a database of qualified DBE and SB firms that can work on the project.

A Subcontracting Plan details subcontractor goals and/or dollar commitments along with small business certification type for each listed subcontractor. These plans also include methods of monitoring performance relative to the requirements of the plan and designate a subcontracting plan administrator. This is an effective tool for establishing accountability of Primes in regard to meeting SB and DBE commitments outlined in their contract.

Procurement Evaluation

To determine small and disadvantaged business participation, an evaluation of each solicitation must occur. This assists project managers with an understanding of how to include small and disadvantaged business opportunities in the scope of their projects. Evaluations are conducted for the following projects:

- Architecture & Engineering
- Construction Management
- Planning
- Construction and Job Order Contracting
- Professional Services
- Amendments, Task Orders, Job Orders, etc.

VII. PUBLIC PARTICIPATION AND FACILITATION

In accordance with 49 CFR Part 26, minority, women, small, and local business associations, and community organizations within the SANDAG market area were consulted and given an opportunity to review the triennial goal methodology and provide input. A Public Notice was issued on the SANDAG website (Attachment 1), publishing the Draft Proposed FTA Overall DBE Goal-Setting Methodology for FFY 2025-2027. The notice included a link to the draft goal methodology and that SANDAG would accept comments on the proposed goal for 30 days from the date of the Public Notice.

One-on-One Meetings

SANDAG sent initial and follow up emails (Attachment 2) to 12 industry and trade groups, including minority and women-specific groups, to invite them to schedule a virtual meeting to learn about the triennial DBE goal and methodology and to provide direct feedback to SANDAG (Attachment 3). Meetings were scheduled and conducted with five (5) of the contacted organizations. The meetings lasted between 30 minutes and two hours and included a presentation (Attachment 4). SANDAG provided time for any and all comments and questions.

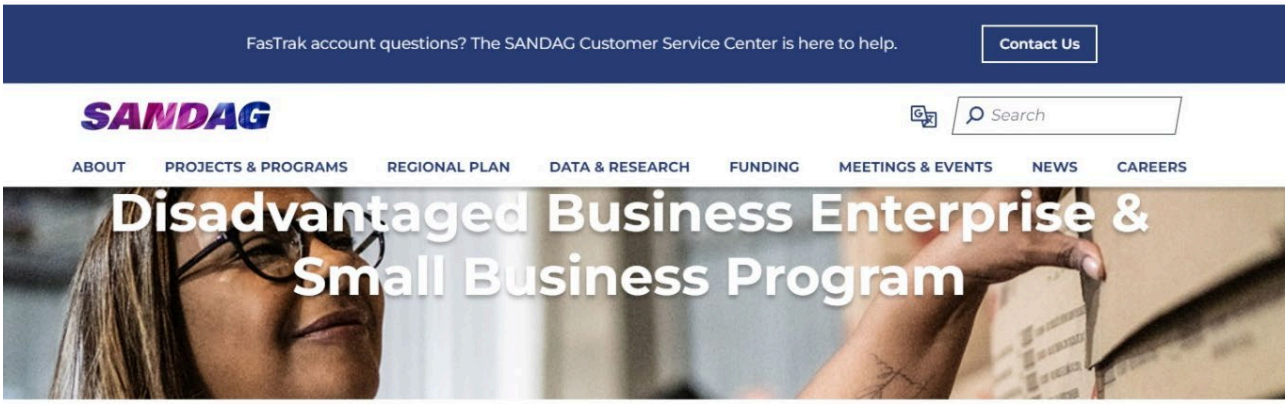
Public Facilitation Forum Webinar

SANDAG sent e-blasts (Attachment 5) to 26 minority, women, small, and local business associations, and community organizations (Attachment 6) and requested their participation on a Public Consultation Forum Webinar as part of this process. SANDAG prepared a presentation (Attachment 4) describing how the goal was developed and inviting questions and comments. The webinar was held from 12:00 PM to 2:00 PM, however no individuals attended.

Comments Received

SANDAG received comments during the one-on-one meetings (Attachment 7). SANDAG considered all comments and input received as a part of this process, however no comments merited an adjustment to the DBE goal.

ATTACHMENT 1: PUBLIC NOTICE



About / Work With Us / Doing Business With SANDAG / Disadvantaged Business Enterprise & Small Business Program

Diversity and equity are so important to everything we do at SANDAG. Programs such as the Disadvantaged Business Enterprise (DBE) and the Small Business (SB) programs are in line with our commitment to diversity, equity, fairness, inclusion, and accessibility in our projects, programs, and services. Programs such as the Disadvantaged Business Enterprise (DBE) and the Small Business programs are in line with our goals toward an equitable future for all by addressing barriers to opportunity and advocating for disadvantaged communities.

SANDAG is now accepting written comments on the **draft proposed Triennial FTA Overall DBE Goal and Methodology for FFY 2025-2027**. **Learn more** and provide your comments by June 23, 2024.

Disadvantaged Business Enterprise Program

One of our priorities is to ensure a level playing field in doing business with SANDAG by removing barriers and maximizing opportunities for minority and women-owned businesses to succeed in their small and emerging businesses. As part of a U.S. Department of Transportation's (DOT) requirement, we've established a DBE program to ensure firms competing for DOT contracts are not disadvantaged by unlawful discrimination. Our DBE program protects Black American, Hispanic American, Native American, Asian-Pacific American, Subcontinent Asian American, and women-owned firms.

We've also established DBE programs for the following Department of Transportation agencies: Federal Transit Administration, Federal Rail Administration, and Federal Highway Administration funding through Caltrans.

Federal Transit Administration DBE Program

As a recipient of U.S. Department of Transportation Federal Transit Administration (FTA) funding, SANDAG is required to establish a DBE program that complies with federal regulations. The FTA requires SANDAG to submit a DBE goal-setting methodology on a triennial cycle. SANDAG has prepared its Triennial DBE Goal in accordance with 49 CFR Part 26.45(g) for the triennial period between October 1, 2021 and September 30, 2024. The overall SANDAG DBE goal of 9.8 percent represents the percentage of work anticipated to be performed by certified DBE firms on SANDAG FTA-assisted projects during the triennial period.

Federal Highway Administration DBE Program

SANDAG is a subrecipient of Federal Highway Administration (FHWA) funding through Caltrans and is therefore required to follow the **Caltrans DBE Program** and goal methodology. Caltrans issued a directive to local subrecipient agencies that contract goals for federally funded projects authorized on or after July 1, 2012, must include all DBE groups (African Americans, Asian Pacific American, Native American, Women, Hispanic American, Subcontinent Asian American, and any other groups whose members are certified as socially or economically disadvantaged). Each year, SANDAG submits a plan, known as the Local Agency DBE Annual Submittal Form, to Caltrans listing the measures the agency will take to assist Caltrans in achieving its overall statewide DBE goal.

Caltrans District 11 local assistance contact: Bryan Ott, Acting District Local Assistance Engineer (DLAE), 619.985.5440, **bryan.ott@dot.gov**; Michelle Gongora, Chief, Safety and District Services Branch, 619.929.6422, **michelle.gongora@dot.ca.gov**.

We strongly encourage small businesses to be DBE-certified. **Here's how to get DBE certified**. The link includes contacts for resources that provide technical assistance at no cost to the small business firm. Companies that are DBE-certified are also able to participate in the SANDAG Small Business Program.

ATTACHMENT 2: OUTREACH CONSULTATION EMAILS

From: Jennifer Bianchi <Jennifer.Bianchi@sandag.org>
Sent: Thursday, April 25, 2024 2:00 PM
Cc: Elaine Richardson <Elaine.Richardson@sandag.org>; Alexia Spivey <Alexia.Spivey@sandag.org>; Brittany Yamagata <Brittany.Yamagata@sandag.org>; Jennifer Bianchi <Jennifer.Bianchi@sandag.org>
Subject: SANDAG wants your input!

Greetings,

The San Diego Association of Governments (SANDAG) will soon be advertising our new Triennial Disadvantaged Business Enterprise (DBE) goal for Federal Transit Administration (FTA) assisted procurements. Upon approval by the SANDAG Board of Directors (BOD) on May 24, 2024, to advertise the FFY 2025-2027 FTA DBE goal, we will send you the BOD report, DBE Goal Methodology Document, and our Public Notice for your review.

You are invited to a one-on-one virtual meeting to discuss the SANDAG DBE FTA Triennial Goal and methodology for FFY 2025-2027. SANDAG would like to hear how the DBE program impacts your organization and its members. We would also like to discuss some of the obstacles that small and disadvantaged firms within your organization experience in doing business with SANDAG. We are looking for suggestions as to what kind of improvements can SANDAG make in reaching out to DBEs and small businesses.

Please choose three of the following times that best meet your schedule requirements and forward your response to Brittany Yamagata (Brittany.yamagata@sandag.org) no later than May 17, 2024. The dates below are first come first serve as we will be meeting with several organizations throughout the region. So please be aware that the sooner you provide your response with your selected dates/times, the more likely we will be able to accommodate your first choice.

If you have any questions, please feel free to email Brittany Yamagata at brittany.yamagata@sandag.org.

Meeting dates and times:

- May 29, 2024 – 2 PM to 4 PM
- May 30, 2024 – 9:00 AM – 11:00 AM
- June 3, 2024 – 1 PM to 3 PM
- June 4, 2024 – 1:30 PM to 3:30 PM
- June 5, 2024 – 1 PM to 3 PM
- June 6, 2024 – 1 PM to 3 PM
- June 7, 2024 – 1 PM to 3 PM
- June 11, 2024 – 1:30 PM to 3:30 PM
- June 13, 2024 – 2 PM to 4 PM
- June 14, 2024 – 1:30 PM to 3:30 PM
- June 17, 2024 – 1 PM to 3 PM
- June 18, 2024 – 2 PM to 4 PM
- June 20, 2024 - 1 PM to 3 PM

Jennifer Bianchi on behalf of
Elaine Richardson (she/her/hers)
Director of Diversity and Equity

619.699.6956 office
401 B Street, Suite 800, San Diego, CA 92101

SANDAG | *Pursuing a brighter future for all*

Learn about our commitment to equity
SANDAG office hours are Tuesday – Friday and every other Monday from 8 a.m. – 5 p.m.

From: Elaine Richardson <Elaine.Richardson@sandag.org>
Sent: Tuesday, May 14, 2024 2:56 PM
Cc: Alexia Spivey <Alexia.Spivey@sandag.org>; Jennifer Bianchi <Jennifer.Bianchi@sandag.org>; Gracie Donahue <Gracie.Donahue@sandag.org>; Tim James <Tim.James@sandag.org>; Sarah Mee <smee@gcapservices.com>; Brittany Yamagata <byamagata@gcapservices.com>
Subject: SANDAG NEEDS YOUR HELP
Importance: High

Hello All

This is our second attempt to contact you. **This discussion is tremendously important to the Small and Disadvantaged businesses in the San Diego region that are awarded millions of dollars of work in the region** . The San Diego Association of Governments (SANDAG) wants to communicate with you in a one-on-one virtual meeting to discuss the SANDAG Disadvantaged Business Enterprise (DBE) Federal Transit Administration (FTA) Triennial Goal and methodology for FFY 2025-2027.

SANDAG would like to hear how the DBE program impacts your organization and its members. We would also like to discuss some of the obstacles that small and disadvantaged firms within your organization experience in doing business with SANDAG. We are looking for suggestions as to what kind of improvements can SANDAG make in reaching out to DBEs and small businesses.

Please choose three of the following times that best meet your schedule requirements and forward your response to Brittany Yamagata (Brittany.yamagata@sandag.org) no later than May 21, 2024. The dates below are first come first serve as we will be meeting with several organizations throughout the region. So please be aware that the sooner you provide your response with your selected dates/times, the more likely we will be able to accommodate your first choice.

If you have any questions, please feel free to email Brittany Yamagata at brittany.yamagata@sandag.org.

Meeting dates and times:

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- June 17, 2024 – 1 PM to 3 PM
- June 18, 2024 – 2 PM to 4 PM
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Upon approval by the SANDAG Board of Directors (BOD) on May 24, 2024, to advertise the FFY 2025-2027 FTA DBE goal, we will send you the BOD report, DBE Goal Methodology Document, and our Public Notice for your review.

Thank you for responding to this email and we look forward to speaking with you on the FTA DBE Triennial Goal Methodology.

Elaine Richardson (she/her/hers)
Director of Diversity and Equity

619.699.6956 office
401 B Street, Suite 800, San Diego, CA 92101

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Learn about our commitment to equity
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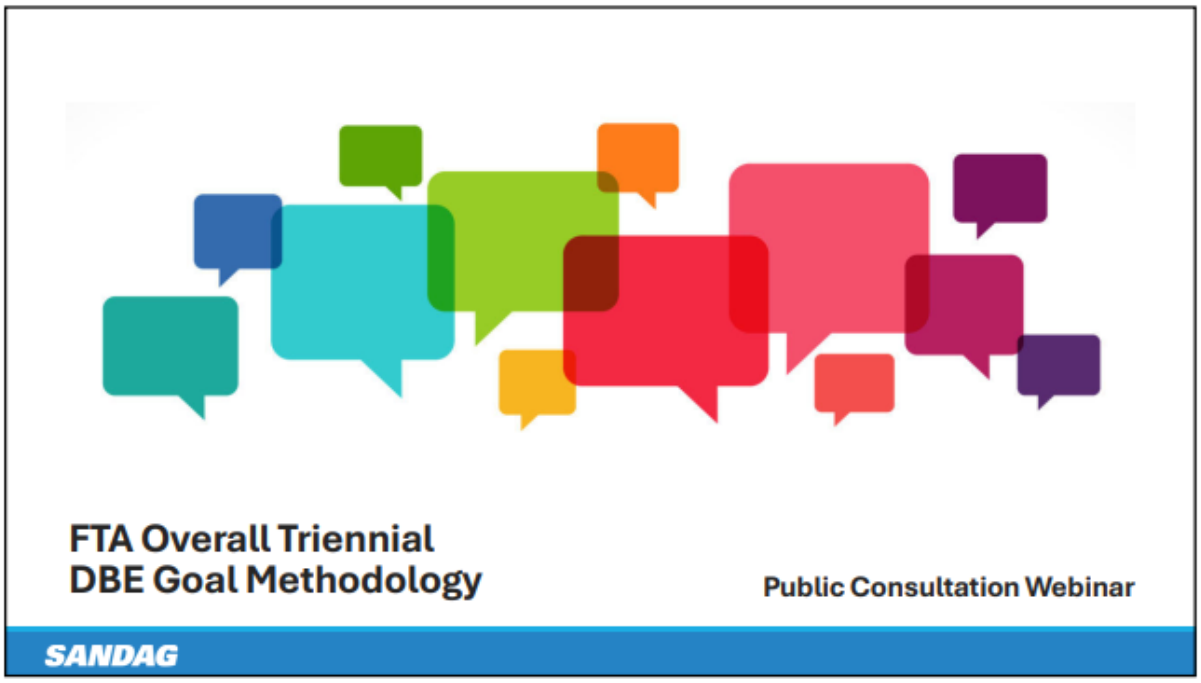
ATTACHMENT 3: INDIVIDUAL MEETING CONTACT

Organization	Contact Made
American Indian Chamber of Commerce- San Diego Chapter	4/25/24 invitation email 5/14/24 follow up email 5/21/24 follow up phone call
APEX Accelerator	4/25/24 invitation email 5/14/24 follow up email
Asian Business Association	4/25/24 invitation email 5/14/24 follow up email 5/21/24 follow up phone call
Associated General Contractors of America- San Diego Chapter	4/25/24 invitation email 5/14/24 follow up email 5/21/24 follow up phone call
Black Contractors Association, Inc.	4/25/24 invitation email 5/14/24 follow up email 5/16/24 follow up phone call
Central San Diego Black Chamber of Commerce	4/25/24 invitation email 5/14/24 follow up email 5/21/24 follow up phone call
National Association of Women in Construction- San Diego, CH 21	4/25/24 invitation email 5/14/24 follow up email 5/16/24 follow up phone call
North San Diego Small Business Development Center	4/25/24 invitation email 5/14/24 follow up email
San Diego & Imperial Valley Small Business Development Center	4/25/24 invitation email 5/14/24 follow up email 5/21/24 follow up phone call
San Diego Associated Subcontractors Alliance	4/25/24 invitation email 5/14/24 follow up email 5/21/24 follow up phone call
San Diego County Hispanic Chamber of Commerce	4/25/24 invitation email 5/14/24 follow up email
Society of Hispanic Professional Engineering San Diego Professional Chapter	4/25/24 invitation email 5/14/24 follow up email 5/21/24 follow up phone call

ATTACHMENT 4: PUBLIC CONSULTATION WEBINAR



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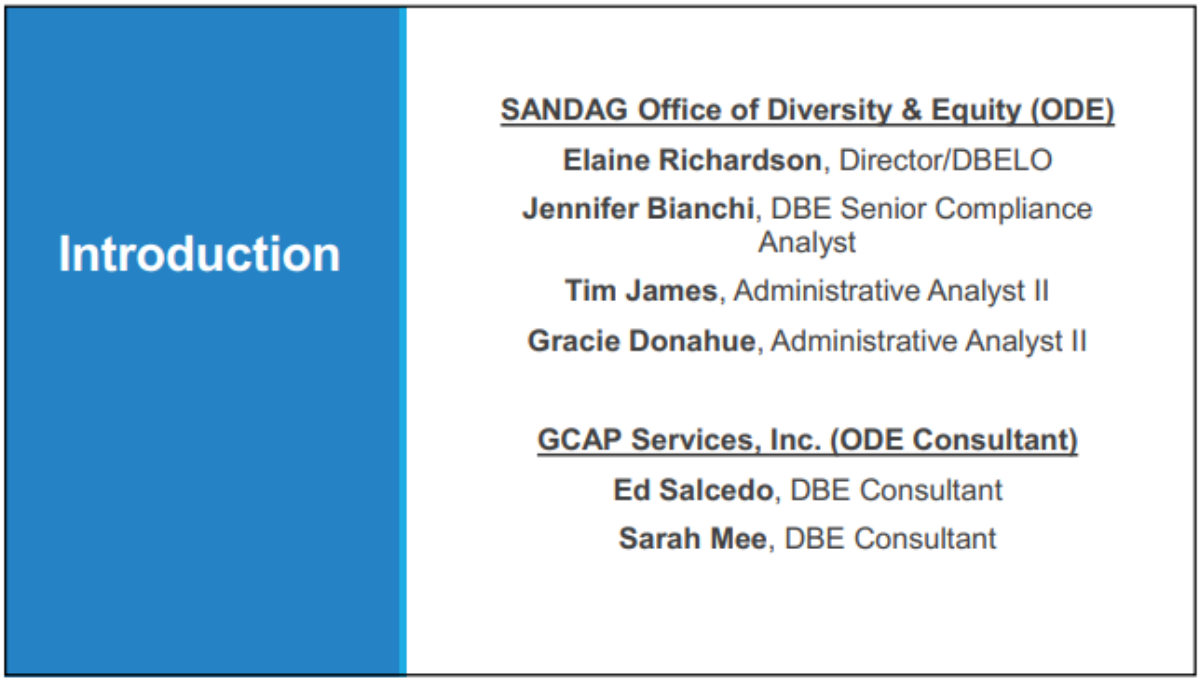

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DBE Program Background

- SANDAG is required to develop and submit an Overall Triennial DBE Goal as a condition of receiving federal assistance (49 CFR Part 26)
- FFY 2025-2027: October 1, 2024 – September 30, 2027
- Triennial DBE Goal Development:

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Market Area

San Diego County

- where large majority of contracting dollars are expended
- where a substantial number of contractors and subcontractors are located

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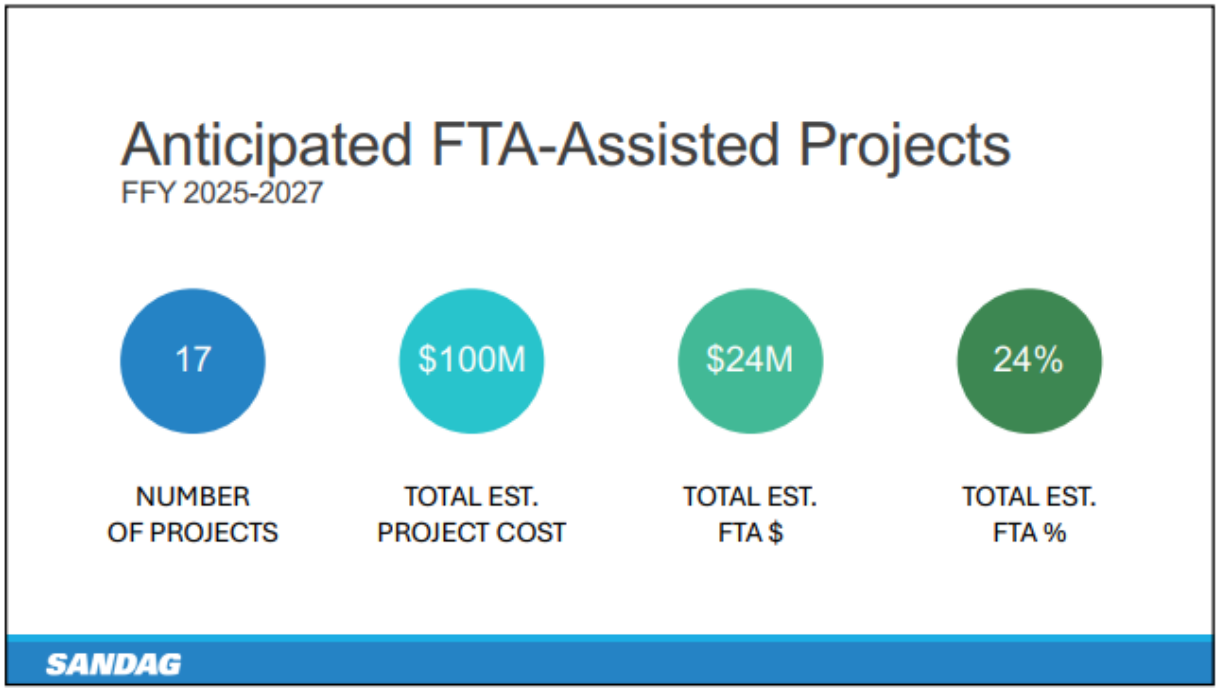
4



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Anticipated FTA-Assisted Projects
FFY 2025-2027

PROJECT NAME	EST. TOTAL PROJECT COST	EST. FTA $ SHARE	EST. FTA % SHARE
A&E On-Calls	$16,002,000	$798,100	5.00%
CM On-Calls	$37,808,750	$14,083,759	37.25%
On-Call JOC	$454,271	$22,714	5.00%
On-Call ITS	$199,918	$9,996	5.00%
On-Call Legal	$2,702,774	$135,139	5.00%
On-Call Marketing	$1,891,710	$94,585	5.00%
On-Call P3	$1,806,580	$90,329	5.00%
On-Call Tolling	$114,482	$5,724	5.00%
On-Call Environmental	$1,416,490	$70,825	5.00%
On-Call Finance	$425,650	$21,283	5.00%
On-Call Vanpool	$147,200	$7,360	5.00%
Data Science: Data analysis and modeling	$13,300,531	$3,143,637	23.64%
Regional Plan Development	$7,690,604	$2,879,124	37.44%
Blue Line Express Feasibility Study	$488,688	$488,688	100.00%
Transportation-Related Public Meeting Activities	$685,609	$200,000	29.17%
Social Equity Program	$776,896	$276,424	35.58%
Bridge 257.2 Replacement	$14,500,000	$2,229,000	15.37%
Total	**$100,412,153**	**$24,556,686**	**24.46%**

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Categorization of Work

PROJECT NAME	EST. FTA $	NAICS	NAICS TITLE	EST. FTA NAICS $
A&E On-Calls	$798,100	541310	Architectural services	$39,905
		541330	Engineering services	$327,221
		541620	Environmental consulting services	$430,974
Bridge 257.2 Replacement	$2,229,000	561730	Landscaping services	$22,290
		237990	Other heavy and civil engineering construction	$1,783,200
		238110	Poured concrete foundation and structure contractors	$111,450
		238910	Site preparation contractors	$22,290
		238120	Structural steel and precast concrete contractors	$222,900
		541370	Surveying and mapping (except geophysical) services	$22,290
		541380	Testing laboratories	$22,290
		221310	Water supply and irrigation systems	$22,290
Other Projects	$21,529,586	Various	Various	$21,529,586
Total	$24,556,686			$24,556,686

*Please see Table 2 of the Goal-Setting Methodology for the full list of projects.

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33 NAICS Codes

North American Industry Classification System

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$$\text{Base Figure} = \sum \frac{\text{(No. of Ready, Willing and Able DBEs)}}{\text{(No. of All Ready, Willing and Able Firms)}} \times \text{Estimated NAICS \%}$$

NAICS CODE	NAICS TITLE	NAICS %	DBES	ALL FIRMS	RELATIVE AVAILABILITY (DBEs ÷ All Firms)	WEIGHTED RATIO (Rel. Avail. x NAICS %)
221310	Water supply and irrigation systems	0.09%	3	27	11.11%	0.01%
237990	Other heavy and civil engineering construction	7.31%	12	30	40.00%	2.92%
238110	Poured concrete foundation and structure contractors	0.45%	23	186	12.37%	0.06%
238120	Structural steel and precast concrete contractors	0.91%	9	41	21.95%	0.20%
238910	Site preparation contractors	0.09%	21	234	8.97%	0.01%
541310	Architectural services	0.16%	6	325	1.85%	0.00%
541330	Engineering services	34.88%	47	1165	4.03%	1.41%
541370	Surveying and mapping (except geophysical) services	1.24%	9	53	16.98%	0.21%
541380	Testing laboratories	4.11%	5	88	5.68%	0.23%
541620	Environmental consulting services	4.95%	47	202	23.27%	1.15%
561730	Landscaping services	0.09%	7	941	0.74%	0.00%
Various	Various	Various	Various	Various	Various	2.44%
					DBE Base Figure	**8.64%**

*Please see Tables 3-5 of the Goal-Setting Methodology for the full list of NAICS codes.

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DBE Goal Steps

1. Review Past Attainments
2. Determine Median Attainment Percentage
3. Average the Median Attainment Percentage with the Base Figure
4. The Average becomes the DBE Goal

10

Adjustments to the Base Figure

Past Performance

FEDEAL FISCAL YEAR (FFY)	FTA DBE GOAL %	FTA DBE ATTAINMENT %
FFY 2019	10.30%	9.05%
FFY 2020	10.30%	16.72%
FFY 2021	10.30%	15.34%
FFY 2022	9.80%	15.67%
FFY 2023	9.80%	9.57%
Median DBE Attainment		**15.34%**

Adjustment

Base Figure	8.64%
Median DBE Attainment	15.34%
Adjusted Base Figure	**11.99%***

*SANDAG elected to round up the Adjusted Base Figure to 12.0%

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Other Adjustments to the Base Figure

Disparity Studies

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FFY 2025-2027 Overall Triennial DBE Goal

12.0%

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Next Steps

1. Continue outreach
2. Accept comments thru June 23
3. Analyze responses and revise goal, as needed
4. Finalize goal methodology with summary of comments
5. Present to Board of Directors
6. Submit final goal to FTA

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Thank You

SANDAG

Elaine Richardson
Director of Diversity and Equity, DBELO
619-699-6956
Elaine.Richardson@sandag.org
www.sandag.org

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ATTACHMENT 5: PUBLIC CONSULTATION FORUM E-BLAST

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SANDAG FFY 2025-2027 Triennial DBE Goal Public Consultation Webinar

In accordance with 49 CFR Part 26.45(g), the San Diego Association of Governments (SANDAG), announces a proposed Federal Transit Administration (FTA) Triennial Disadvantaged Business Enterprise (DBE) goal of 12.0% for Federal Fiscal Years (FFY) 2025-2027. This goal represents the percentage of work anticipated to be performed by certified DBEs on SANDAG FTA-assisted projects during the triennial period.

To gather public participation and input regarding the proposed DBE goal, SANDAG will host a webinar on June 12th, 2024, from 12:00 PM - 2:00 PM PDT. We extend a warm invitation to all minority, women's and general contractor groups, community organizations, and other officials or organizations to attend and contribute their valuable insights and feedback. Your participation is highly encouraged and appreciated.

Click Here to Register!

Click Here to View Public Notice

If you need any additional information, please contact Brittany Yamagata at brittany.yamagata@sandag.org.

We look forward to hearing from you!

Unable to Make It?

SANDAG will accept written comments until June 23, 2024.
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ATTACHMENT 6: PUBLIC CONSULTATION FORUM INVITATION LIST

Agency Name	Contact
Able Disabled Advocacy	Called 6/7, left a message. Sent e-blasts on 5/24/24, 6/3/24, 6/5/24, 6/7/24, 6/10/24, and 6/11/24.
Alliance for Regional Solutions	Called 6/7, not sure if correct number, Voicemail went to "Interface Community Services Office of First Impressions". Sent e-blasts on 5/24/24, 6/3/24, 6/5/24, 6/7/24, 6/10/24, and 6/11/24.
Black Entrepreneurs Leaders and Learners	Called 6/7, call would not connect. Sent e-blasts on 5/24/24, 6/3/24, 6/5/24, 6/7/24, 6/10/24, and 6/11/24.
Casa Familiar	Called 6/7, was transferred to Admin department and left a message. Sent e-blasts on 5/24/24, 6/3/24, 6/5/24, 6/7/24, 6/10/24, and 6/11/24.
Chula Vista Community Collaborative	Called 6/7, spoke with receptionist, she will check with coordinator to see if they've already registered. Sent e-blasts on 5/24/24, 6/3/24, 6/5/24, 6/7/24, 6/10/24, and 6/11/24.
City Heights CDC/Mid-City Community Advocacy Network	Called 6/7 and left a message. Sent e-blasts on 5/24/24, 6/3/24, 6/5/24, 6/7/24, 6/10/24, and 6/11/24.
Council for Supplier Diversity- San Diego	Called 6/7 and left a message. Sent e-blasts on 5/24/24, 6/3/24, 6/5/24, 6/7/24, 6/10/24, and 6/11/24.
El Cajon Collaborative	Called 6/7, spoke with Carol, asked that we call back on Monday. Called Monday 6/10, left a message. Sent e-blasts on 5/24/24, 6/3/24, 6/5/24, 6/7/24, 6/10/24, and 6/11/24.
International Rescue Committee- San Diego	Called 6/7 and left a message. Sent e-blasts on 5/24/24, 6/3/24, 6/5/24, 6/7/24, 6/10/24, and 6/11/24.
Jacobs Center for Neighborhood Innovation	Called 6/7 and left a message. Sent e-blasts on 5/24/24, 6/3/24, 6/5/24, 6/7/24, 6/10/24, and 6/11/24.
Kumeyaay Heritage Preservation Council	Called 6/7, couldn't complete the call message. Sent e-blasts on 5/24/24, 6/3/24, 6/5/24, 6/7/24, 6/10/24, and 6/11/24.
Latino Equity Council	Called 6/7 and left a message. Sent e-blasts on 5/24/24, 6/3/24, 6/5/24, 6/7/24, 6/10/24, and 6/11/24.
Linda Vista Collaborative (Bayside Community Center)	Called 6/7 and left a message. Sent e-blasts on 5/24/24, 6/3/24, 6/5/24, 6/7/24, 6/10/24, and 6/11/24.

Mountain Empire Collaborative (No website)	No phone #, could not call. Sent e-blasts on 5/24/24, 6/3/24, 6/5/24, 6/7/24, 6/10/24, and 6/11/24.
National Association of Minority Contractors (NAMC), Mid CA -E. Bay	Called 6/7 and left a message. Sent e-blasts on 5/24/24, 6/3/24, 6/5/24, 6/7/24, 6/10/24, and 6/11/24.
National Latina Business Women Association- San Diego Chapter	Called 6/7 and left a message. Sent e-blasts on 5/24/24, 6/3/24, 6/5/24, 6/7/24, 6/10/24, and 6/11/24.
Operation Samahan	Called 6/7, took call to a generic medical directory, unable to connect with a contact. Sent e-blasts on 5/24/24, 6/3/24, 6/5/24, 6/7/24, 6/10/24, and 6/11/24.
San Diego American Planning Association	Called 6/7 and left a message. Sent e-blasts on 5/24/24, 6/3/24, 6/5/24, 6/7/24, 6/10/24, and 6/11/24.
San Diego Equity Business Association	Called 6/7 and left a message. Sent e-blasts on 5/24/24, 6/3/24, 6/5/24, 6/7/24, 6/10/24, and 6/11/24.
San Diego National Organization of Minority Architects	No phone #, could not call. Sent e-blasts on 5/24/24, 6/3/24, 6/5/24, 6/7/24, 6/10/24, and 6/11/24.
San Diego National Society of Black Engineers	Called 6/7, call would not connect. Sent e-blasts on 5/24/24, 6/3/24, 6/5/24, 6/7/24, 6/10/24, and 6/11/24.
San Diego Women's Transportation Seminar (WTS)	Called 6/7, went to a number for an engineering firm. Sent e-blasts on 5/24/24, 6/3/24, 6/5/24, 6/7/24, 6/10/24, and 6/11/24.
Serving Seniors	Called 6/7 and left a message. Sent e-blasts on 5/24/24, 6/3/24, 6/5/24, 6/7/24, 6/10/24, and 6/11/24.
Small Business Development Center- Imperial Valley	Called 6/7 and left a message. Sent e-blasts on 5/24/24, 6/3/24, 6/5/24, 6/7/24, 6/10/24, and 6/11/24.
Small Business Development Center- South San Diego	Called 6/7 and left a message. Sent e-blasts on 5/24/24, 6/3/24, 6/5/24, 6/7/24, 6/10/24, and 6/11/24.
Vista Community Clinic	Called 6/7, took call to a generic medical directory, unable to connect with a contact. Sent e-blasts on 5/24/24, 6/3/24, 6/5/24, 6/7/24, 6/10/24, and 6/11/24.

ATTACHMENT 7: SUMMARY OF PUBLIC COMMENTS

San Diego, Orange, Imperial APEX Accelerator

Tuesday, June 11, 2024 at 1:30 PM
Hosts: Elaine Richardson, Jennifer Bianchi, Sarah Mee
Attendee: Mike Sabellico, Regional Director

- **Comment Received:** How big is your actual market area? Do you measure this [market area] by the amount of work there is or who you are paying?

  SANDAG Response: About 75%-80% of the contractors and consultants that we have are in San Diego County. The market area we use for the triennial goal is only for goal-setting purposes. SANDAG welcomes bidders and proposers from all over California, the nation, and internationally.

  The market area is defined under 49 CFR Part 26 as the area where a large majority of contracting dollars are expended, and where a substantial number of contractors and subcontractors are located and available to submit bids, quotes, or proposals.

- **Comment Received:** NAICS codes are the bane of a lot of small businesses. That 30 number [referring to NAICS code 237990] is low and there may be more firms that do similar work because I use the report to do annual MBE study for SDUSD. That number may be low. That's the problem with NAICS codes. You see a lot of the general engineering services, landscaping services, etc. work, but it's tough because the NAICS Code system is flawed. UNSPC Codes are better. I don't know if there is a better way to get data, not as accurate because you are only using the Census data. Census data is older. There is a disconnect between this and the DBE data. For Census data that is their primary businesses. There are small and large businesses that do multiple [areas of work]; the 30 is the primary data.

  SANDAG Response: SANDAG follows the DBE Directory and Census Bureau Data method in 49 CFR Part 26.45 to set the overall triennial goal which requires the use of NAICS codes to determine the relative availability of DBEs. Unfortunately, we do not have any other source from which to pull both DBE and all firm data to compare other than NAICS codes. We agree there are challenges with the data, but this is the best information available.

- **Comment Received:** Do you pick NAICS codes?

  SANDAG Response: SANDAG reviews each project and identifies the types of work included based on project description, cost estimates, and past contracts. The identified types of work are assigned the appropriate NAICS codes that most closely aligns with the type of work that will be performed.

- **Comment Received:** NAICS is inherently a difficult system. Federal certifications choose a NAICS – listed on your tax return, and they make you change your NAICS code that makes it difficult.

  SANDAG Response: The DBE certification process identifies the applicable NAICS codes for each DBE.

- **Comment Received:** We are trying to get more firms certified. We need to work with firms and tell them don't just get certified and only get it (DBE certification) if you are going to do work in it. Firms need to target the work. If you work in the State, it may only be work with an organization like SANDAG and Caltrans.

  SANDAG Response: SANDAG refers firms interested in obtaining DBE certification to work with the North County Small Business Development Center as they are a free resource and are very experienced in assisting firms with certification.

- **Comment Received:** The methodology looks sounds and defensible; makes sense and rounded up to 12%. This is understandable because it is a small number of projects and small dollar amount. One project can change your numbers significantly.

- **Comment Received:** Well done, you did a great job! Appreciate your organization and the work that you do for counseling. This was a real well-done report; the thought process and methodology is really thought out. Elaine (SANDAG Director of Diversity and Equity) is a great partner and GCAP did great.

North San Diego Small Business Development Center

Thursday, May 30, 2024 @ 9:00 AM
Hosts: Elaine Richardson, Jennifer Bianchi, Sarah Mee
Attendee: Cheryl Brown, Director

- **Comment Received:** Good job of easily explaining methodology, looks reasonable. What is the strategy to achieve those goals? Do we know whether any of the non-DBEs could be qualified as DBEs?

  SANDAG Response: SANDAG attempts to achieve the overall DBE goal through contract specific goals, encouraging prime and sub networking at pre-bid meetings, participating in outreach events, unbundling contracts, and through the Bench Programs where primes have a list of DBEs that are interested in working and certified. SANDAG is always open to suggestions for engaging more firms in responding to solicitations.

  The Calmentor program works to get interested firms DBE and small business certified. They mentor more construction businesses to become certified and be successful in receiving government work.

- **Comment Received:** Is there a strategy of oversight with the primes to make sure they are utilizing the DBEs they are reaching out to? A big complaint from small businesses is primes reach out and info is used for good faith efforts and then are never actually used/engaged. Are random checks part of the plan? For example, SDUSD selects projects to audit and ensure that the Prime is doing outreach.

  SANDAG Response: There are two parts here. Prior to awarding a contract, SANDAG reviews DBE commitments and GFE packages very carefully to ensure bidders and proposers are legitimately reaching out to DBEs. We have recently updated our GFE manual handbook to let bidders and proposers know what is required and that SANDAG will scrutinize their efforts to reach out to DBEs. After the contract is awarded, we require primes to report payments to all subs in our

Compliance Information System (CIS). All listed subs are entered into CIS and SANDAG monitors payments made to ensure DBEs are being paid promptly and according to the DBE commitment. SANDAG has regular meetings with PMs and primes throughout the contracting term to see if primes are meeting their DBE commitments and if not, why. If DBEs are not being used, SANDAG requires primes to submit a notice of termination with a valid reason for not using the DBE. If they do not have good cause for terminating the DBE, SANDAG may take measures against the prime.

- **Comment Received:** The certification process has been a struggle regarding the NAICS codes. Caltrans came out with the WCC and there is no legislation that recognizes these codes, and how you can provide these services. It's not a SANDAG thing, it is any agency that receives FTA funding.

San Diego County Hispanic Chamber of Commerce

Monday, June 17, 2024 @ 1:00 PM
Hosts: Jennifer Bianchi, Sarah Mee
Attendees: Josie Flores-Clark, President; Perla D. Cuevas, Secretary; Mabi Castro, Economic Development

- **Comment Received:** How is SANDAG getting this message out to women- and minority-owned businesses for the DBE Triennial Goal?

  SANDAG Response: Following DBE requirements, SANDAG is reaching out to minority, women's and general contractor groups, community organizations, and other officials or organizations which could be expected to have information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and your efforts to establish a level playing field for the participation of DBEs. SANDAG reached out to 12 organizations to request 1-1 meetings and has reached out to another 26 organizations to invite them to participate in a webinar.

- **Comment Received:** When individual projects become available, how does SANDAG advertise that?

  SANDAG Response: SANDAG utilizes the BidNet portal for solicitations and to notify firms of upcoming projects. On projects with DBE goals, we also send e-blasts to DBEs in applicable NAICS codes to notify them of the solicitation and to invite them to participate in the upcoming pre-bid meeting. On larger projects SANDAG also reaches out to certified small businesses.

- **Comment Received:** Small, minority, and women-owned businesses don't know about these projects, or the requirements are too high. Our small businesses don't know how to bid for these contracts, which is why they see the same big businesses getting the contracts all the time. This is the first time we've heard from SANDAG. Does SANDAG partner with other organizations? We need to educate the community first so they can grow to become certified and actually win a bid. Need to know what they're "doing wrong" to know why they're not getting a bid. Need to start from the ground up of where the resources are located, what forms do you need, hosting workshops, breaking down barriers to getting them access.

  SANDAG Response: SANDAG reaches out to support organizations such as the minority chambers for their feedback on triennial DBE goals and conducts "How to do Business with SANDAG" workshops to inform interested parties in how to find opportunities and learn about

requirements. SANDAG refers interested firms to the Small Business Development Center (SBDC) (North County) and Apex Accelerator (South County) for free resources and education on the DBE program as well as to Caltrans which has training programs. These groups provide assistance to businesses that are just starting out as well. SANDAG has a variety of programs including the Bench Programs, small business programs, etc. to extend opportunities to businesses.

- **Comment Received:** How long does it take to get DBE certified and what is the cost?

  SANDAG Response: DBE certification is free, and it typically takes between 3-6 months, depends on if the package submitted is complete. This is where the SBDC will be helpful to help make sure everything goes smoothly.

- **Comment Received:** What is the reason between the fluctuation between the goals (referring to the different DBE goals over the years)?

  SANDAG Response: The triennial DBE goal changes based on the type of work anticipated for the triennial period, the amount of FTA funds, and the relative availability of DBEs in expected work areas. When we exceed the goal, it can make the next goal higher because we factor in past participation.

- **Comment Received:** Do we pull information from a database?

  SANDAG Response: SANDAG utilizes the DBE database as well as the U.S. Census Bureau County Business Patterns database to determine the relative availability of DBEs for each item of work anticipated.

- **Comment Received:** Do we have any communications/social media tools that would be useful for the organization to share?

  SANDAG Response: SANDAG shared the "Doing Business with SANDAG" website, upcoming contracting opportunities, and other relevant resources.

- **Comment Received:** If we want to contact someone on the SANDAG side to have a partnership, who do we contact?

  SANDAG Response: Elaine Richardson, SANDAG Director of Diversity and Equity. SDCHCC is looking forward to a follow-up meeting to discuss future opportunities.

Small Business Development Center Imperial Valley

Friday, June 7, 2024 @ 1:00 PM
Hosts: Jennifer Bianchi, Sarah Mee
Attendee: Viridiana Rosales, Center Manager

- **Comment Received:** Out of the 17 projects presented, will there be any projects in the Imperial Valley or just in San Diego?

  SANDAG Response: SANDAG is unable to identify the locations of the projects at this time. They will likely all be in San Diego county.

- **Comment Received:** Can you expand more on outreach efforts for the triennial DBE goal? Who are your stakeholders when it comes to outreach (specifically related to triennial goal)?

  SANDAG Response: Following DBE requirements, SANDAG is reaching out to minority, women's and general contractor groups, community organizations, and other organizations which could be expected to have information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and your efforts to establish a level playing field for the participation of DBEs. SANDAG reached out to 12 organizations to request 1-1 meetings and has reached out to another 26 organizations to invite them to participate in a webinar.

- **Comment Received:** Once you complete this process, how do you get businesses to bid on these projects? How do you fulfill the 12% goal?

  SANDAG Response: SANDAG attempts to achieve the overall DBE goal through contract specific goals, encouraging prime and sub networking at pre-bid and pre-proposal meetings, participating in outreach events, unbundling contracts, and through the Bench Programs where primes have a list of DBEs that are interested in working and are certified.

- **Comment Received:** This is the first time I have heard of SANDAG, so I want to know more about the outreach efforts that SANDAG is doing. I advocate for people in the Imperial Valley and want them to be able to take advantage of some of their opportunities. I want to make sure it's not just on paper but that there is adequate outreach, etc. to increase contractors' chances of getting these types of projects. I want to continue to work together and assist in bringing bids to local clients. A lot of my concern is helping the businesses in Imperial Valley. There are a lot of disadvantaged businesses in Imperial Valley. The area has high poverty rates and the SBDC is trying to help them in every way that we can. Do you have a record of how many businesses or DBE in the Imperial Valley that participate in the SANDAG contracts?

  SANDAG Response: SANDAG procurements are open to all businesses regardless of location. We do not currently have statistics based on business location but could research.

- **Comment Received:** We do have a few businesses that are not sure if they are certified. We spoke to a contractor who is looking for contractor jobs and has all certifications but is not getting any work. We are educating them to be DBE certified, but once they obtain the certifications, what do they do with it now.

  SANDAG Response: DBE certification in itself does not guarantee jobs. Contractors must seek out solicitations, attend pre-bid and networking opportunities, and provide reasonable and timely quotes to potential prime contractors. SANDAG refers all interested parties to the North County SBDC for assistance with DBE certification and other business needs.

- **Comment Received:** How can SANDAG encourage DBE firms? Being aware of the businesses in Imperial County, it's not that far. It's a little under a 2-hour drive and it is feasible for a lot of the contractors to be ready to take advantage of these opportunities. Are there opportunities in the Imperial Valley that they can take advantage of with SANDAG?

  SANDAG Response: SANDAG utilizes the BidNet portal for solicitations and to notify firms of upcoming projects. On projects with DBE goals, we also send e-blasts to DBEs in applicable NAICS

codes to notify them of the solicitation and to invite them to participate in the upcoming pre-bid meeting. SANDAG always encourages small business participation on every project.

- **Comment Received:** Does SANDAG hold any trainings or webinars that DBEs can take advantage of when it comes to educational resources? Requested training for firms to be aware of how to do business with SANDAG.

  SANDAG Response: SANDAG conducts "How to do Business with SANDAG" workshops to inform interested parties in how to find opportunities and learn about requirements.

Conflict of Interest Code Updates

Overview

The California Political Reform Act requires every state and local agency to adopt a Conflict of Interest Code that identifies all officials and employees within the agency who make or influence governmental decisions within the scope of the position they hold in their agency. The individuals in these positions must disclose their financial interests as specified in the agency's Conflict of Interest Code. Every two years, or as-needed based upon modifications to positions in the Board-approved budget, staff reviews the Conflict of Interest Code to determine if updates are needed.

Action: **Approve**

The Board of Directors is asked to approve the updated SANDAG Conflict of Interest Code.

Fiscal Impact:

None.

Schedule/Scope Impact:

None.

Key Considerations

The proposed amendments to the Conflict of Interest Code shown in Attachment 1 reflect the addition of positions in the list of designated positions, along with the appropriate disclosure categories for each listed position. These are consistent with the adopted FY 2025 Program Budget and changes to the FY 2025 Position Classification and Salary Range Table approved on May 10, 2024. The Board of Directors last approved changes to the Conflict of Interest Code in January 2024.

Next Steps

The proposed amendments will implement updates to the list of designated employee and consultant positions subject to filing annual economic disclosure statements.

Mario Orso, Chief Executive Officer

Attachment: 1. Conflict of Interest Code with Proposed Amendments in Red Line

Conflict of Interest Code

The Political Reform Act, Government Code Sections 81000, et seq., requires SANDAG to adopt and promulgate a Conflict of Interest Code. The Fair Political Practices Commission has adopted a regulation, 2 Cal. Code of Regs. Section 18730, which contains the terms of a standard model Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings. Therefore, the terms of 2 Cal. Code of Regs. Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission along with the attached Appendices in which officials, consultants and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the Conflict of Interest Code of SANDAG.

The persons holding positions listed in the Appendix are designated employees, consultants, or officials. It has been determined that these persons make or participate in the making of decisions that may foreseeably have a material effect on financial interests. Designated persons shall file statements of economic interests with SANDAG when assuming or leaving their position and annually while holding the position. SANDAG will make the statements available for public inspection and reproduction (Gov. Code Section 81008). Statements for all designated employees will be retained by SANDAG and provided to the Code Reviewing Body, the County of San Diego.

Appendix A
Table 1

Designated Positions	Disclosure Categories (see Appendix B)
Members, alternates, and/or advisory members of the Board of Directors; and/or Policy Advisory Committees; and/or committees and/or working groups making decisions influencing expenditure of public funds	1, 2, 4
Account Executive (I, II, Associate)	3, 4
Accountant (I, II, Associate, Senior)	3, 4
Administrative Analyst (I, II, Associate, Senior)	3, 4
Administrative Office Specialist	3, 4
Borders Program Manager	3, 4
Budget Manager	2, 4
Business Analyst (I, II, Associate, Senior, Principal)	3, 4
Business Services Supervisor	2, 4
Business Services Manager	1, 2, 4
Capital Development Project Manager	1, 3, 4
Chief of Staff ~~(Strategic Advisor)~~	1, 2, 4
Chief Deputy CEO	1, 2, 4
Chief Executive Officer	1, 2, 4
Chief Financial Officer	1, 2, 4
Clerk of the Board (Deputy Clerk)	1, 2, 4
Communications Manager	3, 4
Contracts and Procurement Analyst (I, II, Associate, Senior)	1, 2, 4
Counsel (Legal I, II; Associate Legal; Senior Legal; Deputy General; General)	1, 2, 4
Customer Service Manager	3, 4
~~Creative Services Supervisor~~	3, 4
Data Scientist (I, II, Associate, Senior, Principal)	3, 4
Deputy CEO, Business Operations	1, 2, 4
Deputy CEO, Planning, Programs, and Projects	1, 2, 4
Deputy Director	1, 2, 4

Designated Positions	Disclosure Categories (see Appendix B)
Deputy Independent Performance Auditor	1, 2, 4
Director (I, II, Senior)	1, 2, 4
Document Processing Specialist III	3, 4
Economic Research Analyst (I, II, Associate, Senior, Principal)	3, 4
Engineer (I, II, Associate, Senior, Principal)	1, 3, 4
Executive Assistant (I, II, Senior)	1, 2, 4
Executive Office Manager	1, 2, 4
Facilities/Maintenance Coordinator	3, 4
Finance Manager	1, 2, 4
Financial Analyst (I, II, Associate)	3, 4
GIS Analyst (I, II, Associate, Senior)	3, 4
Government Relations Analyst (I, II, Associate, Senior~~,~~)	1, 2, 4
Grants Program Analyst (I, II, Associate, Senior)	1, 2, 4
Grants Program Manager	1, 2, 4
Graphic Designer (I, II, Associate)	3, 4
Human Resources Analyst (I, II, Associate, Senior, Principal)	3, 4
Human Resources Coordinator	3, 4
Independent ~~Performance~~ Auditor (I, II, Associate, Senior, Principal)	1, 2, 4
Independent Performance Auditor	1, 2, 4
Information Systems Manager	3, 4
Information Systems Analyst (I, II, Associate, Senior)	3, 4
Information Systems Specialist (I, II, III)	3, 4
Landscape Maintenance Supervisor	3, 4
Maintenance and Facilities Supervisor	3, 4
Maintenance Field Technician (Senior)	3, 4
~~Independent Auditor (I, II, Associate, Senior, Principal)~~	~~1, 2, 4~~
Manager of Business Administration and Operations	~~3, 4~~1, 2, 4
Manager of Contracts and Procurement Services	1, 2, 4

Designated Positions	Disclosure Categories (see Appendix B)
Manager of Data Science	3, 4
Manager of Financial Programming and Project Control	1, 2, 4
Manager of Governments Relations	1, 2, 4
Manager of Human Resources	1, 2, 4~~3, 4~~
Manager of Learning and Development	3, 4
Manager of Regional Information Services	3, 4
Manager of Regional Models	3, 4
Manager of Revenue and Project Control	1, 2, 4
Marketing Analyst (I, II, Associate, Senior)	3, 4
Office Services Specialist (II, III)	3, 4
Principal Technology Program Manager	3, 4
Programmer Analyst (I, II, Associate, Senior)	3, 4
Project Coordinator	3, 4
Project Development Program Manager	1, 2, 4
Public Communications Officer (I, II, Associate, Senior)	3, 4
Regional Planner (I, II, Associate, Senior, Principal)	1, 3, 4
Regional Planning Program Manager	1, 3, 4
Research Analyst (I, II, Associate, Senior, Principal)	3, 4
Researcher and Modeler (I, II, Associate, Senior, Principal)	3, 4
~~Risk Program Manager~~	3, 4
Senior Budget Program Analyst	2, 4
Senior Financial Programming and Project Control Analyst	1, 2, 4
Software Engineer (I, II, Associate, Senior, Principal)	3, 4
Systems Engineer (I, II, Associate, Senior)	3, 4
Technology Program Analyst (I, II, Associate, Senior)	3, 4
Toll Operations Supervisor	3, 4
TransNet Program Manager	1, 2, 4~~3, 4~~

Pursuant to California Government Code Section 82019, SANDAG consultants who pursuant to a contract with SANDAG, perform the same functions that would otherwise be performed by the persons designated in Table 1 of this document; who manage public investments; who grant agency approval to a contract or to the specifications for such a contract; or who decide whether the policies, standards, or guidelines for SANDAG have been met, also are required to fill out and submit a disclosure of financial interests. Those consultants are required to report in accordance with the disclosure categories shown in Table 2. Consultants will be designated and informed of their obligation to file disclosures whenever any person who, in the opinion of SANDAG, may reasonably be expected to make, participate in making, or in any way attempt to use his/her position as a "consultant" to influence a governmental decision in which the person might reasonably be expected to have a financial interest or perform services that entail the making or participation in the making of decisions that may foreseeably have a material effect on any financial interest.

Table 2

Type of Consultant	**Designated Position Title**	**Disclosure Categories** **(see Appendix B)**
Bond Counsel	Consultant	2, 4
Disclosure Counsel	Consultant	2, 4
Lobbying	Consultant	1, 2, 4
Project Oversight	Consultant	1, 2, 4
Disadvantaged Business Enterprise Advisor	Consultant	2, 4
Labor Compliance Advisor	Consultant	2, 4
Financial Management Advisor	Consultant	1, 2, 4
Auditor	Consultant	1, 2, 4

Public Officials Who Manage Public Investments

The following positions also are listed below because the individuals holding these positions must file under Government Code Section 87200 as they are involved in the investment of public funds. These positions are listed here for informational purposes only:

Table 3

Public Official Description
Members and alternate members of the Board of Directors
Members and alternate members of the Policy Advisory Committees
Members and alternate members of committees or working groups making decisions influencing expenditure of public funds
Executive Director
Chief Deputy Executive Director
General Counsel
Chief Financial Officer
Director of Finance
Financial Management Consultant, Project Managers

Appendix B

When a designated person is required to disclose investment and sources of income, he or she need to disclose investments in business entities and sources of income that do business in SANDAG's jurisdiction, plan to do business in the jurisdiction, or have done business in the jurisdiction in the past two years. In addition to other activities, a business entity is doing business within the jurisdiction if it owns real property within the jurisdiction. Persons designated in Appendix A shall disclose their financial interests pursuant to the appropriate disclosure categories described in the table below.

Table 4

Disclosure Category	Description
1	Interests in real property located within the jurisdiction or within two miles of the boundaries of the jurisdiction or within two miles of any land owned or used by SANDAG.
2	Investments and business positions in business entities, and income, including loans, gifts,* and travel payments, from sources that provide services, supplies, materials, machinery, or equipment of the type utilized by SANDAG.
3	Investments and business positions in business entities, and income, including loans, gifts,* and travel payments, from sources that provide services, supplies, materials, machinery, or equipment of the type utilized by the department or division to which the filer is assigned duties.
4	Investments and business positions in business entities, and income, including loans, gifts,* and travel payments, from sources that have filed a claim against SANDAG in the previous two years, or have a claim pending.

* Gifts with a value of less than $50 aggregate per year are not reportable financial interests at SANDAG

Amended January 2010
Amended March 2012
Amended December 2013
Amended March 2015
Amended January 2016
Amended September 2016
Amended March 2018
Amended July 2019
Amended September 2019
Amended June 2020
Amended August 2022
Amended June 2023
Amended January 2024
Amended July 2024

Equal Employment Opportunity Program

Action: **Information**

In accordance with Board Policy No. 007: Equal Employment Opportunity (EEO) Program, this report summarizes employment results for FY 2024 and reviews EEO Program goals for the upcoming year.

Fiscal Impact:

None

Schedule/Scope Impact:

None

Overview

SANDAG's work program demonstrates its strong commitment to initiatives that advance equity and inclusion. Federal and state laws describe obligations SANDAG must adhere to ensure fairness in its employment related practices, and beyond this, SANDAG strives to embed the principles of diversity, equity, and inclusion in our everyday actions to create an environment where employees can do their best work. There is a shared philosophy among the Board of Directors, management, and employees that placing a greater emphasis on how we recruit and develop our employees will help to build a more inclusive team better able to engage, represent, and serve all residents of the San Diego region.

FY 2024 Employment Results

Board Policy No. 007: Equal Employment Opportunity (EEO) and Disadvantaged Business Enterprise (DBE) Programs reflects the agency's commitment to fair and equitable employment practices. SANDAG seeks to build a team that represents a variety of diverse backgrounds, perspectives, and skills. We firmly believe the more inclusive we are, the better our work will be. The following summary highlights results from employment-related actions between July 1, 2023, and June 30, 2024.

Recruitments and New Employees

- 51 recruitments were conducted to fill 74 positions; 84% of job openings were advertised externally and available to both internal and external candidates; the balance were internal-only opportunities.
- Job availability notices are typically sent to more than 120 regional contacts for job openings, in addition to other advertising and sourcing strategies, to specifically reach qualified female, racial and ethnically diverse, and veteran candidates.
- Approximately 4,800 employment applications were received. Data voluntarily provided indicates 46% of applicants were female and 67% belong to a diverse racial or ethnic group.
- 74 new employees were hired. 37 individuals filled full-time core positions, 6 filled full-time Limited-Term positions, the remaining 31 filled Intern or Temporary positions.
- Of the 74 new employees, 47% were female and 50% belong to a diverse racial or ethnic group.

Promotions

- In total, 60 employees were promoted.
    - 21 employees (35%) were promoted after successfully competing in a recruitment;
    - 17 employees (28%) were promoted into higher-level flexibly staffed positions consistent with the agency's classification program; and
    - 22 employees (37%) were appointed or reclassified to higher level positions.
- Of the 60 promoted employees, 65% were female and 42% belong to a diverse racial or ethnic group.

Employee Demographics

As of June 30, 2024, 55% of SANDAG employees were female and 55% belong to a diverse racial or ethnic group.

SANDAG uses the San Diego Region Civilian Labor Force data, an estimate of worker availability in the region, as a benchmark for evaluating its employment results. 53% of the available workforce are female and 50% belong to a diverse racial or ethnic group. The FY 2024 EEO Program results compare favorably to these benchmarks as shown in Attachment 1.

EEO Program Goals

In addition to reviewing annual employment results, SANDAG evaluates the effectiveness of its EEO Program by comparing the proportion of women and individuals who belong to racial or ethnic groups in each of five defined job categories. Attachment 1 illustrates that SANDAG's FY 2024 EEO Program results compare favorably to local workforce availability except for females in the Service and Maintenance and Technicians job category and individuals from racial or ethnic groups in the Officials/Administrators and Technicians category. As stated in its EEO Program, SANDAG's goal is for females and individuals who belong to racial or ethnic groups to be represented in approximately the same proportion as the availability within the San Diego Region Labor Force.

Next Steps

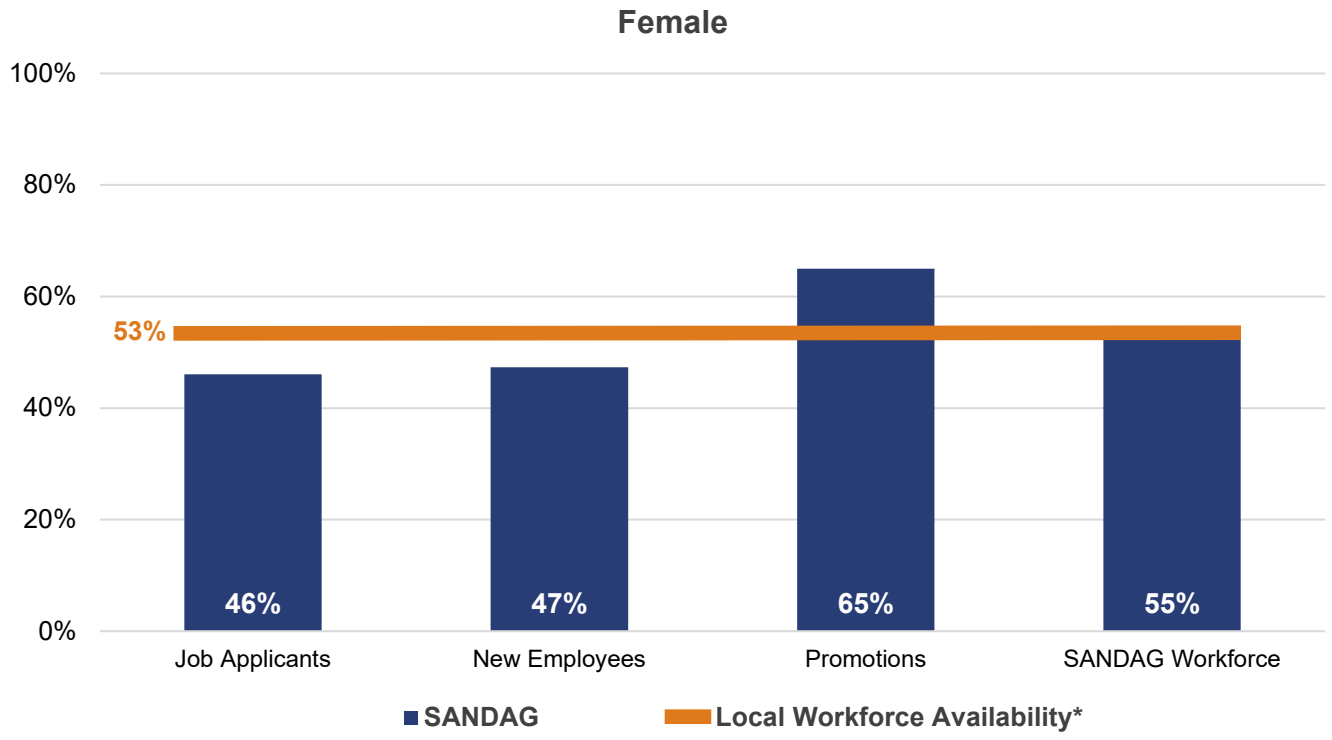
SANDAG is committed to diversity and equity in employment. Parity has been the long-standing SANDAG EEO Program goal. However, in an era where racial justice has become a societal imperative, parity is no longer enough. On behalf of the people who want to work for SANDAG, and for the talented group of employees who are already part of the SANDAG team, management, continuing to work in conjunction with the DEI Council, will evaluate existing policies and practices, explore program enhancements, and undertake activities that seek to build a foundation of respect and appreciation for diversity in all its forms.

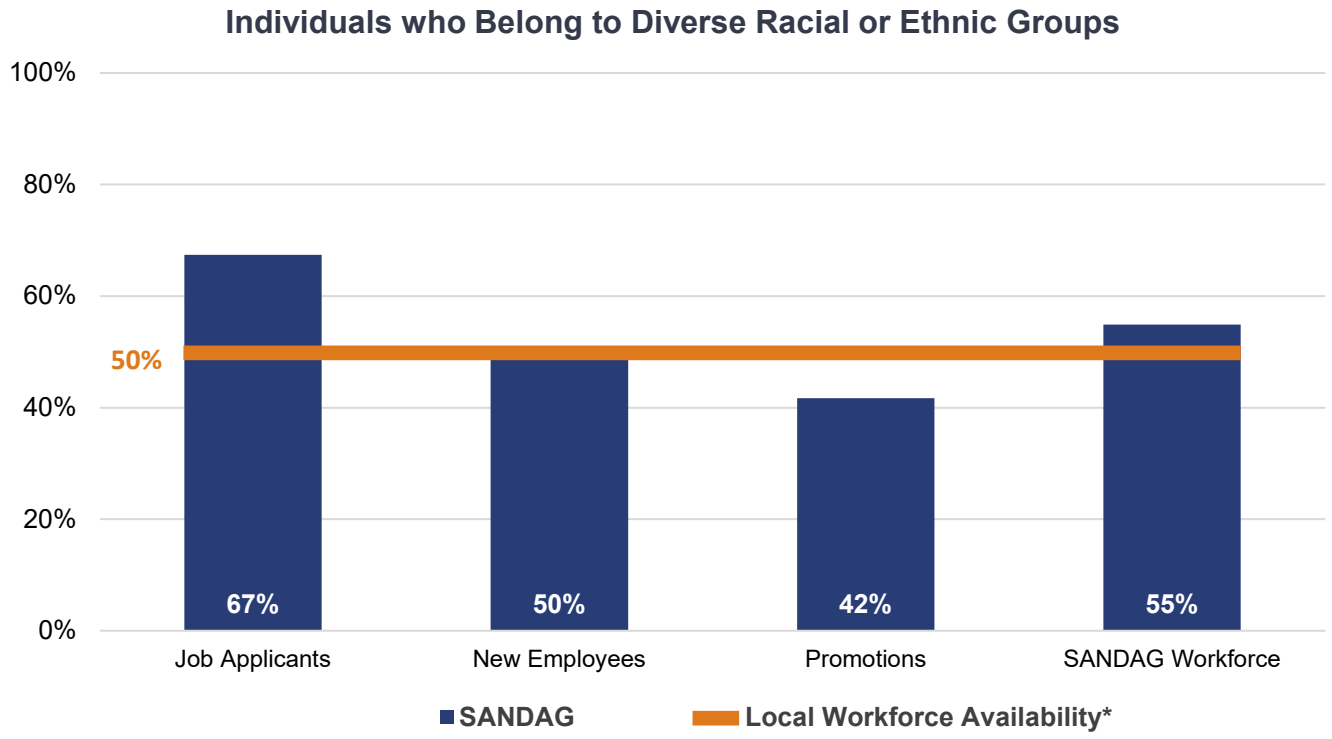
Josh Golter, Director of Human Resources

Attachment: 1. FY 2024 EEO Program Results

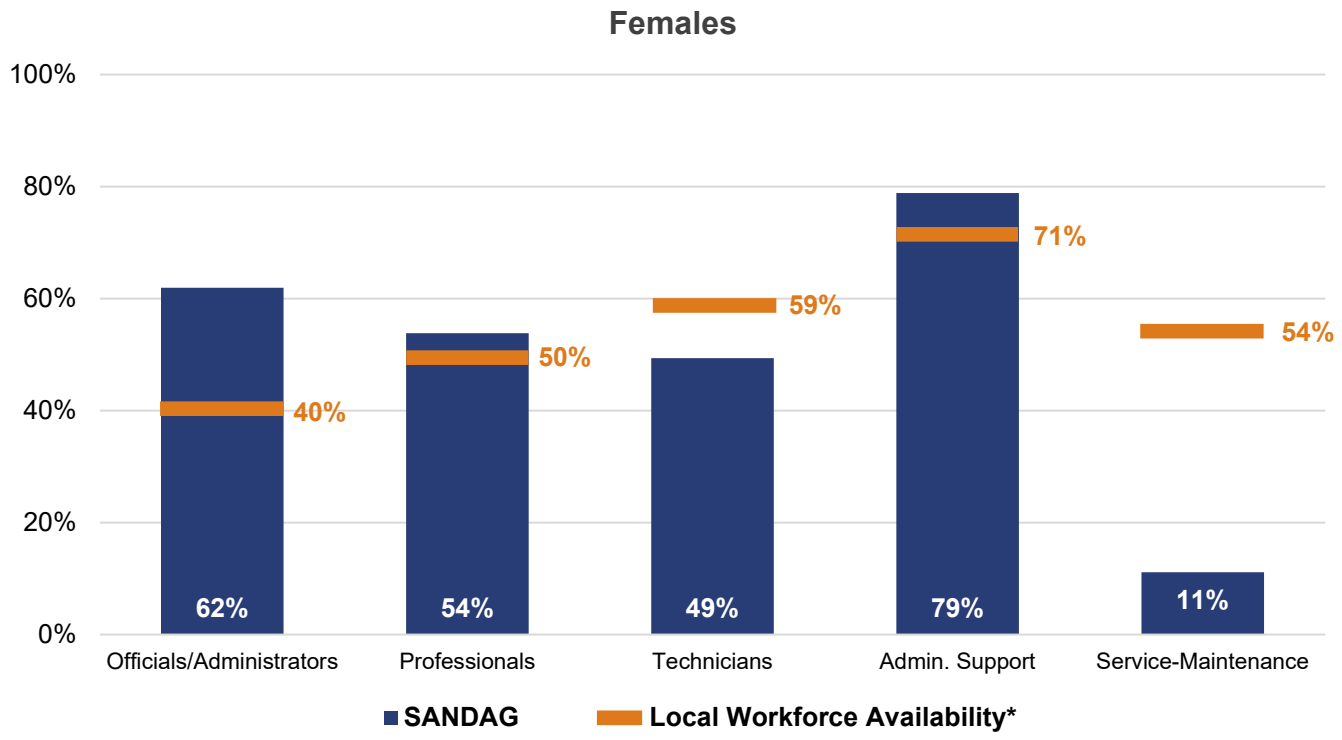
SANDAG FY 2024 EEO Program Results

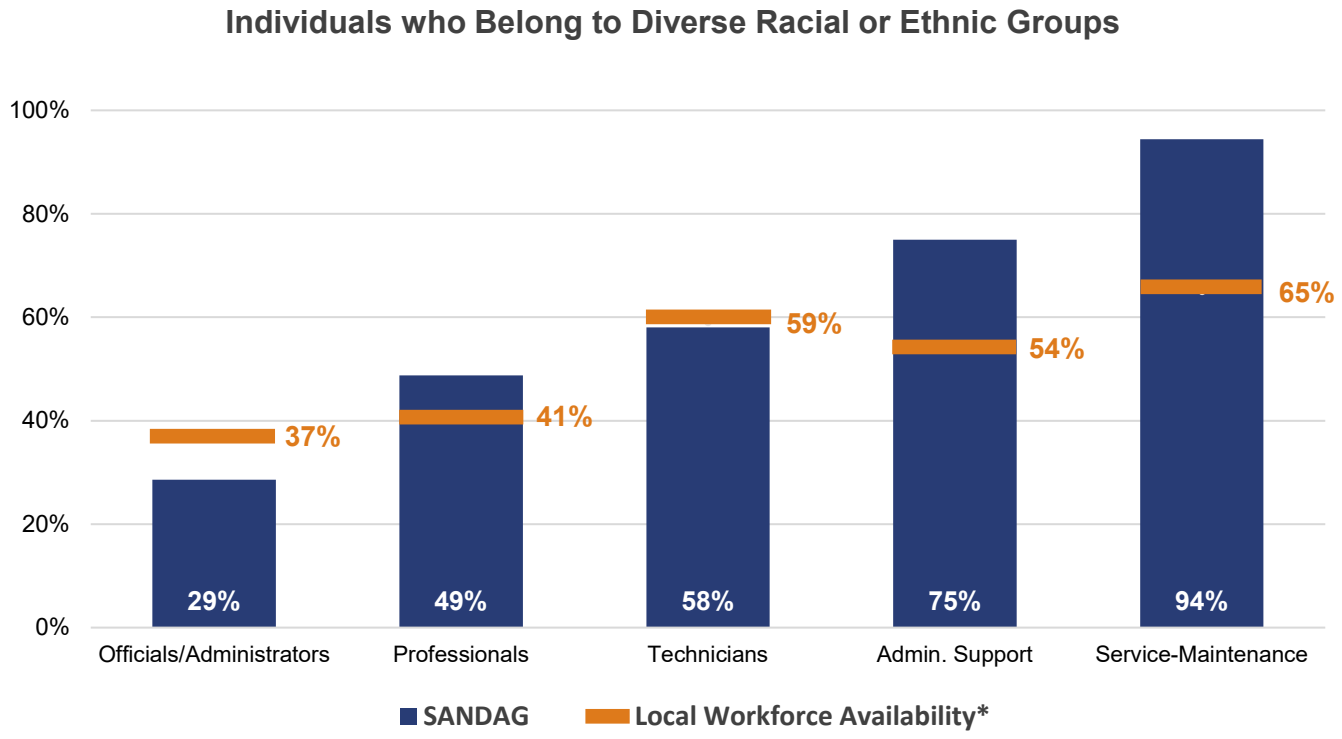
FY 2024 Workforce Availability and the SANDAG Employment Program





FY 2024 Workforce Availability by Employment Category





**The San Diego Region Civilian Labor Force data (referred to as Local Workforce data) was derived from the: U.S. Census Bureau, American Community Survey (ACS) EEO special tabulations - Workforce data 2014-2018. Data was pulled and compiled by SANDAG, as of July 2021. The Civilian Labor Force consists of people age 16 years and older classified as employed or unemployed.*

Section 5310 Grant Program: Award Amendment Request

Overview

SANDAG has eight competitive grant programs that provide funding to local jurisdictions, transit agencies, and nonprofit organizations to help implement the 2021 Regional Plan. One of those grant programs is the Section 5310 Program, which distributes SANDAG's allocation of Federal Transit Administration (FTA) Enhanced Mobility of Seniors and Individuals with Disabilities Program (Section 5310) funding utilizing a competitive selection process that is held approximately every two years.

Action: **Consider Request**

The Transportation Committee recommends that the Board of Directors deny a scope of work change to Facilitating Access to Coordinated Transportation's RideFACT Section 5310 award.

Fiscal Impact:

None.

Schedule/Scope Impact:

None.

Key Considerations

Facilitating Access to Coordinated Transportation (FACT) submitted two applications for funding for its RideFACT service through the Cycle 12 call for projects. $400,000 was requested from the TransNet Senior Mini-Grant Program and $400,000 was requested from the Section 5310 program. The total cost of the project in each application was listed as $800,000, and FACT listed a matching funds commitment of 50% ($400,000) in each application. FACT stated in both applications that it was committed to supplying the required matching funds, even if either application was not selected for funding. FACT further stated in its applications that it would use its agency reserves or other diversified funding sources to provide the committed matching funds.

The Board of Directors, at its February 24, 2023, meeting (Item No. 8), did not recommend funding for either RideFACT project due to each project's final rank and insufficient funding to fund all of the submitted project applications. Since then, forfeitures by three other Cycle 11 and 12 awardees in the Section 5310 program have resulted in additional Section 5310 funding being made available. SANDAG was able to offer funding to the two remaining unfunded or underfunded applications from the Section 5310 funding recommendations list, including $400,000 to FACT for its RideFACT Section 5310 project. SANDAG discussed the Section 5310 award with FACT several times since the award was offered in July 2023, and FACT confirmed that it would be able to supply the 50% matching funds that were included in its application and complete the project that was considered by the evaluation committee.

On June 27, 2024, FACT was presented with the Section 5310 grant agreement for signature, and FACT reached out to SANDAG Grants staff requesting that the matching funds amount be reduced from the 50% stated in its original application, to 20%, the minimum amount required by the FTA. This request would reduce the total project cost from $800,000 to $500,000, and also reduce the number of one-way passenger trips from 25,000 to 15,625. This change to the scope of work and original award conditions must be approved by the Board, pursuant to Board Policy No. 001.

On July 2, 2024, Grants staff met with FACT to discuss the request and inform them of the required approvals. During this meeting, FACT also notified SANDAG that FACT would request that the $32 cost per one-way passenger trip listed in its application be revised to reflect a more current rate. At its July 19, 2024, meeting, the Transportation Committee was provided with factors to consider and three options it could choose from, which are included in Attachment 1. FACT's request, including the revised scope of work, is included in Attachment 2.

Following discussion on the item, the Transportation Committee recommended that the Board deny FACT's request and require FACT to adhere to the scope and cost of its original project application.

Next Steps

If FACT proceeds with the awarded project, RideFACT services can begin as soon as the grant agreement is signed by both parties.

Susan Huntington, Director of Financial Planning, Budgets, and Grants

Attachments: 1. Discussion Memo
2. FACT Award Change Request Letter

Discussion Memo

Background

The Transportation Committee was asked to consider the following factors at its July 19, 2024 meeting (Item No. 7):

- FACT received this Section 5310 award as a result of the Cycle 12 Specialized Transportation Grant Program (STGP) call for projects. The funds were awarded competitively and all grantees or prospective applicants are informed that they must complete their project as listed in their original application or forfeit the award.
- Five other STGP awardees have had similar circumstances recently where they no longer had the matching funds that were anticipated at the time they submitted their application but were asked to locate other matching funds or rescind the grant award.
    - Three awardees asked to withdraw their award from the competitive Section 5310 program for lack of matching funds.
    - Two awardees utilized other funding they had available in order to retain their award.
- During the July 2, 2024, meeting between FACT and SANDAG staff, FACT stated that it has the $400,000 in matching funds that it pledged in its application, but does not wish to utilize its agency reserves for this purpose.
- During the STGP Cycle 9 call for projects, FACT was in a similar situation where it received its requested Senior Mini-grant award but did not receive its Section 5310 award and was able to provide the required matching funds.
- FACT resumed RideFACT service on June 15, 2024, when funding for its on-demand Access for All service RideFACTNOW was depleted. FACT requested the Section 5310 RideFACT agreement be retroactively dated to allow FACT to bill SANDAG for RideFACT services provided since June 15, 2024.

The Transportation Committee was also provided with the following options that it could choose from to recommend to the Board of Directors:

1. Deny the request and require FACT to adhere to its original project application: $400,000 in matching funds and $32.00 per one-way passenger trip.
    - This would uphold the integrity of the competitive process and treat FACT in the same manner as other STGP applicants and grantees. This is the option recommended by SANDAG Grants staff.
2. Deny the request to reduce the matching funds percentage and increase the cost per one-way passenger trip, but reduce the award amount proportionately to mirror FACT's new pledged match amount of $100,000.
    - This would result in a total project cost of $200,000 and an estimated 6,250 trips.
    - Based on the outcome of the June 28, 2024, SANDAG Board of Directors meeting (Item 16), the Transportation Committee recommended and the Board approved prohibiting FACT from receiving any remaining Section 5310 funding beyond the 26% direct allocation mentioned in the report. The remaining grant funding ($300,000) would be redistributed through the competitive portion of the Cycle 13 call for projects. The resulting percentage of Section 5310 funding directly allocated to FACT in Cycle 13 would remain approximately $1,692,209 and account for 25% of the Cycle 13 Section 5310 funding.
3. Approve the request and allow FACT to reduce its matching funds from $400,000 to $100,000 and increase its cost per one-way passenger trip from $32.00 to $37.00.
    - This will reduce the number of one-way passenger trips proposed in the original application from 25,000 over two years to 13,520, a 46% decrease from the original application.

Following the discussion on this item, the Transportation Committee agreed with the staff recommendation that the Board of Directors deny the request and require FACT to adhere to its original project application: $400,000 in matching funds and $32.00 per one-way passenger trip.

Ms. Jenny Russo
Grants Program Manager
SANDAG
401 B Street, Suite 800
San Diego, CA 92101

July 3, 2024

Re: FACT's request to amend AGREEMENT NO: 6000*181* due to Extenuating Circumstances

Dear Ms. Russo:

This request to amend the scope of proposed grant agreement 600018 is based on the change in circumstances which are beyond FACT's control, with respect to the availability of matching funds for the 5310 funds included in this agreement. I am requesting approval to reduce the match rate for this agreement from 50% to 20%.

FACT originally proposed a 50% match for the RideFACT project covered by this grant. FACT had applied for Senior Mini Grant (SMG) funds to match the 5310 funds as part of its Cycle 12 grant request. However, that grant request for (5310 and SMG funds) was not funded.

In July/August 2023, SANDAG offered FACT funding for the RideFACT project due to grants funds becoming available. There was no matching source of funds offered at that time. FACT discussed this concern with SANDAG staff. It was determined that FACT was allowed use State Access for All (AFA Cycle-1) grants funds as match. It was also understood at that time by FACT and SANDAG that AFA funds would be available as match for this grant.

The AFA Cycle-1 funds were spent earlier than projected, by June 2024, due to the higher than expected demand due to the success of that program. Unfortunately, the lack of AFA funds left FACT without the means to match these funds.

At the present time, FACT's only option lies in utilizing the agency's reserve funds to match this grant. FACT would need to use $400,000 of reserve funds to match this grant at the original proposed rate of 50%. This action would have impact of depleting the bulk of FACT's reserves accumulated over a 12-year period. At the requested 20% match rate the amount of reserve funds used would be $100,000.

FACT has a Board approved a policy to build its reserve fund up to the equivalent of one year's budget, as well as strictly limit the use of reserve funds. FACT generates the reserves mainly from contracted services that currently serve Scripps Health, TriCity Medical and other fee for service contracts that help client agencies who need specialized transportation services (5310 or SMG funds have not contributed towards the reserve). These contracted services are limited, with a low capacity for revenue generation. Due to the lack of a sustainable funding

mechanism, FACT needs the reserve fund as a way to conduct core business activities in case grant funds are not available in future.

Thank you for considering our request and I appreciate your assistance with the follow-up.

Sincerely,

Arun Prem
Executive Director

Project Scope of Work

Organization Name:	Full Access and Coordinated Transportation, Inc. (FACT)
Project Name:	RideFACT: Affordable Countywide Rides
Project Service Area:	San Diego County (Countywide)
Funding Source and Project Type:	Section 5310 - Capital Contract Transportation Service

Section A: Project Description

Project Description:	RideFACT is a dial-a-ride service for seniors and persons with disabilities who do not have any other transportation options. Trips are purchased through a Transportation Brokerage (currently 10 transportation providers) that FACT developed in order to access reduced rates and increased trip capacity. The Brokerage allows FACT to select the lowest cost provider available for each trip and has providers across San Diego County. FACT's One-call/One-Click Mobility Center helps users access other services based on their needs before being offered a ride on RideFACT. This ensures existing services are being utilized effectively and RideFACT is only being offered when no other services are able to assist individual callers. RideFACT has successfully met the needs of underserved populations by providing subsidized countywide rides for general purpose trips. This is a continuation project; RideFACT has been in service since 2012. Requested project funding will solely be used to purchase trips (13,520 ~~25,000~~ OWPT) for RideFACT through the FACT's Transportation Brokerage.

Section B: Summary of Project Tasks

The following is a summary of the services that will be implemented through this project.

Task 1:	**Deliver Service**
Deliver service with a range of cost-effectiveness consistent with that proposed in the grant application. Failure to achieve the below Performance Threshold within six months after grant execution will trigger the requirement to complete a Recovery Plan as defined in the Grant Agreement.	

Task 2:	***Subsidize Trips for Seniors and Persons With Disabilities***	
Subtask	**Subtask Description**	**Deliverable(s)**
2.1	Purchase cost effective trips through FACT's Transportation Brokerage for its RideFACT dial-a-ride service for seniors, persons with disabilities, and other disadvantaged populations who do not have any other transportation options. The requested funding will solely be used to procure trips for RideFACT through the Transportation Brokerage and all project expenses are Included in Task 1: Deliver Service	Provide 13,520 OWPT (approx. 6,760 trips per year). ~~Provide 25,000 OWPT (Approx. 12,500 trips per year)~~

Section C: Performance Measures and Targets

Project Type:	Contract Transportation Service

Quantitative Performance Measures	Target
Minimum Service Hours per Week	70
Number of Traditional One-Way Passenger Trips	13,520
Number of Alternative One-Way Passenger Trips	0
Total Number of One-Way Passenger Trips	13,520
Cost per One-Way Passenger Trip	$37.00
Performance Threshold	$48.10

Qualitative Performance Measure	Target
Percentage of Project Beneficiaries Satisfied with the Service Provided	90%

Project Schedule

Organization Name:	Full Access and Coordinated Transportation, Inc. (FACT)
Project Name:	RideFACT: Affordable Countywide Rides
Project Service Area:	San Diego County (Countywide)
Funding Source and Project Type:	Section 5310 - Capital Contract Transportation Service

	Year 1												Year 2											
Month:	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
Task 1													**Task 1**											
Task 1																								
Task 2													**Task 2**											
Subtask 2.1																								
Subtask 2.2																								
Subtask 2.3																								
Task 3													**Task 3**											
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Task 4													**Task 4**											
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Subtask 6.3																								
Task 7													**Task 7**											
Subtask 7.1																								
Subtask 7.2																								
Subtask 7.3																								

Project Budget

Organization Name:	Full Access and Coordinated Transportation, Inc. (FACT)
Project Name:	RideFACT: Affordable Countywide Rides
Project Service Area:	San Diego County (Countywide)
Funding Source and Project Type:	Section 5310 - Capital Contract Transportation Service

Section A: Budget Summary

Tasks	Grant	Match	Revenue	Total
Task 1	$400,000	$100,000	$0	$500,000
Task 2	$0	$0	$0	$0
Task 3	$0	$0	$0	$0
Task 4	$0	$0	$0	$0
Task 5	$0	$0	$0	$0
Task 6	$0	$0	$0	$0
Task 7	$0	$0	$0	$0
Total	$400,000	$100,000	$0	$500,000

Total Grant Amount:	$	400,000
Total Matching Funds:	$	100,000
Net Project Cost:	$	500,000
Total Revenue:	$	-
Total Project Cost:	$	500,000

Section B: Match Details

Minimum Match Requirement:	20%
Match Percentage:	20%
Meet Minimum Match Requirement?	Yes

Section C: Indirect Costs (*only allowable for Section 5310 projects*)

Will this project charge Indirect Costs?	No
If yes, what type of Indirect Cost Rate (ICR) will be used?	Select Option
If yes, indicate your organization's FNICR or the de minimis rate allowed by 2 CFR 200:	
If yes, indicate this project's ICR:	
If yes, is this project's ICR less than or equal to your organization's FNICR or the allowable de minimis rate?	

Section D: Project Budget Categories

Task 1	Personnel	Fringe Benefits	Travel	Equipment	Supplies	Contractual	Other	Indirect	Total
Grant						$ 400,000			$ 400,000
Match						$ 100,000			$ 100,000
Revenue									$ -
Total	$ -	$ -	$ -	$ -	$ -	$ 500,000	$ -	$ -	$ 500,000

Task 2	Personnel	Fringe Benefits	Travel	Equipment	Supplies	Contractual	Other	Indirect	Total
Grant									$0
Match									$0
Revenue									$0
Total	$0	$0	$0	$0	$0	$0	$0	$0	$0

Task 3	Personnel	Fringe Benefits	Travel	Equipment	Supplies	Contractual	Other	Indirect	Total
Grant									$0
Match									$0
Revenue									$0
Total	$0	$0	$0	$0	$0	$0	$0	$0	$0

Task 4	Personnel	Fringe Benefits	Travel	Equipment	Supplies	Contractual	Other	Indirect	Total
Grant									$0
Match									$0
Revenue									$0
Total	$0	$0	$0	$0	$0	$0	$0	$0	$0

Task 5	Personnel	Fringe Benefits	Travel	Equipment	Supplies	Contractual	Other	Indirect	Total
Grant									$0
Match									$0
Revenue									$0
Total	$0	$0	$0	$0	$0	$0	$0	$0	$0

Task 6	Personnel	Fringe Benefits	Travel	Equipment	Supplies	Contractual	Other	Indirect	Total
Grant									$0
Match									$0
Revenue									$0
Total	$0	$0	$0	$0	$0	$0	$0	$0	$0

Task 7	Personnel	Fringe Benefits	Travel	Equipment	Supplies	Contractual	Other	Indirect	Total
Grant									$0
Match									$0
Revenue									$0
Total	$0	$0	$0	$0	$0	$0	$0	$0	$0

All Tasks	Personnel	Fringe Benefits	Travel	Equipment	Supplies	Contractual	Other	Indirect	Total
Grant						$ 400,000			$ 400,000
Match						$ 100,000			$ 100,000
Revenue									
Total	$0	$0	$0	$0	$0	$ 500,000	$ -	$ -	$ 500,000

2023 Regional Transportation Improvement Program: Amendment No. 14

Overview

The Regional Transportation Improvement Program (RTIP) is a five-year document that reflects funding sources, project phases, and fiscal years of implementation for all transportation-related projects in the San Diego region that: (1) use federal, state, or TransNet funds; (2) increase capacity of the transportation system; or (3) are regionally significant. SANDAG develops the RTIP based on projects included in the 2021 Regional Plan, as submitted by member agencies (local jurisdictions, transit agencies, Caltrans).

The 2023 RTIP covers FY 2023 – FY 2027 and is fiscally constrained, meaning that enough revenue is committed or reasonably assumed to be available from local, state, and/or federal sources for each phase of the project that is included in the RTIP. Amendments are made to the RTIP on a quarterly (or as-needed) basis to reflect funding or scope changes.

Action: **Adopt**

The Transportation Committee recommends that the Board of Directors, acting as the Regional Transportation Commission, adopt Resolution No. RTC-2025-01, approving Amendment No. 14 to the 2023 Regional Transportation Improvement Program.

Fiscal Impact:

Amendment No. 14 reflects an increase of $328 million to the total amount programmed in the 2023 Regional Transportation Improvement Program.

Schedule/Scope Impact:

Amendment No. 14 reflects the addition of seven new projects and two completed projects.

Key Considerations

The changes are summarized in the attached resolution (Attachment 1), and Attachment 2 with explanations for the significant changes, and the proposed amendments are detailed in Attachment 3.

Key changes in Amendment No. 14 include:

- Programming updates based on the FY 2024 SANDAG Program Budget approved on May 10, 2024, including:
    - The programming of a $147.5 million Transit and Intercity Rail Capital Program Cap & Trade award on San Dieguito to Sorrento Valley Double-Track (SAN289)
    - The programming of $53.8 million of Community Preservation Fund and $82.8 million of State Transportation Improvement Program funding on SAN114
- Programming updates by Local Agencies based on the TransNet Revenue Forecast approved by the Board of Directors on February 23, 2024

Tables 3a through 3c (Attachment 4) provide updated program financial summaries. Attachment 5 includes any changes made during the public comment period. Attachment 6 summarizes the federal requirements analysis for projects contained in Amendment No. 14.

The Independent Taxpayer Oversight Committee reviewed the TransNet projects included in this amendment at its meeting on July 10, 2024. No comments were received.

Next Steps

Following Board approval, Amendment No. 14 will be submitted for incorporation into the 2023 FSTIP. TransNet funds will be made available following Board approval.

Susan Huntington, Director of Financial Planning, Budgets, and Grants

Attachments:
1. Resolution No. RTC-2025-01: Approving Amendment No. 14 to the 2023 Regional Transportation Improvement Program
2. Table 1 – Summary of Changes Report – Amendment No. 14
3. Table 2 - Amendment No. 14
4. Tables 3a-3c – Financial Summary - Amendment No. 14
5. Table 4 – Changes During Public Comment
6. Federal Requirements Analysis

SANDAG
401 B Street, Suite 800
San Diego, CA 92101
Phone (619) 699-1900
Fax (619) 699-1905
sandag.org

Regional Transportation Commission
***Resolution No.* RTC-2025-01**

Approving Amendment No. 14 to the 2023 Regional Transportation Improvement Program

WHEREAS, on September 23, 2022, SANDAG adopted the 2023 Regional Transportation Improvement Program (RTIP) and found the 2023 RTIP in conformance with the applicable State Implementation Plan (SIP), and with the 2016 Regional Air Quality Strategy (RAQS), in accordance with California law; and

WHEREAS, on December 16, 2022, the U.S. Department of Transportation (U.S. DOT) determined the 2023 RTIP to be in conformance to the applicable SIP in accordance with the provisions of 40 Code of Federal Regulations (CFR) Parts 51 and 93; and

WHEREAS, Amendment No. 14 is consistent with the metropolitan transportation planning regulations per 23 CFR Part 450 including the performance-based planning requirements; and

WHEREAS, Amendment No. 14 is consistent with San Diego Forward: The 2021 Regional Plan (2021 Regional Plan), which conforms to the applicable SIP and to the emissions budgets from the *2020 Plan for Attaining the National Ozone Standards Plan for San Diego County*, which were found adequate for transportation conformity purposes by the U.S. Environmental Protection Agency effective October 2021; and

WHEREAS, Caltrans, Metropolitan Transit System (MTS), North County Transit District, the cities of Carlsbad, El Cajon, Oceanside, San Diego, Santee, Caltrans, MTS, and SANDAG have requested various changes to existing projects for inclusion into the 2023 RTIP, as shown in Table 2; and

WHEREAS, the regionally significant, capacity increasing projects have been incorporated into the quantitative air quality emissions analysis and conformity findings conducted for the 2021 Regional Plan and the 2023 RTIP; and

WHEREAS, Amendment No. 14 to the 2023 RTIP continues to provide for timely implementation of transportation control measures contained in the adopted RAQS/SIP for air quality and a quantitative emissions analysis demonstrates that the implementation of the RTIP projects and programs meet all the federally required emissions budget targets; and

WHEREAS, projects in Amendment No. 14 satisfy the transportation conformity provisions of 40 CFR 93.122(g) and all applicable transportation planning requirements per 23 CFR Part 450 including all performance-based planning requirements; and

WHEREAS, all other projects in Amendment No. 14 are either non-capacity increasing or exempt from the requirements to determine conformity; and

WHEREAS, the projects in 2023 RTIP Amendment No. 14 are fiscally constrained; and

WHEREAS, the projects in 2023 RTIP Amendment No. 14 are consistent with the Public Participation Policy adopted by the SANDAG Board of Directors; and

NOW THEREFORE, BE IT RESOLVED that the SANDAG Board of Directors, also acting as the San Diego County Regional Transportation Commission, does hereby approve Amendment No. 14 to the 2023 RTIP; and

BE IT FURTHER RESOLVED that the SANDAG Board of Directors, also acting as the San Diego County Regional Transportation Commission, finds the 2023 RTIP, including Amendment No. 14, is consistent with the 2021 Regional Plan, is in conformance with the applicable SIP, and with the 2016 RAQS for the San Diego region, is consistent with SANDAG Intergovernmental Review Procedures, and is consistent with SANDAG Public Participation Policy, as amended.

PASSED AND ADOPTED this 26th of July 2024.

Ayes

Noes

Absent

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

[Seal]

Attest

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

Attachment 2

Table 1 - Summary of Changes Report ($000)
2023 RTIP Amendment No. 14

LEGEND:
↑ Increase
↓ Reduce
↔ Revise
+ Add new

Project ID	Lead Agency	Project Title	Total Programmed Before	Total Programmed Revised	Cost Difference	Percent Change	Change Description
CAL09	Caltrans	Interstate 5 - HOV/Managed Lanes	$907,455	$908,672	$1,217	1%	↑ CMAQ
CAL09E	Caltrans	I-5 HOV Lanes: Oceanside	$0	$11,266	$11,266	N/A	New project
CAL105	Caltrans	Grouped Projects for Highway Safety Improvement - HSIP Program	$23,779	$23,779	$0	0%	↔ HSIP and Local Funds between fiscal years
CAL277A	Caltrans	I-5 HOV/SR 78 Connector	$16,118	$16,118	$0	0%	↔ TransNet - MC between fiscal years
CAL633	Caltrans	805 South HOT Lane Conversion	$0	$10,000	$10,000	N/A	New project
CB44	Carlsbad, City of	Traffic Signal - RAMS	$117	$140	$23	20%	↑ TransNet - LSI
EL06	El Cajon, City of	Traffic Signals Projects	$4,474	$4,493	$19	1%	↑ TransNet - LSI
MTS32A	San Diego Metropolitan Transit System	Preventive Maintenance	$540,299	$540,369	$70	1%	↑ FTA 5307
O51	Oceanside, City of	Cassidy Street Bridge Overcrossing Replacement	$0	$950	$950	N/A	New project
SAN13	San Diego Association of Governments	Joint Transit Operations Center	$2,085	$2,085	$0	0%	↔ Local Funds - Toll Funds between fiscal years
SAN26B	San Diego Association of Governments	Downtown BRT Stations	$20,978	$20,884	-$94	-1%	Completed project
SAN26C	San Diego Association of Governments	SR 15 Bus Rapid Transit (BRT) Mid-City Centerline Stations	$62,615	$61,672	-$943	-2%	Completed project
SAN29	San Diego Association of Governments	Sorrento to Miramar Double Track/Realign	$74,913	$75,514	$601	1%	↑ TransNet - MC
SAN36	San Diego Association of Governments	Bus/Rail Signal & Communications Equipment	$29,167	$28,339	-$828	-3%	↑ TransNet - MC; + TransNet - TSI; ↓ TDA

Table 1 - Summary of Changes Report ($000)
2023 RTIP Amendment No. 14

LEGEND:
↑ Increase
↓ Reduce
↔ Revise
+ Add new

Project ID	Lead Agency	Project Title	Total Programmed Before	Total Programmed Revised	Cost Difference	Percent Change	Change Description
SAN47	San Diego Association of Governments	South Bay BRT	$127,390	$126,865	-$525	-1%	↓ TransNet - MC
SAN54	San Diego Association of Governments	ITS Operating	$6,003	$6,241	$238	4%	↑ TransNet - MC
SAN64	San Diego Association of Governments	Eastbrook to Shell Double Track	$37,451	$37,092	-$359	-1%	↓ SB1 - LPP Formula
SAN66	San Diego Association of Governments	Grouped Projects for Rehabilitation or Reconstruction of Track Structures, Track, and Trackbed in Existing Rights-of-Way: Blue Line Corridor	$30,288	$34,471	$4,183	14%	↑ TransNet - MC
SAN73	San Diego Association of Governments	San Elijo Lagoon Double Track	$77,862	$79,350	$1,488	2%	↑ TransNet - MC
SAN114	San Diego Association of Governments	Grouped Projects for Rehabilitation or Reconstruction of Track Structures, Track, and Trackbed in Exisiting Rights-of-Way: Coastal Rail Corridor	$488,133	$630,953	$142,820	29%	↑ TransNet - MC; ↑ SB1 - Cap & Trade; ↑ Local Funds; ↑ CPF; + STIP State Cash-Aug RIP; ↓ Coastal Conservancy; ↓ SB1 - TIRCP
SAN119	San Diego Association of Governments	Sorrento Valley Double Track	$32,813	$32,813	$0	0%	↔ TransNet - MC between fiscal years
SAN132	San Diego Association of Governments	Elvira to Morena Double Track	$200,040	$199,713	-$327	-1%	↑ TransNet - MC; ↑ Local Funds; ↓ FTA 5307; ↓ STA
SAN147	San Diego Association of Governments	Grouped Projects for Bicycle and Pedestrian Facilities - Bayshore Bikeway	$81,349	$82,051	$702	1%	↑ TransNet - BPNS; + SB1 - LPP Formula; ↓ CRP; ↑ Local Funds
SAN148	San Diego Association of Governments	Grouped Projects for Bicycle and Pedestrian Facilities - Coastal Rail Trail	$37,643	$46,457	$8,814	23%	↔ TransNet - BPNS and CRP between fiscal years; + STIP-RIP Aug.
SAN153	San Diego Association of Governments	The Inland Rail Trail	$92,012	$97,405	$5,393	6%	↑ TransNet - BPNS; ↔ CRP, RSTP, and ATP between fiscal years; ↑ SB1 - LPP Formula; ↓ TDA - Bicycles; ↑ Local Funds
SAN196	San Diego Association of Governments	Grouped Projects for Bicycle and Pedestrian Facilities - San Diego River Trail	$1,600	$1,360	-$240	-15%	↓ TransNet - BPNS
SAN199	San Diego Association of Governments	Rose Canyon Bridge Replacements	$220	$220	$0	0%	↔ TransNet - MC and Local Funds between fiscal years

Table 1 - Summary of Changes Report ($000)
2023 RTIP Amendment No. 14

LEGEND:
↑ Increase
↓ Reduce
↔ Revise
+ Add new

Project ID	Lead Agency	Project Title	Total Programmed Before	Total Programmed Revised	Cost Difference	Percent Change	Change Description
SAN200	San Diego Association of Governments	San Onofre Bridge Replacement	$110	$110	$0	0%	↔ TransNet - MC and Local Funds between fiscal years
SAN224	San Diego Association of Governments	I-805/SR 94 Bus on Shoulder Demonstration Project	$30,900	$30,900	$0	0%	↔ TransNet - MC between fiscal years
SAN227	San Diego Association of Governments	Grouped Projects for Bicycle and Pedestrian Facilities - North Park/Mid-City Bikeways	$91,729	$92,111	$383	0%	↑ TransNet - BPNS; ↑ ATP - R
SAN228	San Diego Association of Governments	Grouped Projects for Bicycle and Pedestrian Facilities - Uptown Bikeways	$74,681	$75,259	$578	1%	↑ TransNet - BPNS; ↑ TransNet - MC; ↓ TransNet - SGIP
SAN258	San Diego Association of Governments	Central Mobility Hub	$74,921	$43,707	-$31,215	-42%	↓ CMAQ; + FTA 5307
SAN260	North County Transit District	COASTER Train Sets	$58,800	$58,800	$0	0%	Deleted TransNet - CP; ↔ TransNet - MC between fiscal years
SAN261	San Diego Association of Governments	Palomar Street Rail Grade Separation	$7,000	$34,135	$27,135	388%	↑ TransNet - MC; + FRA
SAN262	San Diego Metropolitan Transit System	Low-Floor Light Rail Transit Vehicles	$72,260	$72,260	$0	0%	↔ TransNet - MC between fiscal years
SAN264	San Diego Association of Governments	Regional Electric Vehicle Charging Incentive Program	$14,800	$8,800	-$6,000	-41%	Deleted CMAQ
SAN265	San Diego Association of Governments	Flexible Fleet Pilots	$9,736	$9,736	$0	0%	↔ RSTP between fiscal years
SAN268	San Diego Association of Governments	Del Mar Bluffs V	$87,899	$88,399	$500	1%	↑ SB1 - TCEP; ↓ SB125 - TIRCP; ↓ Local Funds
SAN275	San Diego Association of Governments	Pacific Coast Highway/Central Mobility Bikeway	$7,314	$7,314	$0	0%	↔ RSTP between fiscal years
SAN289	San Diego Association of Governments	San Dieguito to Sorrento Valley Double-Track	$155,218	$302,718	$147,500	95%	↔ TransNet - MC between fiscal years; ↑ SB1 - Cap & Trade

Table 1 - Summary of Changes Report ($000)
2023 RTIP Amendment No. 14

LEGEND:
↑ Increase
↓ Reduce
↔ Revise
+ Add new

Project ID	Lead Agency	Project Title	Total Programmed Before	Total Programmed Revised	Cost Difference	Percent Change	Change Description
SAN290	San Diego Association of Governments	Beyer Track and Slope	$1,000	$5,379	$4,379	438%	+ Local Funds
SAN312	San Diego Association of Governments	Del Mar Bluffs Access Improvements	$9,000	$9,000	$0	0%	↔ RSTP between fiscal years
SAN313	San Diego Association of Governments	I-805 South: HOV Conversion to Express Lanes (Palomar to SR 94), From East Palomar Street, on the south, to SR 94, on the north.	$0	$10,900	$10,900	N/A	New project
SAN315	San Diego Association of Governments	Airport Transit Connection	$0	$32,000	$32,000	N/A	New project
SAN316	San Diego Association of Governments	San Ysidro Track Relocation	$0	$3,677	$3,677	N/A	New project
SAN317	San Diego Association of Governments	Next Gen Rapid R-625 Advanced Planning	$0	$10,000	$10,000	N/A	New project
SD237	San Diego, City of	Coastal Rail Trail	$20,673	$24,789	$4,116	20%	+ CPF
SNT04	Santee, City of	Pavement Repair and Rehabilitation	$34,619	$34,067	-$552	-2%	↓ TransNet - LSI
SNT22	Santee, City of	Pavement Roadway Maintenance	$11,145	$11,697	$552	5%	↑ TransNet - LSI
V07	Various Agencies	Biological Mitigation Program	$462,000	$462,000	$0	0%	↔ TransNet - REMP (AC) and RSTP Conversion between fiscal years
V08	Various Agencies	Regional Habitat Conservation Fund	$77,961	$78,271	$310	0%	↑ TransNet - LEMP; ↑ TransNet - REMP; ↓ Local Funds
V12	Various Agencies	Grouped Projects for Bicycle and Pedestrian Facilities.	$56,124	$56,125	$1	0%	↑ TransNet - BPNS; ↔ CRP, RSTP, ATP - S, and TDA - Bicycles between fiscal years
V14	Various Agencies	Grouped Projects for Bicycle and pedestrian facilities - Active Transportation Program (ATP)	$124,453	$124,453	$0	0%	↔ TransNet - BPNS between fiscal years

Table 1 - Summary of Changes Report ($000)
2023 RTIP Amendment No. 14

LEGEND:
↑ Increase
↓ Reduce
↔ Revise
+ Add new

Project ID	Lead Agency	Project Title	Total Programmed Before	Total Programmed Revised	Cost Difference	Percent Change	Change Description
V16	Various Agencies	Grouped Projects for Operating Assistance - TransNet Senior Mini-Grant Program	$3,064	$3,079	$15	0%	↑ TransNet - SS
V20	Various Agencies	Grouped Projects for Engineering - Complete Corridor Studies	$34,365	$36,102	$1,737	5%	↑ RSTP; + FRA; + FTA 5307

Abbreviation	Fund Type
ATP-R	Active Transportation Program - Regional
ATP-S	Active Transportation Program - Statewide
CMAQ	Congestion Mitigation and Air Quality
Coastal Conservancy	California State Coastal Conservany Grant Program
CRP	Carbon Reduction Program
Fed Disc. - RCEGP	Rail Crossing Elimination Grant Program
Fed Disc. - CPF - Transit Infra	Community Planning Earmark Funds
Fed Disc. - CPF - Highway Infra	Community Planning Earmark Funds
FRA	Federal Railroad Administration
FRA PRIAA	Federal Railroad Administration - Passenger Rail Investment and Improvement Act
FTA 5307	Federal Transit Administration Urbanized Area Formula Program
Local Funds	Funds available from other sources such as developer fees, fare revenue or general fund
RSTP	Regional Surface Transportation Block Grant
RSTP Conversion	Reimbursement of advanced federal funds which have been advanced with local funds in earlier years
TDA - Bike	Transportation Development Act for Bicycles
SB1 - LPP	Senate Bill 1 - Local Partnership Program
SB1 - TCEP	Senate Bill 1 - Trade Corridor Enhancement Program
SB1 - TIRCP	Senate Bill 1 - Tranist and Intercity Rail Capital Program
STA	State Transit Assistance
STIP-RIP-AC	STIP - Regional Improvement Program AC
Toll Credits	Local funds that can be used to match federal funds
TransNet - BPNS	Prop A Extension - Bicycle, Pedestrian and Neighborhood Safety Program
TransNet - CP	Prop A Extension - Commercial Paper
TransNet - LEMP	Prop A Extension - Local Environmental Mitigation Program
TransNet - LSI	Prop A Extension - Local System Improvements
TransNet - MC	Prop A Extension - Major Corridors
TransNet - REMP	Prop A Extension - Regional Environmental Mitigation Program
TransNet - SGIP	Prop A Extension - Smart Growth Incentive Program
TransNet - SS	Prop A Extension - Senior Services Program
TransNet - TSI	Prop A Extension - Transit System Improvements

Table 2

2023 Regional Transportation Improvement Program
Amendment No. 14
San Diego Region (in $000s)

Caltrans

MPO ID: CAL09 **RTIP #:23-14**

Project Title: Interstate 5 - HOV/Managed Lanes

Project Description: Interstate 5 - construct High Occupancy Vehicle (HOV)/Managed Lanes on I-5; construct Phase 1: Construct HOV from Lomas Santa Fe to Birmingham and replace San Elijo Bridge; Construct Phase 2: construct HOV lanes and soundwall on private property from Birmingham to Palomar Airport Rd; Construct Phase 3: Construct HOV lanes and soundwalls on private property from Palomar Airport Rd to SR-78. Toll Credits will be used to match federal funds for the PE phase, ROW phase and for the CON phase

EA NO: 235800, 2T217, 2T218, 2T35U, 2T257, 2T258, 2T359, 2T170, 2T171, 2T172, 2T210, 2T211, 2T212, 2T358
PPNO: 0615CDE, 0615
RTP REF: A-51 (2019)
SANDAG ID: 1200511, 1200501, 1200504, 1200510, 1200509

Change Reason: Increase funding

RT:5 Capacity Status:CI Exempt Category:Non-Exempt

Est Total Cost: **$954,293** Open to Traffic: Phase 1: Mar 2022 Phase 2: Mar 2022 Phase 3: Dec 2022

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$168,841	$155,708	$6,378	$3,348	$3,407				$122,240	$36,118	$10,483
TransNet - MC AC	$0	$350	$(350)								
CBI	$416	$416							$416		
CMAQ	$174,968	$162,791	$7,848	$3,111				$1,217	$27,721	$3,645	$143,602
Earmark Repurposing	$5,718	$5,226	$492						$1,220		$4,498
IM	$3,886	$3,886							$3,886		
Other Fed - HIP	$25,654	$25,654									$25,654
RSTP	$102,520	$102,519							$48,169	$10,118	$44,233
STP	$751	$751							$751		
SB1 - CCP	$195,000	$195,000									$195,000
STIP-RIP AC	$229,084	$190,021	$39,063						$9,561		$219,523
STIP-RIP State Cash	$628	$628							$628		
Local Funds	$1,206	$1,206									$1,206
TOTAL	**$908,672**	**$844,156**	**$53,431**	**$6,459**	**$3,407**			**$1,217**	**$214,592**	**$49,881**	**$644,199**

* $5.324M programmed in CAL46A; $299K provided outside of the RTIP; $12.035M programmed in CAL443; $22.616M programmed in CAL468; $6.744M programmed in CAL491

PROJECT LAST AMENDED 23-09

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$168,841	$155,708	$6,378	$3,348	$3,407				$122,240	$36,118	$10,483
TransNet - MC AC	$0	$350	$(350)								
CBI	$416	$416							$416		
CMAQ	$173,751	$162,791	$7,848	$3,111					$27,721	$3,645	$142,385
Earmark Repurposing	$5,718	$5,226	$492						$1,220		$4,498
IM	$3,886	$3,886							$3,886		
Other Fed - HIP	$25,654	$25,654									$25,654
RSTP	$102,520	$102,519							$48,169	$10,118	$44,233
STP	$751	$751							$751		
SB1 - CCP	$195,000	$195,000									$195,000
STIP-RIP AC	$229,084	$190,021	$39,063						$9,561		$219,523
STIP-RIP State Cash	$628	$628							$628		
Local Funds	$1,206	$1,206									$1,206
TOTAL	$907,455	$844,156	$53,431	$6,459	$3,407				$214,592	$49,881	$642,982

Caltrans

MPO ID: CAL09E **RTIP #:23-14**

Project Title: I-5 HOV Lanes: Oceanside

Project Description: I-5 from SR 78 to SR 76 Milepost begins at 51.2 ends at 53.8 (2.56 miles) - Design of one High-Occupancy Vehicle (HOV) lane in each direction.

EA NO: 2T377x
PPNO: 1547
SANDAG ID: 1200516

Change Reason: New Project

RT:5 Capacity Status:NCI Exempt Category:Other - Non construction related activities

Est Total Cost: **$11,266**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$100				$40	$40	$20		$100		
Other Fed - HIP	$1,166				$1,166				$1,166		
STIP-RIP NHS	$10,000				$10,000				$10,000		
TOTAL	**$11,266**				**$11,206**	**$40**	**$20**		**$11,266**		

MPO ID: CAL105 **RTIP #:23-14**

Project Title: Grouped Projects for Highway Safety Improvement - HSIP Program

Project Description: Projects are consistent with 40 CFR Parts 93.126 and 93.127 Exempt Tables 2 and 3 categories - railroad/highway crossing, safer non-federal-aid system roads, shoulder improvements, traffic control devices and operating assistance other than signalization projects, intersection signalization projects at individual intersections, pavement marking demonstration, truck climbing lanes outside the urbanized area, lighting improvements, emergency truck pullovers

Change Reason: Revise funding between fiscal years

Capacity Status:NCI Exempt Category:Safety - Safety Improvement Program

Est Total Cost: **$23,779**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
HSIP	$21,968	$2,475	$5,471	$4,058	$2,180	$7,783					$21,968
Local Funds	$1,811	$94	$401	$367	$177	$772					$1,811
TOTAL	**$23,779**	**$2,569**	**$5,872**	**$4,425**	**$2,357**	**$8,555**					**$23,779**

PROJECT LAST AMENDED 23-09

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
HSIP	$22,117	$2,475	$5,620	$2,857	$3,381	$7,783					$22,117
Local Funds	$1,662	$94	$252	$212	$331	$772					$1,662
TOTAL	$23,779	$2,569	$5,872	$3,069	$3,712	$8,555					$23,779

Caltrans

MPO ID: CAL277A **RTIP #:23-14**

Project Title: I-5 HOV/SR 78 Connector

SANDAG ID: 1207803

Project Description: In Oceanside and Carlsbad, Intersection of SR 78 and I-5 - environmental studies and preliminary engineering for High-Occupancy Vehicle (HOV)/managed lanes direct connectors at SR 78 to I-5

Change Reason: Increase funding

RT:78 Capacity Status:NCI Exempt Category:Other - Engineering studies

Est Total Cost: **$16,118**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$16,118	$2,627	$1	$563	$4,758	$3,876	$1,976	$2,316	$16,118		
TOTAL	**$16,118**	**$2,627**	**$1**	**$563**	**$4,758**	**$3,876**	**$1,976**	**$2,316**	**$16,118**		

PROJECT LAST AMENDED 23-09

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$16,118	$2,627	$1	$505	$4,763	$3,876	$1,976	$2,369	$16,118		
TOTAL	$16,118	$2,627	$1	$505	$4,763	$3,876	$1,976	$2,369	$16,118		

MPO ID: CAL633 **RTIP #:23-14**

Project Title: 805 South HOT Lane Conversion

EA NO: 2T375
PPNO: 1545

Project Description: I-805 from 4.4 to 15.8 Milepost begins at 4.4 ends at 15.8 (11.4 miles) - 805 South HOT Lane Conversion (Convert existing HOV lanes and construct HOT lanes on I-805 from 0.3 mile south of the E. Palomar St. overcrossing to Landis Street overcrossing.

Change Reason: New Project

RT:805 Capacity Status:NCI Exempt Category:Mass Transit - Construction or renovation of power, signal, and communications systems

Est Total Cost: **$120,000**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
STIP-RIP State Cash	$10,000				$10,000				$9,300	$700	
TOTAL	**$10,000**				**$10,000**				**$9,300**	**$700**	

Carlsbad, City of

MPO ID: CB44 **RTIP #:23-14**

Project Title: Traffic Signal - RAMS

RAS (M-38)
TransNet - LSI: CR

Project Description: Management System for Arterial roadways throughout the City of Carlsbad and the County - City of Carlsbad annual operations and maintenance cost share for the Regional Arterial Management System, (RAMS). *TransNet* - LSI RAMS of $12 is programmed in FY 2024

Change Reason: Increase funding

Capacity Status:NCI Exempt Category:Other - Traffic signal synchronization projects

Est Total Cost: **$142**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - LSI	$140	$105	$12	$12	$12				$140		
TOTAL	**$140**	**$105**	**$12**	**$12**	**$12**				**$140**		

PROJECT LAST AMENDED 23-02

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - LSI	$117	$105	$12						$117		
TOTAL	$117	$105	$12						$117		

El Cajon, City of

MPO ID: EL06 **RTIP #:23-14**

Project Title: Traffic Signals Projects

RAS (T2-2)
TransNet - LSI: CR

Project Description: Various locations in the City - upgrade or modification of existing traffic signals and the Traffic Management Center, including rewire, new fiber-optic signal interconnect cable, wireless video monitoring cameras, and other necessary equipment to improve traffic flow and safety..... *TransNet* - LSI RAMS of $10 is programmed in FY 2024, *TransNet* - LSI RAMS of $10 is programmed in FY 2025

Change Reason: Increase funding

Capacity Status:NCI Exempt Category:Other - Traffic signal synchronization projects

Est Total Cost: **$4,493**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - L	$580	$580									$580
TransNet - L (Cash)	$380	$380									$380
TransNet - LSI	$2,946	$1,716	$410	$210	$210	$200	$200		$68		$2,878
TransNet - LSI (Cash)	$8	$8									$8
TransNet - LSI Carry Over	$579	$579									$579
TOTAL	**$4,493**	**$3,263**	**$410**	**$210**	**$210**	**$200**	**$200**		**$68**		**$4,425**

PROJECT LAST AMENDED 23-02

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - L	$580	$580									$580
TransNet - L (Cash)	$380	$380									$380
TransNet - LSI	$2,927	$1,716	$410	$200	$200	$200	$200		$49		$2,878
TransNet - LSI (Cash)	$8	$8									$8
TransNet - LSI Carry Over	$579	$579									$579
TOTAL	$4,474	$3,263	$410	$200	$200	$200	$200		$49		$4,425

North County Transit District

MPO ID: SAN260 **RTIP #:23-14**

Project Title: COASTER Train Sets

RTP REF: TL06 (2021)
SANDAG ID: 1239820

Project Description: In the San Diego Region along the COASTER Corridor - Two additional train sets to provide more frequent commuter rail service, including 30-minute peak period serviceToll Credits will be used to match federal funds for the CON phase

Change Reason: Revise funding between fiscal years

Capacity Status:CI Exempt Category:Non-Exempt

Est Total Cost: **$58,800** Open to Traffic: May 2024

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$25,000	$3,697	$9,245	$8,766	$3,292						$25,000
SB1 - LPP Formula	$21,200	$21,200									$21,200
TDA	$12,600		$7,441	$5,159							$12,600
TOTAL	**$58,800**	**$24,897**	**$16,686**	**$13,925**	**$3,292**						**$58,800**

PROJECT LAST AMENDED 23-05

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - CP	$0	$24,526	$(14,000)	$(10,526)							
TransNet - MC	$25,000	$14,009	$10,968	$23							$25,000
SB1 - LPP Formula	$21,200	$21,200									$21,200
TDA	$12,600		$12,600								$12,600
TOTAL	$58,800	$59,735	$9,568	$(10,503)							$58,800

Oceanside, City of

MPO ID: O51 **RTIP #:23-14**

Project Title: Cassidy Street Bridge Overcrossing Replacement

TransNet - LSI: CR

Project Description: Bridge 57C0601 - The concrete bridge structure that spans Cassidy Street between Myers Street and Pacific Street was constructed in 1927, the same year as the concrete portion of the Oceanside Pier. The bridge was closed to vehicle traffic in response to pieces of the bridge separating and falling onto Cassidy Street. The bridge currently serves as a pedestrian only foot bridge and bicycle route.

Change Reason: New Project

Capacity Status:NCI Exempt Category:Safety - Non capacity widening or bridge reconstruction

Est Total Cost: **$950**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - LSI	$950			$300	$500	$150			$950		
TOTAL	**$950**			**$300**	**$500**	**$150**			**$950**		

San Diego Association of Governments

MPO ID: SAN13 **RTIP #:23-14**

Project Title: Joint Transit Operations Center

Project Description: Regionwide - operations facility/control center to coordinate and integrate several Intelligent Transportation System (ITS) deployments; part of ITS regional architecture

Change Reason: Revise funding between fiscal years

SANDAG ID: 1142600
EARMARK NO: E2008-BUSP-0111

Capacity Status:NCI Exempt Category:Mass Transit - Construction or renovation of power, signal, and communications systems

Est Total Cost: **$2,085**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
FTA 5309 (Bus)	$1,668	$1,668									$1,668
Loc Funds - Toll Funds	$417	$4	$112	$82	$114	$105			$4		$413
TOTAL	**$2,085**	**$1,672**	**$112**	**$82**	**$114**	**$105**			**$4**		**$2,081**

PROJECT LAST AMENDED 23-05

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - H	$0										
FTA 5309 (Bus)	$1,668	$1,668									$1,668
Loc Funds - Toll Funds	$417	$112	$200	$70	$35				$4		$413
TOTAL	$2,085	$1,780	$200	$70	$35				$4		$2,081

COMPLETED

MPO ID: SAN26B **RTIP #:23-14**

Project Title: Downtown BRT Stations

Project Description: Broadway corridor; Park Blvd, 11th Ave, Kettner Street and India Street - construct new and modify existing transit stations in downtown San Diego for Bus Rapid Transit (BRT) services

Change Reason: Complete project

SANDAG ID: 1201509

Capacity Status:CI Exempt Category:Non-Exempt

Est Total Cost: **$20,880** Open to Traffic: Oct 2016

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$20,880	$20,879							$4,551		$16,329
TOTAL	**$20,880**	**$20,879**							**$4,551**		**$16,329**

PROJECT LAST AMENDED 23-00

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$20,978	$20,878	$100						$4,551		$16,427
TOTAL	$20,978	$20,878	$100						$4,551		$16,427

San Diego Association of Governments **COMPLETED**

MPO ID: SAN26C **RTIP #:23-14**

Project Title: SR 15 Bus Rapid Transit (BRT) Mid-City Centerline Stations SANDAG ID: 1201507

Project Description: On SR 15 at University Avenue and El Cajon Boulevard. - construct two new BRT transit stations in the median of SR-15

Change Reason: Complete project

Capacity Status:CI Exempt Category:Non-Exempt

Est Total Cost: **$61,672** Open to Traffic: Feb 2018

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$38,522	$38,523							$8,070	$48	$30,404
CMAQ	$21,428	$21,428									$21,428
FTA 5307	$1,722	$1,722							$761		$961
TOTAL	**$61,672**	**$61,673**							**$8,831**	**$48**	**$52,793**

PROJECT LAST AMENDED 23-05

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$39,465	$38,523	$350	$592					$8,070	$48	$31,347
CMAQ	$21,428	$21,428									$21,428
FTA 5307	$1,722	$1,722							$761		$961
TOTAL	$62,615	$61,673	$350	$592					$8,831	$48	$53,736

San Diego Association of Governments

MPO ID: SAN29 **RTIP #:23-14**

Project Title: Sorrento to Miramar Double Track/Realign

Project Description: Phase 1: Control Point (CP) Pines (Mile Post (MP) 249.8) to CP Miramar (MP 251)Phase 2: CP Miramar (MP 251) to CP Cumbres (MP 252.9) - realign curve and construct second main track; fully funds PE and design for both Phase 1 and Phase 2; construction for Phase 1 only

Change Reason: Increase funding

EA NO: R690SA
PPNO: 7301
RTP REF: T-3 (2021)
SANDAG ID: 1239801, 1239812

Capacity Status:NCI Exempt Category:Mass Transit - Track rehabilitation in existing right of way

Est Total Cost: **$75,514**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$44,192	$38,419	$385	$4,108	$1,280				$7,326	$8,405	$28,461
Fed Rail Admin (FRA-PRIIA)	$3,102	$3,102							$3,102		
Prop 1B - TCIF	$10,800	$10,800									$10,800
SB1 - LPP Formula	$1,720	$1,720							$1,720		
SB1 - TCEP	$10,500	$10,500								$10,500	
STIP-IIP PTA	$3,900	$3,900							$3,900		
STIP-IIP State Cash	$1,300	$1,300							$1,300		
TOTAL	**$75,514**	**$69,741**	**$385**	**$4,108**	**$1,280**				**$17,348**	**$18,905**	**$39,261**

PROJECT LAST AMENDED 23-05

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$43,591	$38,419	$2,263	$2,846	$63				$7,326	$7,804	$28,461
Fed Rail Admin (FRA-PRIIA)	$3,102	$3,102							$3,102		
Prop 1B - TCIF	$10,800	$10,800									$10,800
SB1 - LPP Formula	$1,720	$1,720							$1,720		
SB1 - TCEP	$10,500	$10,500								$10,500	
STIP-IIP PTA	$3,900	$3,900							$3,900		
STIP-IIP State Cash	$1,300	$1,300							$1,300		
TOTAL	$74,913	$69,741	$2,263	$2,846	$63				$17,348	$18,304	$39,261

San Diego Association of Governments

MPO ID: SAN36 **RTIP #:23-14**

Project Title: Bus/Rail Signal & Communications Equipment

Project Description: Countywide - bid display module, dispatch software, fixed guideway electrification/power distribution projects such as catenary replacement, Feeder Cable, SCADA, DC Breaker Replacement

RTP REF: A-70 (2021)
SANDAG ID: 1129200, 1145100, 1144000

Change Reason: Reduce funding

Capacity Status:NCI Exempt Category:Mass Transit - Track rehabilitation in existing right of way

Est Total Cost: **$28,339**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$1,086	$1,077	$9								$1,086
TransNet - TSI	$40			$40							$40
FTA 5307	$18,510	$18,316	$194								$18,510
FTA 5309 (FG)	$1,112	$1,112									$1,112
Local Funds	$2,353	$2,353									$2,353
TDA	$5,238	$3,209		$658	$1,369	$2					$5,238
TOTAL	**$28,339**	**$26,067**	**$203**	**$698**	**$1,369**	**$2**					**$28,339**

PROJECT LAST AMENDED 23-05

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$1,075	$1,075									$1,075
FTA 5307	$18,510	$18,316	$194								$18,510
FTA 5309 (FG)	$1,112	$1,112									$1,112
Local Funds	$2,353	$2,353									$2,353
TDA	$6,117	$3,209		$2,901	$5	$2					$6,117
TOTAL	$29,167	$26,065	$194	$2,901	$5	$2					$29,167

San Diego Association of Governments

MPO ID: SAN47 **RTIP #:23-14**

Project Title: South Bay BRT SANDAG ID: 1280504

Project Description: From the Otay Mesa Border Crossing to Downtown San Diego along SR 125, Palomar Street, I-805, and SR 94 - Rapid transit service from the I-805/Palomar Direct Access Ramp (DAR) to the Otay Mesa Border, including the construction of a guideway on East Palomar over SR 125, around Otay Ranch Town Center Mall and through the new Millenia development; construction of 7 new Rapid transit stations

Change Reason: Reduce funding, Revise funding between fiscal years

Capacity Status:CI Exempt Category:Non-Exempt

Est Total Cost: **$126,865**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$105,305	$103,499	$322	$1,143	$342				$30,275		$75,030
TransNet - Transit	$148	$148							$148		
FTA 5307	$545	$545							$545		
FTA 5309 (Bus)	$1,827	$1,827							$1,827		
CAP-TRADE	$11,000	$11,000									$11,000
Other State - LCTOP	$376	$376									$376
Loc Funds - Toll Funds	$6,500	$6,500									$6,500
Local Funds	$1,164	$1,164							$180		$984
TOTAL	**$126,865**	**$125,059**	**$322**	**$1,143**	**$342**				**$32,975**		**$93,890**

PROJECT LAST AMENDED 23-05

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$105,830	$103,499	$2,332						$30,275		$75,555
TransNet - Transit	$148	$148							$148		
FTA 5307	$545	$545							$545		
FTA 5309 (Bus)	$1,827	$1,827							$1,827		
CAP-TRADE	$11,000	$11,000									$11,000
Other State - LCTOP	$376	$376									$376
Loc Funds - Toll Funds	$6,500	$6,500									$6,500
Local Funds	$1,164	$1,164							$180		$984
TOTAL	$127,390	$125,059	$2,332						$32,975		$94,415

San Diego Association of Governments

MPO ID: SAN54 **RTIP #:23-14**

Project Title: ITS Operating

Project Description: Regionwide - implementation and deployment of Intelligent Transportation System (ITS) projects such as Intermodal Transportation Management System (IMTMS), 511 Advanced Traveler Information System; activities include data collection, dissemination, software upgrades

Change Reason: Increase funding

RTP REF: A-68 (2021)
SANDAG ID: 33105, 33307, 33110, 33312, 1147700
TransNet - LSI: CR

Capacity Status:NCI Exempt Category:Safety - Non signalization traffic control and operating

Est Total Cost: **$6,241**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - LSI	$185			$185					$185		
TransNet - MC	$6,056		$1,910	$2,086	$2,020	$40			$6,056		
TOTAL	**$6,241**		**$1,910**	**$2,271**	**$2,020**	**$40**			**$6,241**		

PROJECT LAST AMENDED 23-05

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - LSI	$185			$185					$185		
TransNet - MC	$5,818		$1,910	$1,998	$1,910				$5,818		
TOTAL	$6,003		$1,910	$2,183	$1,910				$6,003		

MPO ID: SAN64 **RTIP #:23-14**

Project Title: Eastbrook to Shell Double Track

Project Description: On coastal rail corridor from Control Point (CP) Eastbrook near Harbor Drive to CP Shell near Surfrider Way - in Oceanside, design to add a new 0.6 mile section of double track, add new signals and replace the San Luis Rey River Bridge over San Luis Rey River

Change Reason: Reduce funding

PPNO: 2074
RTP REF: T-3 (2021)
SANDAG ID: 1239809

Capacity Status:NCI Exempt Category:Mass Transit - Track rehabilitation in existing right of way

Est Total Cost: **$37,092**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$4,825	$4,157	$203	$76	$389				$4,360		$465
Fed Rail Admin (FRA-PRIIA)	$30,826	$3,526		$27,300					$3,526		$27,300
SB1 - LPP Formula	$1,441	$1,441							$1,441		
TOTAL	**$37,092**	**$9,124**	**$203**	**$27,376**	**$389**				**$9,327**		**$27,765**

PROJECT LAST AMENDED 23-05

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$4,825	$4,157	$620	$48					$4,777		$48
Fed Rail Admin (FRA-PRIIA)	$30,826	$3,526		$27,300					$3,526		$27,300
SB1 - LPP Formula	$1,800	$1,800							$1,800		
TOTAL	$37,451	$9,483	$620	$27,348					$10,103		$27,348

San Diego Association of Governments

MPO ID: SAN66 **RTIP #:23-14**

Project Title: Grouped Projects for Rehabilitation or Reconstruction of Track Structures, Track, and Trackbed in Existing Rights-of-Way: Blue Line Corridor

SANDAG ID: 1210021, 1210040

Project Description: Projects are consistent with 40 CFR Part 93.126 Exempt Tables 2 and 3 categories - rehabilitation or reconstruction of track structures, track and trackbed in existing rights-of-way (non-capacity increasing)

Change Reason: Increase funding

Capacity Status:NCI Exempt Category:Mass Transit - Reconstruction or renovation of transit structures

Est Total Cost: **$34,471**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$20,055	$15,604	$67	$140	$1,057	$2,651	$536				$20,055
FTA Funds - AR-5307	$2,432	$2,432									$2,432
Prop 1B - SLPP	$4,658	$4,658									$4,658
Local Funds	$7,326	$7,326									$7,326
TOTAL	**$34,471**	**$30,020**	**$67**	**$140**	**$1,057**	**$2,651**	**$536**				**$34,471**

PROJECT LAST AMENDED 23-05

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$15,872	$15,604	$112	$151	$5						$15,872
FTA Funds - AR-5307	$2,432	$2,432									$2,432
Prop 1B - SLPP	$4,658	$4,658									$4,658
Local Funds	$7,326	$7,326									$7,326
TOTAL	$30,288	$30,020	$112	$151	$5						$30,288

MPO ID: SAN73 **RTIP #:23-14**

Project Title: San Elijo Lagoon Double Track

SANDAG ID: 1239806, 3310708

Project Description: On coastal rail corridor in Cardiff and across San Elijo Lagoon from MP 239.2 near Montgomery Ave to MP 241.3 in Solana Beach - install 1.5 miles of new double track, replace Bridge 240.4, reconfigure Control Point (CP) Cardiff with double crossovers, install new signals and drainage structures

Change Reason: Increase funding

Capacity Status:NCI Exempt Category:Mass Transit - Track rehabilitation in existing right of way

Est Total Cost: **$79,349**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$25,593	$23,911	$14	$380	$1,289				$2,324	$1,018	$22,251
RSTP	$9,413	$9,413							$5,263	$422	$3,728
Prop 1B - TCIF	$4,343	$4,343									$4,343
STIP-RIP AC	$40,000	$40,000									$40,000
TOTAL	**$79,349**	**$77,667**	**$14**	**$380**	**$1,289**				**$7,587**	**$1,440**	**$70,322**

PROJECT LAST AMENDED 23-00

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$24,105	$23,947	$159						$2,324	$1,018	$20,763
RSTP	$9,413	$9,413							$5,263	$422	$3,728
Prop 1B - TCIF	$4,343	$4,343									$4,343
STIP-RIP AC	$40,000	$40,000									$40,000
TOTAL	$77,861	$77,703	$159						$7,587	$1,440	$68,834

San Diego Association of Governments

MPO ID: SAN114 **RTIP #:23-14**

Project Title: Grouped Projects for Rehabilitation or Reconstruction of Track Structures, Track, and Trackbed in Exisiting Rights-of-Way: Coastal Rail Corridor

Project Description: Projects are consistent with 40 CFR Parts 93.126 and 93.127 Exempt Tables 2 and 3 categories: rehabilitation or reconstruction of track structures, track, and trackbed in existing right-of-way (non-capacity increasing)- from Oceanside to San Diego along the Coastal Rail Corridor; design track improvements

SANDAG ID: 1239805, 1239810, 1239813, 1239813, 1239822, 1239813, 1239822, 1239824, 1239814, 1239815, 1239816, 1239819, 1239821

Change Reason: Increase funding

Capacity Status:NCI Exempt Category:Mass Transit - Track rehabilitation in existing right of way

Est Total Cost: **$630,953**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$73,230	$46,582	$1,633	$1,161	$2,196	$1,949	$11,996	$7,712			$73,230
TransNet - MC AC	$0	$500	$(500)								
CMAQ	$76,754	$64,154		$12,600							$76,754
FTA 5307	$24,266	$5,766	$5,500	$6,736	$6,264						$24,266
FTA 5339	$2,600	$2,600									$2,600
Fed Rail Admin (FRA-PRIIA)	$7,085	$7,085									$7,085
Fed Disc.-CPF-Trans Infra	$54,893		$1,000				$53,893				$54,893
RSTP	$28,136	$28,136									$28,136
CAP-TRADE	$4,617	$4,617									$4,617
Coastal Conservancy	$103,300		$103,300								$103,300
SB1 - LPP Formula	$4,831	$4,831									$4,831
SB1 - TCEP	$30,528		$30,528								$30,528
SB1 - TIRCP	$100,200		$200		$100,000						$100,200
SB125 - TIRCP	$36,397					$36,397					$36,397
STIP State Cash-Augmn RIP	$82,800						$20,800	$62,000			$82,800
Local Funds	$1,316	$1,116		$200							$1,316
TOTAL	**$630,953**	**$165,387**	**$141,661**	**$20,697**	**$108,460**	**$38,346**	**$86,689**	**$69,712**			**$630,953**

PROJECT LAST AMENDED 23-11

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$54,919	$46,991	$4,095	$2,588	$1,244						$54,919
TransNet - MC AC	$0	$500	$(500)								
CMAQ	$76,754	$64,154		$12,600							$76,754
FTA 5307	$24,266	$5,766	$5,500	$6,736	$6,264						$24,266
FTA 5339	$2,600	$2,600									$2,600
Fed Rail Admin (FRA-PRIIA)	$7,085	$7,085									$7,085
Fed Disc.-CPF-Trans Infra	$1,000		$1,000								$1,000
RSTP	$28,136	$28,136									$28,136
CAP-TRADE	$4,017	$4,017									$4,017
Coastal Conservancy	$104,000		$104,000								$104,000
SB1 - LPP Formula	$4,831	$4,831									$4,831
SB1 - TCEP	$30,528		$30,528								$30,528
SB1 - TIRCP	$113,400		$200		$113,200						$113,400
SB125 - TIRCP	$36,397					$36,397					$36,397
Local Funds	$200			$200							$200
TOTAL	$488,133	$164,080	$144,823	$22,124	$120,708	$36,397					$488,133

San Diego Association of Governments

MPO ID: SAN119 **RTIP #:23-14**

Project Title: Sorrento Valley Double Track

RTP REF: T-3 (2021)
SANDAG ID: 1239807

Project Description: From MP 247.8 to MP 248.9 north of Sorrento Valley Coaster Station - convert 1.1 miles of single-track to double-track, raise tracks to minimize flooding during storms, construct two new bridges, expand parking lot at Sorrento Valley Station, and install new signals - does not add additional transit service

Change Reason: Revise funding between fiscal years

Capacity Status:NCI Exempt Category:Mass Transit - Track rehabilitation in existing right of way

Est Total Cost: **$32,813**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$3,724	$3,640	$14	$13	$56				$803	$323	$2,598
CMAQ	$3,867	$3,867									$3,867
RSTP	$12,861	$12,861							$5,156		$7,705
Prop 1B - TCIF	$12,055	$12,055									$12,055
Local Funds	$306	$306									$306
TOTAL	**$32,813**	**$32,729**	**$14**	**$13**	**$56**				**$5,959**	**$323**	**$26,531**

PROJECT LAST AMENDED 23-00

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$3,724	$3,632	$92						$803	$323	$2,598
CMAQ	$3,867	$3,867									$3,867
RSTP	$12,861	$12,861							$5,156		$7,705
Prop 1B - TCIF	$12,055	$12,055									$12,055
Local Funds	$306	$306									$306
TOTAL	$32,813	$32,721	$92						$5,959	$323	$26,531

San Diego Association of Governments

MPO ID: SAN132 **RTIP #:23-14**

Project Title: Elvira to Morena Double Track

Project Description: On coastal rail corridor from Control Point (CP) Elvira near SR 52 to CP Friar near Friars Road - convert 2.6 miles of single-track to double-track and install new signals. Replace 1 mile of double track. Construct new/replacement bridges at MP 260.4, 259.6, 259.1, 258.6, and 257.2. Construct new water/sewer facilites for the City of San Diego between Friars Road and SR 52 - does not add additional transit service

RTP REF: T-3 (2021)
SANDAG ID: 1146500, 1239811

Change Reason: Reduce funding, Revise funding between fiscal years

Capacity Status:NCI Exempt Category:Mass Transit - Track rehabilitation in existing right of way

Est Total Cost: **$199,713**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$41,702	$36,688	$921	$688	$1,684	$676	$628	$418	$7,310	$987	$33,405
CMAQ	$24,878	$24,878							$2,776		$22,102
FTA 5307	$2,229				$2,229						$2,229
Fed Rail Admin (FRA-PRIIA)	$17,963	$9,920			$8,043				$6,082		$11,881
RSTP	$29,688	$29,688							$4,688	$927	$24,073
SB1 - TIRCP	$61,383				$61,383						$61,383
STA	$168	$168									$168
TCRP	$4,052	$4,052									$4,052
Local Funds	$17,261	$16,114				$568	$510	$68			$17,261
TDA	$389		$389								$389
TOTAL	**$199,713**	**$121,508**	**$1,310**	**$688**	**$73,339**	**$1,244**	**$1,138**	**$486**	**$20,856**	**$1,914**	**$176,943**

PROJECT LAST AMENDED 23-11

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$39,334	$36,688	$969	$376	$754	$490	$42	$15	$7,310	$987	$31,037
CMAQ	$24,878	$24,878							$2,776		$22,102
FTA 5307	$2,549	$2,549							$993		$1,556
Fed Rail Admin (FRA-PRIIA)	$17,963	$9,920		$8,043					$6,082		$11,881
RSTP	$29,688	$29,688							$4,688	$927	$24,073
CAP-TRADE	$61,383	$61,383									$61,383
SB1 - TIRCP	$2,704			$1,076	$1,628						$2,704
STA	$248	$248							$248		
TCRP	$4,052	$4,052									$4,052
Local Funds	$16,852	$16,722	$130								$16,852
TDA	$389		$389								$389
TOTAL	$200,040	$186,128	$1,488	$9,495	$2,382	$490	$42	$15	$22,097	$1,914	$176,029

San Diego Association of Governments

MPO ID: SAN147 **RTIP #:23-14**

Project Title: Grouped Projects for Bicycle and Pedestrian Facilities - Bayshore Bikeway

SANDAG ID: 1129900, 1223055, 1223055, 1223096, 1223056

Project Description: Projects are consistent with 40 CFR Part 93.126 Exempt Tables 2 and Table 3 categories - Bicycle and pedestrian facilities (both motorized and Non-motorized)

Change Reason: Increase funding

Capacity Status:NCI Exempt Category:Air Quality - Bicycle and pedestrian facilities

Est Total Cost: **$82,051**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - BPNS	$21,194	$11,061	$1,802	$4,068	$2,351	$1,509	$378	$25			$21,194
CRP	$5,425		$3,543			$1,882					$5,425
CRRSAA	$10,895	$10,895									$10,895
Fed Disc.-CPF-Hwy Infra	$5,650		$5,650								$5,650
RSTP	$11,683	$11,683									$11,683
ATP - R	$21,509	$15,165		$6,344							$21,509
Coastal Conservancy	$350		$350								$350
SB1 - LPP Formula	$1,576				$1,576						$1,576
STIP-RIP STP TE	$287	$287									$287
STIP-RIP State Cash	$37	$37									$37
Local Funds	$781	$80			$701						$781
TDA - Bicycles	$2,664		$2,664								$2,664
TOTAL	**$82,051**	**$49,208**	**$14,009**	**$10,412**	**$4,628**	**$3,391**	**$378**	**$25**			**$82,051**

PROJECT LAST AMENDED 23-09

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - BPNS	$20,269	$11,061	$1,098	$4,688	$2,100	$1,067	$230	$25			$20,269
CRP	$7,925		$3,543		$1,882	$2,500					$7,925
CRRSAA	$10,895	$10,895									$10,895
Fed Disc.-CPF-Hwy Infra	$5,650		$5,650								$5,650
RSTP	$11,683	$11,683									$11,683
ATP - R	$21,509	$15,165		$6,344							$21,509
Coastal Conservancy	$350		$350								$350
STIP-RIP STP TE	$287	$287									$287
STIP-RIP State Cash	$37	$37									$37
Local Funds	$80	$80									$80
TDA - Bicycles	$2,664		$2,664								$2,664
TOTAL	$81,349	$49,208	$13,305	$11,032	$3,982	$3,567	$230	$25			$81,349

San Diego Association of Governments

MPO ID: SAN148 **RTIP #:23-14**

Project Title: Grouped Projects for Bicycle and Pedestrian Facilities - Coastal Rail Trail

SANDAG ID: 1223016, 1223017, 3301100

Project Description: Projects are consistent with 40 CFR Part 93.126 Exempt Table 2 categories - bicycle and pedestrian facilities (both motorized and non-motorized)

Change Reason: Increase funding

Capacity Status:NCI Exempt Category:Air Quality - Bicycle and pedestrian facilities

Est Total Cost: **$46,457**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - BPNS	$31,220	$30,919	$92	$141	$36	$31					$31,220
CRP	$238				$238						$238
ATP - R	$1,025	$1,025									$1,025
STIP-RIP Augmentation	$9,000					$9,000					$9,000
STIP-RIP STP TE	$587	$587									$587
STIP-RIP State Cash	$47	$47									$47
Local Funds	$219	$219									$219
TDA - Bicycles	$4,121	$4,121									$4,121
TOTAL	**$46,457**	**$36,918**	**$92**	**$141**	**$274**	**$9,031**					**$46,457**

PROJECT LAST AMENDED 23-09

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - BPNS	$31,406	$30,920	$280	$206							$31,406
CRP	$238			$238							$238
ATP - R	$1,025	$1,025									$1,025
STIP-RIP STP TE	$587	$587									$587
STIP-RIP State Cash	$47	$47									$47
Local Funds	$219	$219									$219
TDA - Bicycles	$4,121	$4,121									$4,121
TOTAL	$37,643	$36,919	$280	$444							$37,643

San Diego Association of Governments

MPO ID: SAN153 **RTIP #:23-14**

Project Title: The Inland Rail Trail

Project Description: On and along the North County Transit District rail corridor from North Melrose Drive in Oceanside to North Pacific Street in San Marcos - environmental clearance for 7.0 miles of new bike path. Construction of 4.0 miles of new bike path; and final design and construct one new mile of Class I bike path (Phase 3). Construction is funded through phase 3 (3.0 miles in Vista). Phase 4 (Oceanside) will be constructed when funding is identified.. Toll Credits will be used to match federal funds for the CON phase

Change Reason: Increase funding, Revise funding between fiscal years

PPNO: 7421W
RTP REF: AT003 (2021)
SANDAG ID: 1223023, 1223094, 1223095
EARMARK NO: CA832

Capacity Status:NCI Exempt Category:Air Quality - Bicycle and pedestrian facilities

Est Total Cost: **$97,405**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - BPNS	$25,464	$21,735	$636	$480	$793	$1,099	$721		$10,178	$1,880	$13,406
CRP	$4,394		$3,882			$512					$4,394
Earmark Repurposing	$92	$92									$92
RSTP	$9,640		$6,940				$2,700				$9,640
ATP - R	$17,660	$170	$6,339		$330	$10,821			$1,236		$16,424
SB1 - LPP Formula	$7,126		$6,201		$925						$7,126
STIP-RIP AC	$16,322	$16,322									$16,322
STIP-RIP STP TE	$1,414	$1,414							$1,414		
STIP-RIP State Cash	$2,298	$2,298							$183		$2,115
Local Funds	$2,541	$2,541							$2,541		
TDA - Bicycles	$10,454	$10,454							$2,025		$8,429
TOTAL	**$97,405**	**$55,026**	**$23,998**	**$480**	**$2,048**	**$12,432**	**$3,421**		**$17,577**	**$1,880**	**$77,948**

PROJECT LAST AMENDED 23-09

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - BPNS	$22,632	$21,735	$687	$114	$47		$49		$10,178	$1,880	$10,574
CRP	$4,394		$3,882		$512						$4,394
Earmark Repurposing	$92	$92									$92
RSTP	$9,640		$6,940	$2,700							$9,640
ATP - R	$17,660	$500	$6,339		$10,821				$1,736		$15,924
SB1 - LPP Formula	$6,201		$6,201								$6,201
STIP-RIP AC	$16,322	$16,322									$16,322
STIP-RIP STP TE	$1,414	$1,414							$1,414		
STIP-RIP State Cash	$2,298	$2,298							$183		$2,115
Local Funds	$1,080	$1,080							$1,080		
TDA - Bicycles	$10,279	$10,279							$2,025		$8,254
TOTAL	$92,012	$53,720	$24,049	$2,814	$11,380		$49		$16,616	$1,880	$73,516

San Diego Association of Governments

MPO ID: SAN196 **RTIP #:23-14**

Project Title: Grouped Projects for Bicycle and Pedestrian Facilities - San Diego River Trail SANDAG ID: 1223053

Project Description: Projects are consistent with 40 CFR Part 93.126 Exempt Table 2 categories - bicycle and pedestrian facilities (both motorized and non-motorized)

Change Reason: Reduce funding

Capacity Status:NCI Exempt Category:Air Quality - Bicycle and pedestrian facilities

Est Total Cost: **$1,360**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - BPNS	$1,028	$906	$9	$53	$60						$1,028
Coastal Conservancy	$332	$332									$332
TOTAL	**$1,360**	**$1,238**	**$9**	**$53**	**$60**						**$1,360**

PROJECT LAST AMENDED 23-05

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - BPNS	$1,268	$906	$70	$292							$1,268
Coastal Conservancy	$332	$332									$332
TOTAL	$1,600	$1,238	$70	$292							$1,600

MPO ID: SAN199 **RTIP #:23-14**

Project Title: Rose Canyon Bridge Replacements SANDAG ID: 1145300

Project Description: Mileposts 254.7, 255.1, and 255.3. - replace four aging timber trestle railway bridges in order to maintain compliance with FRA bridge standards for state of good repair and support intercity, commuter and freight rail services in a segment of the nations second busiest rail corridor.

Change Reason: Revise funding between fiscal years

Capacity Status:NCI Exempt Category:Mass Transit - Reconstruction or renovation of transit structures

Est Total Cost: **$14,545**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$22	$1			$21				$22		
FTA 5307	$40	$40							$40		
Local Funds	$143	$63	$8	$65	$7				$143		
TDA	$15	$10			$5				$15		
TOTAL	**$220**	**$114**	**$8**	**$65**	**$33**				**$220**		

PROJECT LAST AMENDED 23-05

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$22				$22				$22		
FTA 5307	$40	$40							$40		
Local Funds	$143	$63	$8	$65	$7				$143		
TDA	$15	$10			$5				$15		
TOTAL	$220	$113	$8	$65	$34				$220		

San Diego Association of Governments

MPO ID: SAN200 **RTIP #:23-14**

Project Title: San Onofre Bridge Replacement — SANDAG ID: 1145400

Project Description: Point location at MP 207.6, 201.8 and 207.9 - replace three aging timber trestle railway bridges in order to maintain compliance with Federal Railroad Administration (FRA) standards and support intercity, commuter and freight rail services in the second busiest rail corridor in the nation

Change Reason: Revise funding between fiscal years

Capacity Status:NCI Exempt Category:Mass Transit - Reconstruction or renovation of transit structures

Est Total Cost: **$14,700**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$2				$2				$2		
FTA 5307	$48	$48							$48		
Local Funds	$48	$39			$9				$48		
TDA	$12	$12							$12		
TOTAL	**$110**	**$99**			**$11**				**$110**		

* An additional $1.08M contributed from previous FTA grants

PROJECT LAST AMENDED 23-00

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$2		$2						$2		
FTA 5307	$48	$48							$48		
Local Funds	$48	$48							$48		
TDA	$12	$12							$12		
TOTAL	$110	$108	$2						$110		

MPO ID: SAN224 **RTIP #:23-14**

Project Title: I-805/SR 94 Bus on Shoulder Demonstration Project — SANDAG ID: 1280513

Project Description: In Chula Vista, on East Palomar Street between Heritage Road and I-805, on I-805 between East Palomar Street and SR 94 and on SR 94 between I-805 and Downtown San Diego. - design and construct new freeway shoulder infrastructure on East Palomar, I-805 and SR 94; implement technology improvements within the corridor to support freeway bus operation; procurement of 16 new Compressed Natural Gas (CNG) buses. - no additional lanes

Change Reason: Revise funding between fiscal years

Capacity Status:NCI Exempt Category:Mass Transit - Purchase new buses and rail cars to replace existing vehicles or minor expansions of fleet

Est Total Cost: **$30,900**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$16,816	$13,123	$691	$858	$1,366	$777			$2,159		$14,657
FTA 5309 (Bus)	$14,084	$14,084							$1,455		$12,629
TOTAL	**$30,900**	**$27,207**	**$691**	**$858**	**$1,366**	**$777**			**$3,614**		**$27,286**

PROJECT LAST AMENDED 23-05

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$16,816	$13,123	$1,270	$1,402	$1,009	$13			$2,159		$14,657
FTA 5309 (Bus)	$14,084	$14,084							$1,455		$12,629
TOTAL	$30,900	$27,207	$1,270	$1,402	$1,009	$13			$3,614		$27,286

San Diego Association of Governments

MPO ID: SAN227 **RTIP #:23-14**

Project Title: Grouped Projects for Bicycle and Pedestrian Facilities - North Park/Mid-City Bikeways

SANDAG ID: 1223020, 1223079, 1223081, 1223082, 1223087

Project Description: Projects are consistent with 40 CFR Part 93.126 Exempt Tables 2 and Table 3 categories - Bicycle and pedestrian facilities (both motorized and Non-motorized)

Change Reason: Increase funding

Capacity Status:NCI Exempt Category:Air Quality - Bicycle and pedestrian facilities

Est Total Cost: **$92,111**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - BPNS	$37,137	$32,454	$882	$1,375	$1,492	$587	$348				$37,137
CRP	$5,600				$5,600						$5,600
RSTP	$8,590			$3,182	$5,408						$8,590
ATP - R	$26,187			$20,474	$5,713						$26,187
SB1 - LPP Formula	$2,000				$2,000						$2,000
SB1 - TIRCP	$9,990			$9,990							$9,990
TDA - Bicycles	$2,607	$2,607									$2,607
TOTAL	**$92,111**	**$35,061**	**$882**	**$35,021**	**$20,213**	**$587**	**$348**				**$92,111**

PROJECT LAST AMENDED 23-09

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - BPNS	$36,755	$32,454	$1,065	$1,597	$696	$500	$329	$114			$36,755
CRP	$5,600			$5,600							$5,600
RSTP	$8,590			$4,040	$4,550						$8,590
ATP - R	$19,446		$4,317	$13,733	$1,396						$19,446
ATP - S	$6,741			$6,741							$6,741
SB1 - LPP Formula	$2,000				$2,000						$2,000
SB1 - TIRCP	$9,990			$9,990							$9,990
TDA - Bicycles	$2,607	$2,607									$2,607
TOTAL	$91,729	$35,061	$5,382	$41,701	$8,642	$500	$329	$114			$91,729

San Diego Association of Governments

MPO ID: SAN228 **RTIP #:23-14**

Project Title: Grouped Projects for Bicycle and Pedestrian Facilities - Uptown Bikeways

SANDAG ID: 1223022, 1223083, 1223084, 1223085

Project Description: Projects are consistent with 40 CFR Part 93.126 Exempt Tables 2 and Table 3 categories - Bicycle and pedestrian facilities (both motorized and Non-motorized)

Change Reason: Increase funding

Capacity Status:NCI Exempt Category:Air Quality - Bicycle and pedestrian facilities

Est Total Cost: **$75,259**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - BPNS	$28,944	$24,245	$2,672	$1,397	$570	$60					$28,944
TransNet - MC	$15,157		$87	$998	$4,283	$9,560	$229				$15,157
TransNet - SGIP	$609	$609									$609
ATP - R	$982			$982							$982
SB1 - LPP Formula	$7,000		$7,000								$7,000
STIP State Cash-Augmn RIP	$7,000		$7,000								$7,000
Local Funds	$14,317	$1,803		$53	$5,669	$5,657	$1,035	$100			$14,317
TDA - Bicycles	$1,250	$1,250									$1,250
TOTAL	**$75,259**	**$27,907**	**$16,759**	**$3,430**	**$10,522**	**$15,277**	**$1,264**	**$100**			**$75,259**

PROJECT LAST AMENDED 23-09

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - BPNS	$28,328	$26,354	$1,478	$243	$74	$51	$1	$127			$28,328
TransNet - MC	$15,156		$33	$1,491	$7,742	$5,119	$772				$15,156
TransNet - SGIP	$648	$648									$648
ATP - R	$982			$982							$982
SB1 - LPP Formula	$7,000		$7,000								$7,000
STIP State Cash-Augmn RIP	$7,000		$7,000								$7,000
Local Funds	$14,317	$1,592	$265	$2,160	$6,008	$4,257	$35				$14,317
TDA - Bicycles	$1,250	$1,250									$1,250
TOTAL	$74,681	$29,844	$15,776	$4,876	$13,824	$9,427	$808	$127			$74,681

San Diego Association of Governments

MPO ID: SAN258 **RTIP #:23-14**

Project Title: Central Mobility Hub

Project Description: In San Diego from Old Town Transit Center to the San Diego Airport and 12th and Imperial Trolley Center - Environmental Analysis and Preliminary Engineering for Central Mobility Station and Airport Connectivity. Toll Credits will be used to match federal funds for the PE phase

Change Reason: Reduce funding

RTP REF: MHLA1; TL56 (2021)
SANDAG ID: 1149000

Capacity Status:NCI Exempt Category:Other - Engineering studies

Est Total Cost: **$43,706**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$2,035	$2,035							$2,035		
TransNet - MC AC	$0	$13,638	$(13,638)								
CMAQ	$19,400	$5,000	$14,400						$19,400		
FTA 5307	$785			$100	$685				$785		
RSTP	$18,565	$18,565							$18,565		
Local Funds	$2,921	$2,921							$2,921		
TOTAL	**$43,706**	**$42,159**	**$762**	**$100**	**$685**				**$43,706**		

PROJECT LAST AMENDED 23-09

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$2,035	$2,035							$2,035		
TransNet - MC AC	$0	$13,638	$(13,638)								
CMAQ	$51,400	$5,000	$14,400	$4,000	$12,000	$16,000			$51,400		
RSTP	$18,565	$18,565							$18,565		
Local Funds	$2,921			$2,921					$2,921		
TOTAL	$74,921	$39,238	$762	$6,921	$12,000	$16,000			$74,921		

San Diego Association of Governments

MPO ID: SAN261 **RTIP #:23-14**

Project Title: Palomar Street Rail Grade Separation

SANDAG ID: 1210091
RAS (M-39)

Project Description: In the City of Chula Vista at Palomar and Industrial Boulevard on the Blue Line Trolley - final design for Rail Grade Separation. Toll Credits will be used to match federal funds for the PE phase

Change Reason: Increase funding

Capacity Status:NCI Exempt Category:Safety - Railroad/highway crossing

Est Total Cost: **$34,135**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$5,695	$44	$24	$2	$45	$3,472	$1,664	$444	$5,695		
TransNet - MC AC	$0	$3,430	$(605)		$(2,825)						
CMAQ	$4,930	$1,500	$605		$2,825				$4,930		
Fed Rail Admin (FRA-PRIIA)	$21,510					$21,510				$21,510	
Fed Disc.-CPF-Trans Infra	$2,000		$2,000						$2,000		
TOTAL	**$34,135**	**$4,974**	**$2,024**	**$2**	**$45**	**$24,982**	**$1,664**	**$444**	**$12,625**	**$21,510**	

PROJECT LAST AMENDED 23-09

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$70	$45	$2	$4	$20				$70		
TransNet - MC AC	$0	$3,430	$(605)		$(2,825)						
CMAQ	$2,105	$1,500	$605						$2,105		
CMAQ - Conversion	$2,825				$2,825				$2,825		
Fed Disc.-CPF-Trans Infra	$2,000		$2,000						$2,000		
TOTAL	$7,000	$4,975	$2,002	$4	$20				$7,000		

San Diego Association of Governments

MPO ID: SAN264 **RTIP #:23-14**

Project Title: Regional Electric Vehicle Charging Incentive Program

RTP REF: A-71 (2021)
SANDAG ID: 3502000

Project Description: Region wide in the San Diego Region - partner with state and regional agencies to provide incentives to businesses, shopping centers, housing complexes, or local agencies to install electric vehicle charging stations with the goal of expanding the network of charging stations in the San Diego region and reducing greenhouse gas emissions from passenger vehicles. Toll Credits will be used to match federal funds for the CON phase... Toll Credits will be used to match federal funds for the CON phase

Change Reason: Delete fund source, Reduce funding

Capacity Status:NCI Exempt Category:Air Quality - Ride-sharing and van-pooling program

Est Total Cost: **$8,800**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$8,300	$2,735	$2,000	$1,968	$1,597						$8,300
Local Funds	$500			$500							$500
TOTAL	**$8,800**	**$2,735**	**$2,000**	**$2,468**	**$1,597**						**$8,800**

PROJECT LAST AMENDED 23-05

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$8,300	$2,735	$2,000	$1,968	$1,597						$8,300
CMAQ	$6,000				$3,000	$1,000	$1,000	$1,000			$6,000
Local Funds	$500			$500							$500
TOTAL	$14,800	$2,735	$2,000	$2,468	$4,597	$1,000	$1,000	$1,000			$14,800

MPO ID: SAN265 **RTIP #:23-14**

Project Title: Flexible Fleet Pilots

SANDAG ID: 3501000

Project Description: In key employment centers in the San Diego Region - plan, deploy, operate, and monitor flexible fleet pilot projects aimed to test new shared mobility services enabled by new technologies. Pilot areas will be identified that are an optimal testing environment for flexible fleet services, and different options such as microtransit and ridehailing will be considered. Toll Credits will be used to match federal funds for the CON phase

Change Reason: Revise funding between fiscal years

Capacity Status:NCI Exempt Category:Air Quality - Ride-sharing and van-pooling program

Est Total Cost: **$9,736**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
RSTP	$9,736	$4,700		$4,300	$736						$9,736
TOTAL	**$9,736**	**$4,700**		**$4,300**	**$736**						**$9,736**

PROJECT LAST AMENDED 23-09

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
RSTP	$9,736	$4,700			$5,036						$9,736
TOTAL	$9,736	$4,700			$5,036						$9,736

San Diego Association of Governments

MPO ID: SAN268 **RTIP #:23-14**

Project Title: Del Mar Bluffs V

SANDAG ID: 1147100

Project Description: Along the LOSSAN Corridor in the City of del Mar from MP 244.1 near Coast Boulevard to MP 245.7 at Carmel Valley Road - Complete enivronmental document and design to maintain stability of trackbed on 1.6 miles of coastal bluff. Stabilization measures including soldier piles to maintain stability of the trackbed, replacing/repairing deteriorating drainage structures, and repair of localized areas of erosion.. Toll Credits will be used to match federal funds for the PE phase

Change Reason: Increase funding

Capacity Status:NCI Exempt Category:Mass Transit - Track rehabilitation in existing right of way

Est Total Cost: **$88,399**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
FTA 5307	$3,320	$3,320							$3,320		
Fed Rail Admin (FRA-PRIIA)	$11,570	$11,570									$11,570
Fed Disc.-CPF-Trans Infra	$10,000			$10,000							$10,000
CAP-TRADE	$4,900	$3,774	$1,126						$3,774		$1,126
SB1 - TCEP	$39,200		$36,200		$3,000						$39,200
SB125 - TIRCP	$7,500				$7,500						$7,500
Local Funds	$11,829	$2,829			$2,175	$6,825			$2,829		$9,000
TDA	$80	$80							$80		
TOTAL	**$88,399**	**$21,573**	**$37,326**	**$10,000**	**$12,675**	**$6,825**			**$10,003**		**$78,396**

PROJECT LAST AMENDED 23-11

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
FTA 5307	$3,320	$3,320							$3,320		
Fed Rail Admin (FRA-PRIIA)	$11,570	$11,570									$11,570
Fed Disc.-CPF-Trans Infra	$10,000			$10,000							$10,000
CAP-TRADE	$4,900	$3,774	$1,126						$3,774		$1,126
SB1 - TCEP	$36,200		$36,200								$36,200
SB125 - TIRCP	$9,900				$9,900						$9,900
Local Funds	$11,929	$2,929		$9,000					$2,929		$9,000
TDA	$80	$80							$80		
TOTAL	$87,899	$21,673	$37,326	$19,000	$9,900				$10,103		$77,796

San Diego Association of Governments

MPO ID: SAN275 **RTIP #:23-14**

Project Title: Pacific Coast Highway/Central Mobility Bikeway

RTP REF: AT011 (2021)
SANDAG ID: 1223200

Project Description: In the City of San Diego along Pacific Coast Highway - Design and construct bikeway along Pacific Coast Highway adjacent to future Central Mobility Hub. Toll Credits will be used to match federal funds for the PE phase, Toll Credits will be used to match federal funds for the ROW phase

Change Reason: Revise funding between fiscal years

Capacity Status:NCI Exempt Category:Air Quality - Bicycle and pedestrian facilities

Est Total Cost: **$7,314**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
RSTP	$2,546			$882		$1,664			$1,596		$950
ATP - R	$3,818			$3,818					$3,818		
SB1 - LPP Formula	$950					$950					$950
TOTAL	**$7,314**			**$4,700**		**$2,614**			**$5,414**		**$1,900**

PROJECT LAST AMENDED 23-08

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
RSTP	$3,496			$882		$1,318	$1,296		$1,900	$300	$1,296
ATP - R	$3,818			$3,818					$3,818		
TOTAL	$7,314			$4,700		$1,318	$1,296		$5,718	$300	$1,296

MPO ID: SAN289 **RTIP #:23-14**

Project Title: San Dieguito to Sorrento Valley Double-Track

SANDAG ID: 1239823

Project Description: Near tracks in Del Mar - Completion of Project Approval and Environmental Document (PA&ED) phase re-aligning the LOSSAN rail corridor away from the Del Mar Bluffs with a double track system, and the advancement of the design and right-of-way phases.

Change Reason: Increase funding

Capacity Status:NCI Exempt Category:Safety - Hazard elimination program

Est Total Cost: **$302,718**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$2,718			$211	$650	$550	$947	$360	$211	$650	$1,857
CAP-TRADE	$300,000		$152,000		$148,000				$152,000		$148,000
TOTAL	**$302,718**		**$152,000**	**$211**	**$148,650**	**$550**	**$947**	**$360**	**$152,211**	**$650**	**$149,857**

PROJECT LAST AMENDED 23-05

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$2,718			$511	$760	$954	$493		$511	$760	$1,447
RSTP	$500			$500					$500		
CAP-TRADE	$152,000		$152,000						$152,000		
TOTAL	$155,218		$152,000	$1,011	$760	$954	$493		$153,011	$760	$1,447

San Diego Association of Governments

MPO ID: SAN290 **RTIP #:23-14**

Project Title: Beyer Track and Slope — SANDAG ID: 1147000

Project Description: Point location at Beyer Blvd - Design and construct slope and drainage improvements

Change Reason: Increase funding

Capacity Status:NCI Exempt Category:Mass Transit - Track rehabilitation in existing right of way

Est Total Cost: **$5,379**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
FTA 5307	$500		$500						$500		
Local Funds	$4,379			$582	$2,882	$825	$90		$4,379		
TDA	$500			$500					$500		
TOTAL	**$5,379**		**$500**	**$1,082**	**$2,882**	**$825**	**$90**		**$5,379**		

PROJECT LAST AMENDED 23-03

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
FTA 5307	$500		$500						$500		
TDA	$500			$500					$500		
TOTAL	$1,000		$500	$500					$1,000		

MPO ID: SAN312 **RTIP #:23-14**

Project Title: Del Mar Bluffs Access Improvements — SANDAG ID: 1147101

Project Description: Point location at Coast Blvd. and McGonigle Road - Environmental clearance, design, and construction of pedestrian access improvements, which are anticipated to include a lateral (North-South) trail, a railroad crossing and a vertical accessway (East-West) to the beach.. Toll Credits will be used to match federal funds for the PE phase

Change Reason: Revise funding between fiscal years

Capacity Status:NCI Exempt Category:Safety - Hazard elimination program

Est Total Cost: **$9,000**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
RSTP	$9,000			$4,080			$4,920		$4,080		$4,920
TOTAL	**$9,000**			**$4,080**			**$4,920**		**$4,080**		**$4,920**

PROJECT LAST AMENDED 23-09

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
RSTP	$9,000			$9,000					$9,000		
TOTAL	$9,000			$9,000					$9,000		

San Diego Association of Governments

MPO ID: SAN313 **RTIP #:23-14**

Project Title: I-805 South: HOV Conversion to Express Lanes (Palomar to SR 94), From East Palomar Street, on the south, to SR 94, on the north.

SANDAG ID: 1280521

Project Description: Design for the conversion of 11 miles of existing carpool lanes to express managed lanes.

Change Reason: New Project

Capacity Status:NCI Exempt Category:Other - Engineering studies

Est Total Cost: **$10,900**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$1,000				$1,000				$1,000		
STIP-RIP Augmentation	$9,900					$9,900			$9,900		
TOTAL	**$10,900**				**$1,000**	**$9,900**			**$10,900**		

MPO ID: SAN315 **RTIP #:23-14**

Project Title: Airport Transit Connection

SANDAG ID: 1149100

Project Description: Environmental clearance for an Airport Transit Connection between Old Town and Santa Fe Depot with a primary stop at San Diego International Airport.. Toll Credits will be used to match federal funds for the PE phase

Change Reason: New Project

Capacity Status:NCI Exempt Category:Other - Engineering studies

Est Total Cost: **$32,000**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
CMAQ	$32,000			$4,000	$11,500	$11,500	$5,000		$32,000		
TOTAL	**$32,000**			**$4,000**	**$11,500**	**$11,500**	**$5,000**		**$32,000**		

MPO ID: SAN316 **RTIP #:23-14**

Project Title: San Ysidro Track Relocation

SANDAG ID: 1149200

Project Description: Project will include conceptual engineering and an environmental assessment to relocate the rail tracks at the San Ysidro Port of Entry to allow for the advancement of the San Ysidro Mobility Hub and its features.. Toll Credits will be used to match federal funds for the PE phase

Change Reason: New Project

Capacity Status:NCI Exempt Category:Other - Engineering studies

Est Total Cost: **$3,677**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
FTA 5307	$2,000				$2,000				$2,000		
Fed Disc.-CPF-Trans Infra	$648				$648				$648		
Local Funds	$1,029				$500	$529			$1,029		
TOTAL	**$3,677**				**$3,148**	**$529**			**$3,677**		

San Diego Association of Governments

MPO ID: SAN317 **RTIP #:23-14**

Project Title: Next Gen Rapid R-625 Advanced Planning

SANDAG ID: 3401601

Project Description: Project development and advanced planning on Rapid Route 625. This route will operate between San Diego State University and the Palomar Trolley Station in Chula Vista. The route will connect the communities of Mid-City, Southeast San Diego, National City, and Chula Vista with major educational institutions.. Toll Credits will be used to match federal funds for the PE phase

Change Reason: New Project

Capacity Status:NCI Exempt Category:Other - Engineering studies

Est Total Cost: **$10,000**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
CMAQ	$10,000				$2,500	$4,500	$3,000		$10,000		
TOTAL	**$10,000**				**$2,500**	**$4,500**	**$3,000**		**$10,000**		

San Diego Metropolitan Transit System

MPO ID: MTS32A **RTIP #:23-14**

Project Title: Preventive Maintenance

Project Description: MTS service area - Within MTS Service Area - FY24 Projects Include: - Preventive Maintenance for the period between July 1, 2022 and June 30, 2023. - Maintenance of Equipment, Rolling Stock, Facilities for Bus and Rail Systems: - Grade Crossing Replacements FY25 Projects Include: - Preventive Maintenance for the period between July 1, 2023 and June 30, 2024.

Change Reason: Increase funding

Capacity Status:NCI Exempt Category:Mass Transit - Transit operating assistance

Est Total Cost: **$540,369**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - TSI	$132,953		$44,919	$45,562	$42,472				$132,953		
TransNet - TSI Carry Over	$10,458		$9,645	$813					$10,458		
FTA 5307	$202,070		$32,000	$32,070	$33,000	$34,000	$35,000	$36,000	$202,070		
FTA 5337	$194,588		$29,588	$31,000	$32,000	$33,000	$34,000	$35,000	$194,588		
TDA	$300		$300						$300		
TOTAL	**$540,369**		**$116,452**	**$109,445**	**$107,472**	**$67,000**	**$69,000**	**$71,000**	**$540,369**		

PROJECT LAST AMENDED 23-11

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - TSI	$132,953		$44,919	$45,562	$42,472				$132,953		
TransNet - TSI Carry Over	$10,458		$9,645	$813					$10,458		
FTA 5307	$202,000		$32,000	$32,000	$33,000	$34,000	$35,000	$36,000	$202,000		
FTA 5337	$194,588		$29,588	$31,000	$32,000	$33,000	$34,000	$35,000	$194,588		
TDA	$300		$300						$300		
TOTAL	$540,299		$116,452	$109,375	$107,472	$67,000	$69,000	$71,000	$540,299		

MPO ID: SAN262 **RTIP #:23-14**

Project Title: Low-Floor Light Rail Transit Vehicles SANDAG ID: 1210090

Project Description: In the San Diego region for the Blue and Orange Lines - procurement of 47 LRVs to replace existing SD100 fleet to support minor service enhancements.

Change Reason: Revise funding between fiscal years

Capacity Status:NCI Exempt Category:Mass Transit - Purchase new buses and rail cars to replace existing vehicles or minor expansions of fleet

Est Total Cost: **$72,260**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$30,260	$1	$1	$15,003	$15,255						$30,260
RSTP	$42,000	$30,000	$12,000								$42,000
TOTAL	**$72,260**	**$30,001**	**$12,001**	**$15,003**	**$15,255**						**$72,260**

PROJECT LAST AMENDED 23-09

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$30,260	$1	$60	$15,125	$15,074						$30,260
RSTP	$42,000	$30,000	$12,000								$42,000
TOTAL	$72,260	$30,001	$12,060	$15,125	$15,074						$72,260

San Diego, City of

MPO ID: SD237 **RTIP #:23-14**

Project Title: Coastal Rail Trail

TransNet - LSI: CR

Project Description: The proposed path will begin near the City of Del Mar at the intersection of Carmel Valley Road and Sorrento Valley Road to the north and continues to Union Station Downtown San Diego. The City is currently focusing on the northerly ten miles of the trail from the Sorrento Valley Road/Carmel Valley to the Gilman Drive/I-5 intersections. - This project is the Gilman Drive segment of the regional 40-mile bicycle corridor. The proposed alignment will follow Gilman Drive between La Jolla Village Drive and Interstate 5, installing a one-way protected cycle-track in each direction and a continuous sidewalk on the west side of the road. (City CIP# S-00951)

Change Reason: Add new funding source, Increase funding

Capacity Status:NCI Exempt Category:Air Quality - Bicycle and pedestrian facilities

Est Total Cost: **$24,789**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - LSI	$9,300	$350		$8,950					$350		$8,950
TransNet - LSI Carry Over	$4,149	$3,140	$1,009						$3,140		$1,009
Fed Disc.-CPF-Hwy Infra	$4,116				$4,116						$4,116
Local RTCIP	$7,224	$7,224									$7,224
TOTAL	**$24,789**	**$10,714**	**$1,009**	**$8,950**	**$4,116**				**$3,490**		**$21,299**

PROJECT LAST AMENDED 23-09

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - LSI	$9,300	$350		$8,950					$350		$8,950
TransNet - LSI Carry Over	$4,149	$3,140	$1,009						$3,140		$1,009
Local RTCIP	$7,224	$7,224									$7,224
TOTAL	$20,673	$10,714	$1,009	$8,950					$3,490		$17,183

Santee, City of

MPO ID: SNT04 **RTIP #:23-14**

Project Title: Pavement Repair and Rehabilitation — *TransNet* - LSI: CR

Project Description: Multiple locations as recommended by Pavement Management Analysis report. - Reconstruction and rehabilitation in the form of removal and replacement of existing pavement sections 2 inches minimum, 1.5 inch minimum overlay, pedestrian ramps, sidewalk improvements, and drainage improvements as part of the rehabilitation improvements.

Change Reason: Reduce funding, Revise funding between fiscal years

Capacity Status:NCI Exempt Category:Safety - Pavement resurfacing and/or rehabilitation

Est Total Cost: **$34,067**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - Bond	$9,855	$9,856							$343		$9,512
TransNet - L	$7,729	$7,729									$7,729
TransNet - LSI	$4,621	$1,701		$255	$850	$890	$925		$613		$4,008
TransNet - LSI (Cash)	$1	$1									$1
TransNet - LSI Carry Over	$4,457	$3,211	$1,246						$219		$4,238
Local Funds	$7,404	$4,801	$521	$521	$521	$521	$521		$15		$7,389
TOTAL	**$34,067**	**$27,299**	**$1,767**	**$776**	**$1,371**	**$1,411**	**$1,446**		**$1,190**		**$32,877**

PROJECT LAST AMENDED 23-02

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - Bond	$9,855	$9,856							$343		$9,512
TransNet - L	$7,729	$7,729									$7,729
TransNet - LSI	$5,173	$1,701		$807	$850	$890	$925		$613		$4,560
TransNet - LSI (Cash)	$1	$1									$1
TransNet - LSI Carry Over	$4,457	$3,211	$1,246						$219		$4,238
Local Funds	$7,404	$4,801	$521	$521	$521	$521	$521		$15		$7,389
TOTAL	$34,619	$27,299	$1,767	$1,328	$1,371	$1,411	$1,446		$1,190		$33,429

Santee, City of

MPO ID: SNT22 **RTIP #:23-14**

Project Title: Pavement Roadway Maintenance — *TransNet* - LSI: Maint

Project Description: Various locations as defined in Santee's Pavement Management Analysis Report - Maintenance repair in the form of crack filling, grind and patch failed areas followed by Cape seal or Slurry seal of the street.

Change Reason: Increase funding, Revise funding between fiscal years

Capacity Status:NCI | Exempt Category:Safety - Pavement resurfacing and/or rehabilitation

Est Total Cost: **$11,697**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - LSI	$4,894	$1,684	$1,171	$898	$364	$381	$396		$243		$4,651
TransNet - LSI Carry Over	$1,802	$1,748	$54						$78		$1,724
Local Funds	$5,001	$2,396	$521	$521	$521	$521	$521		$9		$4,992
TOTAL	**$11,697**	**$5,828**	**$1,746**	**$1,419**	**$885**	**$902**	**$917**		**$330**		**$11,367**

PROJECT LAST AMENDED 23-02

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - LSI	$4,342	$1,684	$1,171	$346	$364	$381	$396		$243		$4,099
TransNet - LSI Carry Over	$1,802	$1,748	$54						$78		$1,724
Local Funds	$5,001	$2,396	$521	$521	$521	$521	$521		$9		$4,992
TOTAL	$11,145	$5,828	$1,746	$867	$885	$902	$917		$330		$10,815

Various Agencies

MPO ID: V07 **RTIP #:23-14**

Project Title: Biological Mitigation Program — SANDAG ID: 1200200

Project Description: Countywide - habitat acquisition, restoration, creation, enhancement, management and monitoring necessary for meeting project mitigation requirements; mitigation efforts will focus on *TransNet* Early Action Program projects, then Regional Transportation Plan (RTP) Revenue Constrained projects

Change Reason: Revise funding between fiscal years

Capacity Status:NCI Exempt Category:Other - Advance land acquisitions

Est Total Cost: **$462,000**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - REMP	$399,063	$359,072	$20,437	$12,095	$7,459				$63,141	$131,547	$204,375
TransNet - Reg EMP (AC)	$0	$14,517		$(3,733)	$(1,193)	$(9,591)					
CMAQ - Conversion	$37,284	$37,284									$37,284
RSTP	$6,683	$6,683									$6,683
RSTP - Conversion	$14,517			$3,733	$1,193	$9,591					$14,517
Local Funds	$4,453	$453	$4,000								$4,453
TOTAL	**$462,000**	**$418,009**	**$24,437**	**$12,095**	**$7,459**				**$63,141**	**$131,547**	**$267,312**

PROJECT LAST AMENDED 23-09

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - REMP	$399,063	$359,072	$20,437	$12,095	$7,459				$63,141	$131,547	$204,375
TransNet - Reg EMP (AC)	$0	$14,517			$(7,317)	$(7,200)					
CMAQ - Conversion	$37,284	$37,284									$37,284
RSTP	$6,683	$6,683									$6,683
RSTP - Conversion	$14,517				$7,317	$7,200					$14,517
Local Funds	$4,453	$453	$4,000								$4,453
TOTAL	$462,000	$418,009	$24,437	$12,095	$7,459				$63,141	$131,547	$267,312

MPO ID: V08 **RTIP #:23-14**

Project Title: Regional Habitat Conservation Fund — SANDAG ID: 1200300

Project Description: Countywide - regional habitat management and monitoring

Change Reason: Revise funding between fiscal years

Capacity Status:NCI Exempt Category:Other - Plantings, landscaping, etc

Est Total Cost: **$78,271**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - LEMP	$28,815	$4,282	$5,218	$3,848	$4,789	$2,768	$3,955	$3,955	$28,815		
TransNet - REMP	$49,206	$49,205							$30,034		$19,172
Local Funds	$250	$250									$250
TOTAL	**$78,271**	**$53,737**	**$5,218**	**$3,848**	**$4,789**	**$2,768**	**$3,955**	**$3,955**	**$58,849**		**$19,422**

PROJECT LAST AMENDED 23-05

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - LEMP	$28,814	$4,282	$3,457	$4,769	$4,306	$4,000	$4,000	$4,000	$28,814		
TransNet - REMP	$48,804	$48,803							$29,632		$19,172
Local Funds	$343	$343									$343
TOTAL	$77,961	$53,428	$3,457	$4,769	$4,306	$4,000	$4,000	$4,000	$58,446		$19,515

Various Agencies

MPO ID: V12 **RTIP #:23-14**

Project Title: Grouped Projects for Bicycle and Pedestrian Facilities.

SANDAG ID: 1223054, 1223057, 1223058

Project Description: Projects are consistent with 40 CFR Part 93.126 Exempt Table 2 categories - bicycle and pedestrian facilities (both motorized and non-motorized)

Change Reason: Increase funding

Capacity Status:NCI Exempt Category:Air Quality - Bicycle and pedestrian facilities

Est Total Cost: **$56,125**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - BPNS	$26,761	$11,702	$6,250	$6,452	$1,475	$555	$327				$26,761
CRP	$8,543		$2,669	$5,874							$8,543
CRRSAA	$4,100		$4,100								$4,100
RSTP	$2,813		$1,863	$950							$2,813
ATP - R	$4,450		$4,450								$4,450
ATP - S	$2,834				$2,834						$2,834
CAP-TRADE	$791			$791							$791
TDA - Bicycles	$5,833		$2,853	$2,960	$20						$5,833
TOTAL	**$56,125**	**$11,702**	**$22,185**	**$17,027**	**$4,329**	**$555**	**$327**				**$56,125**

PROJECT LAST AMENDED 23-12

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - BPNS	$26,760	$11,702	$6,198	$6,474	$1,557	$725	$95	$10			$26,760
CRP	$8,543		$2,593		$3,450	$2,500					$8,543
CRRSAA	$4,100		$4,100								$4,100
RSTP	$2,813		$1,863			$950					$2,813
ATP - R	$4,450		$4,450								$4,450
ATP - S	$2,834			$2,834							$2,834
CAP-TRADE	$791			$791							$791
TDA - Bicycles	$5,833		$2,853	$2,980							$5,833
TOTAL	$56,124	$11,702	$22,057	$13,079	$5,007	$4,175	$95	$10			$56,124

Various Agencies

MPO ID: V14 **RTIP #:23-14**

Project Title: Grouped Projects for Bicycle and pedestrian facilities - Active Transportation Program (ATP) SANDAG ID: 1223014, 1223093, 1223097

Project Description: Projects are consistent with 40 CFR Part 93.126 Exempt Tables 2 and Table 3 categories - Bicycle and pedestrian facilities (both motorized and Non-motorized)

Change Reason: Revise funding between fiscal years

Capacity Status:NCI Exempt Category:Air Quality - Bicycle and pedestrian facilities

Est Total Cost: **$124,453**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - BPNS	$4,385	$3,501	$124	$182	$98	$40	$440				$4,385
TransNet - LSI	$4,533	$4,283	$250								$4,533
TransNet - LSI (Cash)	$50	$50									$50
TransNet - LSI Carry Over	$3,618	$2,613	$1,005								$3,618
TransNet - MC	$2,000				$1,000	$1,000					$2,000
Fed Disc.-CPF-Hwy Infra	$300		$300								$300
ATP - R	$49,456	$16,145	$5,185	$8,023	$1,724	$8,924	$9,455				$49,456
ATP - S	$51,734	$10,224	$7,381	$7,819	$1,665		$24,645				$51,734
Local Funds	$7,417	$5,871	$372	$398	$226	$550					$7,417
Local RTCIP	$960		$960								$960
TOTAL	**$124,453**	**$42,687**	**$15,577**	**$16,422**	**$4,713**	**$10,514**	**$34,540**				**$124,453**

PROJECT LAST AMENDED 23-09

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - BPNS	$4,385	$3,501	$157	$149	$98	$40	$440				$4,385
TransNet - LSI	$4,533	$4,283	$250								$4,533
TransNet - LSI (Cash)	$50	$50									$50
TransNet - LSI Carry Over	$3,618	$2,613	$1,005								$3,618
TransNet - MC	$2,000				$1,000	$1,000					$2,000
Fed Disc.-CPF-Hwy Infra	$300		$300								$300
ATP - R	$49,456	$16,145	$5,185	$8,023	$1,724	$8,924	$9,455				$49,456
ATP - S	$51,734	$10,224	$7,381	$7,819	$1,665		$24,645				$51,734
Local Funds	$7,417	$5,871	$372	$398	$226	$550					$7,417
Local RTCIP	$960		$960								$960
TOTAL	$124,453	$42,687	$15,610	$16,389	$4,713	$10,514	$34,540				$124,453

Various Agencies

MPO ID: V16 **RTIP #:23-14**

Project Title: Grouped Projects for Operating Assistance - *TransNet* Senior Mini-Grant Program

Project Description: Projects are consistent with 40 CFR Part 93.126 Exempt Table 2 categories: operating assistance to transit operators - non profit agencies providing transportation programs specializing in services for seniors

Change Reason: Increase funding

SANDAG ID: 1271100, 1271300, 1272500, 3321400, 1272600, 1272700, 3321400, 1270800

Capacity Status:NCI Exempt Category:Mass Transit - Transit operating assistance

Est Total Cost: **$3,079**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - SS	$2,400	$987	$616	$406	$391						$2,400
FTA 5310	$61			$61							$61
Local Funds	$618	$279	$128	$113	$98						$618
TOTAL	**$3,079**	**$1,266**	**$744**	**$580**	**$489**						**$3,079**

PROJECT LAST AMENDED 23-02

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - SS	$2,385	$987	$616	$391	$391						$2,385
FTA 5310	$61			$61							$61
Local Funds	$618	$279	$128	$113	$98						$618
TOTAL	$3,064	$1,266	$744	$565	$489						$3,064

MPO ID: V20 **RTIP #:23-14**

Project Title: Grouped Projects for Engineering - Complete Corridor Studies

Project Description: Projects are consistent with 40 CFR part 93.126 Exempt Tables 2 and Table 3 categories - Engineering to assess social, economic, and environmental effects of the proposed action or alternatives to that action; non-capacity increasing. Toll credits are used for the match in the PE Phase.

Change Reason: Increase funding

SANDAG ID: 1600001, 1600101, 1600102, 1600501, 1600503, 1600504, 1600505, 1600801, 1601501, 1605201, 1605601, 1606701, 1607801, 1609401, 1612501, 1685501

Capacity Status:NCI Exempt Category:Other - Engineering studies

Est Total Cost: **$36,102**

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$8,192	$5,553	$2,037	$261	$177	$114	$50				$8,192
FTA 5307	$1,097				$1,097						$1,097
Fed Rail Admin (FRA-PRIIA)	$500				$500						$500
RSTP	$25,915	$16,406	$6,269		$640	$2,600					$25,915
TDA	$98	$82	$16								$98
Toll - Managed Lanes	$300				$239	$61					$300
TOTAL	**$36,102**	**$22,041**	**$8,322**	**$261**	**$2,653**	**$2,775**	**$50**				**$36,102**

PROJECT LAST AMENDED 23-09

	TOTAL	PRIOR	22/23	23/24	24/25	25/26	26/27	FUTURE	PE	RW	CON
TransNet - MC	$8,192	$5,553	$2,035	$354	$150	$50	$50				$8,192
RSTP	$25,775	$16,406	$6,269			$3,100					$25,775
TDA	$98	$82	$16								$98
Toll - Managed Lanes	$300		$300								$300
TOTAL	$34,365	$22,041	$8,620	$354	$150	$3,150	$50				$34,365

RTIP Fund Types

Federal Funding	
BIP/CBI	Border Infrastructure Program/Corridors and Borders Infrastructure Program
CMAQ	Congestion Mitigation and Air Quality
DEMO-Sec 117/STP	Surface Transportation Program under FHWA Administrative Program (congressionally directed appropriations)
EARREPU	Earmark Repurposing
FRA-PRIIA	Federal Railroad Administration Passenger Rail Investment and Improvement Act of 2008
FTA Section 5307	Federal Transit Administration Urbanized Area Formula Program
FTA Section 5309 (Bus)	Federal Transit Administration Discretionary Program
FTA Section 5309 (FG)	Federal Transit Administration Fixed Guideway Modernization Formula Program
FTA Section 5310	Federal Transit Administration Elderly & Disabled Program
FTA Section 5337	Federal Transit Administration State of Good Repair Grant Program
FTA Section 5339	Federal Transit Administration Bus and Bus Facilities Formula Grant Program
HSIP	Highway Safety Improvement Program
CRRSAA	Other Fed - Coronavirus Response and Relief Supplemental Appropriations Act
NHS	National Highway System (administered by Caltrans)
RSTP	Regional Surface Transportation Program
STP-RL	Surface Transportation Program - Highway Railway Crossings Program (Section 130)
TE	Transportation Enhancement Program
CMAQ/RSTP Conversion	Reimbursement of advanced federal funds which have been advanced with local funds in earlier years
State Funding	
ATP	Active Transportation Program (Statewide and Regional)
Coastal Conservancy	California Coastal Conservancy Fund
PTA	Public Transportation Account
SB1 - CCP	Senate Bill 1 - Congested Corridors Program
SB1 - TCEP	Senate Bill 1 - Trade Corridor Enhancement Program
SB1 - LPP Formula	Senate Bill 1 - Local Parternship Formula Program
SB1 - TIRCP	Senate Bill 1 - Transit and Intercity Rail Program
STA	State Transit Assistance
STIP-IIP	State Transportation Improvement Program - Interregional Program
STIP-RIP	State Transportation Improvement Program - Regional Improvement Program
TCIF	Trade Corridor Improvement Fund (State Prop. 1B)
TIRCP	Transit and Intercity Rail Capital Program
TCRP	Traffic Congestion Relief Program
Local Funding	
Local Funds AC	Local Funds - Advanced Construction; mechanism to advance local funds to be reimbursed at a later fiscal year with federal/state funds

RTCIP	Regional Transportation Congestion Improvement Program
TDA	Transportation Development Act
TransNet-BPNS	Prop. A Extension Local Transportation Sales Tax - Bicycle, Pedestrian and Neighborhood Safety Program
TransNet-CP	Prop. A Local Transportation Sales Tax - Commercial Paper
TransNet-H	Prop. A Local Transportation Sales Tax - Highway
TransNet-L	Prop. A Local Transportation Sales Tax - Local Streets & Roads
TransNet-L (Cash)	TransNet - L funds which agencies have received payment, but have not spent
TransNet-LSI	Prop. A Extension Local Transportation Sales Tax - Local System Improvements
TransNet-LSI Carry Over	TransNet - LSI funds previously programmed but not requested/paid in year of allocation
TransNet-LSI (Cash)	TransNet - LSI funds which agencies have received payment, but have not spent
TransNet-MC	Prop. A Extension Local Transportation Sales Tax - Major Corridors
TransNet-MC AC	TransNet - Major Corridors - Advanced Construction; mechanism to advance TransNet funds to be reimbursed at a later fiscal year with federal/state funds
TransNet-REMP	Prop. A Extension Local Transportation Sales Tax - Regional Environmental Mitigation Program
TransNet-SGIP	Prop. A Extension Local Transportation Sales Tax - Regional Smart Growth Incentive Program
TransNet-SS	Prop. A Extension Local Transportation Sales Tax - Senior Services
TransNet-TSI	Prop. A Extension Local Transportation Sales Tax- Transit System Improvements

Table 3a: Revenues
San Diego Association of Governments (SANDAG)
2023 Regional Transportation Improvement Program (in $000s) - Amendment No. 14

Legend: Indicates change from prior amendment

Attachment 4

		Prior Years	2022/2023		2023/2024		2024/2025		2025/2026		2026/2027		TOTAL	
			Prior	Current	Prior	Current	Prior	Current	Prior	Current	Prior	Current	Prior	Current
LOCAL	Sales Tax	$4,216,945	$583,508	$589,132	$428,568	$440,290	$319,479	$330,099	$241,584	$252,662	$234,442	$250,181	$6,120,945	$6,079,309
	-- County	$4,216,945	$583,508	$589,132	$428,568	$440,290	$319,479	$330,099	$241,584	$252,662	$234,442	$250,181	$6,120,945	$6,079,309
	Other Local Funds	$814,779	$333,427	$326,767	$194,371	$197,163	$142,236	$148,009	$47,877	$58,025	$81,296	$82,896	$1,609,088	$1,627,640
	-- City General Funds	$782,105	$322,334	$315,674	$188,215	$191,007	$118,018	$123,791	$47,877	$58,025	$81,296	$82,896	$1,534,946	$1,553,499
	-- Street Taxes and Developer Fees	$32,674	$11,093	$11,093	$6,156	$6,156	$24,218	$24,218					$74,142	$74,142
	-- RSTP Exchange funds													
	Other	$1,033,859	$160,428	$154,881	$120,889	$123,797	$105,472	$107,174	$105,524	$105,690	$105,519	$105,519	$1,631,624	$1,630,920
	Local Total	$6,065,582	$1,077,363	$1,070,781	$743,828	$761,250	$567,187	$585,282	$394,985	$416,377	$421,258	$438,597	$9,361,657	$9,337,869
STATE	State Highway Operations and Protection Program	$134,267	$471,159	$471,159	$103,255	$103,255	$154,558	$154,558	$144,057	$144,057	$113,169	$113,169	$1,120,465	$1,120,465
	SHOPP (Including Augmentation)	$134,267	$471,159	$471,159	$103,255	$103,255	$154,558	$154,558	$144,057	$144,057	$113,169	$113,169	$1,120,465	$1,120,465
	SHOPP Prior													
	State Transportation Improvement Program	$712,311	$58,047	$58,047	$20,010	$20,010	$1,193	$21,193	$1,183	$20,083	$82,082	$102,882	$874,826	$934,526
	STIP (Including Augmentation)	$670,562	$58,047	$58,047	$20,010	$20,010	$1,193	$21,193	$1,183	$20,083	$82,082	$102,882	$833,077	$892,777
	STIP Prior	$41,749											$41,749	$41,749
	Proposition 1 A	$41,843											$41,843	$41,843
	Proposition 1 B	$653,252					$1,319	$1,319			$895	$895	$655,466	$655,466
	Active Transportation Program	$44,957	$29,448	$25,131	$50,372	$47,538	$15,606	$12,266	$10,219	$21,040	$42,489	$42,489	$193,421	$193,421
	Highway Maintenance (HM)													
	Highway Bridge Program (HBP)	$131,987	$42,582	$42,582	$29,711	$29,711	$25,166	$30,199	$19,600	$24,900	$153,968	$153,968	$403,015	$413,347
	Road Repair and Accountability Act of 2017 (SB1)	$515,599	$128,765	$128,765	$59,440	$58,364	$306,018	$358,074	$63,635	$64,585	$10,774	$10,774	$1,084,590	$1,136,161
	Traffic Congestion Relief Program (TCRP)	$95,298											$95,298	$95,298
	State Transit Assistance (e.g., population/revenue based, Prop 42)	$225,198	$31,746	$31,746	$40,984	$40,984	$54,305	$54,305	$41,909	$41,909	$41,909	$41,909	$436,131	$436,050
	Other	$75,799	$264,213	$263,513	$23,280	$23,280	$15,702	$163,702	$22,480	$22,480	$7,901	$7,901	$470,159	$556,676
	State Total	$2,630,511	$1,025,960	$1,020,943	$327,052	$323,142	$573,868	$795,616	$303,084	$339,054	$453,187	$473,987	$5,375,214	$5,583,254
FEDERAL TRANSIT	5307 - Urbanized Area Formula Program	$926,392	$99,194	$99,194	$103,886	$104,056	$104,976	$112,467	$100,920	$100,920	$103,029	$103,029	$1,442,667	$1,446,057
	5309a - Fixed Guideway Modernization	$97,086					$479	$479					$97,565	$97,565
	5309b - New and Small Starts (Capital Investment Grants)	$824,980	$100,000	$100,000	$100,000	$100,000	$41,396	$41,396					$1,066,376	$1,066,376
	5309c - Bus and Bus Related Grants	$57,734			$29,330	$29,330							$87,064	$87,064
	5310 - Mobility of Seniors and Individuals with Disabilities	$11,165	$105	$105	$4,046	$4,046	$1,456	$1,456					$16,773	$16,773
	5311 - Nonurbanized Area Formula Program	$12,690	$488	$488	$1,283	$1,283	$1,265	$1,265	$1,265	$1,265	$1,265	$1,265	$18,257	$18,257
	5337 - State of Good Repair	$398,012	$62,944	$62,944	$66,791	$66,791	$68,085	$68,085	$69,187	$69,187	$70,306	$70,306	$735,326	$735,326
	5339 - Bus and Bus Facilites Program	$49,334	$11,690	$11,690	$6,039	$6,039	$6,102	$6,102	$6,166	$6,166	$6,231	$6,231	$85,563	$85,563
	Other	$99,726	$8,483	$8,483	$20,020	$20,020		$648				$53,893	$128,229	$182,770
	Federal Transit Total	$2,477,118	$282,905	$282,905	$331,396	$331,567	$223,760	$231,899	$177,538	$177,538	$180,831	$234,724	$3,677,819	$3,735,750
FEDERAL HIGHWAY	Congestion Mitigation and Air Quality (CMAQ)	$446,783	$44,843	$44,843	$41,898	$41,898	$42,736	$42,736	$43,591	$43,591	$43,591	$43,591	$663,443	$663,443
	Coordinated Border Infrastructure (SAFETEA-LU Sec.1303)	$312,606	$5,000	$5,000		$15,000							$317,606	$332,606
	GARVEE Bonds (Includes Debt Service Payments)													
	Highway Infrastructure Program (HIP)	$38,730	$19,716	$19,716				$1,166					$58,446	$59,612
	High Priority Projects (HPP) and Demo	$88,662	$1,080	$1,080									$89,742	$89,742
	Highway Safety Improvement Program (HSIP)	$2,475	$5,620	$5,471	$2,857	$4,058	$3,381	$2,180	$7,783	$7,783			$22,117	$21,968
	National Significant Freight & Highway Projects (FASTLANE/INFRA)	$49,278					$150,000	$150,000					$199,278	$199,278
	Public Lands Highway	$8,152	$816	$816									$8,968	$8,968
	Recreational Trails				$849	$849							$849	$849
	Surface Transportation Program (Regional)	$547,923	$49,683	$49,683	$50,870	$50,870	$52,225	$52,225	$53,525	$53,525	$53,525	$53,525	$807,750	$807,751
	Tribal Transportation Program													
	Other	$183,692	$20,381	$25,157	$77,656	$77,656	$11,518	$15,635	$5,874	$5,874			$278,854	$308,014
	Federal Highway Total	$1,678,302	$147,138	$151,766	$174,131	$190,332	$259,861	$263,942	$110,773	$110,773	$97,116	$97,116	$2,447,053	$2,492,231
FRA	Passenger Rail Investment and Improvement Act of 2008 (PRIIA)	$37,440			$35,343	$27,300		$8,543		$21,510			$72,783	$64,740
	Other													
	Federal Railroad Administration Total	$37,440			$35,343	$27,300		$8,543		$21,510			$72,783	$64,740
	Federal Total	$4,192,859	$430,043	$434,670	$540,871	$549,199	$483,621	$504,384	$288,311	$309,821	$277,947	$331,840	$6,197,655	$6,292,720
INNOVATIVE FINANCE	TIFIA (Transportation Infrastructure Finance and Innovation Act)	$537,484					$325,000	$325,000					$862,484	$862,484
	Innovative Financing Total						$325,000	$325,000					$862,484	$862,484
REVENUES TOTAL		$13,426,437	$2,533,366	$2,526,394	$1,611,751	$1,633,591	$1,949,676	$2,210,282	$986,379	$1,065,253	$1,152,392	$1,244,424	$21,818,438	$22,106,381

Table 3b: Program
San Diego Association of Governments (SANDAG)
2023 Regional Transportation Improvement Program (in $000s) - Amendment No. 14

Legend: Indicates change from prior amendment

	Funding Source	Prior Years	2022/2023		2023/2024		2024/2025		2025/2026		2026/2027		TOTAL	
			Prior	Current	Prior	Current	Prior	Current	Prior	Current	Prior	Current	Prior	Current
LOCAL	Sales Tax	$4,216,945	$557,355	$564,740	$396,972	$409,048	$313,750	$324,871	$171,672	$182,901	$157,403	$250,118	$5,910,517	$5,948,622
	-- TransNet	$4,216,945	$557,355	$564,740	$396,972	$409,048	$313,750	$324,871	$171,672	$182,901	$157,403	$250,118	$5,910,517	$5,948,622
	Other Local Funds	$814,779	$333,427	$326,767	$194,371	$197,163	$142,236	$148,009	$47,877	$58,025	$81,296	$82,896	$1,609,088	$1,627,640
	-- City General Funds	$782,105	$322,334	$315,674	$188,215	$191,007	$118,018	$123,791	$47,877	$58,025	$81,296	$82,896	$1,534,946	$1,553,499
	-- Street Taxes and Developer Fees	$32,674	$11,093	$11,093	$6,156	$6,156	$24,218	$24,218					$74,142	$74,142
	Other	$1,033,859	$160,428	$154,881	$120,889	$123,797	$105,472	$107,174	$105,524	$105,690	$105,519	$105,519	$1,631,624	$1,630,920
	Local Total	$6,065,582	$1,051,210	$1,046,389	$712,232	$730,009	$561,459	$580,054	$325,073	$346,615	$344,218	$438,534	$9,151,229	$9,207,182
STATE	State Highway Operations and Protection Program	$134,267	$471,159	$471,159	$103,255	$103,255	$154,558	$154,558	$144,057	$144,057	$113,169	$113,169	$1,120,465	$1,120,465
	SHOPP (Including Augmentation)	$134,267	$471,159	$471,159	$103,255	$103,255	$154,558	$154,558	$144,057	$144,057	$113,169	$113,169	$1,120,465	$1,120,465
	State Transportation Improvement Program	$712,311	$58,047	$58,047	$20,010	$20,010	$1,193	$21,193	$1,183	$20,083	$82,082	$102,882	$874,826	$934,526
	STIP (Including Augmentation)	$670,562	$58,047	$58,047	$20,010	$20,010	$1,193	$21,193	$1,183	$20,083	$82,082	$102,882	$833,077	$892,777
	STIP Prior	$41,749											$41,749	$41,749
	Proposition 1 A	$41,843											$41,843	$41,843
	Proposition 1 B	$653,252					$1,319	$1,319			$895	$895	$655,466	$655,466
	Active Transportation Program	$44,957	$29,448	$25,131	$50,372	$47,538	$15,606	$12,266	$10,219	$21,040	$42,489	$42,489	$193,421	$193,421
	Highway Maintenance (HM)													
	Highway Bridge Program (HBP)	$131,987	$42,582	$42,582	$29,711	$29,711	$25,166	$30,199	$19,600	$24,900	$153,968	$153,968	$403,015	$413,347
	Road Repair and Accountability Act of 2017 (SB1)	$515,599	$128,765	$128,765	$59,440	$58,364	$306,018	$358,074	$63,635	$64,585	$10,774	$10,774	$1,084,590	$1,136,161
	Traffic Congestion Relief Program (TCRP)	$95,298											$95,298	$95,298
	State Transit Assistance (STA)(e.g., population/revenue based, Prop 42)	$225,198	$31,746	$31,746	$40,984	$40,984	$54,305	$54,305	$41,909	$41,909	$41,909	$41,909	$436,131	$436,050
	State Emergency Repair Program													
	Other	$75,799	$264,213	$263,513	$23,280	$23,280	$15,702	$163,702	$22,480	$22,480	$7,901	$7,901	$470,159	$556,676
	State Total	$2,630,511	$1,025,960	$1,020,943	$327,052	$323,142	$573,868	$795,616	$303,084	$339,054	$453,187	$473,987	$5,375,214	$5,583,254
FEDERAL TRANSIT	5307 - Urbanized Area Formula Program	$926,392	$99,000	$99,000	$103,886	$104,056	$104,976	$110,987	$93,852	$93,852	$95,814	$95,814	$1,428,191	$1,430,101
	5309a - Fixed Guideway Modernization	$97,086					$479	$479					$97,565	$97,565
	5309b - New and Small Starts (Capital Investment Grants)	$824,980	$100,000	$100,000	$100,000	$100,000	$41,396	$41,396					$1,066,376	$1,066,376
	5309c - Bus and Bus Related Grants	$57,734			$29,330	$29,330							$87,064	$87,064
	5310 - Elderly & Persons with Disabilities Formula Program	$11,165	$105	$105	$4,046	$4,046	$1,456	$1,456					$16,773	$16,773
	5311 - Nonurbanized Area Formula Program	$12,690	$488	$488	$1,283	$1,283	$1,265	$1,265	$1,265	$1,265	$1,265	$1,265	$18,257	$18,257
	5337 - State of Good Repair	$398,012	$61,944	$61,944	$66,791	$66,791	$67,770	$67,770	$68,867	$68,867	$69,981	$69,981	$733,366	$733,366
	5339 - Bus and Bus Facilites Program	$49,334	$11,690	$11,690	$6,039	$6,039	$5,553	$5,553	$6,166	$6,166	$5,591	$5,591	$84,374	$84,374
	Other	$99,726	$8,483	$8,483	$20,020	$20,020		$648				$53,893	$128,229	$182,770
	Federal Transit Total	$2,477,118	$281,711	$281,711	$331,396	$331,567	$222,896	$229,555	$170,151	$170,151	$172,651	$226,544	$3,660,194	$3,716,645
FEDERAL HIGHWAY	Congestion Mitigation and Air Quality (CMAQ)	$446,783	$44,407	$44,407	$33,211	$33,211	$24,825	$23,825	$43,590	$42,590	$10,000	$17,000	$624,244	$607,816
	Coordinated Border Infrastructure (SAFETEA-LU Sec.1303)	$312,606	$5,000	$5,000		$15,000							$317,606	$332,606
	GARVEE Bonds (Includes Debt Service Payments)													
	Highway Infrastructure Program (HIP)	$38,730	$19,716	$19,716				$1,166					$58,446	$59,612
	High Priority Projects (HPP) and Demo	$88,662	$1,080	$1,080									$89,742	$89,742
	Highway Safety Improvement Program (HSIP)	$2,475	$5,620	$5,471	$2,857	$4,058	$3,381	$2,180	$7,783	$7,783			$22,117	$21,968
	Public Lands Highway	$8,152	$816	$816									$8,968	$8,968
	National Significant Freight & Highway Projects (FASTLANE/INFRA)	$49,278					$150,000	$150,000					$199,278	$199,278
	Recreational Trails				$849	$849							$849	$849
	Surface Transportation Program (Regional)	$547,923	$49,371	$49,371	$50,865	$50,870	$52,150	$52,225	$48,847	$50,134	$67,431	$58,755	$816,587	$809,277
	Other	$183,692	$20,381	$23,617	$77,656	$77,656	$11,518	$15,598	$5,874	$2,394			$278,854	$302,957
	Federal Highway Total	$1,678,302	$146,390	$149,478	$165,439	$181,645	$241,875	$244,994	$106,094	$102,900	$77,431	$75,755	$2,416,691	$2,433,074
FRA	Passenger Rail Investment and Improvement Act of 2008 (PRIIA)	$37,440			$35,343	$27,300		$8,543		$21,510			$72,783	$94,793
	Other													
	Federal Railroad Administration Total	$37,440			$35,343	$27,300							$72,783	$94,793
	Federal Total	$4,192,859	$428,101	$431,189	$532,178	$540,512	$464,771	$474,549	$276,245	$273,051	$250,082	$302,299	$6,149,668	$6,244,513
INNOVATIVE FINANCE	TIFIA (Transportation Infrastructure Finance and Innovation Act)	$537,484					$325,000	$325,000					$862,484	$862,484
	Innovative Financing Total	$537,484					$325,000	$325,000					$862,484	$862,484
PROGRAM TOTAL		$13,426,437	$2,505,272	$2,498,521	$1,571,463	$1,593,663	$1,925,097	$2,175,219	$904,401	$958,721	$1,047,488	$1,214,820	$21,538,595	$21,867,380

FY26/27 includes programming for future years and is included here for reference only

Table 3c: Revenues versus Program

San Diego Association of Governments (SANDAG)

2023 Regional Transportation Improvement Program (in $000s) - Amendment No. 14

Legend: Indicates change from prior amendment

	Funding Source	2022/2023		2023/2024		2024/2025		2025/2026		2026/2027		TOTAL	
		Prior	Current	Prior	Current	Prior	Current	Prior	Current	Prior	Current	Prior	Current
LOCAL	Local Total	$26,153	$24,392	$31,596	$31,241	$5,729	$5,229	$69,911	$69,761	$77,039	$63	$210,428	$130,686
STATE	State Highway Operations and Protection Program												
	SHOPP (Including Augmentation)												
	SHOPP Prior												
	State Transportation Improvement Program												
	STIP (Including Augmentation)												
	STIP Prior												
	Proposition 1 A												
	Proposition 1 B												
	Active Transportation Program												
	Highway Maintenance (HM)												
	Highway Bridge Program (HBP)												
	Road Repair and Accountability Act of 2017 (SB1)												
	Traffic Congestion Relief Program (TCRP)												
	State Transit Assistance (STA)(e.g., population/revenue based, Prop												
	Other												
	State Total												
FEDERAL TRANSIT	5307 - Urbanized Area Formula Program	$194	$194				$1,480	$7,067	$7,067	$7,215	$7,215	$14,476	$15,956
	5309a - Fixed Guideway Modernization												
	5309b - New and Small Starts (Capital Investment Grants)												
	5309c - Bus and Bus Related Grants												
	5310 - Elderly & Persons with Disabilities Formula Program												
	5311 - Nonurbanized Area Formula Program												
	5337 - State of Good Repair	$1,000	$1,000			$315	$315	$320	$320	$325	$325	$1,960	$1,960
	5339 - Bus and Bus Facilites Program					$549	$549			$640	$640	$1,189	$1,189
	Other												
	Federal Transit Total	$1,194	$1,194			$864	$2,344	$7,387	$7,387	$8,180	$8,180	$17,625	$19,104
FEDERAL HIGHWAY	Congestion Mitigation and Air Quality (CMAQ)	$436	$436	$8,687	$8,687	$17,911	$18,911	$1	$1,001	$33,591	$26,591	$60,627	$55,627
	Coordinated Border Infrastructure (SAFETEA-LU Sec.1303)												
	GARVEE Bonds (Includes Debt Service Payments)												
	Highway Infrastructure Program (HIP)												
	High Priority Projects (HPP) and Demo												
	Highway Safety Improvement Program (HSIP)												
	National Significant Freight & Highway Projects (FASTLANE/INFRA												
	Surface Transportation Program (Regional)	$312	$312	$5		$74		$4,678	$3,391	-$13,906	-$5,230	-$8,837	-$1,527
	Other		$1,540				$36		$3,480				$5,057
	Federal Highway Total	$748	$2,288	$8,692	$8,687	$17,986	$18,948	$4,679	$7,873	$19,685	$21,361	$51,790	$59,157
FRA	Passenger Rail Investment and Improvement Act of 2008 (PRIIA)												
	Other												
	Federal Railroad Administration Total												
	Federal Total	$1,942	$3,482	$8,692	$8,687	$18,850	$21,292	$12,066	$15,260	$27,865	$29,541	$69,415	$78,261
INNOVATIVE FINANCE	TIFIA (Transportation Infrastructure Finance and Innovation Act)												
	Innovative Financing Total												
REVENUES - PROGRAM TOTAL		$28,095	$27,873	$40,288	$39,928	$24,579	$26,520	$81,978	$85,021	$104,904	$29,604	$279,843	$208,948

FY26/27 includes programming for future years and is included here for reference only

2023 RTIP - Amendment No. 14

Changes During Public Comment Period

LEGEND:
↑ Increase
↓ Reduce
↔ Revise
+ Add new

Agency	Project ID	Project Title	INC/(DEC) ($000)		Change Description
San Diego Association of Governments	SAN258	Central Mobility Hub	($31,215)	↓ CMAQ; + FTA 5307	
Various Agencies	V20	Grouped Projects for Engineering - Complete Corridor Studies	$1,737	↑ RSTP; + FRA; + FTA 5307	

Federal Requirements Analysis for 2023 RTIP Amendment No. 14

Metropolitan Planning and Transportation Conformity

The U.S. Department of Transportation (U.S. DOT) Metropolitan Planning Regulations[1] and U.S. Environmental Protection Agency (U.S. EPA) Transportation Conformity Regulations[2] establish six criteria requirements which the RTIP must satisfy. The metropolitan planning regulations require that: (1) the RTIP be financially constrained and (2) make progress toward achieving federal performance targets. The transportation conformity regulations state that the RTIP must: (3) be consistent with San Diego Forward: The Regional Plan (Regional Plan); (4) meet regional emissions tests; (5) include timely implementation of transportation control measures (TCMs); and 6) include inter-agency consultation and public involvement.

The 2023 RTIP meets all six tests required under federal metropolitan planning and transportation conformity regulations. SANDAG made these findings for the 2023 RTIP under the required federal tests on September 23, 2022. On December 16, 2022, Federal Highways and the Federal Transit Administration found that the 2023 RTIP conforms with the provisions of 40 CFR Parts 51 and 93. Amendment No. 14 continues to meet all federal requirements.

Financial Constraint Test

Federal regulations 23 CFR Section 450.326(j) require the 2023 RTIP to be a revenue-constrained document with programmed projects based upon available or committed funding and/or reasonable estimates of future funding. Chapter 4 of the 2023 RTIP discusses in detail the financial capacity analysis of major program areas, including a discussion of available revenues.

Finding: The projects contained within the 2023 RTIP, including Amendment No. 14, are reasonable when considering available funding sources as demonstrated in Tables 4a through 4c, including a comparison from the prior approved version (changes are highlighted in yellow.)

Performance Management Test

Federal regulations 23 CFR Section 450.326(c) require the 2023 RTIP to be designed such that once implemented, it makes progress toward achieving the performance targets established under 450.306(d) and shall include, to the maximum extent practicable, a description of the anticipated effect of the RTIP toward achieving the performance targets identified in the transportation plan, linking investment priorities to those performance targets. Appendix H of the 2023 RTIP provides information on the projects which support safety and transit asset management performance management requirements.

Finding: The projects contained within the 2023 RTIP, including Amendment No. 14, make progress toward achieving the performance targets for all performance-based planning requirements established by the Board of Directors.

Consistency with San Diego Forward: The Regional Plan Test

Finding: The 2023 RTIP, through Amendment No. 14, is consistent with San Diego Forward: The 2021 Regional Transportation Plan (2021 Regional Plan) adopted on December 10, 2021 (policies, programs, and projects). All projects conform to the scope, cost, and schedule included in the 2021 Regional Plan.

Regional Emissions Tests

These findings are based on the regional emissions analyses' tests shown in Table 5-2 in Chapter 5 of the 2023 RTIP.

Finding: The regional emissions analyses for the 2023 RTIP through Amendment No. 14 are consistent with the emissions analyses for the 2023 Regional Plan.

Finding: The proposed amendment does not reflect a change in the design, concept, or scope of the projects or the conformity analysis years as modeled for the regional emissions analysis of the 2021 Regional Plan and the 2023 RTIP, as amended.

Finding: The 2023 RTIP, including Amendment No. 14, remains in conformance with the applicable State Implementation Plan[3] (SIP).

Timely Implementation of TCM Test

Finding: The TCMs, established as Transportation Tactics in the 1982 SIP, have been fully implemented and Amendment No. 14 continues to fund the four TCMs, which include: (1) ridesharing; (2) transit improvements; (3) traffic flow improvements; and (4) bicycle facilities and programs.

Inter-Agency Consultation and Public Involvement Test

Finding: The 2023 RTIP complies with all federal and state requirements for public involvement by following the strategies described in Board Policy No. 025: Public Participation Plan Policy. Amendment No. 14 was posted for a 15-day public comment period from June 27, 2024, through July 17, 2024.

Finding: The SANDAG Conformity Working Group (CWG), including members from the San Diego County Air Pollution Control District, Caltrans, California Air Resources Board, SANDAG, U.S. DOT, and U.S. EPA, serve as a forum to meet the federal and state requirements for interagency consultation for the 2023 RTIP. All exempt projects in Amendment No. 14 were submitted to the CWG on June 28, 2024, for its review and members concurred with the exempt categorization.

[1] 23 Code of Federal Regulation (CFR) Part 450, subpart C
[2] 40 CFR part 93, subpart A
[3] *2020 Plan for Attaining the National Ozone Standards Plan for San Diego County*, which were found adequate for transportation conformity purposes by the U.S. Environmental Protection Agency effective October 2021

FY 2025 Proposed Program Budget Amendment: Imperial Avenue Bikeway Art Installations

Action: **Approve**

The Board of Directors is asked to:

1. Approve an amendment to the FY 2025 Program Budget to add a new project titled Imperial Avenue Bikeway Art Installations project (Work Element No. 3322800), to accept Clean California funding in the amount of $780,000; and
2. Authorize agreements with the Urban Collaborative Project and the Logan Heights Community Development Corporation Community Based Organizations consistent with the terms of Project Implementation Order 122 and the approved project budget.

Fiscal Impact:

Increase the FY 2025 Program Budget by $780,000 for the Clean California beautification projects along the Imperial Avenue Bikeway.

Schedule/Scope Impact:

This work is expected to be completed by June 30, 2026.

Overview

The Imperial Avenue Bikeway project is a Regional Bike Early Action Program project which will provide 3.5 miles of urban on-street bikeway along Imperial Avenue from 17th Street to 47th Street with connections to downtown San Diego.

A total of three art installations will be installed on Caltrans right-of-way along the Imperial Avenue Bikeway project; one in the Mountain View community and two others in the Logan Heights community in the following locations:

- Mural installation on Imperial Avenue bridge over Interstate 805
- Nine murals below Interstate 15 on bridge columns along Imperial Avenue
- Murals on both sides of the area under the bridge at Imperial Avenue below Interstate 5

Under SANDAG's agreement with Caltrans related to the proposed art installation project (Project Implementation Order (PIO) 122, Attachment 2), SANDAG's receipt of the $780,000 in Clean California State Beautification Program funds is conditioned on SANDAG's entering into an agreement with affected Community Based Organizations (CBOs) to establish the CBOs' roles and responsibilities relative to the project's implementation and maintenance, and to compensate the CBOs for their work on the project. The proposed art installations will be located in the communities served by the Urban Collaborative Project and the Logan Heights Community Development Corporation CBOs.

Key Considerations

The Clean California Local Grant Program provides funds to local communities to beautify and improve local streets and roads, tribal lands, parks, pathways, and transit centers. Through the combination of adding beautification measures and art in public spaces along with the removal of litter and debris, efforts enhance communities and improve spaces for walking and recreation. The project will be completed by June 30, 2026, aligning with the Clean California funds expiration deadline.

Next Steps

Pending Board approval, SANDAG will enter into agreements with the noted CBOs for implementation of the art projects consistent with the terms of the PIO and the proposed budget amendment.

Antoinette Meier, Senior Director of Regional Planning

Attachments:
1. Proposed FY 2025 Program Budget Amendment for Work Element No. 3322800
2. Project Implementation Order 122 Regarding Transportation Art Murals in Logan Heights and Mountain View at Three Locations Within Caltrans Right Of Way along Imperial Avenue

Work Element: 3322800 – Imperial Avenue Bikeway Art Installations
Project Manager: Paula Zamudio

Project Expenses

Expense	FY 2025 Budget	Future Years	Multi-Year Total
Salaries, Benefits, Indirect	$30,000	$30,000	$60,000
Other Direct Costs	$0	$0	$0
Contracted Services	$0	$0	$0
Pass-Through to Other Agencies	$360,000	$360,000	$720,000
Total	**$390,000**	**$390,000**	**$780,000**

Project Funding

Funding	FY 2025 Funding	Future Years	Total
Caltrans Clean CA	$390,000	$390,000	$780,000
Total	**$390,000**	**$390,000**	**$780,000**

Objective

The objective of this work element is to pay for services related to the installation of three art projects on Caltrans right-of-way along the Imperial Avenue Bikeway project; one in the Mountain View community and two others in the Logan Heights community. SANDAG has entered into a Project Implementation Order (PIO) with Caltrans to support the installation of transportation art murals along the Imperial Avenue Bikeway project. Community Based Organizations (CBOs) will complete the work.

Previous Accomplishments

This is a new project for FY 2025.

Justification

The work will be completed using Clean California Local Grant Program funds, which provide funds to local communities to beautify and improve local streets and roads, tribal lands, parks, pathways, and transit centers.

Product, Tasks, and Schedule for FY 2025

Task No.	Total	Task Description	Task Product	Completion Date
1.	$360,000	Pass through funds to organizations completing the work	Completed art installations	June 30, 2025
2.	$30,000	Administration of contracts with CBOs	Payment to CBOs	June 30, 2025

Future Activities

This is a two-year effort. Future activities include coordination with CBOs and Caltrans on project completion.

PROJECT IMPLEMENTATION ORDER NO. 122 REGARDING TRANSPORTATION ART MURALS IN LOGAN HEIGHTS AND MOUNTAIN VIEW AT THREE LOCATIONS WITHIN CALTRANS RIGHT OF WAY ALONG IMPERIAL AVE. ISSUED UNDER SANDAG CONTRACT NO. 5001444 – MASTER AGREEMENT REGARDING COLLABORATIVE PROJECTS IN SAN DIEGO COUNTY BETWEEN SANDAG & CALTRANS

The following recitals are a substantive part of this Project Implementation Order (PIO):

WHEREAS, SANDAG and CALTRANS entered into a MASTER AGREEMENT, Contract No. 5001444, on April 1, 2010 regarding collaborative projects in the San Diego region; and

WHEREAS, the MASTER AGREEMENT allows for the transfer of funding between SANDAG and CALTRANS and defines the working relationship between SANDAG and CALTRANS; and

WHEREAS, the MASTER AGREEMENT allows the parties to enter into a PIO to document transactions at the TRANSPORTATION IMPROVEMENT or project level as contemplated and defined in the MASTER AGREEMENT, in situations where a separate Cooperative Agreement or amendment to the MASTER AGREEMENT is not required; and

WHEREAS, CALTRANS is authorized per the California Streets and Highways Code, Section 91.42 to expend Clean California State Beautification Program of 2021 funds (CLEAN CA FUNDS) towards beautifying and cleaning up state highways and eligible projects towards that goal; and

WHEREAS, Transportation Art includes graphic or sculptural artwork, either freestanding or placed upon a required engineered transportation feature located on CALTRANS' right-of-way (such as a noise barrier, retaining wall, bridge, bridge abutment, bridge rail, or slope paving) that expresses unique attributes of a community's history, resources, or character; and

WHEREAS, CALTRANS and SANDAG agree to the installation of Transportation Art murals, in Logan Heights and Mountain View at three locations within CALTRANS Right of Way along Imperial Ave., SANDAG CIP 1223058, hereinafter referred to as PROJECT; and

WHEREAS, CALTRANS and SANDAG agree that CALTRANS will provide SANDAG with CLEAN CA FUNDS in an amount not to exceed $780,000.00 for this PROJECT and agrees to SANDAG's use of these CLEAN CA FUNDS; and

NOW THEREFORE, SANDAG and CALTRANS enter into this PIO No. 122 effective June 27, 2024.

SANDAG AGREES:

1. To the terms and conditions defined by the MASTER AGREEMENT for the purpose of working with CALTRANS on the PROJECT.

2. To invoice CALTRANS on a quarterly basis based on actual expenditures.

3. To develop a separate agreement with affected communities (the Community Based Organizations) to transfer funds and establish the community's roles and responsibilities relative to the project implementation and maintenance.

4. To require that the Community Based Organizations add CALTRANS as an additional insured to their policies of insurance that are required by the SANDAG agreement.

5. To require that the Community Based Organizations, to the extent permitted by law, defend, indemnify, and save harmless CALTRANS and all of its officers and employees from all claims, suits, or actions, including reasonable attorneys' fees, of every name, kind, and description brought forth under, but not limited to, tortious, contractual, inverse condemnation, claims based on (1) 17 U.S.C. §§ 101-810 (the Copyright Act of 1976, as modified), (2) 17 U.S.C. § 106A(a) (the Visual Artists Rights Act of 1990, "VARA"), (3) 17 U.S.C. § 113, (4) California Civil Code § 987 (the California Art Preservation Act), California Civil Code §989, or (5) any other rights arising under U.S. federal or state laws or under the laws of any other country that conveys rights and protections of the same nature as those conveyed under 17 U.S.C. §106A(a) and California Civil Code §987, intellectual property claims arising from or related to breach of contract, inverse condemnation, conversion, and/or taking of property, or other theories and assertions of liability occurring by reason of anything done or omitted to be done by the Community Based Organizations, their contractors, sub-contractors, and/or their agents under the agreement with SANDAG. . This Article 5 in PIO 122 shall replace Article 3.12 in Master Agreement 11-8314.

6. To cooperate with CALTRANS in making sure the PROJECT adheres to the CALTRANS' Transportation Art requirements as set forth in CALTRANS' Project Development Procedures Manual (PDPM), Chapter 29, Section 9, Transportation Art and CALTRANS' Transportation Art website at https://dot.ca.gov/programs/design/lap-landscape-architecture-and-community-livability/lap-liv-j-transportation-art. This includes, but is not limited to, submittal of a Transportation Art Maintenance Agreement (TAMA).

7. The SANDAG PROJECT MANAGER and contact information is:

Paula Zamudio
Senior Equity Planner/Tribal Liaison
401 B Street, Suite 800
San Diego, CA 92101
(619) 515-1189
Paula.Zamudio@sandag.org

CALTRANS AGREES:

8. To the terms and conditions defined by the MASTER AGREEMENT for the purpose of working with SANDAG on the PROJECT.

9. To pay SANDAG when invoiced for actual expenditures under the Master Agreement in an amount that does not exceed $780,000.00, including SANDAG costs for administering contracts with Community Based Organizations. CALTRANS will pay SANDAG within 45 calendar days of receipt of invoices.

10. To provide oversight and facilitate execution of the required agreements to address all maintenance, copyright, insurance, protection for injury, damage, or liability regarding copyright/intellectual property responsibilities in separate agreements with the Community Based Organizations.

11. To provide oversight of the Community Based Organizations, their consultants and contractors during design and installation of the Transportation Art and assist SANDAG with any matters related to contract close-out with the Community Based Organizations.

12. Where applicable, to complete all labor compliance monitoring and reporting to the Department of Industrial Relations and comply with all public works requirements consistent with Labor Code Section 1720, et seq.

13. To assist the Community Based Organizations with obtaining required permits for work within CALTRANS right of way.

14. To ensure submittal of a Transportation Art Proposal (TAP) and execution of an Assignment and Transfer of Copyright License and Waiver of Moral Rights in Artwork Agreement (CLAW).

15. To accept ownership and title to all materials, equipment, and facilities, including Transportation Art, installed, or constructed under this PIO, ensure that the SHS FACILITY is constructed to CALTRANS STANDARDS, and accept maintenance and operation of Transportation Art consistent with section 13.1 of the MASTER AGREEMENT.

16. The CALTRANS PROJECT MANAGER and contact information is:

Nick Jones
Assistant Project Manager
4050 Taylor Street
San Diego, CA 92110
(619) 385-2504
nick.jones@dot.ca.gov

THE PARTIES MUTUALLY AGREE:

17. The overall budget amount for the PROJECT is: $780,000.00.

18. Funding for the PROJECT is contingent on approval of a budget amendment by the SANDAG Board of Directors. SANDAG will not incur costs for administration of this PIO until after approval of the funding is granted.

19. This agreement is a Financial Contribution Agreement (FCO) only, SANDAG retains no long-term responsibility for PROJECT beyond what is outlined in this agreement.

20. PROJECT MANAGER contact information and locations changes require written notice to the other party but do not require an amendment to this agreement.

21. Neither SANDAG nor any officer or employee thereof is responsible for any injury, damage, or liability occurring by reason of anything done or omitted to be done by CALTRANS, its contractors, sub-contractors, and/or its agents under or in connection with any work, authority, or jurisdiction conferred upon CALTRANS under this agreement, including compliance with public works requirements consistent with Labor Code Section 1720, et seq. It is understood and agreed that CALTRANS, to the extent permitted by law, will defend, indemnify, and save harmless SANDAG and all of its officers and employees from all claims, suits, or actions, including reasonable attorneys' fees, of every name, kind, and description, brought forth under, but not limited to, tortious, contractual, inverse condemnation, or other theories and assertions of liability occurring by reason of anything done or omitted to be done by CALTRANS, its contractors, sub-contractors, and/or its agents under this agreement. This Article 20 in PIO 122 shall replace Article 3.13 in Master Agreement 11-8314.

22. The PROJECT SPONSOR shall be CALTRANS.

23. The CONTRACT ADMINISTRATOR shall be SANDAG.

24. The IMPLEMENTING AGENCY for the PROJECT shall be CALTRANS/SANDAG.

25. Applicable Clean California State Beautification Program of 2021 STANDARDS shall be used for the PROJECT.

26. This PIO 122 will terminate when work on the PROJECT is complete or on June 30, 2026, whichever occurs first.

CALTRANS

06/27/2024

EVERETT TOWNSEND
District 11 Director (Acting)

Marvin Canton

ALLAN KOSUP
Corridor Director, North County

APPROVED AS TO FORM:

PATRICK BOYNE
District Deputy Attorney

SAN DIEGO ASSOCIATION OF GOVERNMENTS

Ray Major (Jun 26, 2024 14:20 PDT)

Ray Major
Chief Executive Officer or Designee

APPROVED AS TO FORM:

JOHN KIRK
General Counsel

Signature:

Email: kle@sandag.org

FY 2025 Proposed Program Budget Amendment: TransNet Regional Bike Early Action Program

Overview

In 2013, the Board of Directors approved the Regional Bike Plan Early Action Program – a network of about 77 miles of new bikeways designed to enhance neighborhood connections to schools, shopping centers, and parks, as well as transit stations and other major regional destinations (Attachment 1).

Since then, 12 bikeway projects have opened to the public, 4 are in construction, and 11 are in the final design phase (Attachment 2). Completion of the Early Action Program is anticipated by FY 2029 (Attachment 3).

As of FY 2023, total bikeway Program funding was $397.3 million. TransNet funds represented $187.2 million (47%), which helped to leverage $210.1 million (53%) from federal, state, and other local sources.

Key Considerations

There are six bikeway projects included in the FY 2025 Program Budget that are scheduled to begin or complete construction in the next 12 months. Project delays and escalating construction costs have increased the funding needs for most of these projects by a total of about $20 million (Attachment 4).

Action: **Approve**

The Transportation Committee recommends that the Board of Directors, also acting as the Regional Transportation Commission:

1. Approve the borrowing of Commercial Paper up to $20 million for eight projects in the Bike Early Action Program to support near-term budget needs for projects funded with TransNet Bicycle, Pedestrian, and Neighborhood Safety funds; and
2. Approve the corresponding FY 2025 Program Budget Amendment.

Fiscal Impact:

Would allow the use of up to $20 million of Commercial Paper funds for the Bike Early Action Program of Projects.

Schedule/Scope Impact:

Approval of the proposed budget amendment would allow two projects to complete construction and six projects to be fully funded to go to construction. If the projects are not able to be completed, $113 million of outside funding will be at risk.

Cost increases have been driven by several factors, including a 27% inflation rate in construction costs, new regulatory requirements, severe weather conditions, and unforeseen on-site issues like unsuitable soils and utility conflicts. In addition, permitting delays and coordination requirements with partner agencies have lengthened project delivery timelines. The resulting increases necessitate the application of updated cost escalation rates, streamlined agreements with stakeholders, and more precise cost estimates for future projects.

Comparatively, SANDAG project costs fall within the range for similar projects in California and Washington State. For relatively basic Class IV bikeway without extensive repaving, drainage, or curb work the average cost per mile is $6.7 million per mile for SANDAG and $5.8 million per mile for other agencies. For more complex complete streets type projects that may include necessary improvements to drainage, lighting, signals, pavement rehabilitation, bus/transit facilities, traffic calming, and sidewalk/ADA features the average cost per mile is $13 million per mile and $16.6 million per mile for other agencies.

To address the current funding shortfalls, staff is proposing to use the Commercial Paper Program to borrow from future TransNet Bicycle, Pedestrian and Neighborhood Safety Program funds to cover immediate needs.[1] In accordance with the Commercial Paper Program, staff have reviewed the eligibility requirements and determined that all criteria would be met (Attachment 5).

Next Steps

If approved, two projects will be fully funded to complete construction and six projects to be fully funded go to construction.

Omar Atayee, Acting Director of Engineering and Construction

Attachments:
1. TransNet Regional Bike Early Action Program Map
2. TransNet Regional Bike Early Action Program Progress Update – February 2024
3. Regional Bikeway Early Action Program EAP Crosswalk and Project Status
4. Project Status Chart
5. Overview of the Commercial Paper Program and Bike Program Debt Payment Schedule
6. FY 2025 Budget Amendment Table
7. Proposed FY 2025 Program Budget Amendments for CIP Project Nos. 1223054, 1223055, 1223057, 1223081, 1223083, 1223084, 1223094, 1223098

[1] The TransNet Extension Ordinance dedicates 2% of annual TransNet revenues to the Bicycle, Pedestrian and Neighborhood Safety Program to provide funding for bikeway facilities and connectivity improvements, pedestrian and walkable community projects, bicycle and pedestrian safety projects and programs, and traffic calming projects.

SAN DIEGO REGIONAL BIKE PLAN

Early Action Program

SANDAG
TransNet

OCEANSIDE
VISTA
SAN MARCOS
ESCONDIDO
CARLSBAD
ENCINITAS
SOLANA BEACH
DEL MAR
POWAY
SAN DIEGO
SANTEE
EL CAJON
LA MESA
LEMON GROVE
NATIONAL CITY
CORONADO
CHULA VISTA
IMPERIAL BEACH
UNITED STATES
MEXICO

MILES
0 3 6
0 4 8
KILOMETERS

October 2020

EARLY ACTION PROGRAM STATUS

- Completed
- In Design/Construction
- Planned

Other Regional Bikeway Projects

- Completed
- Future

Major Roads

Features

Transportation:
Beaches:
Amusement/ Recreation:
Parks:
Colleges and Universities:
Community Centers:

NORTH
Not To Scale

SANDAG

PROGRESS UPDATE WINTER 2023-2024

23.1 MILES BUILT

16 PROJECTS IN PROGRESS

15.3 MILES UNDER CONSTRUCTION

17.9 MILES NEARING CONSTRUCTION*

*REFLECTS PROJECTS IN THE FINAL DESIGN PHASE

San Diego Regional Bike Plan Early Action Program (EAP)	Planning	Environmental	Final Design	Construction	Open to Public
Coastal Rail Trail – Oceanside					Early 2014
Sweetwater Bikeway – Plaza Bonita Segment					Early 2015
Bayshore Bikeway – 32nd Street to Vesta Street					Mid-2015
Inland Rail Trail: Phase 1					Early 2017
SR 15 Commuter Bikeway					Mid-2017
Bayshore Bikeway – National City Segment					Early 2018
Coastal Rail Trail – Encinitas Chesterfield Drive to Santa Fe Drive					Mid-2019
Inland Rail Trail: Phase 2					Early 2021
Coastal Rail Trail – Rose Creek					Mid-2021
Fourth & Fifth Avenue Bikeways					Early 2022
Georgia – Meade Bikeway					Early 2022
Landis Bikeway					Early 2022
Pershing Bikeway					2024
Bayshore Bikeway – Barrio Logan Segment					2025
Imperial Avenue Bikeway					2025
Border to Bayshore					2025
Central Avenue Bikeway					2025
Washington Street & Bachman Place Bikeways					2026
Inland Rail Trail: Phase 3					2025
Orange Bikeway					2025
Eastern Hillcrest Bikeways					2025
University Bikeway					2026
Inland Rail Trail: Phase 4					2028
Robinson Bikeway					TBD
Mission Hills & Old Town Bike-ways					TBD
Howard Bikeway					TBD
Coastal Rail Trail – Encinitas Santa Fe Drive to F Street					TBD
San Diego River Trail – Carlton Oaks Segment					TBD

Through the Smart Growth Incentive Program (SGIP) and the Active Transportation Growth Program (ATGP), SANDAG helped fund the construction of more than 39 miles of new or improved bikeways throughout the region with an additional 21 miles of planned or proposed bikeways.

SANDAG also helped deliver more than 8.5 miles of new or improved bikeways through joint-agency projects including Build NCC, the first package of projects being constructed through the 40-year North Coast Corridor (NCC) Program, and the Mid-Coast Trolley Project, 1.5 miles of which are complete and open to the public.

SANDAG Bikeways Early Action Program (EAP) Capital Improvement Program (CIP) Crosswalk and Project Status

Project count	EAP Priority	Facility Type	EAP Project No.	EAP Segment No.	Current CIP Number(s)	Project Name(s)	Project Area	Jurisdiction(s)	EAP Planned FY Start	EAP Planned FY Complete	EAP Planned Duration (years)	2013 Project Phase Status (per EAP)	Cost 2013	Actual CIP FY Start	Actual CIP FY	Actual CIP Duration (years)	Current Miles Associated	Original EAP Miles	Comments	Project Status % Complete				Costs Through 02-01-2024 (x1000)	Additional Notes as of 02-01-2024 Status
																				Planning	Design	Construction	Date Opened		
1	1	High-Priority Urban Bikeway	1, & 3	1-7 of 9, 3-5 of 9	1223084	Uptown Bikeways: Washington St. and Mission Valley	Uptown	San Diego	14	18	5	Design	$18,810,115	14	22	9	3.5	4.7	This CIP project combines segments from EAP Projects 1 & 3 — No. 1's Segments 1-7 from Third Ave at Upas in Hillcrest to Friars Rd was shortened to make a more direct connection from CIP 1223022 to the SD River Trail and Fashion Valley Transit Center. EAP Project No. 3's Segments 3-5 on Washington St and San Diego Ave were added to this CIP.	100	95	0	tbd	$2,948	Currently undergoing design peer review and constuctibility review. Expected to go out to bid summer 2024.
2	1	High-Priority Urban Bikeway	1	8-9 of 9	1223022	Uptown: Fourth and Fifth Avenue	Uptown	San Diego	14	18	5	Design	$13,220,592	14	22	9	4.5	3.3	This CIP project is Segments 8&9 from EAP Project 1. It was extended farther north to create a safer connection to CIPs 1223084 and 1223083.	100	100	100	Mar-22	$23,973	Complete.
3	1	High-Priority Urban Bikeway	3	1,2,&6 of 9	1223085	Uptown: Mission Hills and Old Town	Uptown	San Diego	14	18	5	Design	$1,880,574	14	22	9	1.7	2	This CIP project is Segments 1,2,&6 from EAP Project 3. It was shortened one block in both Hillcrest and in Old Town.	100	35	0	tbd	$173	Received Cycle 6 ATP for final design. Design work to begin in 2024.
4	2	High-Priority Urban Bikeway	3,6,7	7-9, 1-3, 2 of 2	1223083	Uptown: Eastern Hillcrest	North Park -- Mid-City	San Diego	14	17	4	Design	$7,797,847	14	22	9	1.5	1.5	This CIP project is Segments 1,2,&3 from EAP Project 6, and Segment 2 from Project 7. The alignments significantly changed for better connectivity to Uptown/NPMC projects.	100	100	0	tbd	$4,145	Expected to go out to bid Early 2024.
5	1	High-Priority Urban Bikeway	7	2-3 of 2	1223086	Uptown: Park Blvd	Uptown	San Diego	14	17	4	Design	$84,813	14	22	9	see cell above	0.8	This CIP project (1223086) has been incorporated into Eastern Hillcrest (1223083), specifically Segment 2 from EAP Project 7. The remainder on Park Blvd from Cypress Ave to Village Place, will be built by the City of San Diego.	100	100	0	tbd	$174	Complete.
6	1	High-Priority Urban Bikeway	2,7	1 of 1	1223082	North Park I Mid-City Bikeways: Georgia-Meade	Uptown	San Diego	14	17	4	Design	$5,726,867	14	22	9	3.5	3.4	2013 mileage reflects Park Blvd section of original alignment but that segment's costs were not included in this, or any other EAP project. Georgia St from Robinson St north to Meade Ave was the preferred alternative alignment built with 1223082. Costs for Preliminary Engineering of Monroe Bikeway 1223080 included here, that project was determined to be infeasible to implement and the CIP has been Closed Out.	100	100	100	Mar-22	$26,192	Complete.
7	2	High-Priority Urban Bikeway	4	1 of 1	1223079	NPMC: Howard Ave	North Park -- Mid-City	San Diego	14	17	4	Design	$5,775,100	14	22	9	3.3	3.6	1223079 split into two segments. Howard Ave (1223079) from Park to I-805 is currently in DSD review. Orange Ave (1223087) segment is from I-805 to Estrella and connects to NPMC: University Ave Bikeway.	100	100	0	tbd	$1,411	Received Cycle 6 ATP for construction. Will go out to bid in 2024.
8	2	High-Priority Urban Bikeway	4	1 of 1	1223087	NPMC: Orange Ave	North Park -- Mid-City	San Diego	14	17	4	Design	*see above*	14	22	9	see cell above	see cell above	1223079 split into two segments. Howard Ave (1223079) from Park to I-805 is currently in DSD review. Orange Ave (1223087) segment is from I-805 to Estrella and connects to NPMC: University Ave Bikeway.	100	100	0	tbd	$1,248	Received Cycle 5 ATP for construction. Will go out to bid in 2024.
9	2	High-Priority Urban Bikeway	6,7	6-8 of 6, 2 of 2	1223078	NPMC: Landis Ave	North Park -- Mid-City	San Diego	14	17	4	Const	$5,182,068	14	22	9	3.1	3	Construction costs for the Landis Bikeway project are included with the Georgia-Meade Bikeway, above. Planning and Design costs are included in other NPMC projects.	100	100	100	Mar-22	$1,408	Complete.
10	2	High-Priority Urban Bikeway	6	4-5 of 6	1223020	NPMC: Robinson	North Park -- Mid-City	San Diego	14	16	3	Design	$1,516,750	14	22	9	0.25	0.25	Some CIP costs associated with other NPMC projects may be reflected in the costs for this project (1223020).	100	100	0	tbd	$3,632	Received Cycle 6 ATP for construction. Will go out to bid in 2024/25.
11	2	High-Priority Urban Bikeway	14	1 of 1	1223081	NPMC: University Ave	North Park -- Mid-City	San Diego	14	17	4	Design	$4,318,572	14	22	9	2.9	2.8	Originally the alignment was a parallel bike boulevard through neighborhoods.The updated, current alignment, is more direct on University Ave from Chamoune Ave to the City of La Mesa.	100	100	0	tbd	$3,477	Received December 2023 CTC construction allocation. Will go out to bid Spring 2024.
12	3	Class I Bikeway	31	A	1223052	San Diego River Trail - Qualcomm Stadium	San Diego River Trail	San Diego	14	20	7	Design	$828,644	14	19	6	0.8	0.8	Renamed San Diego River Trail - Stadium Segment in draft FY19 budget. This connection of the San Diego River Trail will be built as part of the SDSU/Mission Valley development project. We are sharing our civil engineering design plans for connections at each end of the development site. ^Entire project to be built by others.	100	100	0	tbd	$730	Will be done by others as part of SDSU/Snapdragon redevelopment.

Project count	EAP Priority	Facility Type	EAP Project No.	EAP Segment No.	Current CIP Number(s)	Project Name(s)	Project Area	Jurisdiction(s)	EAP Planned FY Start	EAP Planned FY Complete	EAP Planned Duration (years)	2013 Project Phase Status (per EAP)	Cost 2013	Actual CIP FY Start	Actual CIP FY	Actual CIP Duration (years)	Current Miles Associated	Original EAP Miles	Comments	Project Status % Complete				Costs Through 02-01-2024 (x1000)	Additional Notes Status as of 02-01-2024
																				Planning	Design	Construction	Date Opened		
13	4	Class I Bikeway	31	B	1223053	San Diego River Trail - Carlton Oaks	San Diego River Trail	Santee	14	20	7	Design Only	$2,816,296	14	20	7	2.1	2.1	*This project not funded through construction in original EAP list. Project most likely to be constructed by others as condition of development. Designs shared with Cities of San Diego and Santee.	100	60	tbd	tbd	$1,249	Will be done as part of adjacent redevelopment. Coordination with Citiies of San Diego and Santee to share design.
14	5	Class I Bikeway	33	1 of 1	1223016	Coastal Rail Trail: Rose Creek Bikeway	Coastal Rail Trail San Diego	San Diego	14	20	7	Design	$20,636,000	14	22	9	2.1	2.1	This project constructed with the same CM team working on the Mid-Coast trolley extension, Jacobs and MCTC.	100	100	100	May-21	$27,523	Complete.
15	6	Class I Bikeway	36	1 of 1	1144300, 1129900	Bayshore Bikeway: 8B Main Street to Palomar	Bayshore Bikeway	Chula Vista/Imperial Beach	14	20	7	Enviro	$2,959,000	14	22	9	0.6	0.4	This project is closed out and designs have been shared with the City of Chula Vista to condition upon redevelopment.	100	60	tbd	tbd	$1,175	Stalemate on ROW acquisition/easement. See Comments column.
16	7	Class I Bikeway	39	C	1223017	Coastal Rail Trail Encinitas: E Street to Chesterfield Dr	Coastal Rail Trail Encinitas	Encinitas	14	17	4	Design	$6,885,107	14	19	6	1.4	1.6	1.4 miles complete from Chesterfield Dr. to Santa Fe Dr. in spring of 2019.	100	100	100	May-19	$9,248	Complete.
17	7	Class I Bikeway	39	B/C	1223017	Coastal Rail Trail Encinitas: E Street to Chesterfield Dr	Coastal Rail Trail Encinitas	Encinitas	14	17	4	Design	*see above*	14	22	9	0.5	see cell above	Additional 0.5 miles from Santa Fe Dr. north to F St. (NCTD Coaster Station parking lot) is in final design. Note, this bikeway ends 200' south of F St., and 700' south of E St.	100	100	0	tbd	*see 1123017, above*	Construction funding secured. Expected begin construction in FY25.
18	8	Class I Bikeway	39	D	1223018	Coastal Rail Trail Encinitas: Chesterfield Drive to Solana Beach	Coastal Rail Trail Encinitas	Encinitas	14	17	4	Design	$227,167	14	21	8	1.3	1.6	The City of Encinitas has undertaken street improvements on this segment of Coast Hwy that includes Class IV bikeway. ^Project has been done by others.	100	100	100	May-20	$5	Completed by City of Encinitas.
19	9	Class I Bikeway	51	A-D (4 of 4)	1223023, 1223094, 1223095	Inland Rail Trail Phases 1-4	Inland Rail Trail	San Marcos/Vista/County of SD	14	20	7	Env/Design	$32,691,000	14	22	9	7.3	7.1	Phase 1 San Marcos (1 mile), and Phase 2 County, Vista, Oceanside (3 miles) complete. Phase 3B Vista (CIP 1223094) (1 mile) in bid phase. Phase 4 Vista (CIP 1223095) (2 miles) in final design.	100	100 (Ph 1 and 2) 100 (Ph 3) 65 (Ph 4)	100 (Ph 1 and 2) 0 (Ph 3 and 4)	Feb-17 (Ph 1) Jan-21 (Ph 2) tbd (Ph 3 and 4)	$55,355,687	Phases 1, 2, and 3A complete. Phase 3B construction anticipated spring 2024.
20	13	Class I Bikeway	52	-	1223024	Coastal Rail Trail Oceanside: Wisconsin Ave. to Oceanside Blvd.	Coastal Rail Trail Oceanside	Oceanside	14	14	1	Const	$200,000	14	14	1	0.4	0.4	-	100	100	100	Spr-14	$2,471	Complete.
21	14	Class I Bikeway	53	-	1144500	Sweetwater Bikeway: Plaza Bonita Segment	Plaza Bonita Bike Path	National City	14	14	1	Const	$400,000	14	14	1	0.4	0.6	-	100	100	100	Spr-15	$1,464	Complete.
22	15	Class I Bikeway	55	-	1143700	Bayshore Bikeway: 4 & 5	Bayshore Bikeway	San Diego/National City	14	18	5	Const	$1,503,000	14	18	5	3	2.8	Construction separated into two phases, first Segment 4 from 32nd Street in San Diego to Vesta Street, and Segment 4B/5 from Vesta Street to the National City Marina.	100	100	100	2015 and 2018	$6,379	Complete.
23	16	Class I Bikeway	54	-	1223014	SR15 Commuter Bikeway	I-15 Mid-City - Adams Ave to Camino Del Rio S	San Diego	14	18	5	Engineering	$9,341,000	14	18	5	1	0	This was originally part of the Project 18 alignment - I-15 Bikeway: Mission Valley to Normal Heights. See *CIP 1223054 Central Ave Bikeway for 1.2 miles associated from original 2.4 EAP mile total. The remaining 0.2 miles was taken off SR15 project due to scope adjustment and feasibility of making a connection all the way to original termination at intersection with San Diego River Trail.	100	100	100	Aug-17	$14,288	Complete.
24	17	Class I Bikeway	50	1 of 1	1223055	Bayshore Bikeway - Barrio Logan	Bayshore Bikeway	San Diego	14	18	5	Env/Design	$4,604,000	14	21	8	2.4	2.5	*Was not funded through construction in original EAP list. Construction costs estimated to be $13,591,264 in 2013.	100	100	68	tbd	$26,173	Construction 68% complete.
25	18	High-Priority Urban Bikeway	6A	1,2&4	1223057	Pershing Bikeway	Balboa Park	San Diego	15	17	3	Env/Design	$4,704,689	15	22	8	2.3	2.7	Construction underway with Class I path open to public. Segment 3 within Caltrans ROW moved to Project 6A.	100	100	85	tbd	$19,329	Construction 85% complete. Expected open to public May 2024.

Project count	EAP Priority	Facility Type	EAP Project No.	EAP Segment No.	Current CIP Number(s)	Project Name(s)	Project Area	Jurisdiction(s)	EAP Planned FY Start	EAP Planned FY Complete	EAP Planned Duration (years)	2013 Project Phase Status (per EAP)	Cost 2013	Actual CIP FY Start	Actual CIP FY	Actual CIP Duration (years)	Current Miles Associated	Original EAP Miles	Comments	Project Status % Complete				Costs Through 02-01-2024 (x1000)	Additional Notes as of 02-01-2024 Status
																				Planning	Design	Construction	Date Opened		
26	18	High-Priority Urban Bikeway	6A, 7A	3, 1 of 1	Not in CIP yet	Pershing and El Prado	Balboa Park	San Diego	15	16	2	Planning	$3,190,472	15	-	-	1.4	1	Caltrans retrofit and repaved the bridge in 2015 (7A). This project includes the partially designed Segment 3 from Project 6A (Pershing Bikeway 1223057) from Florida Dr to B St where the original Downtown Mobility Plan cycletrack alignment was planned (now on C St. only).	100	0	0	tbd	-	No activity.
27	19	High-Priority Urban Bikeway	8, 9	1 of 1, 1 of 3	-	Downtown Mobility Plan Phase 3	Downtown to Southeast connections	San Diego	15	16	2	Env/Design	$901,083	-	-	-	1.4	1.4	Segments, including this one in downtown, are now part of City of San Diego Downtown Mobility Plan Cycletrack network. Project 9 Segment 1 and a portion of Segment 2 (J St) built by City of San Diego with SANDAG SGIP Cycle 4 funds, and Final Design is complete for Project 8 Segment 1 (Park Blvd). *Was not funded through construction in original EAP list.	100	100	75	tbd	-	See Comments column.
28	19	High-Priority Urban Bikeway	9	2-3 of 3	1223058	Imperial Ave Bikeway	Downtown to Southeast connections	San Diego	15	17	3	Env/Design	$2,930,917	15	22	8	3.8	3.6	Ready to Advertise for Construction. Originally included downtown segments which are now part of the City of San Diego Downtown Mobility Plan, see above. *Was not funded through construction in original EAP list.	100	100	0	tbd	$4,000	Construction contract awarded January 31, 2024.
29	19	High-Priority Urban Bikeway	10	1-5	-	Downtown Mobility Plan Phases 2 and 3	Downtown to Southeast connections	San Diego	15	18	4	Env/Design	$2,825,000	-	-	-	1.6	2.1	Segments, including these 5 in downtown, are now part of City of San Diego Downtown Mobility Plan Cycletrack network. Segment 2 has been built by others. *Was not funded through construction in original EAP list.	100	100	15	tbd	-	See Comments column.
30	20	High-Priority Urban Bikeway	13, 21	1-5, 1 of 2	1223056	Border to Bayshore Bikeway	San Ysidro to Imperial Beach - Bayshore Bikeway Connection	Imperial Beach / San Diego	15	17	3	Planning	$10,790,145	15	22	8	6.7	5.4	Construction groundbreaking anticipated February 2023. *Difference from original mileages for this project and the one below is due to their being merged, a more direct final alignment between terminii determined, and some western segments in Imperial Beach done by others.	100	100	24	tbd	$9,861	In construction. Estimated 24% complete.
31	20	High-Priority Urban Bikeway	21	2 of 2	-	Border to Bayshore Bikeway	San Ysidro to Imperial Beach - Bayshore Bikeway	Imperial Beach / San Diego	15	17	3	Planning	$580,219	-	-	-	0.8	2.7	^Segment 1 of Project 21 merged with the above CIP Project 1223056, this project (segment 2) was completed by the City of Imperial Beach and planned with funds from SANDAG SGIP Cycles 2 and 3.	100	100	100	Aug-21	-	See Comments column.
32	21	High-Priority Urban Bikeway	18	1 of 1	1223054	Central Ave Bikeway	Terrace Dr / Central Ave	San Diego	15	18	4	Planning	$1,406,808	15	22	8	1.2	2.4	Project fully designed and awaiting final permitting from Caltrans and the City of San Diego. See CIP 1223014 SR15 Commuter Bikeway for 1 mile associated from original 2.4 EAP mile total.	100	100	0	tbd	$1,336	Received Cycle 6 ATP for construction. Will go out to bid in 2024.
33	22	Class I Bikeway	31	C	Not in CIP yet	San Diego River Trail - I-805 to Fenton	San Diego River Trail	San Diego	16	19	4	Planning	$1,741,275	-	-	-	0.5	0.5	Will be included with Kumeyaay Corridor Comprehenisve Multimodal Corridor Plan (CMCP).	100	0	0	tbd	-	See Comments column.
34	23	Class I Bikeway	31	D	-	San Diego River Trail - Short gap connections	San Diego River Trail	San Diego	16	19	4	Planning	$1,370,057	15	15	1	0.2	0.2	^Pedestrian Hybrid Beacon on Mission Center Rd completed by City of San Diego with SANDAG ATGP Cycle 2 funds, also installed on Camino Del Este.	100	100	100	Dec-15	-	Complete.
35	24	Class I Bikeway	39	B	Not in CIP yet	Coastal Rail Trail Encinitas - Leucadia to G Street	Coastal Rail Trail Encinitas	Encinitas	16	19	4	Planning	$4,763,309	-	-	-	1.7	1.7	A plan for this corridor was completed, designs were developed for portions of this segmen and construction has begun on the North Coast Highway 101 Streetscape projects.	100	100	20	tbd	-	See Comments column.
36	25	Class I Bikeway	45	1-3	Not in CIP yet	Coastal Rail Trail San Diego - UTC	Coastal Rail Trail San Diego	San Diego	16	17	2	Planning	$791,414	-	-	-	1.4	1.4	*Was not funded through construction as part of original EAP list. Included with Coasts, Canyons, and Trails CMCP.	0	0	0	tbd	-	See Comments column.
37	26	Class I Bikeway	46	1 of 1	Not in CIP yet	Coastal Rail Trail San Diego - Rose Canyon	Coastal Rail Trail San Diego	San Diego	16	18	3	Env/Design	$2,508,499	-	-	-	3.4	3.4	*Was not funded through construction as part of original EAP list. Included with Coasts, Canyons, and Trails CMCP.	0	0	0	tbd	-	See Comments column.

Project count	EAP Priority	Facility Type	EAP Project No.	EAP Segment No.	Current CIP Number(s)	Project Name(s)	Project Area	Jurisdiction(s)	EAP Planned FY Start	EAP Planned FY Complete	EAP Planned Duration (years)	2013 Project Phase Status (per EAP)	Cost 2013	Actual CIP FY Start	Actual CIP FY	Actual CIP Duration (years)	Current Miles Associated	Original EAP Miles	Comments	Project Status % Complete				Costs Through 02-01-2024 (x1000)	Additional Notes as of 02-01-2024	Status
																				Planning	Design	Construction	Date Opened			
38	27	Class I Bikeway	48	D	-	Coastal Rail Trail San Diego - Pac Hwy (W. Washington Street to Laurel Street)	Coastal Rail Trail San Diego	San Diego	16	16	1	Planning	$4,050,421	16	22	7	1	1	Designs developed for the Terminal 2 San Diego Regional Airporty Authority's Terminal 1 expansion. Likely to be built by others during that project's implementation.	100	100	0	tbd	-	See Comments column.	
39	28	Class I Bikeway	48	E	-	Coastal Rail Trail San Diego - Pac Hwy (Laurel Street to Santa Fe Depot)	Coastal Rail Trail San Diego	San Diego	16	16	1	Planning	$7,628,464	16	21	6	1	1	Part of City of San Diego Downtown Mobility Plan Cycletrack Network and constructed during Phase 2.	100	100	100	Aug-20	-	See Comments column.	
40	29	Class I Bikeway	48	C	1223200	Coastal Rail Trail San Diego - Pac Hwy (Taylor Street to W. Washington Street)	Coastal Rail Trail San Diego	San Diego	17	17	1	Planning	$3,993,954	17	22	6	1.5	1.5	Part of Central Mobility Hub Comprehensive Multimodal Corridor Plan.	100	10	0	tbd	-		

Project Description	Facility Type	Mileage	Total Miles	Budget Need	Total Proposed Budget	Percent Increase	Justification
CIP 1223083—Eastern Hillcrest Bikeways							
Final environmental clearance, design, and construction of 1.7 miles of on-street bikeway and the 0.3 mile Normal Street Promenade.	Class II Buffered	0.3	1.7	$5.5 million	$37 million	18%	At Risk Funding: $13.2 million (City of San Diego). This is a joint project with the City of San Diego that includes the construction of Normal Street Promenade. Delays in finalizing cost-sharing agreements led to escalation in construction costs due to increasing labor and material costs. Examples of materials that continuously increase are steel, traffic signal electronics and hardware, wiring, concrete and asphalt.
	Class IV	1.0					
	Bike Blvd	0.4					
CIP 1223054—Central Ave Bikeway							
1.0 mile of bike boulevard with small segments of new separated bikeway and existing Class I included - Kensington, Normal Heights, City Heights	Class I	0.13	1.09	$48,000	$5.3 million	1%	At Risk Funding: $2.8 million (ATP). Increase in raw materials such as steel, traffic signal electronics and hardware, wiring, concrete and asphalt. Construction labor costs continue to increase, especially skilled trades and construction management.
	Class IV	0.03					
	Class V	0.93					
CIP 1223055—Bayshore Bikeway: Barrio Logan							
2.4 miles of multi-use path with replacement of existing Class II included - Barrio Logan, Downtown, 32nd Street Naval Station	Class I	2.35	2.35	$4.2 million	$46.1 million	10%	At Risk Funding: $4.9 million (ATP), $5.6 million (FHWA), $3.5 million (CRP), and $9.2 million (CRRSAA). New scope including slope stabilization at the request of the railroad was requested to minimize long term maintenance. The project was delayed by construction of the City of San Diego's Trunk Line Sewer project which is in conflict with the bikeway improvements. Additional costs were incurred at the Navy's request to delay the pedestrian bridge removal at Harbor and 32nd Street intersection.
CIP 1223098—Bayshore Bikeway: Barrio Logan Phase 3							

Project Description	Facility Type	Mileage	Total Miles	Budget Need	Total Proposed Budget	Percent Increase	Justification
Harbor Drive and 32nd Street intersection improvements to include new sidewalk, curb and gutter, new traffic signals and poles, signage, striping, traffic control, and new right turn lane on Harbor Blvd into Navy Base	Intersection improvements			$1.8 million	$1.8 million	New scope	At Risk Funding is same as Phase 1 above. Integration of Phase 3 will be necessary for Barrio Logan project to be complete and fulfill grant obligations. Integration of Phase 3 will be necessary for the Barrio Logan project to be complete and fulfill coastal development permit scope obligation and commitment to the Navy. Additional funds are necessary to design, procure the right of way and construct improvements to resolve Navy's concerns about impact to US Naval Base San Diego at 32nd Street resulting from removal of existing pedestrian bridges from phase 1 and additional at grade pedestrian traffic as a result of new ADA compliant crosswalks from phase 1.
CIP 1223057—Pershing Drive Bikeway							
2.3 miles of sidewalks, separated bikeway, roundabout, with replacement of existing Class II included - Downtown, North Park	Class II	0.29	2.32	$2 million	$27.5 million	8%	Construction change orders to address unforeseen conditions in the field such as unsuitable materials and an unidentified storm drainpipe was found while excavating a bridge abutment. This led to field modifications of retaining walls, curbs, ramps and sidewalks. Significant weather delays have also led to additional costs.
	Class IV	2.03					
CIP 1223081—University Bikeway							
2.8 miles of separated bikeway, protected intersection, floating bus islands - City Heights, Rolando, La Mesa	Class II	1.98	2.78	$665,000	$34.1 million	2%	At Risk Funding: $8.5 million (ATP), $7.5 million (RSTP), $2 million (LPP), and $10 million (TIRCP). Increase in raw materials such as steel, traffic signal electronics and hardware, wiring, concrete and asphalt. Construction labor costs continue to increase, especially skilled trades and construction management.
	Class IV	0.55					
	Class V	0.25					

Project Description	Facility Type	Mileage	Total Miles	Budget Need	Total Proposed Budget	Percent Increase	Justification
CIP 1223084—Washington Street and Mission Valley Bikeways							
3.3 miles of sidewalks, separated bikeway, contraflow class II bike lanes, bike routes - Mission Hills, Hillcrest, Hotel Circle, Fashion Valley	Class I	0.19	3.30	$5 million	$23 million	28%	At Risk Funding: $7 million (LPP), $7 million (STIP). Increase in raw materials such as steel, traffic signal electronics and hardware, wiring, concrete and asphalt. Construction labor costs continue to increase, especially skilled trades and construction management.
	Class II	0.61					
	Class III	0.67					
	Class IV	1.26					
	Class V	0.57					
CIP 1223094—Inland Rail Trail Phase 3							
1.0 mile of Multi-Use Path – Vista, County of San Diego	Class I	1.0		-$1.4 million	($26.1 million)	-5%	At Risk Funding: $3.9 million (CRP), $6.9 million (RSTP), $6.2 million (LPP), and $5.4 million (ATP) Bids came in under Engineer's Estimate for the federal funding. Some of the federal funding is being returned; however, some additional local funding is needed to cover federally ineligible costs.

Overview of the Commercial Paper Program

TransNet Commercial Paper Program

SANDAG has a short-term Commercial Paper Program supported by a Letter of Credit (LOC) from Bank of America, N.A. to provide interim financing for TransNet projects as allowed by board policy 37 section 5.2:

5.2.1 Commercial Paper Notes: may be issued as an alternative to fixed rate debt, particularly when the timing of funding requirements is uncertain. SANDAG may maintain an ongoing commercial paper program

Additionally, the issuance of bonds which is defined to include commercial paper is allowed through section 10 of TransNet ordinance:

"...bonds may be issued by the Commission pursuant to Division 12.7 of the Public Utilities Code, at any time, and from time to time, payable from the proceeds of the existing tax and its extension and secured by a pledge of revenues from the proceeds of the tax, in order to finance and refinance improvements authorized by Ordinance 87-1 and this Ordinance..."

The Commercial Paper Program was authorized at $100 million with $65.5 million currently available (uncommitted). Repayment of currently outstanding commercial paper and other commitments ranges from $1.5 million to $1.9 million from FY 2024 to FY 2034 further increasing capacity as those repayments are made.

SANDAG also has a Revolving Credit Agreement with U.S. Bank National Association in the amount not-to-exceed $100 million. This drawdown facility provides SANDAG with additional flexibility to manage short-term cash flow needs when capital expenses are incurred prior to the receipt of federal and state grant funds.

Commercial Paper Analysis

SANDAG requests to issue up to $20 million in commercial paper notes to advance fund Bike program project costs through fiscal year 2029. Project costs and existing debt service through FY 2029 are anticipated to be around $53.4 million, with additional and existing commitments to the ATGP grant program expected to be $7.6 million. Forecasted TransNet revenues are expected to total $46.3 million from the remainder of FY 2024 through FY 2029.

Forecasted Revenues through FY29	$46,277,136
Existing Debt Service through FY29	(29,124,062)
Project Expenditures through FY29	(27,358,784)
ATGP Commitments and future allocations	(7,585,088)
Net Revenues/Expenses	($17,790,798)

SANDAG will draw commercial paper for the Bike Program on an as needed basis up to the authorized amount. The additional capacity requested is to allow for contingency related to changes in expected costs, potential interest rate increases, and changes in revenue forecast assumptions. Attachment 2a shows estimated repayment schedules assuming the full $20 million is drawn.

Eligibility Requirements

To qualify for the Commercial Paper Program, certain eligibility requirements must be met. Staff has reviewed the current need for the bike program and have provided the following results:

Eligibility Requirement	Result
Repayment of the principal amount shall commence within three years of the agency's receipt of the proceeds and shall be completed within five years of the agency's receipt of the proceeds per board policy 31.	The Bike program will start repayment of proceeds borrowed after 2 years and repay the full amount by the fifth year from the date proceeds were borrowed.
Any new issuance of First, Second, or subordinate Lien obligations must not cause SANDAG debt service ratio to be less than 1.15.	SANDAG maintains a debt service ratio of 3.59 and is expected to be well above 1.15 with the additional $20M issued under the subordinate lien commercial paper program.
Capacity available in the TransNet Debt financing program.	There is currently $65.5M available (uncommitted) out of the $100M commercial paper debt financing program.

Bike Program

CP Interest is estimated at 4.0%

	FY25	FY26	FY27	FY28
Principal Borrowed	8,500,000.00	3,500,000.00	4,000,000.00	4,000,000.00
Estimated Interest Rate	4.00%	4.00%	4.00%	4.00%

Straight-line Principal Payments

	TransNet Principal				TransNet Interest	Total Debt Service	Outstanding Balance	Draws
July-24					0	0	8,500,000	8,500,000
August-24					28,333	28,333	8,500,000	
September-24					28,333	28,333	8,500,000	
October-24					28,333	28,333	8,500,000	
November-24					28,333	28,333	8,500,000	
December-24					28,333	28,333	8,500,000	
January-25					28,333	28,333	8,500,000	
February-25					28,333	28,333	8,500,000	
March-25					28,333	28,333	8,500,000	
April-25					28,333	28,333	8,500,000	
May-25					28,333	28,333	8,500,000	
June-25					28,333	28,333	8,500,000	
July-25					28,333	28,333	12,000,000	3,500,000
August-25					40,000	40,000	12,000,000	
September-25					40,000	40,000	12,000,000	
October-25					40,000	40,000	12,000,000	
November-25					40,000	40,000	12,000,000	
December-25					40,000	40,000	12,000,000	
January-26					40,000	40,000	12,000,000	
February-26					40,000	40,000	12,000,000	
March-26					40,000	40,000	12,000,000	
April-26					40,000	40,000	12,000,000	
May-26					40,000	40,000	12,000,000	
June-26					40,000	40,000	12,000,000	
July-26	236,111				40,000	276,111	15,763,889	4,000,000
August-26	236,111				52,546	288,657	15,527,814	
September-26	236,111				51,759	287,870	15,291,703	
October-26	236,111				50,972	287,083	15,055,592	
November-26	236,111				50,185	286,296	14,819,480	
December-26	236,111				49,398	285,509	14,583,369	
January-27	236,111				48,611	284,722	14,347,258	
February-27	236,111				47,824	283,935	14,111,147	
March-27	236,111				47,037	283,148	13,875,036	
April-27	236,111				46,250	282,361	13,638,925	
May-27	236,111				45,463	281,574	13,402,814	
June-27	236,111				44,676	280,787	13,166,703	
July-27	236,111	97,222			43,889	377,222	16,833,369	4,000,000
August-27	236,111	97,222			56,111	389,445	16,500,072	
September-27	236,111	97,222			55,000	388,334	16,166,739	
October-27	236,111	97,222			53,889	387,222	15,833,405	
November-27	236,111	97,222			52,778	386,111	15,500,072	
December-27	236,111	97,222			51,667	385,000	15,166,739	
January-28	236,111	97,222			50,556	383,889	14,833,405	
February-28	236,111	97,222			49,445	382,778	14,500,072	
March-28	236,111	97,222			48,334	381,667	14,166,739	
April-28	236,111	97,222			47,222	380,556	13,833,405	
May-28	236,111	97,222			46,111	379,445	13,500,072	
June-28	236,111	97,222			45,000	378,334	13,166,739	
July-28	236,111	97,222	111,111		43,889	488,334	12,722,294	
August-28	236,111	97,222	111,111		42,408	486,852	12,277,850	
September-28	236,111	97,222	111,111		40,926	485,371	11,833,405	
October-28	236,111	97,222	111,111		39,445	483,889	11,388,961	
November-28	236,111	97,222	111,111		37,963	482,408	10,944,517	
December-28	236,111	97,222	111,111		36,482	480,926	10,500,072	
January-29	236,111	97,222	111,111		35,000	479,445	10,055,628	
February-29	236,111	97,222	111,111		33,519	477,963	9,611,183	
March-29	236,111	97,222	111,111		32,037	476,482	9,166,739	
April-29	236,111	97,222	111,111		30,556	475,000	8,722,294	
May-29	236,111	97,222	111,111		29,074	473,519	8,277,850	
June-29	236,111	97,222	111,111		27,593	472,037	7,833,405	
July-29		97,222	111,111	111,111	26,111	345,556	7,513,961	
August-29		97,222	111,111	111,111	25,047	344,491	7,194,517	
September-29		97,222	111,111	111,111	23,982	343,426	6,875,072	
October-29		97,222	111,111	111,111	22,917	342,361	6,555,628	
November-29		97,222	111,111	111,111	21,852	341,297	6,236,183	

December-29		97,222	111,111	111,111	20,787	340,232	5,916,739
January-30		97,222	111,111	111,111	19,722	339,167	5,597,294
February-30		97,222	111,111	111,111	18,658	338,102	5,277,850
March-30		97,222	111,111	111,111	17,593	337,037	4,958,405
April-30		97,222	111,111	111,111	16,528	335,972	4,638,961
May-30		97,222	111,111	111,111	15,463	334,908	4,319,517
June-30		97,222	111,111	111,111	14,398	333,843	4,000,072
July-30			111,111	111,111	13,334	235,556	3,777,850
August-30			111,111	111,111	12,593	234,815	3,555,628
September-30			111,111	111,111	11,852	234,074	3,333,405
October-30			111,111	111,111	11,111	233,334	3,111,183
November-30			111,111	111,111	10,371	232,593	2,888,961
December-30			111,111	111,111	9,630	231,852	2,666,739
January-31			111,111	111,111	8,889	231,111	2,444,517
February-31			111,111	111,111	8,148	230,371	2,222,294
March-31			111,111	111,111	7,408	229,630	2,000,072
April-31			111,111	111,111	6,667	228,889	1,777,850
May-31			111,111	111,111	5,926	228,148	1,555,628
June-31			111,111	111,111	5,185	227,408	1,333,405
July-31				111,111	4,445	115,556	1,222,294
August-31				111,111	4,074	115,185	1,111,183
September-31				111,111	3,704	114,815	1,000,072
October-31				111,111	3,334	114,445	888,961
November-31				111,111	2,963	114,074	777,850
December-31				111,111	2,593	113,704	666,739
January-32				111,111	2,222	113,334	555,628
February-32				111,111	1,852	112,963	444,517
March-32				111,111	1,482	112,593	333,405
April-32				111,111	1,111	112,222	222,294
May-32				111,111	741	111,852	111,111
June-32				111,111	370	111,481	0
Totals	8,500,000.00	3,500,000.00	4,000,000.00	4,000,000.00	2,766,682	22,766,682	

Proposed Budget Amendments: FY 2024 to FY 2030 ($millions)							By Fiscal Year								By Revenue Source					
	Project Number		Project	Total Proposed Funding	Prior Years	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	TransNet	Federal Formula (RSTP/CMAQ /CRP)	State formula LPP	STIP	ATP	Other
		1	**Bike Projects**															
Existing Budget	*1223054*		*Central Avenue Bikeway*	*5.2*	*1.3*	*0.3*	*1.2*	*1.7*	*0.6*	*0.1*	*0.0*		*2.4*				*2.8*	
Proposed Budget	**1223054**	**a**	**Central Avenue Bikeway**	**5.3**	**1.3**	**0.3**	**1.3**	**1.7**	**0.6**	**0.1**	**0.0**		**2.5**				**2.8**	
Existing Budget	*1223055*		*Bayshore Bikeway: Barrio Logan*	*41.9*	*20.6*	*13.1*	*7.2*	*0.9*	*0.1*	*0.0*			*14.8*	*3.5*			*4.9*	*18.6*
Proposed Budget	**1223055**	**b**	**Bayshore Bikeway: Barrio Logan**	**46.1**	**20.6**	**13.1**	**7.2**	**4.7**	**0.4**	**0.1**			**19.0**	**3.5**			**4.9**	**18.6**
Existing Budget	*1223057*		*Pershing Drive Bikeway*	*25.5*	*15.6*	*8.9*	*0.9*						*19.7*					*5.8*
Proposed Budget	**1223057**	**c**	**Pershing Drive Bikeway**	**27.5**	**15.6**	**8.9**	**2.9**	**0.0**					**21.7**					**5.8**
Existing Budget	*1223081*		*North Park/Mid-City Bikeways: University Bikeway*	*33.5*	*3.2*	*0.6*	*7.5*	*14.8*	*7.2*	*0.2*			*5.5*	*7.5*	*2.0*		*8.6*	*10.0*
Proposed Budget	**1223081**	**d**	**North Park/Mid-City Bikeways: University Bikeway**	**34.2**	**3.2**	**0.6**	**7.5**	**14.9**	**7.5**	**0.4**			**6.1**	**7.5**	**2.0**		**8.6**	**10.0**
Existing Budget	*1223083*		*Eastern Hillcrest*	*31.5*	*3.9*	*1.1*	*10.0*	*15.2*	*1.3*	*0.1*			*18.3*					*13.2*
Proposed Budget	**1223083**	**e**	**Eastern Hillcrest**	**37.0**	**3.9**	**1.1**	**11.7**	**16.3**	**3.7**	**0.4**			**23.8**					**13.2**
Existing Budget	*1223084*		*Uptown Bikeways: Washington Street and Mission Valley Bikeways*	*18.0*	*2.7*	*1.1*	*6.9*	*6.0*	*1.1*	*0.2*			*4.0*		*7.0*	*7.0*		
Proposed Budget	**1223084**	**f**	**Uptown Bikeways: Washington Street and Mission Valley Bikeways**	**23.0**	**2.7**	**1.1**	**6.9**	**8.0**	**3.2**	**1.1**			**9.0**		**7.0**	**7.0**		
Existing Budget	*1223094*		*Inland Rail Trail (Phase 3)*	*27.5*	*1.9*	*1.4*	*11.1*	*9.4*	*3.6*	*0.0*			*1.9*	*14.0*	*6.2*		*5.4*	
Proposed Budget	**1223094**	**g**	**Inland Rail Trail (Phase 3)**	**26.1**	**1.9**	**1.4**	**11.1**	**8.4**	**3.2**	**0.1**			**3.7**	**10.8**	**6.2**		**5.4**	
Existing Budget	*1223098*		*Bayshore Bikeway: Barrio Logan Phase 3*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*			*0.0*					
Proposed Budget	**1223098**	**h**	**Bayshore Bikeway: Barrio Logan Phase 3**	**1.8**	**0.0**	**0.0**	**0.4**	**0.7**	**0.7**	**0.0**			**1.8**					

	Total Proposed Funding	Prior Years	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	TransNet	Federal Formula (RSTP/CMAQ /CRP)	State formula LPP	STIP	ATP	Other
TOTAL EXISITING BUDGET	**183.2**	**49.3**	**26.6**	**44.7**	**48.0**	**13.9**	**0.6**	**0.0**	**0.0**	**66.5**	**25.1**	**15.2**	**7.0**	**21.8**	**47.6**
TOTAL PROPOSED BUDGET	**201.0**	**49.3**	**26.6**	**48.9**	**54.8**	**19.3**	**2.1**	**0.0**	**0.0**	**87.5**	**21.9**	**15.2**	**7.0**	**21.8**	**47.6**
	17.8	***0.0***	***0.0***	***4.2***	***6.8***	***5.4***	***1.4***	***0.0***	***0.0***	**21.0**	***(3.2)***	***0.0***	***0.0***	***0.0***	***0.0***

Revenues	**Total**	**Prior Years**	**FY2024**	**FY2025**	**FY2026**	**FY2027**	**FY2028**	**FY2029**	**FY2030**
TransNet Major Corridors	15.2	0.1	1.0	4.0	7.7	2.1	0.3		
TransNet BPNS	72.3	33.3	12.0	8.1	12.4	5.3	1.2	0.0	
Federal Formula (RSTP/CMAQ/CRP)	21.9		3.8	9.0	5.6	3.5	0.1		
Other Federal	15.0	4.9	5.7	4.3					
Active Transportation Funding (ATP)	21.8	4.4	1.1	4.9	8.7	2.6	0.0		
State formula (LPP)	15.2			6.6	5.6	2.8	0.2		
Other State	17.3	0.4		5.5	9.2	2.1	0.1		
Other Local	22.4	6.213	3.013	6.4	5.7	1.0	0.1		
Total Revenues	**201.0**	**49.3**	**26.6**	**48.9**	**54.8**	**19.3**	**2.1**	**0.0**	**0.0**
Cumulative Revenues			26.6	75.5	130.2	149.6	151.7	151.7	151.7

Project Name:	**Central Avenue Bikeway**		
CIP No.	**1223054**	**RTIP No:**	**SAN204**
Project Manager:	**Chris Carterette**	**Corridor Director:**	**Chris Kluth**

Project Scope:

Environmental clearance, design, and construction of 1.0 miles of new bike path.

Project Limits:

In the City of San Diego along Terrace Drive and Central Avenue from Adams Avenue to Landis Street, within the Mid-City Rapid Corridor.

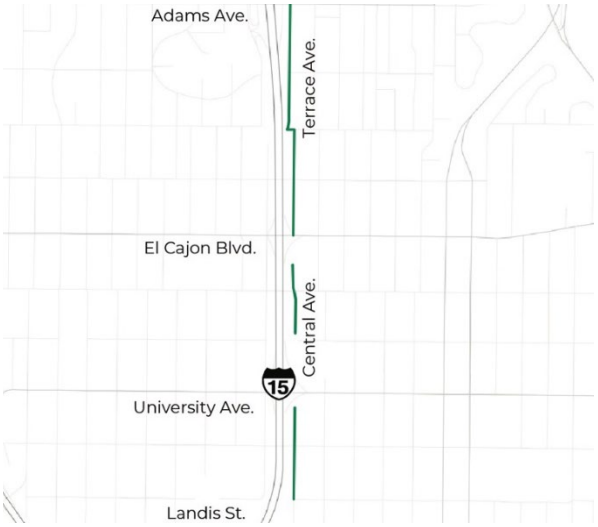
Progress to Date:

Design is complete. Project will advertise in FY 2025.

Major Milestones:

Milestone	Date
Draft Environmental Document	April-18
Final Environmental Document	February-24
Ready to Advertise	February-25
Begin Construction	August-25
Open to Public	August-27
Construction Complete	August-28

Site Location



SANDAG Expenditure Plan (thousands of dollars)

Budget Phase	Prior Years	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY33	Total
Administration	$339	$100	$140	$18	$10	$5	$2	$0	$0	$0	$0	$614
Environmental Document	265	0	0	0	0	0	0	0	0	0	0	265
Design	702	168	0	0	0	0	0	0	0	0	0	870
Right-of-Way Support	1	3	0	0	0	0	0	0	0	0	0	4
Right-of-Way Capital	0	0	0	0	0	0	0	0	0	0	0	0
Construction Support	0	0	61	47	462	10	9	0	0	0	0	589
Construction Capital	0	0	990	1,524	90	15	5	0	0	0	0	2,624
Vehicles	0	0	0	0	0	0	0	0	0	0	0	0
I.T.	0	1	0	0	0	0	0	0	0	0	0	1
Legal	0	0	0	0	0	0	0	0	0	0	0	0
Communications	22	0	35	43	20	10	0	0	0	0	0	130
Project Contingency	0	0	80	100	50	15	5	0	0	0	0	250
Total SANDAG	**$1,329**	**$272**	**$1,306**	**$1,732**	**$632**	**$55**	**$21**	**$0**	**$0**	**$0**	**$0**	**$5,347**

Funding Plan (thousands of dollars)

Funding Source	Prior Years	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY33	Total
State												
83100001 ATP-R	$0	$0	$1,100	$1,385	$313	$36	$0	$0	$0	$0	$0	$2,834
Local												
91000100 TransNet-BPNS	~~1,329~~	~~272~~	~~206~~	~~347~~	~~311~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2,465~~
91000100 TransNet-BPNS	1,329	272	206	347	319	19	21	0	0	0	0	2,513
Total Funding	**~~$1,329~~**	**~~$272~~**	**~~$1,306~~**	**~~$1,732~~**	**~~$624~~**	**~~$36~~**	**~~$0~~**	**~~$0~~**	**~~$0~~**	**~~$0~~**	**~~$0~~**	**~~$5,299~~**
Total Funding (proposed)	**$1,329**	**$272**	**$1,306**	**$1,732**	**$632**	**$55**	**$21**	**$0**	**$0**	**$0**	**$0**	**$5,347**

Project Name:	**Bayshore Bikeway: Barrio Logan**		
CIP No.	**1223055**	**RTIP No:**	**SAN195**
Project Manager:	**Dinara Ussenova**	**Corridor Director:**	**Chris Kluth**

Project Scope:

Environmental, design, and construction of ~~2.3~~ 2.4 miles of new bike path.

Project Limits:

On Harbor Drive from Park Boulevard to 32nd Street.

Progress to Date:

Construction is 60% complete and will continue through FY 2025.

Major Milestones:

Milestone	Date
Draft Environmental Document	N/A
Final Environmental Document	December-18
Ready to Advertise	October-21
Begin Construction	March-22
Open to Public	December-25
Construction Complete	December-27

Site Location

SANDAG Expenditure Plan (thousands of dollars)

Budget Phase	Prior Years	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY33	Total
Administration	$2,534	$650	$647	$225	$75	$25	$0	$0	$0	$0	$0	$4,156
Environmental Document	1,038	0	1	0	0	0	0	0	0	0	0	1,039
Design	3,915	706	0	0	0	0	0	0	0	0	0	4,621
Right-of-Way Support	333	55	0	0	0	0	0	0	0	0	0	388
Right-of-Way Capital	996	1,391	220	300	0	0	0	0	0	0	0	2,907
Construction Support	2,226	1,689	1,115	312	100	10	0	0	0	0	0	5,452
Construction Capital	9,457	8,563	4,433	2,995	200	35	0	0	0	0	0	25,683
Vehicles	0	0	0	0	0	0	0	0	0	0	0	0
I.T.	0	0	0	0	0	0	0	0	0	0	0	0
Legal	86	49	0	0	0	0	0	0	0	0	0	135
Communications	27	6	85	100	44	0	0	0	0	0	0	262
Project Contingency	0	0	649	782	0	0	0	0	0	0	0	1,431
Total SANDAG	**$20,612**	**$13,109**	**$7,150**	**$4,714**	**$419**	**$70**	**$0**	**$0**	**$0**	**$0**	**$0**	**$46,074**

Funding Plan (thousands of dollars)

Funding Source	Prior Years	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY33	Total
Federal												
74030003 ATP-R	$4,108	$836	$0	$0	$0	$0	$0	$0	$0	$0	$0	$4,944
74040003 FHWA HIP CPFCD	520	2,726	2,404	0	0	0	0	0	0	0	0	5,650
74090001 Carbon Red Prg	0	2,843	700	0	0	0	0	0	0	0	0	3,543
75500001 CRRSAA	4,364	2,950	1,886	0	0	0	0	0	0	0	0	9,200
State												
85160000 Coastal Cons.	350	0	0	0	0	0	0	0	0	0	0	350
Local												
91000100 TransNet-BPNS	~~8,596~~	~~3,754~~	~~1,459~~	~~884~~	~~125~~	~~25~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~14,843~~
91000100 TransNet-BPNS	8,596	3,754	1,459	4,714	419	70	0	0	0	0	0	19,012
91030001 City of SD	0	0	701	0	0	0	0	0	0	0	0	701
91040000 TDA-Bike	2,664	0	0	0	0	0	0	0	0	0	0	2,664
91080001 County of SD	10	0	0	0	0	0	0	0	0	0	0	10
Total Funding	~~**$20,612**~~	~~**$13,109**~~	~~**$7,150**~~	~~**$884**~~	~~**$125**~~	~~**$25**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$41,905**~~
Total Funding (proposed)	**$20,612**	**$13,109**	**$7,150**	**$4,714**	**$419**	**$70**	**$0**	**$0**	**$0**	**$0**	**$0**	**$46,074**

Project Name:	**Pershing Drive Bikeway**		
CIP No.	**1223057**	**RTIP No:**	**SAN205**
Project Manager:	**Chris Carterette**	**Corridor Director:**	**Chris Kluth**

Project Scope:

Design and construct ~~3.0~~ 2.3 miles of new bike and pedestrian facilities between North Park and Downtown San Diego.

Project Limits:

In the City of San Diego along the Pershing Drive corridor from Landis Street to C Street within the I-5 South Corridor.

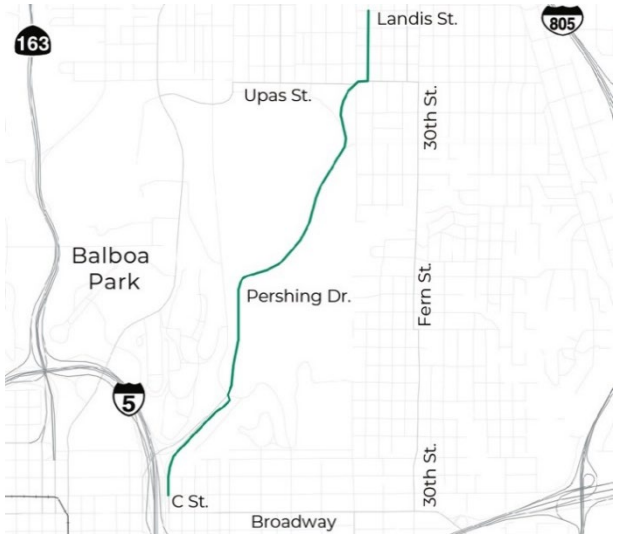
Progress to Date:

Project is open to the public. Final construction activity and plant establishment will occur in FY 2025.

Major Milestones:

Milestone	Date
Draft Environmental Document	N/A
Final Environmental Document	January-17
Ready to Advertise	July-21
Begin Construction	December-21
Open to Public	May-24
Construction Complete	July-25

Site Location



SANDAG Expenditure Plan (thousands of dollars)

Budget Phase	Prior Years	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY33	Total
Administration	$1,562	$400	$200	$35	$0	$0	$0	$0	$0	$0	$0	$2,197
Environmental Document	596	0	0	0	0	0	0	0	0	0	0	596
Design	1,532	(9)	0	0	0	0	0	0	0	0	0	1,523
Right-of-Way Support	0	0	0	0	0	0	0	0	0	0	0	0
Right-of-Way Capital	0	0	0	0	0	0	0	0	0	0	0	0
Construction Support	~~3,322~~	~~1,396~~	~~275~~	~~750~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~5,743~~
Construction Support	3,322	1,396	1,025	0	0	0	0	0	0	0	0	5,743
Construction Capital	~~8,562~~	~~7,130~~	~~440~~	~~1,215~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~17,347~~
Construction Capital	8,562	7,130	1,655	0	0	0	0	0	0	0	0	17,347
Vehicles	0	0	0	0	0	0	0	0	0	0	0	0
I.T.	3	0	0	0	0	0	0	0	0	0	0	3
Legal	0	5	5	0	0	0	0	0	0	0	0	10
Communications	49	20	0	0	0	0	0	0	0	0	0	69
Project Contingency	0	0	0	0	0	0	0	0	0	0	0	0
Total SANDAG	**~~$15,626~~**	**~~$8,942~~**	**~~$920~~**	**~~$2,000~~**	**~~$0~~**	**~~$0~~**	**~~$0~~**	**~~$0~~**	**~~$0~~**	**~~$0~~**	**~~$0~~**	**~~$27,488~~**
Total SANDAG	**$15,626**	**$8,942**	**$2,885**	**$35**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$27,488**

Funding Plan (thousands of dollars)

Funding Source	Prior Years	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY33	Total
Local												
91000100 TransNet-BPNS	~~$12,773~~	~~$5,982~~	~~$900~~	~~$35~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~	~~$19,655~~
91000100 TransNet-BPNS	$12,773	$5,982	$2,865	$35	$0	$0	$0	$0	$0	$0	$0	$21,655
91040000 TDA-Bike	2,853	2,960	20	0	0	0	0	0	0	0	0	5,833
Total Funding	**~~$15,626~~**	**~~$8,942~~**	**~~$920~~**	**~~$0~~**	**~~$0~~**	**~~$0~~**	**~~$0~~**	**~~$0~~**	**~~$0~~**	**~~$0~~**	**~~$0~~**	**~~$25,488~~**
Total Funding (proposed)	**$15,626**	**$8,942**	**$2,885**	**$35**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$27,488**

Project Name:	**North Park/Mid-City Bikeways: University Bikeway**		
CIP No.	**1223081**	**RTIP No:**	**SAN232**
Project Manager:	**Chris Carterette**	**Corridor Director:**	**Chris Kluth**

Project Scope:

Design and construct 2.8 miles of on-street protected bikeway.

Project Limits:

In the City of San Diego communities of City Heights and El Cerrito on University Avenue between Estrella Avenue and 69th Street, within the Mid-City Rapid Corridor.

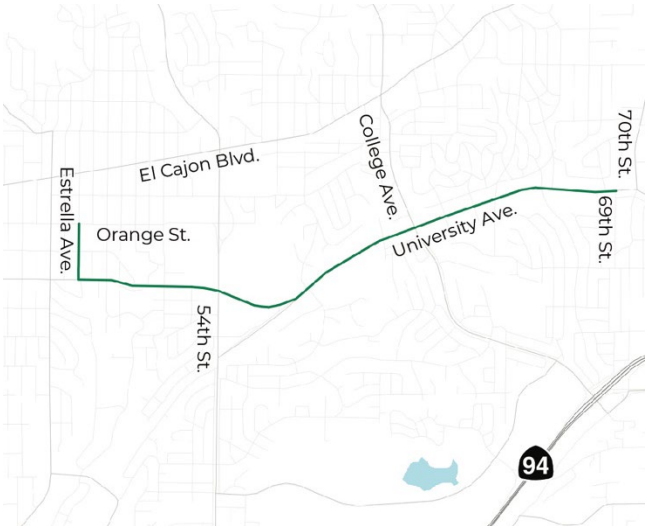
Progress to Date:

Project was advertised in FY 2024. Construction will begin in FY 2025.

Major Milestones:

Milestone	Date
Draft Environmental Document	N/A
Final Environmental Document	July-20
Ready to Advertise	July-24
Begin Construction	December-24
Open to Public	December-26
Construction Complete	December-27

Site Location



SANDAG Expenditure Plan (thousands of dollars)

Budget Phase	Prior Years	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY33	Total
Administration	$329	$170	$375	$375	$150	$33	$0	$0	$0	$0	$0	$1,432
Environmental Document	258	0	0	0	0	0	0	0	0	0	0	258
Design	2,321	208	185	0	0	0	0	0	0	0	0	2,714
Right-of-Way Support	67	27	0	0	0	0	0	0	0	0	0	94
Right-of-Way Capital	0	10	0	0	0	0	0	0	0	0	0	10
Construction Support	178	179	1,480	2,980	1,480	85	0	0	0	0	0	6,382
Construction Capital	0	0	5,000	11,120	5,698	300	0	0	0	0	0	22,118
Vehicles	0	0	0	0	0	0	0	0	0	0	0	0
I.T.	0	0	0	0	0	0	0	0	0	0	0	0
Legal	2	8	0	0	0	0	0	0	0	0	0	10
Communications	37	22	100	100	75	0	0	0	0	0	0	334
Project Contingency	0	0	350	350	100	0	0	0	0	0	0	800
Total SANDAG	**$3,192**	**$624**	**$7,490**	**$14,925**	**$7,503**	**$418**	**$0**	**$0**	**$0**	**$0**	**$0**	**$34,152**

Funding Plan (thousands of dollars)

Funding Source	Prior Years	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY33	Total
Federal												
74030003 ATP-R	$0	$0	$1,444	$5,021	$2,096	$0	$0	$0	$0	$0	$0	$8,561
74100001 RSTP	0	0	2,787	2,895	1,700	100	0	0	0	0	0	7,482
State												
82500001 SB1-LPP	0	0	0	200	1,700	100	0	0	0	0	0	2,000
85170001 Cap & Trade - TIRCP	0	0	1,787	5,909	1,583	0	0	0	0	0	0	9,279
85170001 TIRCP	0	0	361	350	0	0	0	0	0	0	0	711
Local												
91000100 TransNet-BPNS	~~3,192~~	~~624~~	~~1,111~~	~~400~~	~~127~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~5,454~~
91000100 TransNet-BPNS	3,192	~~624~~	1,111	550	424	218	0	0	0	0	0	6,119
Total Funding	**~~$3,192~~**	**~~$624~~**	**~~$7,490~~**	**~~$14,775~~**	**~~$7,206~~**	**~~$200~~**	**~~$0~~**	**~~$0~~**	**~~$0~~**	**~~$0~~**	**~~$0~~**	**~~$33,487~~**
Total Funding (proposed)	**$3,192**	**$624**	**$7,490**	**$14,925**	**$7,503**	**$418**	**$0**	**$0**	**$0**	**$0**	**$0**	**$34,152**

Project Name:	**Uptown Bikeways: Eastern Hillcrest Bikeways**		
CIP No.	**1223083**	**RTIP No:**	**SAN234**
Project Manager:	**Dale Neuzil**	**Corridor Director:**	**Chris Kluth**

Project Scope:

Final environmental clearance, design, and construction of 1.7 miles of on-street bikeway and the Normal Street Promenade.

Project Limits:

In the City of San Diego, University Avenue at SR 163 and connecting to the North Park/Mid-City Bikeways.

Progress to Date:

Project was advertised in FY 2024. Construction will begin in FY 2025.

Major Milestones:

Milestone	Date
Draft Environmental Document	N/A
Final Environmental Document	July-16
Ready to Advertise	May-24
Begin Construction	November-24
Open to Public	November-26
Construction Complete	November-27

Site Location

SANDAG Expenditure Plan (thousands of dollars)

Budget Phase	Prior Years	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY33	Total
Administration	$544	$325	$500	$450	$150	$50	$0	$0	$0	$0	$0	$2,019
Environmental Document	0	0	0	0	0	0	0	0	0	0	0	0
Design	3,045	241	0	0	0	0	0	0	0	0	0	3,286
Right-of-Way Support	9	10	0	0	0	0	0	0	0	0	0	19
Right-of-Way Capital	8	0	0	0	0	0	0	0	0	0	0	8
Construction Support	233	225	1,800	3,010	819	20	0	0	0	0	0	6,107
~~Construction Capital~~	~~0~~	~~0~~	~~650~~	~~10,682~~	~~2,400~~	~~336~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~19,918~~
Construction Capital	0	0	8,235	15,000	6,689	336	0	0	0	0	0	30,260
Vehicles	0	0	0	0	0	0	0	0	0	0	0	0
I.T.	0	0	0	0	0	0	0	0	0	0	0	0
Legal	53	105	50	50	11	0	0	0	0	0	0	269
Communications	29	145	100	25	0	0	0	0	0	0	0	299
Project Contingency	0	0	1,002	1,000	100	0	0	0	0	0	0	2,102
Total SANDAG	~~**$3,921**~~	~~**$1,051**~~	~~**$9,952**~~	~~**$15,217**~~	~~**$3,480**~~	~~**$406**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$34,027**~~
Total SANDAG	**$3,921**	**$1,051**	**$11,687**	**$19,535**	**$7,769**	**$406**	**$0**	**$0**	**$0**	**$0**	**$0**	**$44,369**

Funding Plan (thousands of dollars)

Funding Source	Prior Years	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY33	Total
Local												
91000100 TransNet-MC	~~$87~~	~~$998~~	~~$4,283~~	~~$9,560~~	~~$229~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~	~~$15,157~~
91000100 TransNet-MC	$87	$998	$4,018	$7,671	$2,117	$266	$0	$0	$0	$0	$0	$15,157
91000100 TransNet-BPNS	~~3,148~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~3,148~~
91000100 TransNet-BPNS	3,148	0	2,000	3,000	522	0	0	0	0	0	0	8,670
91030001 City of San Diego	686	53	5,669	5,657	1,035	100	0	0	0	0	0	13,200
Total Funding	~~**$3,921**~~	~~**$1,051**~~	~~**$9,952**~~	~~**$15,217**~~	~~**$1,264**~~	~~**$100**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$31,505**~~
Total Funding (proposed)	**$3,921**	**$1,051**	**$11,687**	**$16,328**	**$3,674**	**$366**	**$0**	**$0**	**$0**	**$0**	**$0**	**$37,027**

Project Name:	**Uptown Bikeways: Washington Street and Mission Valley Bikeways**		
CIP No.	**1223084**	**RTIP No:**	**SAN235**
Project Manager:	**Mary McGuirk**	**Corridor Director:**	**Chris Kluth**

Project Scope:

Design and construct 3.3 miles of on-street bikeways.

Project Limits:

In the City of San Diego, Washington Street from the Washington Street Trolley Station to Ibis Street and Bachman Place, and from the San Diego River Trail in Mission Valley to Third Avenue and Walnut Street in Hillcrest within the I-5 South and Mid-Coast Corridors.

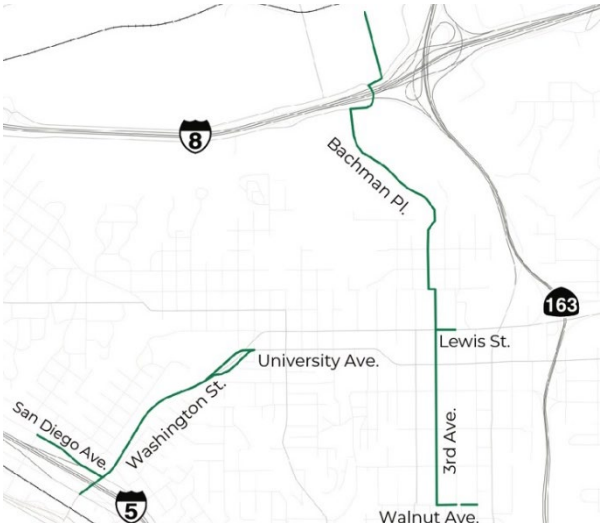
Progress to Date:

Design is 98% complete. Construction will begin in FY 2025.

Major Milestones:

Milestone	Date
Draft Environmental Document	N/A
Final Environmental Document	July-16
Ready to Advertise	August-24
Begin Construction	February-25
Open to Public	February-27
Construction Complete	February-28

Site Location



SANDAG Expenditure Plan (thousands of dollars)

Budget Phase	Prior Years	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY33	Total
Administration	$364	$297	$350	$350	$35	$22	$0	$0	$0	$0	$0	$1,418
Environmental Document	0	0	0	0	0	0	0	0	0	0	0	0
Design	2,334	844	120	0	0	0	0	0	0	0	0	3,298
Right-of-Way Support	1	0	7	0	0	0	0	0	0	0	0	8
Right-of-Way Capital	0	0	0	0	0	0	0	0	0	0	0	0
Construction Support	0	0	1,120	1,864	456	200	0	0	0	0	0	3,640
Construction Capital	0	0	5,000	5,397	2,500	800	0	0	0	0	0	13,697
Vehicles	0	0	0	0	0	0	0	0	0	0	0	0
I.T.	0	0	0	0	0	0	0	0	0	0	0	0
Legal	0	0	0	0	0	0	0	0	0	0	0	0
Communications	19	0	90	90	80	20	0	0	0	0	0	299
Project Contingency	0	0	200	280	105	50	0	0	0	0	0	635
Total SANDAG	**$2,718**	**$1,141**	**$6,887**	**$7,981**	**$3,176**	**$1,092**	**$0**	**$0**	**$0**	**$0**	**$0**	**$22,995**

Funding Plan (thousands of dollars)

Funding Source	Prior Years	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY33	Total
State												
82500001 SB1-LPP	$0	$0	$3,380	$2,984	$525	$111	$0	$0	$0	$0	$0	$7,000
83010001 STIP	0	0	3,380	2,984	525	111	0	0	0	0	0	7,000
Local												
91000100 TransNet-BPNS	~~2,718~~	~~1,141~~	~~127~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~3,986~~
91000100 TransNet-BPNS	2,718	1,141	127	2,013	2,126	870	0	0	0	0	0	8,995
Total Funding	**~~$2,718~~**	**~~$1,141~~**	**~~$6,887~~**	**~~$5,968~~**	**~~$1,050~~**	**~~$222~~**	**~~$0~~**	**~~$0~~**	**~~$0~~**	**~~$0~~**	**~~$0~~**	**~~$17,986~~**
Total Funding (proposed)	**$2,718**	**$1,141**	**$6,887**	**$7,981**	**$3,176**	**$1,092**	**$0**	**$0**	**$0**	**$0**	**$0**	**$22,995**

Project Name:	**Inland Rail Trail Phase 3**		
CIP No.	**1223094**	**RTIP No:**	**SAN153**
Project Manager:	**Dale Neuzil**	**Corridor Director:**	**Chris Kluth**

Project Scope:

Final design and construction of 1.0 new mile of Class I bike path. The project also includes retaining walls, grading, drainage facilities, lighting, and plant establishment.

Project Limits:

In the City of Vista, Phase 3 runs between Mar Vista Drive and Civic Center Drive.

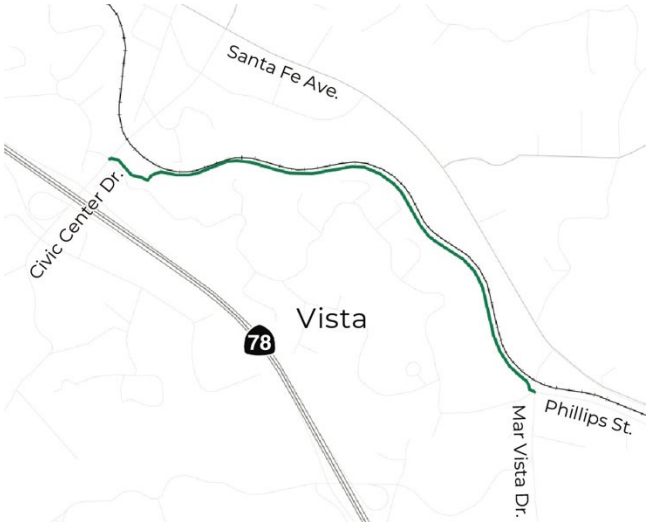
Progress to Date:

Construction is 5% complete. Construction will continue through FY 2025.

Major Milestones:

Milestone	Date
Draft Environmental Document	N/A
Final Environmental Document	N/A
Ready to Advertise	November-23
Begin Construction	April-24
Open to Public	April-26
Construction Complete	October-27

Site Location



SANDAG Expenditure Plan (thousands of dollars)

Budget Phase	Prior Years	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY33	Total
Administration	$307	$365	$360	$350	$150	$50	$0	$0	$0	$0	$0	$1,582
Environmental Document	0	0	0	0	0	0	0	0	0	0	0	0
Design	1,371	295	0	0	0	0	0	0	0	0	0	1,666
Right-of-Way Support	52	124	0	0	0	0	0	0	0	0	0	176
Right-of-Way Capital	83	110	0	25	0	0	0	0	0	0	0	218
Construction Support	~~0~~	~~100~~	~~3,200~~	~~1,100~~	~~884~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~5,284~~
Construction Support	0	100	3,200	1,100	549	0	0	0	0	0	0	4,949
Construction Capital	~~83~~	~~300~~	~~7,000~~	~~7,370~~	~~2,336~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~17,089~~
Construction Capital	83	300	7,000	6,370	1,910	0	0	0	0	0	0	15,663
Vehicles	0	0	0	0	0	0	0	0	0	0	0	0
I.T.	0	0	0	0	0	0	0	0	0	0	0	0
Legal	10	115	0	0	0	0	0	0	0	0	0	125
Communications	0	10	80	80	75	0	0	0	0	0	0	245
Project Contingency	0	0	500	500	500	0	0	0	0	0	0	1,500
Total SANDAG	~~**$1,906**~~	~~**$1,419**~~	~~**$11,140**~~	~~**$9,425**~~	~~**$3,945**~~	~~**$50**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$27,885**~~
Total SANDAG	**$1,906**	**$1,419**	**$11,140**	**$8,425**	**$3,184**	**$50**	**$0**	**$0**	**$0**	**$0**	**$0**	**$26,124**

Funding Plan (thousands of dollars)

Funding Source	Prior Years	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY33	Total
Federal												
74090001 Carbon Red Prg (CRP)	~~$0~~	~~$857~~	~~$1,280~~	~~$828~~	~~$1,400~~	~~$29~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~	~~$4,394~~
74090001 Carbon Red Prg (CRP)	$0	$857	$1,280	$828	$888	$29	$0	$0	$0	$0	$0	$3,882
74100001 RSTP	~~0~~	~~0~~	~~4,311~~	~~3,833~~	~~1,485~~	~~11~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~9,640~~
74100001 RSTP	0	0	4,311	1,833	785	11	0	0	0	0	0	6,940
State												
82500001 SB1-LPP	0	0	3,189	2,447	565	0	0	0	0	0	0	6,201
83100001 ATP-R	329	258	2,360	2,317	169	0	0	0	0	0	0	5,433
Local												
91000100 TransNet-BPNS	~~1,577~~	~~304~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1,881~~
91000100 TransNet-BPNS	1,577	304	0	1,000	777	10	0	0	0	0	0	3,668
Total Funding	~~**$1,906**~~	~~**$1,419**~~	~~**$11,140**~~	~~**$9,425**~~	~~**$3,619**~~	~~**$40**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$27,549**~~
Total Funding (proposed)	**$1,906**	**$1,419**	**$11,140**	**$8,425**	**$3,184**	**$50**	**$0**	**$0**	**$0**	**$0**	**$0**	**$26,124**

Project Name:	**Bayshore Bikeway: Barrio Logan Phase 3**		
CIP No.	**1223098**	**RTIP No:**	**SAN195 (Part of SAN147)**
Project Manager:	**Dinara Ussenova**	**Corridor Director:**	**Chris Kluth**

Project Scope:

Construct a second eastbound right turn lane from Harbor Drive into Navy Base San Diego Gate No. 6 and build a new ADA compliant sidewalk near 32nd street.

Project Limits:

In the City of San Diego, Navy Base San Diego Gate No. 6 at the intersection of Harbor Drive and 32nd Street, within the I-5 South Corridor.

Progress to Date:

Environmental clearance took place on CIP 1223055. Design will begin in FY 2025.

Major Milestones:

Milestone	Date
Draft Environmental Document	N/A
Final Environmental Document	N/A
Ready to Advertise	February-25
Begin Construction	July-25
Open to Public	April-26
Construction Complete	April-27

Site Location

SANDAG Expenditure Plan (thousands of dollars)

Budget Phase	Prior Years	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY33	Total
Administration	~~$0~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~	~~0~~
Administration	$0	$0	$50	$100	$100	$0	$0	$0	$0	$0	$0	$250
Environmental Document	0	0	0	0	0	0	0	0	0	0	0	0
Design	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
Design	0	0	200	0	0	0	0	0	0	0	0	200
Right-of-Way Support	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
Right-of-Way Support	0	0	50	0	0	0	0	0	0	0	0	50
Right-of-Way Capital	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
Right-of-Way Capital	0	0	100	0	0	0	0	0	0	0	0	100
Construction Support	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
Construction Support	0	0	0	100	100	0	0	0	0	0	0	200
Construction Capital	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
Construction Capital	0	0	0	500	500	0	0	0	0	0	0	1,000
Vehicles	0	0	0	0	0	0	0	0	0	0	0	0
I.T.	0	0	0	0	0	0	0	0	0	0	0	0
Legal	0	0	0	0	0	0	0	0	0	0	0	0
Communications	0	0	0	0	0	0	0	0	0	0	0	0
Project Contingency	0	0	0	0	0	0	0	0	0	0	0	0
Total SANDAG	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~
Total SANDAG	**$0**	**$0**	**$400**	**$700**	**$700**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$1,800**

Funding Plan (thousands of dollars)

Funding Source	Prior Years	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY33	Total
Local												
91000100 TransNet-BPNS	~~$0~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~
91000100 TransNet-BPNS	$0	$0	$400	$700	$700	$0	$0	$0	$0	$0	$0	$1,800
Total Funding	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~	~~**$0**~~
Total Funding (proposed)	**$0**	**$0**	**$400**	**$700**	**$700**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$1,800**

SANDAG
TransNet Program

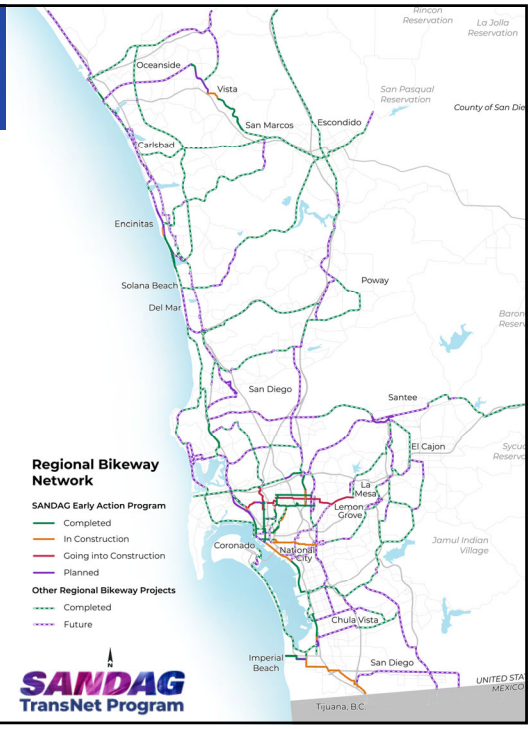
FY 2025 Proposed Program Budget Amendment: TransNet Regional Bike Early Action Program

Board of Directors | Item 12
Omar Atayee – Acting Director of Engineering and Construction
Michelle Smith – Manager Financial Planning and Budget Control
July 26, 2024

1

TransNet Regional Bike Early Action Plan (EAP)

- Network of 77 miles of new bikeways approved in 2013
- Since 2013
  - 12 projects opened to the public
  - 4 currently in construction
  - 11 are in the final design phase
- Designed for increased safety with connections to local and regional bikeways, local destinations like schools and parks, and major regional destinations.



2

Bikeway Early Action Plan Completed Projects

Twelve projects completed across the region

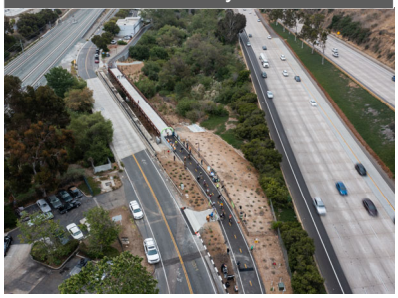
Georgia Meade Bikeway

Bike Ridership ↑28%
Pedestrian Travel ↑24%
Motor Vehicle Travel ↓24%
Motor Vehicle Speeds ↓20%

Inland Rail Trail Phase 3

2018 v 2022
Bike Ridership
↑5x
Pedestrian Travel
↑2x

Coastal Rail Trail:
Rose Creek Bikeway



Bike Ridership ↑14%
Pedestrian Travel ↑45%
Motor Vehicle Travel ↓18%

SANDAG TransNet Program | 3

3

Projects Out to Bid and In Construction

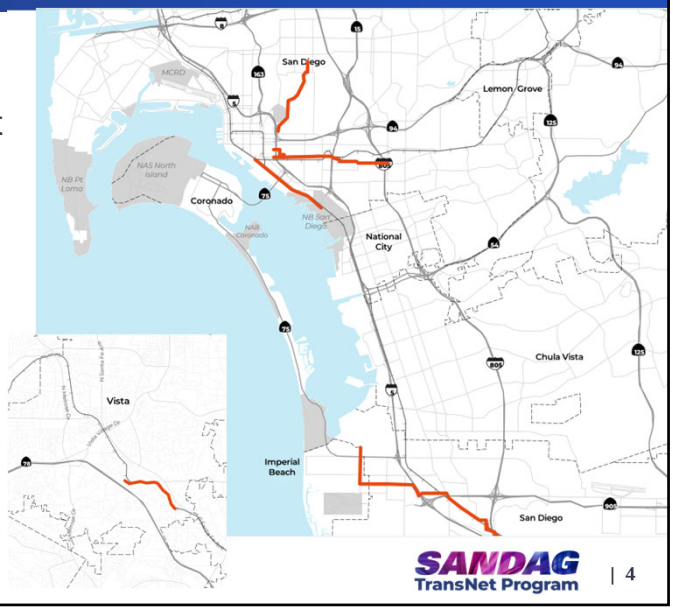
Six projects will be in construction in the next 12 months

Out to Bid:

- Uptown Bikeways: Eastern Hillcrest

In Construction:

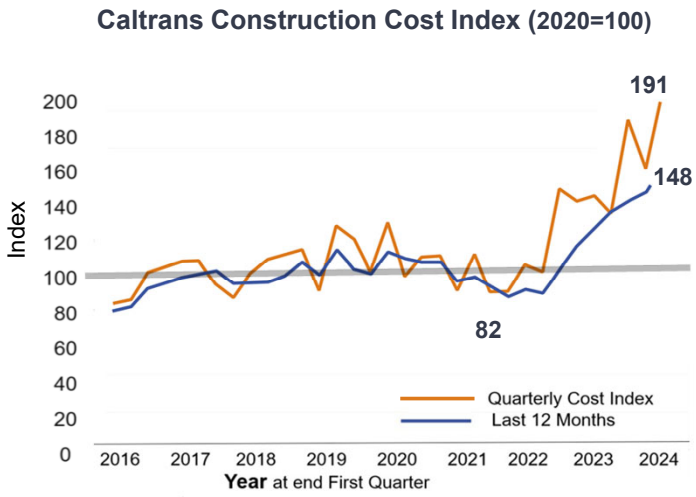
- Imperial Avenue Bikeway
- Inland Rail Trail 3B
- Border to Bayshore Bikeway
- Bayshore Bikeway: Barrio Logan
- Pershing Bikeway



SANDAG TransNet Program | 4

4

Inflation Causing Significant Cost Increases
Caltrans Construction Cost Index (CCI)



Latest Price Index 2023 Q4

There has been a large inflationary effect in the last two years

- In 2023, the Caltrans annual CCI has increased from 108 to 137 or by 27%.
- From December 2023 to March 2024, increase was another 28%.

TransNet Regional Bike EAP
Proposed FY25 Budget Amendment Projects

Project (in order by CIP #)	**Need**	**Total Proposed Budget**	**Justification**
CIP 1223054 **Central Ave Bikeway**	$48,000	$5.3 million	increased material and labor costs
CIP 1223055 **Bayshore Bikeway: Barrio Logan**	$4.2 million	$46.1 million	slope stabilization, City of SD Trunk Line Sewer Project, delayed ped. bridge removal
CIP 1223057 **Pershing Drive Bikeway**	$2 million	$27.5 million	constr. change orders for weather delays, storm drainpipe, unsuitable materials
CIP 1223081 **University Bikeway**	$665,000	$34.1 million	increased material and labor costs
CIP 1223083 **Eastern Hillcrest Bikeways**	$5.5 million	$37 million	increased material and labor costs
CIP 1223084 **Washington Street and Mission Valley Bikeways**	$5 million	$23 million	increased material and labor costs
CIP 1223094 **Inland Rail Trail Phase 3**	(-$1.4 million)	$26.1 million	fed funding came in lower than estimate, but need local funding to cover fed ineligible costs
CIP 1223098 **Bayshore Bikeway: Barrio Logan Phase 3**	$1.8 million	$1.8 million	*new scope* — coastal development permit obligation, commitment to Navy

Funding Plan
Commercial Paper

$201 million total estimated budget*

$17.8 million funding gap

$183.2 million existing budget*

$17.8 million TransNet Commercial Paper funds

$2.2 million Reserve if needed

*includes CIPs 1223054, 1223055, 1223057, 1223081, 1223083, 1223084, 1223094, 1223098

SANDAG TransNet Program | 7

2024 TransNet Independent Taxpayer Oversight Committee Annual Report

Action: **Information**

In accordance with the TransNet Extension Ordinance, Jonathan Frankel, TransNet Independent Taxpayer Oversight Committee (ITOC) Chair, will present the 2024 TransNet ITOC Annual Report, including the results of the FY 2023 TransNet Fiscal and Compliance Audit, FY 2024 TransNet Triennial Performance Audit, and the status of implementation of recommendations from the FY 2021 TransNet Triennial Performance Audit.

Fiscal Impact:

Efforts to develop the 2024 TransNet Independent Taxpayer Oversight Committee Annual Report are funded through Overall Work Program Project Nos. 1500100 and 1500200 in the FY 2024 Program Budget.

Schedule/Scope Impact:

Consistent with TransNet Extension Ordinance, following the presentation to the Board of Directors, the annual report will be shared with the public, and posted to the SANDAG website.

Overview

The TransNet Independent Taxpayer Oversight Committee (ITOC) was established to provide an enhanced level of accountability for expenditures made under the TransNet Extension Ordinance and Expenditure Plan. The role of the ITOC is to ensure that voter-approved mandates of the TransNet Extension Ordinance are carried out and to recommend improvements and enhancements to the financial integrity and performance of the TransNet Program.

Key Considerations

In accordance with Ordinance provisions, the ITOC provides an annual report to the public and the Board of Directors on the TransNet Program. The 2024 ITOC Annual Report (Attachment 1) highlights the progress made between July 1, 2023, and June 30, 2024, and summarizes key ITOC activities in support of the TransNet Program. This year's report also includes the results of the FY 2023 TransNet Fiscal and Compliance Audits, FY 2024 TransNet Triennial Performance Audit, and a status update on the implementation of recommendations from the FY 2021 TransNet Triennial Performance Audit.

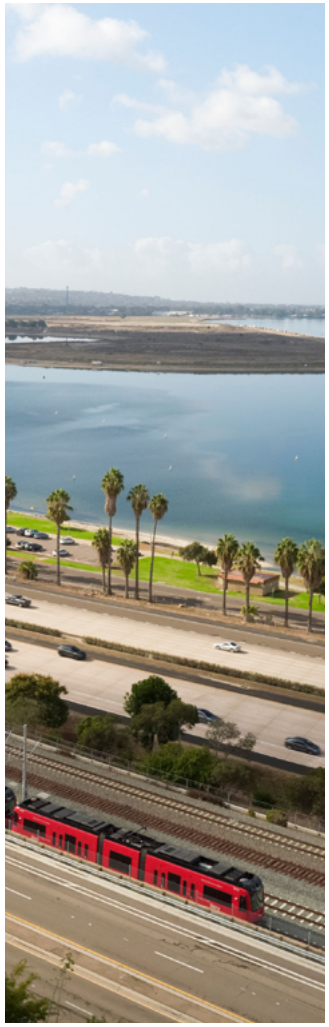
Next Steps

The 2024 ITOC Annual Report will be shared with the public and other stakeholders via news release, social media, and the SANDAG Region newsletter, among other communication channels.

Susan Huntington, Director of Financial Planning, Budgets, and Grants

Attachment: 1. 2024 ITOC Annual Report

SANDAG
TransNet Program



ITOC

Independent Taxpayer Oversight Committee

2024 Annual Report

Free Language Assistance | Ayuda gratuita con el idioma | Libreng Tulong sa Wika | Hỗ trợ ngôn ngữ miễn phí
免費語言協助 | 免费语言协助 | مساعدة ترجمة مجانية | | کمک زبان رایگان | 無料の言語支援
Бесплатная языковая помощь | Assistência linguística gratuita | मुफ़्त भाषा सहायता | Assistance linguistique gratuite
ជំនួយភាសាឥតគិតថ្លៃ | ಉಚಿತ ಭಾಷಾ ಸಹಾಯ ภาษาช่วยเหลือด้านภาษาฟรี | Kaalmada Luqadda ee Bilaashka ah
Безкоштовна мовна допомога

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New ITOC Goals for FY 2024 2
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Triennial Performance Audits Progress (FY 2021 and FY 2018) 5–6
Fiscal and Compliance Audit Results 7
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Project and Program Highlights 9–12
How to Get Involved 13

ITOC Members*

JONATHAN FRANKEL
Chair, Real Estate/Land Economics
Term ends May 2024

VACANT
Vice Chair, Construction Project Management
Term ends May 2025

LORRAINE AHLQUIST
Biology/Environmental Science
Term ends May 2027

MARYAM BABAKI
Municipal/Public Finance
Term ends May 2027

LES HOPPER
Engineer/Transportation
Term ends May 2024

SUNNIE HOUSE
CEO, Private Sector
Term ends May 2025

FRANCISCO RIVERA
Civil/Traffic Engineer
Term ends May 2026

TRACY DRAGER
San Diego County Auditor
(non-voting member)

According to the **ITOC Bylaws, members of the ITOC are required to attend at least 50% of the regular ITOC meetings, not including special meetings or subcommittee meetings, in one calendar year. All ITOC members have met the established standard for attendance for calendar year 2023. In addition, all members participate in subcommittee established to focus on ITOC activities such as triennial performance audits, annual fiscal and compliance audits, and state of the commute reports, among others.*

SANDAG
TransNet Program

Letter from the Chair

This past year (2023), as the TransNet program celebrated its 35th anniversary, the Independent Taxpayer Oversight Committee (ITOC) continued its mission to ensure accountability and transparency. Since 1988, the TransNet program, the San Diego region's half-cent sales tax for transportation improvements, has generated $4.4 billion. The San Diego Association of Governments (SANDAG) has leveraged this money to raise billions more in federal, state, and local tax dollars to bring numerous projects to fruition – enhancing daily life for millions of residents throughout the San Diego region. TransNet funds have been used to support transit, highway, freight, bikeway, and walkway programs, an environmental conservation program, transit fare subsidies, and grants for smart growth, active transportation, and transportation services for seniors and persons with disabilities in the San Diego region.

The ITOC was created to act as the steward of tax dollars raised by TransNet. This Annual Report is part of our responsibility to report to the public how well the program is doing.

A key measure of TransNet's progress is an independent audit, conducted every three years. This Triennial Performance Audit (TPA) typically results in recommendations for improvement of the overall performance of the program to ensure that all voter mandates are carried out as required by the TransNet Extension Ordinance. The latest is the 2024 TPA, and its recommendations are featured in this Annual Report.

Chief among them are recommendations related to improving transparency and accountability with respect to tracking and reporting on projects identified in the TransNet Extension and Ordinance Plan. The 2024 TPA spent a significant amount of effort examining how SANDAG tracks and manages progress on projects, and reports that progress. SANDAG is a forward-looking organization focused on the future; its 2025 Regional Plan, now in development, embodies an updated vision for the next 30 years. But being accountable for past commitments, and transparent about them, is critical. That's where the 2024 TPA says SANDAG can do a better job.

As SANDAG strives to improve its reporting on past commitments, it is important for the public to understand that as SANDAG secures additional financing for public infrastructure projects, it must follow the requirements of the government agencies that are providing that funding. This means that projects envisioned by the TransNet program more than three decades ago won't always look the same as they were originally envisioned. The section on the 2024 TPA, which begins on page 3, discusses this.

As you read this Annual Report, you will also find our annual reports of fiscal and compliance audit results, as well as our annual presentation of TransNet funding highlights. Finally, you will find a review of specific projects, grant programs, and other accomplishments funded in part with TransNet dollars.

We at the ITOC will always be here to ensure that public tax dollars are being spent wisely, and that SANDAG is fully accountable and transparent on how those dollars are spent.

Best Regards,
Jonathan Frankel, ITOC Chair

ITOC Goals for FY 2024

The ITOC and SANDAG are pursuing goals to improve communication, transparency, and accountability for the general public and TransNet's many other stakeholders. Below is a review of four goals adopted by the ITOC and progress to date on each of them. To track more recent updates, please go online at **SANDAG.org/itoc.**

ITOC Goals for FY 2024

#1

Invite transit agencies, municipalities, and other recipients of TransNet funds to attend and highlight their TransNet program successes and/or challenges in delivering TransNet-funded projects at ITOC meetings. The goal is for at least one presentation per quarter in FY 2024.

Progress

The cities of National City, Encinitas, and San Diego, as well as SANDAG staff, have made presentations to the ITOC on local transportation projects funded with TransNet proceeds. Other agencies, including Caltrans, have also been invited to present to the ITOC.

#2

Enhance effectiveness and impact of ITOC in achieving its mission to ensure voter mandates are carried out and develop recommendations for improvements to the financial integrity and performance of the program.

Progress

The ITOC Subcommittee to Consider TransNet Ordinance Amendments continued to discuss potential revisions to amendment language related to ITOC membership and the selection process. Draft amendments are expected to be presented to the SANDAG Board of Directors in Fall 2024.

SANDAG Goals for ITOC

#1

Consider how the TransNet program is supporting the 2021 Regional Plan priorities and policies.

Progress

A Subcommittee of the Mobility Working Group was formed in FY 2023 to discuss amendments to the TransNet Extension Ordinance. During FY 2024, the Subcommittee continued meeting to discuss amendments to several other topics, including Dig Smart, Smart Growth Incentive Program, and Accommodation of Bicyclists and Pedestrians. Other topics will be discussed in the future, continuing the effort to better align the TransNet program with the Regional Plan. SANDAG staff also presented an update to the ITOC on the status of TransNet Ordinance amendments.

#2

Work closely with ITOC to develop and implement streamlining measures to enhance communication practices that continue increasing transparency and accountability, and simplify information provided to make it more digestible for ITOC members and the public.

Progress

SANDAG staff has been working with the ITOC to improve communication practices and efficiency of the ITOC and its subcommittee meetings. As a result, the number of ITOC subcommittees was reduced, and reporting in meetings was made more streamlined and time-efficient. The meetings and meeting records are now more accessible and digestible for the public. This is an ongoing process, and the streamlining efforts will be continuously maintained.

FY 2024 TransNet Triennial Performance Audit

In accordance with the TransNet Extension Ordinance, one of the responsibilities of the ITOC is to conduct performance audits of SANDAG and other agencies involved in the implementation of TransNet-funded projects and programs. These audits, conducted every three years, review project delivery, cost control, schedule adherence, and related activities. The sixth Triennial Performance Audit (TPA) was conducted in Fiscal Year (FY) 2024 by the ITOC with assistance from an independent auditor, in accordance with the requirements of the TransNet Extension Ordinance. Below is an edited Executive Summary from the FY 2024 TransNet TPA. To view the full performance audit, please visit **FY 2024 TransNet Triennial Performance Audit**.

Executive Summary

As part of its responsibility under the TransNet Ordinance, the ITOC contracted with Sjoberg Evashenk Consulting, Inc. to conduct the FY 2024 TransNet TPA. This audit examined activities of SANDAG and other agencies to implement the TransNet Extension Ordinance (TransNet)-funded projects and programs between July 1, 2020 and June 30, 2023. The audit focused on the progress of major corridor projects relative to TransNet Ordinance plans, legislation impacting future major corridor project delivery, funding for TransNet projects, Smart Growth grants funded by TransNet, and the status of implementing prior audit recommendations.

SANDAG reported completing approximately one-third of the major corridor projects outlined in the TransNet Ordinance. However, the agency has not clearly stated whether these projects fully align with the commitments of the Ordinance, particularly concerning their location and scope. The FY 2018 TPA also identified this issue, specifically that SANDAG does not comprehensively track the degree to which completed projects align with Ordinance commitments at a granular level. SANDAG needs to more clearly show how projects meet commitments outlined in the Ordinance, and when they don't, clearly explain why different project options were delivered.

Transportation needs as well as local, state, and federal legislation can change over time. These shifts influence the legal environment of planning agencies and Metropolitan Planning Organizations (MPOs), such as SANDAG. This explains why SANDAG is currently focusing on multimodal solutions to reduce GHG emissions.

This new focus is reflected in SANDAG's 2021 Regional Plan, resulting in some TransNet Ordinance projects no longer being consistent with the Plan. SANDAG provided the Auditor with a high-level overview of the boundaries and scope of Ordinance projects not included in the Regional Plan. However, SANDAG has not yet amended the Ordinance to align it with the latest Regional Plan. The agency also has not sufficiently described how remaining TransNet projects will be impacted if they are inconsistent with SANDAG's latest Regional Plan.

The agency faces the additional challenge of insufficient funding to cover the cost of planned TransNet major corridor projects, and the planned increased frequencies at new transit facilities. This will lead to a funding gap over the next few years. SANDAG is working to bolster revenues and link project needs to available funding, but it does not yet have a formal plan to address the shortfall. This could impact the delivery of projects.

The auditor also found that SANDAG is not acting strongly enough to implement prior audit recommendations. More than 40 percent remain outstanding. SANDAG has reported that staff turnover, changing responsibilities, and interruptions due to the COVID-19 pandemic have all contributed to delays in implementing past audit recommendations. The agency remains committed to working with the ITOC and Board to address audit recommendations, despite operating in a constrained funding environment with limited staff resources.

SANDAG Response

SANDAG is committed to implementing processes that improve the TransNet program's overall performance and ensure all voter mandates are carried out as required by the TransNet Extension Ordinance (Ordinance).

SANDAG agrees with the audit recommendations and is committed to working with the ITOC, Board, and partner agencies to address the issues and continue implementing best practices for the TransNet Program. Our priority is to remain accountable, transparent, and efficient.

As a result, SANDAG has refocused resources to monitor and report on the status of the TransNet program and to respond to current and prior audit recommendations. Specifically, SANDAG will provide a full-time position to lead the work effort and provide regular updates to the ITOC and Board in response to audit recommendations.

To view the full SANDAG Response, please visit pages 83-95 of the **FY 24 TransNet Triennial Performance Audit report.**

Fiscal Year 2024 Key Audit Results

I-805 South HOV/Carpool Lanes

Bayshore Bikeway

I-15 Direct Access Ramp

Smart Growth Incentive Program–Grossmont

Major Corridors

- SANDAG reported progress with delivery of major corridor projects, but information was unclear to validate specific project scopes and progress against Ordinance commitments.
- Reported progress could not be confirmed due to inconsistent project status data.

Local Street and Road, Bike, Transit

- Local Street and Road funding reported many improvements.
- Bike projects were completed and ridership was up, although there are still many miles left to deliver.
- New transit capital projects are not yet operating at planned frequency which impacts growing ridership.

Funding

- TransNet Ordinance program shows a funding shortfall, although revenue and expense estimates are generally reliable.
- SANDAG's investment of TransNet funds for CMCP's to be eligible for state funding opportunities prove worthwhile.
- Though shortfalls for remaining major corridor projects were recently reduced, SANDAG does not have formal plans to address the gap.
- No established or vetted methodology exists to reprioritize projects against limited funding to be more transparent with rationale used in decision making.

Smart Growth Grants

- Smart Growth grant activities generally aligned with program goals, although SANDAG should strengthen monitoring.
- Grant activities aligned with stated purpose in grant agreements, although capital grant applications did not require clear objectives.
- Grant purposes aligned with program goals, but performance outcomes were not measured.
- SANDAG needs to strengthen Smart Growth grant monitoring.

Prior TransNet Audit Recommendations

- SANDAG has not taken strong enough actions to implement prior audit recommendations and may not understand intent behind prior audit recommendations.
- More than 40% of prior audit recommendations remain outstanding.
- SANDAG cited struggles to implement audit recommendations due to staff turnover and reorganized responsibilities.
- No indication of Executive Management direction prioritizing or setting timelines for implementing audit recommendations.
- SANDAG's TransNet Ordinance amendment process to address outstanding recommendations is slow and has not yet occurred.

TransNet Triennial Performance Audits Progress

(FY 2021 and FY 2018)

The ITOC provides an increased level of accountability for expenditures made under the TransNet Extension Ordinance. In addition to conducting independent annual fiscal and compliance audits, the ITOC also conducts TPAs of SANDAG and partner agencies involved in the implementation of TransNet-funded projects and programs to provide recommendations for improvement. The previous TPAs were conducted in FY 2018 and FY 2021.

FY 2021 Implementation Status

Over the last year, SANDAG has implemented several audit recommendations. These include:

- Continuing efforts to formalize and implement a mature system of QA/QC policies and procedures.
- Identifying a regional safety planning coordinator to synchronize safety efforts of the region.
- Considering ways to encourage emergency planning and response entities to include SANDAG in discussions and local plans related to emergency capacity.
- Providing extra scrutiny on less certain Regional Bikeway Program assumed funding from less certain sources during updates to the Plan of Finance.

● **Implemented** ◐ **In progress** ○ **Upcoming**

Major Corridor Capital Construction

With only 16 years into the 40-Year TransNet program, SANDAG completed many projects. However, delivery of remaining future projects depends on the 2021 Regional Transportation Plan adoption.

- ◐ Identify whether the remaining TransNet Extension Ordinance projects will be part of the 2021 Regional Transportation Plan. (Summer 2024)
- ◐ Develop crosswalks to compare planned major corridor projects outlined in the TransNet Extension Ordinance with current improvement implementation status. (Summer 2024)

Finance

Through a renewed focus on improving revenue forecasts and expenditure models over the past few years, SANDAG identified a funding shortfall for the TransNet Extension Ordinance Major Corridor Program that needs to be addressed.

- ◐ Develop a formal process to address identified issues during annual Plan of Finance updates. (Spring 2025)
- ◐ Develop a risk-based approach for QA/QC testing to strengthen documentation of employed QA/QC activities and their results. (Fall 2024)
- ◐ Enhance organization of Peer Review Process supporting documents to better link plans, actions taken, and how issues were addressed. (Fall 2024)
- ◐ Describe to the Board the QA/QC sampling methodology, limitations of the data, and associated cost-benefits or risks of the approach. (Fall 2024)
- ● Continue efforts to formalize and implement a mature system of QA/QC policies and procedures. (Spring 2024)

Compliance, Transparency and Accountability

SANDAG demonstrated commitment to compliance with TransNet Extension Ordinance provisions, and focused efforts toward continued improvement but could further incorporate certain leading practices to better demonstrate its accountability to taxpayers.

- ◐ Report on actual progress and accomplishments on project scope, cost, schedule, and outcomes periodically and on a regular basis. (Summer 2024)
- ◐ Demonstrate compliance with the TransNet Extension Ordinance by identifying, tracking, and reporting on various requirements and provisions. (Summer 2024)
- ◐ Implement shorter-term performance reporting while waiting on Transportation Performance Management Framework. (Summer 2024)
- ◐ Create summarized graphics to indicate TransNet Extension Ordinance status based on data in the quarterly reports. (Summer 2024)

AB 805 Impacts

Assembly Bill 805 affected the composition of the SANDAG Board and its voting structure. The weighted voting changes, however, did not significantly impact the delivery of TransNet Extension Ordinance programs and projects.

No recommendations for this chapter.

● **Implemented** ◐ **In progress** ○ **Upcoming**

Safety

With safety as a stated TransNet Extension Ordinance goal, SANDAG conducted regional safety planning efforts, and bicycle and pedestrian safety improved in San Diego County over the past few years.

- ● Consider identifying a regional safety planning coordinator to synchronize safety efforts of the region. (Summer 2023)
- ◐ Prepare a regional safety plan to address regional trends, road conditions, and driving behaviors. (Fall 2024)
- ● Consider ways to encourage emergency planning and response entities to include SANDAG in discussions and local plans related to emergency capacity. (Summer 2023)

Bike Early Action Program

The Bike Early Action Program (EAP) experienced significant delays that will likely impact its 2024 completion target and may require changes to future Regional Bikeway Program projects.

- ◐ Estimate the quantifiable impact of permit delays on the overall Regional Bikeway Program. (Ongoing)
- ◐ Work with the Board to rectify critical Bike EAP project permit issues. (Ongoing)
- ● Revise quarterly status reports to compare progress against initial Bike EAP plans for costs, schedules, and miles expected. (Ongoing)
- ● Develop a crosswalk that compares planned Bike EAP projects outlined in the Regional Bikeway Program with project segment status. (Ongoing)
- ◐ Modify TransNet Dashboard data or Board reports to compare actual project data with baseline budgets and schedule. (Winter 2025)
- ◐ Track and analyze more granular project milestones within Bike EAP project phases. (Ongoing)
- ● Provide extra scrutiny on less certain Regional Bikeway Program funding during updates to the Plan of Finance. (Fall 2023)
- ● Ensure that the TransNet Dashboard Bike Early Action Program schedule and budget fields include explanatory notes on why particular data may not be applicable to a project stage. (Summer 2022)

ITOC

With recent trends in transportation planning broadening the spectrum of topics and related challenges beyond freeway expansion or adding transit routes, additional member expertise areas could further strengthen ITOC's efforts in advising SANDAG and providing taxpayer oversight of the TransNet Extension Ordinance.

- ● Incorporate conflict-of-interest policy clarifications from ITOC new member on-boarding resources into recruitment materials. (Winter 2022)
- N/A Modify the TransNet Extension Ordinance language to be consistent with the service limits for all members. (ITOC and Board decided not to move forward with this recommendation)
- ◐ Consider expanding the ITOC qualifications to include knowledge of emerging topics SANDAG represents before the committee. (Fall 2024)
- ◐ Explore options and feasibility of moving ITOC candidate screening and selection process outside of the SANDAG Board to maximize transparency and minimize any bias. (Fall 2024)

FY 2018 TPA Progress on Critical Audit Recommendation

Certain critical audit recommendations from the **FY 2018 TransNet TPA** are also in progress, as follows:

Performance Framework

Key elements of a performance framework were not established at the start of the Ordinance to measure output and performance against the goals of TransNet. Even though certain performance data was available through a variety of sources, It was not consistently summarized and reported regionally at the SANDAG level.

- ◐ Establish a comprehensive performance framework by: Setting targets to measure TransNet performance against TransNet Extension Ordinance goals, in line with federally mandated deadlines or at a faster pace. At a minimum, some narrative could accompany performance reporting to help others understand whether data and results were favorable or unfavorable. (Spring 2025)
- ◐ Establish a comprehensive performance framework by: Capturing performance outcome data related to safety metrics, pavement condition, and bridge condition for highways, local roadways, and bicycle and pedestrian modes. (Spring 2024)

Fiscal and Compliance Audit Results

Requirement	Audit Results
As required by SANDAG Board Policy No. 031, **each recipient agency is required to account for TransNet activities in a separate fund**, or if an alternative approach is used, it must be approved by SANDAG.	**Revenues for each recipient agency were recorded,** and **expenditures reported by all recipient agencies were allowable in accordance with the TransNet Ordinance**, TransNet Extension Ordinance, and SANDAG Board Policy No. 031.
In accordance with Section 8 of the TransNet Extension Ordinance, each recipient agency receiving revenues pursuant to Section 4(D) shall annually **maintain, at a minimum, the same level of local discretionary funds expended for street and road purposes on average over the last three fiscal years** (FY) completed prior to the operative date of the TransNet Extension Ordinance.	**All local street and road recipient agencies met their Maintenance of Effort (MOE) requirement** for the year ended June 30, 2023, ensuring that TransNet revenues were used to augment and not supplant local revenues.
In accordance with the 30% Rule, a recipient agency that maintains a **balance of more than 30 percent of its annual apportionment (after debt service payments) must use the remaining balance to fund projects**. SANDAG will defer payment until the recipient agency's Director of Finance, or equivalent, submits a certification that the unused balance has fallen below the 30 percent threshold, and will remain below the threshold until such time that a new threshold is determined.	**All reporting agencies were in compliance** with Board Policy No. 031, Rule #17, Section IV, requiring TransNet recipient agencies to maintain a fund balance that does not exceed 30 percent of its annual apportionment.
As specified in Section 2(C)(1) of the TransNet Extension Ordinance, at least **70% of the revenues provided for local street and road purposes should be used for congestion relief**, and the cities **may not spend more than 30% for Maintenance purposes.**	SANDAG appropriately allocated TransNet revenues – at least 70 percent for congestion relief purposes and up to 30 percent for maintenance purposes – in accordance with the Ordinance. **All recipient agencies were in compliance** with this requirement.
In accordance with Section 9(A) of the TransNet Extension Ordinance and Expenditure Plan, each local agency in the San Diego region shall **contribute a minimum of $2,000**, subject to an annual adjustment based upon an index, in exactions from the private sector, **for each newly constructed residential housing unit in that jurisdiction to the RTCIP**. However, each jurisdiction may use their own fee schedule, as long as the fees are at a minimum the adjusted amount as approved by the SANDAG Board of Directors annually. The RTCIP revenue is to be used to construct improvements to the Regional Arterial System.	Revenues collected by each jurisdiction under the Regional Transportation Congestion Improvement Program were **compliant with the TransNet Extension Ordinance** and Board Policy No. 31, **except for the cities of Coronado, Del Mar, El Cajon, and La Mesa, and the County of San Diego.** **CORRECTIVE ACTION:** **The cities of Coronado, Del Mar, El Cajon, and La Mesa, and the County of San Diego are in the process of collecting the shortfall.**
In accordance with the TransNet Extension Ordinance, each jurisdiction shall have up to but **no more than seven fiscal years to expend Funding Program revenues** on the Regional Arterial Systems projects (RTCIP funding), unless a planned need for such fees can be demonstrated and a justification for the delay can be provided that is acceptable to the ITOC. **Funds not committed or expended within ten years of collection shall be refunded** to the current record owner of the development project on a prorated basis.	RTCIP funding collected during FY 2016 was committed or expended within seven years of collection for each city and the County of San Diego, **except for the city of Solana Beach in the amount of $754.** **CORRECTIVE ACTION:** **The city of Solana Beach approved Resolution 2023-122 to commit to spending the $754 of RTCIP funds in FY 2024 and 2025** and to revise the city's Capital Improvement Program budget to greater utilize RTCIP funding.
In accordance with the TransNet Extension Ordinance, in order for transit operators to maintain eligibility for receipt of funds, the operator must **limit the increase in its total operating cost per revenue vehicle hour for bus or revenue vehicle mile for rail services** from one fiscal year to the next, to no more than the increase in the Consumer Price Index (CPI) for San Diego County over the same period.	**Both the Metropolitan Transit System (MTS) and North County Transit District (NCTD)** did not meet their operator eligibility requirements for rail and bus services. **CORRECTIVE ACTION:** In accordance with Ordinance provisions, the **SANDAG Board, acting as the San Diego County Regional Transportation Commission, approved a 3-year average calculation and certain cost exclusions in calculating the requirements for MTS and NCTD**, bringing both transit operators in compliance for the bus and rail services. MTS and NCTD will strive to meet the eligibility requirement next year.

TransNet Funding Highlights

Dollars, Compared with Other Sources

The 2023 Regional Transportation Improvement Program (RTIP) is a multi-billion-dollar program of projects planned by SANDAG and jurisdictions throughout the county between FY 2023 and FY 2027. The RTIP relies on several sources of funding, which include TransNet funds and contributions from the federal government, the State of California, and other local sources. The ITOC reviews projects proposed for funding with TransNet funds as part of its review of the RTIP. Local sales tax dollars raised by TransNet represent a relatively stable source of funding. However, when compared with the total number of dollars contributed by federal, state, and other funding sources, TransNet represents about 21 percent of about $7.7 billion projected between FY 2023 and FY 2027.

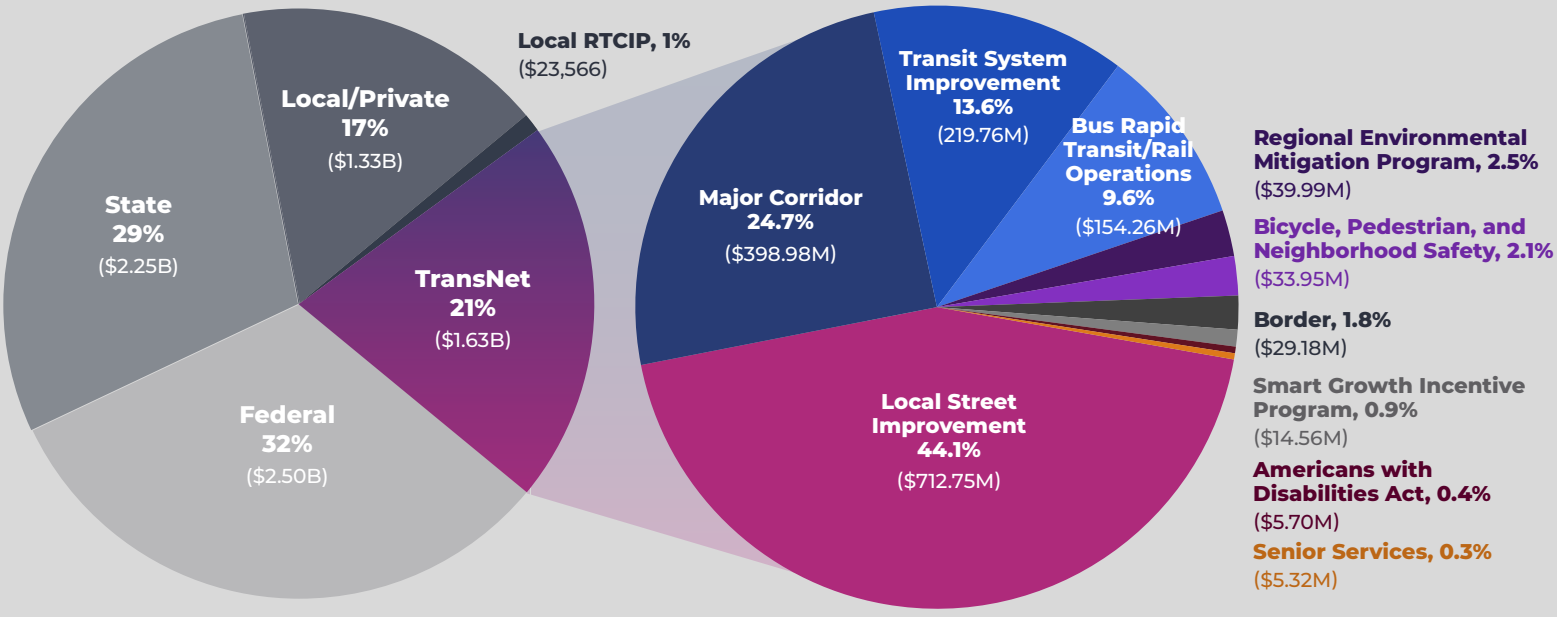
Focuses Resources on Improving Major Corridors and Local Street Improvements

TransNet funding between FY 2023 and FY 2027 is expected to improve the quality of life for people in the region as the program focuses funding on major corridors where many people travel to and from work, and local streets and roads where people live, shop, and go to school. Between FY 2023 and FY 2027, nearly $400 million is earmarked for improving major corridors in the region such as I-5, I-15, and SR 78, while more than $712 million is planned for local street improvements. Meanwhile, more than $219 million is planned for improving the regional transit system; more than $154 million will go to operating Bus Rapid Transit and rail service; and $33.95 million is budgeted for bicycle, pedestrian, and neighborhood safety improvements. More than $39 million is earmarked for the region's environmental mitigation program.

Rapid 215 on Park Boulevard

TransNet and Other Funding

FY 2023–FY 2027



Source: 2023 Regional Transportation Improvement Program

TransNet Projects and Transportation Program Highlights

SANDAG allocates millions of dollars annually to make the region's streets safer, give people more travel choices, better connect places throughout the region, and protect the environment. TransNet funding* plays an important role in moving projects and initiatives forward, which brings the Regional Plan to life. Local jurisdictions, nonprofit organizations, community groups, and transportation partners also receive funding through the TransNet half-cent sales tax and competitive grant programs. These programs help keep SANDAG's efforts grounded in what's important to the region's communities. Ongoing revenues from the TransNet Extension Ordinance fuel the transformation of the region's transportation system.

MAJOR PROJECTS

Airport Transit Connection

The Airport Transit Connection will provide a reliable, direct, and convenient transit link to the San Diego International Airport for people across the region. This transportation improvement will help to reduce the increased traffic that's projected with the expansion of the airport, provide a practical travel option for residents and visitors, and contribute to the regional economy. SANDAG has shared project concepts with the Board and partner agencies, and it has secured funding for the environmental phase.

LOSSAN

The LOSSAN Corridor (Los Angeles-San Diego-San Luis Obispo) is one of the busiest intercity rail corridors in the nation, and a critical link for goods movement and the military between the San Diego region and the rest of the country. Short- and long-term projects to stabilize and relocate the railroad tracks from the Del Mar bluffs are underway. SANDAG is also advancing bridge replacement projects for the San Dieguito Bridge and the Batiquitos Lagoon Bridge.

Otay Mesa East Port of Entry

The future port of entry that SANDAG is building with partners at Caltrans will reduce wait times, strengthen border security and safety, increase economic efficiencies, and foster innovative technology solutions, all while reducing emissions and ensuring that the Cali-Baja region has the infrastructure it needs to continue its dynamic growth. Work on site preparations and critical agreements with federal and Mexican partners continue moving the project forward.

Blue Line Improvements

To speed up trip times and increase access for transit riders, SANDAG is studying various improvements to the Blue Line Trolley, including community-oriented development around two stops. SANDAG is also exploring options for additional rapid transit services between South County and Downtown San Diego. Upgrades to the San Ysidro Transit Center's stop on the Blue Line will improve safety and the rider experience. Near-term solutions, such as more Rapid buses, will be provided while long-term solutions are implemented.

Purple Line

The Purple Line will be a high-speed, high-capacity transit line connecting San Ysidro to Sorrento Mesa through National City, City Heights, and Kearny Mesa. It will link some of the most populated areas of the San Diego region with major destinations for jobs, health care, education, and more. SANDAG is currently examining optimal approaches for constructing this transit line through comprehensive studies that assess various train models, route options, and other enhancements.

**Local TransNet funding is a key component in the SANDAG budget and helps the agency leverage other local, state, and federal funds. Not all projects and programs listed in this section are funded by TransNet.*

TransNet Major Corridors

Many projects are moving forward in the environmental clearance phase, advancing them one step closer to construction. Roadway projects include improvements to SR 67 and SR 52, and final environmental clearance and design/engineering for the I-15/SR 78 Connectors and the SR 78/I-5 Express Lanes Connectors. SANDAG will also begin the design of the high-occupancy vehicle (HOV) lanes on I-5 extending to Oceanside. Transit projects include Blue Line railway signal improvements, Palomar Street rail grade separation, double-tracking projects, and six new Rapid bus projects.

Regional Bike Network

The San Diego region has nearly 1,800 miles of existing bikeways and several more projects in the works. Providing this transportation option ensures that biking and walking are safe and convenient, and it also alleviates traffic. Currently, SANDAG is constructing three bikeways: Border to Bayshore, Bayshore Bikeway Barrio Logan, and the Pershing Bikeway. In 2024, SANDAG expects to break ground on Imperial Ave, Eastern Hillcrest, and the Inland Rail Trail Phase 3.

Toll Operations

In January 2024, the Board of Directors approved an action plan to resolve ongoing tolling system deficiencies for the I-15 Express Lanes and the SR 125 Toll Road. The transition to a new tolling back-office system will include regular vendor and internal assessments, a quality assurance and quality control plan, and operational and customer service improvements. Internal policies will also include regular and proactive reporting to the SANDAG Board, as well as transparent communication with the public.

REGIONAL INITIATIVES

Data, Research, and Analytics

SANDAG creates and maintains a tremendous amount of data, and it takes advantage of emerging datasets to better understand the needs of the region. The agency translates data into actionable information such as transportation models, economic forecasts, project cost-benefit analyses, web applications, and maps. Public safety data and independent evaluations offer insights into quality-of-life issues that cross jurisdictional boundaries, and the Open Data Portal (ODP) makes the data publicly and readily available.

People, Processes, and Technology

SANDAG continues to invest in new technologies, our employees, and agency process improvements to ensure that we are efficient, effective, and ultimately a world-class agency. The agency is streamlining its processes and putting into practice what it has learned from its audits. By bringing on the proper skill sets and training our staff, SANDAG continues to be an innovative and data-driven agency.

Safety and Vision Zero

The goal of the Regional Vision Zero Resolution is to work toward eliminating all traffic fatalities and severe injuries while making mobility options more safe, healthy, and equitable. Vision Zero rejects the idea that traffic crashes are inevitable, and it recommends proven roadway safety strategies to accommodate a variety of travel modes, promote safer speeds, and increase education around responsible travel behavior. SANDAG has launched a Traffic Safety Dashboard to gather essential data in one convenient place, and it has formed the Safety Technical Advisory Group to help shape transportation safety solutions.

**Local TransNet funding is a key component in the SANDAG budget and helps the agency leverage other local, state, and federal funds. Not all projects and programs listed in this section are funded by TransNet.*

Transit Equity and the Youth Opportunity Pass

After more than a decade of advocacy by social justice community organizations, SANDAG launched its Transit Equity program in spring 2022. The Youth Opportunity Pass (YOP) pilot program, which provides free, unlimited transit rides for young people ages 18 and under, has provided more than 11 million rides countywide since its launch. Working with its community partners, the SANDAG program also includes education for youth and families about public transit options in their neighborhoods and an evaluation of its impact.

Reconnecting Communities

Working with our partners at Caltrans, the City of San Diego, National City, and community-based organizations, SANDAG is reconnecting parts of the region that have been historically cut off from opportunity by past transportation infrastructure decisions. Projects funded by a state grant to advance transportation equity will create green spaces, public plazas, and transit-oriented development that will repurpose land for community benefit and create buffers from pollution.

GRANTS AND LOCAL TRANSNET FUNDING

SANDAG's Grants Division within the Financial Planning, Budgets, and Grants Department centralizes and enhances the agency's efforts toward pursuing discretionary grant funding. Since 2020, SANDAG has secured more than $1.5 billion in federal and state funding for agency projects and programs.

Local Streets and Roads

Since 1988, more than $1 billion in TransNet funding has been provided to the cities and the county to help with street improvement projects. Benefits of these funds include new major roads, repaved and widened streets, pothole repairs, local bikeway and walkway improvements, median and landscaping projects, bridge repairs, drainage improvements, traffic calming and signal adjustments, and other major congestion relief and rehabilitation projects. Individual jurisdictions spend these funds according to their priorities and needs.

TransNet Environmental Mitigation Program

SANDAG has awarded approximately $18.8 million in TransNet Environmental Mitigation Program Land Management grants over a total of ten cycles. This competitive program awards projects to land managers to protect threatened, rare, and endangered species and their habitats while promoting regional habitat conservation planning. The Board awarded funding for 19 projects for the tenth cycle.

TransNet Active Transportation & Smart Growth Incentive Programs

SANDAG provides jurisdictions with funds to create more walkable, bike-friendly, and transit-oriented communities. Since 2009, $59 million in TransNet Smart Growth Incentive Program funding and more than $29 million in Active Transportation funding contributed to projects throughout the region. These projects revitalize downtown areas and create economic growth opportunities by enhancing streetscapes, improving walking and biking facilities, beautifying public spaces, and increasing connectivity.

**Local TransNet funding is a key component in the SANDAG budget and helps the agency leverage other local, state, and federal funds. Not all projects and programs listed in this section are funded by TransNet.*

Specialized Transportation Programs

The Specialized Transportation Grant Program (STGP) expands mobility options for older adults and individuals with disabilities. STGP consists of two programs: The Senior Mini-Grant Program and Section 5310. These two programs have awarded more than $68 million to private nonprofits and local governments. Additionally, the SANDAG Access for All Grant Program (AFA) funds projects and programs that expand on-demand wheelchair-accessible vehicle services. Using fees collected by the California Public Utilities Commission, AFA has awarded more than $2.5 million.

Program Highlight

ElderHelp is a non-profit organization that receives Senior Mini-Grant funding. During FY 2024, they operated Seniors A Go Go, a volunteer driver program providing door through door, door to door, and curb to curb transportation options for seniors aged 60 and older. The program ensures that seniors arrive safely to and from their appointments and errands.

Housing Acceleration Program

The Housing Acceleration Program (HAP) uses state Regional Early Action Planning (REAP) funds to help local jurisdictions produce more housing and better integrate it into their communities. The HAP develops and adopts policies, processes, and infrastructure improvements that help jurisdictions evaluate their needs, accelerate housing production, implement strategy, and compete for funding. Since 2021, the HAP has awarded over $14 million for projects throughout the region.

See also the **2023 SANDAG Annual Report.**

**Local TransNet funding is a key component in the SANDAG budget and helps the agency leverage other local, state, and federal funds. Not all projects and programs listed in this section are funded by TransNet.*

SANDAG
TransNet Program

How to Get Involved

According to the FY 2021 TransNet TPA, 35 percent of the 48 major corridor capital construction projects were completed and 23 percent were in progress as of June 30, 2020—a significant accomplishment 13 years into the 40-year program. Completed projects include the modernization of the Blue and Orange Trolley lines; construction of the I-15 Express Lanes; the widening of SR 76; I-15, Mid-City, and South Bay Rapid Transit projects; and others. For specific information on the status of projects under the TransNet program, readers can go to the following sources online:

- **FY 2021 TransNet TPA**
  Appendix C details the status of major corridor projects.
- The status of all TransNet Major Corridor projects can be found on the TransNet Dashboard at **transnetdashboard.sandag.org.**

SANDAG.org/TransNet

Contains key documents related to the TransNet Extension Ordinance.

Meetings

ITOC meets regularly, usually the second Wednesday of the month at 9:30 a.m. at SANDAG offices at 401 B Street, Suite 800, San Diego, CA 92101. A list of past and upcoming agendas for all ITOC meetings can be found at **sandag.org/meetings-and-events/transnet-independent-taxpayer-oversight**

Questions?

The ITOC encourages your feedback on this report and other TransNet-related matters. Inquiries can be directed to **itoc@sandag.org**. Individuals interested in serving on the committee, as vacancies occur, are encouraged to email **itoc@sandag.org** to be placed on the vacancy notification list.

Independent Taxpayer Oversight Committee (ITOC) 2024 Annual Report

Board of Directors | Item 13
Jonathan Frankel, TransNet Independent Taxpayer Oversight Committee
July 26, 2024

1

Independent Taxpayer Oversight Committee (ITOC)

TransNet Extension Ordinance and ITOC's Role

- Provide an increased level of accountability for expenditures
- Ensures voter mandates are carried out
- Develops recommendations to improve financial integrity and performance

2

ITOC Responsibilities

- Conduct annual fiscal and compliance audits
- Conduct triennial performance audits
- Provide recommendations as part of the 10-year review process
- Review projects proposed for programming before expenditures are made
- Review proposed debt financings
- Prepare annual reports

SANDAG TransNet program **Independent Taxpayer Oversight Committee**

TransNet Triennial Performance Audit – FY24

May 2024

SJOBERG EVASHENK CONSULTING INC

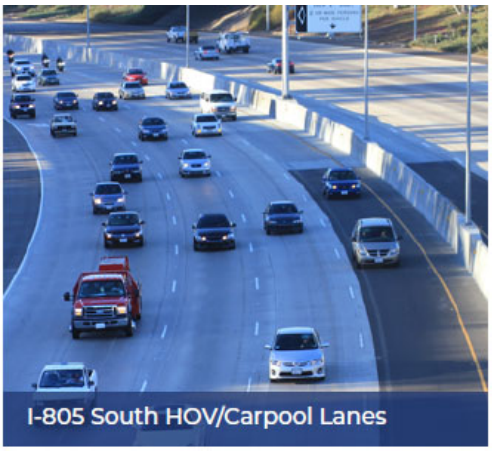
FY 2024 TransNet Annual Report

- Letter from the Chair
- ITOC Goals
- FY 2024 TransNet Triennial Performance Audit
- Triennial Performance Audits Progress – FY 2021 and FY 2018
- Fiscal and Compliance Audit Results
- Funding Highlights
- Project and Program Highlights
- How to get Involved

FY 2024 TransNet Triennial Performance Audit

FY 2024 performance audit focus:

- Major Corridors
- Local Street and Road, Bike, Transit
- Funding
- Smart Growth Grants
- Prior TransNet Audit Recommendations



FY 2021 TransNet Triennial Performance Audit

ITOC Practice

- Incorporate existing conflict-of-interest policy clarification into recruitment materials (complete)

EXHIBIT 27. OVERSIGHT COMMITTEE EXPERTISE REQUIREMENTS AT OTHER ENTITIES REVIEWED

Certification Desired or Expertise Category	ITOC Requirement	Number of Other Entities with same Requirement
Licensed Engineer (Transportation)	✓	0
Licensed Architect / Engineer (Traffic, Civil, Planning)	✓	6
Biology, Environmental Science, Habitat Acquisitions, Conservation	✓	2
Large Scale Construction	✓	4
Real Estate, Land Economics, Right of Way Acquisition	✓	1
Chief Executive, Major Employers Groups	✓	2
Professional (Budget, Municipal / Public Finance)	✓	3
Performance Measures	×	1
Goods Movement, Commerce, Trucking	×	2
Agriculture, Water Irrigation	×	2
Economic Development, Small Business	×	2
Education Representatives, Student Representatives	×	3
Citizens at Large	×	4
Retired State or Federal Judge	×	2
Public Transit User	×	2

Source: Individual oversight committee websites.

ITOC's Proposed TransNet Ordinance Amendments

- Consider expanding ITOC qualifications (in progress)
- Explore options and feasibility of moving ITOC selection process outside of the SANDAG Board (in progress)

#2

Enhance effectiveness and impact of ITOC in achieving its mission to ensure voter mandates are carried out and develop recommendations for improvements to the financial integrity and performance of the program.

Progress

The ITOC Subcommittee to Consider TransNet Ordinance Amendments continued to discuss potential revisions to amendment language related to ITOC membership and the selection process. Draft amendments are expected to be presented to the SANDAG Board of Directors in Fall 2024.

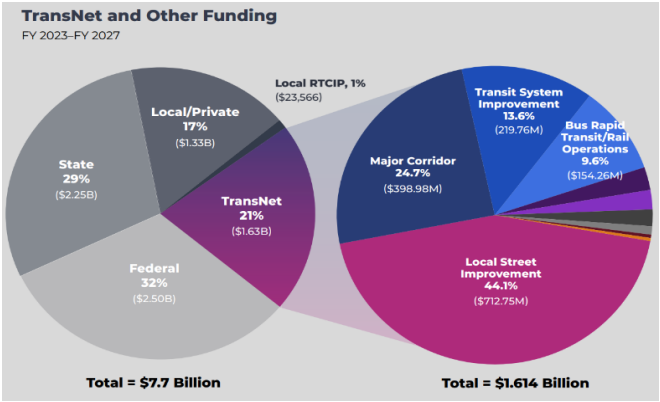
FY 2023 Fiscal and Compliance Audit

- Agencies' Expenditures
- Maintenance of Effort (MOE)
- 30% Rule
- Local Street and Road Program: 70/30
- RTCIP revenue
- RTCIP expenditure
- Transit operators' eligibility

Funding Highlights

FY 2023 Regional Transportation Improvement Program (RTIP)

- TransNet represents 21% ($1.63B) of total funds
- Focuses on improving major corridors and local street improvements



TransNet Projects and Transportation Program Highlights

- LOSSAN Corridor
- Otay Mesa East Port of Entry
- TransNet Major Corridors
- Regional Bike Network
- Grants and Local TransNet Funding
  - Local Streets and Roads
  - TransNet Environmental Mitigation Program
  - TransNet Active Transportation & Smart Growth Incentive Programs

Learn More About ITOC & Stay Connected

- Explore our website
  www.SANDAG.org/meeting-and-events/transnet-independent-taxpayer-oversight
- Follow us on social media:
  @SANDAGregion @SANDAG
- Email: **pio@sandag.org**

SANDAG

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FY 2024 TransNet Triennial Performance Audit

Action: **Discussion**

The TransNet Independent Taxpayer Oversight Committee Chair, Jonathan Frankel, will present the results of the FY 2024 TransNet Triennial Performance Audit, including an overview of progress toward meeting TransNet Extension Ordinance goals.

Fiscal Impact:

The FY 2024 TransNet Triennial Performance Audit is funded through Overall Work Program Project No. 1500200: Independent Taxpayer Oversight Committee (ITOC) in the FY 2023 and FY 2024 Program Budget in the amount of $320,000.

Schedule/Scope Impact:

The ITOC began its FY 2024 TransNet Triennial Performance Audit in the summer of 2023. The audit includes a review of the three-year period from July 1, 2020, to June 30, 2023.

Overview

In accordance with the TransNet Extension Ordinance, one of the responsibilities of the Independent Taxpayer Oversight Committee (ITOC) is to conduct triennial performance audits of SANDAG and other agencies involved in implementation of TransNet-funded projects and programs to review project delivery, cost control, schedule adherence, and related activities.

Key Considerations

At its March 8, 2023, meeting, (Item No. 4), the ITOC selected Sjoberg Evashenk Consulting, Inc., to conduct the FY 2024 TransNet Triennial Performance Audit (TPA) on its behalf. The FY 2024 TransNet TPA is the sixth performance audit conducted by the ITOC. This audit focused on Major Corridor project progress against the TransNet Ordinance plans, legislation impacting future Major Corridor project delivery, funding for TransNet projects, Smart Growth grants funded by TransNet, and the status of implementing prior audit recommendations.

In accordance with the TransNet Extension Ordinance provisions, the Transportation Committee reviewed the draft FY 2024 TransNet TPA at its March 15, 2024, meeting, including the audit recommendations for program improvement (Item No. 5 of the agenda). At its June 12, 2024, meeting (Item No. 5), the ITOC accepted the final FY 2024 TransNet TPA report and recommendations, including responses to recommendations as prepared by SANDAG staff. An Executive Summary of the audit can be found in Attachment 1, and the SANDAG management response to the audit recommendations is included in Attachment 2.

Next Steps

Updates on the implementation of audit recommendations will be presented to the ITOC on a regular basis.

Jonathan Frankel, ITOC Chair
Sunnie House, ITOC Audit Subcommittee Chair

Attachments:
1. FY 2024 TransNet TPA: Executive Summary and Recommendations
2. FY 2024 TransNet TPA Appendix (D): SANDAG Response
3. FY 2024 TransNet TPA Final Report

Executive Summary

As part of its responsibility under the TransNet Ordinance, the Independent Taxpayer Oversight Committee (ITOC) contracted with Sjoberg Evashenk Consulting, Inc. to conduct the Fiscal Year (FY) 2024 TransNet Triennial Performance Audit of the San Diego Association of Governments (SANDAG) and other agencies' implementation of the TransNet Extension Ordinance (TransNet)-funded projects and programs for the period from July 1, 2020 to June 30, 2023. This audit focused on major corridor project progress against TransNet Ordinance plans, legislation impacting future major corridor project delivery, funding for TransNet projects, smart growth grants funded by TransNet, and status of implementing prior audit recommendations.

SANDAG reported completion of approximately one-third of the major corridor TransNet Ordinance projects; yet data did not clearly link whether projects delivered aligned with the TransNet Ordinance commitments at the location where the improvement was planned (boundary or limit) and for the improvement planned (scope).[1] This is a repeat issue from the prior audit where SANDAG does not comprehensively track how completed projects align with Ordinance commitments at a granular level and no single SANDAG area or division seems to have full ownership for tracking against those commitments. Although changes can be made to long-range transportation plans, a complete crosswalk is needed to fully demonstrate progress against specific Ordinance commitments or explain why different project options were delivered.

In fact, as transportation needs change and legislation is introduced, regional planning entities adjust and adapt to the changing demands including focus on multimodal solutions to reduce GHG emissions through regional planning efforts. Legislation passed over the last fifteen years has changed the nature of projects that Metropolitan Planning Organizations (MPOs), like SANDAG, include in regional plans. SANDAG conveyed to us that some TransNet Ordinance projects were not consistent with its 2021 Regional Plan and provided, at a high level, which TransNet Ordinance project boundaries and scope were not included in the regional plan.

However, SANDAG had not amended the Ordinance, as allowed, to be consistent with the regional plan nor did it have clear link to demonstrate the underlying details on how the remaining TransNet projects were affected. Regardless of whether transportation legislation or preferences change over time and decision-makers determine that certain original TransNet projects scopes may no longer be the best options for the region, SANDAG still must be accountable to the voters and transparent on which project scope and locations will not be delivered.

Relatedly, funding the ultimate mix of capital projects is a complex endeavor with many options and mechanisms. SANDAG puts in much effort to bolster revenues and link project needs to available funding using conservative estimates in its Plan of Finance (POF), strengthening its cost estimation and escalation practices, dedicating efforts to pursue grants, and successfully leveraging notable state and federal funding. But available funds are insufficient to cover planned TransNet major corridor project costs and

[1] SANDAG tracks and manages project phase status, budget to actual expenditures, engineer's estimates to bids received, milestone durations, revenues, and cost inflation among other details at an individual project level and overall portfolio level.

enhanced frequencies on new transit facilities, creating a funding gap in the next few years. SANDAG's endeavors have not solved the greater concern of the shortfall and there are still no formal plans to address the issue even though the shortfall could impact delivery for major corridor projects in-progress by FY 2027.

Although a recent budget amendment provided relief and helped mitigate the risk of disruptions to project delivery, it did not make a substantial change overall to the major corridor program. Additionally, there was no formal or documented methodology for reprioritizing funding TransNet projects or moving money between projects when funding gaps exist. Without a clearly documented and agreed-upon methodology, SANDAG cannot demonstrate accountability to the TransNet Ordinance.

Moreover, without adequate funding, the SANDAG Board must make decisions to delay projects, reduce or remove scope and projects, confirm receipt of additional funding, and communicate plans to the public and stakeholders. Given that SANDAG has reportedly eliminated some TransNet Ordinance projects from its regional plan, it has a responsibility to ensure the TransNet Ordinance is consistent with that plan and an inherent obligation to present timely and clear information to both the public and oversight bodies before the funding shortfall impacts project delivery.

In terms of smart growth grants for local development to "create more compact, walkable, bikeable, and transit-oriented communities," our testing of 16 smart growth grants closed during the period of our review found that activities adhered to grant applications and project outputs aligned with smart growth concepts—although there was limited data available to measure program outcomes.

Finally, we found SANDAG has not taken strong enough action to implement prior audit recommendations with more than 40 percent that remain outstanding—some for more than six years—including several for which SANDAG may not understand the intent behind the recommendations based on the reported actions taken to address the recommendations. Part of the delay in implementation was attributed to staff turnover, changing staff responsibilities, and interruption from the COVID-19 pandemic with SANDAG reporting that although it operates "in a constrained funding environment with limited staff resources, staff is committed to continue working with the ITOC and Board to set priorities and address remaining audit recommendations."

Key audit results are summarized on the next page.

SANDAG TransNet program

FISCAL YEAR 2024 KEY AUDIT RESULTS

Major Corridors

- SANDAG reported progress with delivery of major corridor projects, but information was unclear to validate specific project scopes and progress against Ordinance commitments.
- Reported progress could not be confirmed due to inconsistent project status data.

Local Street & Road, Bike, Transit

- Local Street & Road funding reported many improvements.
- Bike projects were completed and ridership was up, although there are still many miles left to deliver.
- New Transit capital projects are not yet operating at planned frequency which impacts growing ridership.

Funding

- TransNet Ordinance program shows a funding shortfall, although revenue and expense estimates are generally reliable.
- SANDAG's investment of TransNet funds for CMCPs to be eligible for state funding opportunities provide worthwhile.
- Though shortfall for remaining major corridor projects was recently reduced, SANDAG does not have formal plans to address the gap.
- No established or vetted methodology exists to reprioritize projects against limited funding to be more transparent with rationale used in-decision making.

Smart Growth Grants

- Smart Growth grant activities generally aligned with program goals, although SANDAG should strengthen monitoring.
- Grant activities aligned with stated purpose in grant agreements, although capital grant applications did not require clear objectives.
- Grant purposes aligned with program goals, but performance outcomes were not measured.
- SANDAG needs to strengthen Smart Growth grant monitoring.

Prior TransNet Audit Recommendations

- SANDAG has not taken strong enough actions to implement prior audit recommendations and may not understand intent behind prior audit recommendations.
- More than 40 percent of prior audit recommendations remain outstanding.
- SANDAG cited struggles to implement audit recommendations due to staff turnover and reorganized responsibilities.
- No indication of Executive Management direction prioritizing or setting timelines for implementing audit recommendations.
- SANDAG's TransNet Ordinance amendment process to address outstanding recommendations is slow and has not yet occurred.

To address results discussed and issues raised in this FY 2024 TransNet Triennial Audit, we make several recommendations as summarized on the page that follows.

Summary of Recommendations

Results of the FY 2024 TransNet Triennial Performance Audit for the three-year period from July 1, 2020 to June 30, 2023, are presented in the following report sections, with recommendations summarized below. To improve efficiency, effectiveness, and accountability to the taxpayers of the San Diego region, ITOC should request that the SANDAG Board direct its staff to consider and implement recommendations summarized in the table that follows. Priority classifications and significance of recommendations were categorized into four separate rankings based on the impact on TransNet Ordinance goals and functions, critical path activities, accountability, and timing. Priority categories are:

- **Critical Priority**: Substantial risk to achievement of TransNet Ordinance goals, is fundamental to the TransNet Ordinance's success and critical path activities, is crucial for accountability, or has a time-sensitive component. Immediate attention is warranted.
- **High Priority**: Significant risk to achievement of TransNet Ordinance goals, is fundamental to the TransNet Ordinance's success or program activities or is important for accountability. Prompt attention is warranted.
- **Medium Priority**: Some risk to achievement of TransNet Ordinance goals, is important to the TransNet Ordinance's success or program activities or would help strengthen accountability. Moderate attention is warranted.
- **Low Priority**: Opportunity for improvement, but not vital to the TransNet Ordinance's success or program activities. Routine attention is warranted.

COMPREHENSIVE AUDIT RECOMMENDATION MATRIX

	Audit Recommendation	Report Page	Priority
Section 1: SANDAG Reported Progress with Delivery of Major Corridor Projects, but Did Not Track Specific Project Scope and Progress Against Ordinance Commitments			
1.	Ensure SANDAG Executive Management designates staff to have assigned responsibility for tracking against the Ordinance major corridor planned pledges at a detailed location boundary and scope level to be able to demonstrate what actual improvements were made.	Pages 13-18	**Critical**
2.	Revamp or create new tools or spreadsheets to comprehensively track major corridor project delivery against Ordinance planned pledges at a detailed location boundary and scope level.	Pages 13-18	**Critical**
3.	Make sure the revamped or new tools or spreadsheets comparing actual to planned project delivery for Ordinance major corridor planned pledges at a detailed location boundary and scope level are accurate and supported through links to project fact sheets, budget documents, google maps, or other specific project-level documents validating completion as appropriate.	Pages 13-18	**Critical**
4.	Provide the detailed listing—or highlight just those original TransNet major corridor project boundaries and scopes that were not completed as pledged—to the Board and ITOC for use as part of annual budget conversations as well as the 2025 Regional Plan, and future regional plans.	Pages 13-18	**Critical**

Audit Recommendation		Report Page	Priority
5.	Update data in the TransNet Dashboard—or alternate public facing system designated in place of the Dashboard—on monthly basis to ensure up-to-date budget, expenditure, schedule, and status information is comprehensively available for both current in-progress major corridor projects and previous major corridor projects completed.	Pages 16-17	**High**
Section 2: Other TransNet Ordinance Projects and Programs Reported Progress, Although Transit Projects are Not Yet Operating at Planned Frequency			
6.	Work with MTS and NCTD to closely monitor ridership on the TransNet-funded routes against service frequency levels, and report to the SANDAG Board and ITOC on the impact service adjustments may have on riders including how actual services align against original plans in the TransNet Ordinance.	Pages 21-24	**Medium**
7.	Ensure decisions made regarding funding MTS' and NCTD's transit operating service gaps or frequency expectations are documented with rationale supporting decisions and incorporated into Ordinance amendments as warranted.	Pages 21-24	**Medium**
Section 3: Status of Remaining TransNet Major Corridor Ordinance Projects is Unclear, Although Legislation Impacts Regional Planning Decisions			
8.	Ensure Executive Management designate staff with the assigned responsibility for tracking future remaining major corridor projects against the Ordinance planned pledges at a detailed location boundary and scope level to be able to demonstrate what actual improvements are planned and which remaining major corridor projects will not be completed.	Pages 25-31	**High**
9.	Establish tools or mechanisms to track remaining Ordinance major corridor projects (boundaries and scope) clearly and accurately against the 2021 Regional Plan and future regional plans, including maintaining underlying supporting data reported.	Pages 25-31	**High**
10.	Make sure the new tools or mechanisms comparing remaining Ordinance major corridor projects to regional plans at a detailed location boundary and scope level are accurate and supported through links to planning documents, budget information or plans of finance, or other documents as appropriate.	Pages 25-31	**Critical**
11.	Provide a detailed listing to the Board and ITOC annually—or highlight those remaining original TransNet major corridor project boundaries and scope that will not be completed as pledged—starting in 2024 before completion of the future 2025 Regional Plan and regularly thereafter.	Pages 25-31	**Critical**
12.	Present proposed amendment to the Board to align planned major corridor projects from the TransNet Ordinance with the current 2021 Regional Plan as required by the TransNet Ordinance.	Pages 25-31	**Critical**
Section 4: Formal Plans for Funding Shortfall and Priorities Were Not Developed To Address Impact on Specific TransNet Projects			
13.	Present the details of the next Plan of Finance to the Board and ITOC including specific amounts of funding shortfalls by subprogram and program-wide, in addition to the timeframe when shortages may begin to affect project delivery.	Pages 41-44	**Critical**
14.	Develop specific options and corresponding timelines on possible actions to address funding shortfalls for the Board and ITOC that clearly state the impact of each option at the project-level, including how options will compare to what was originally pledged in the ordinance for each project.	Pages 41-44	**High**

Audit Recommendation		Report Page	Priority
15.	Develop, implement, and use a formal, transparent, and vetted methodology and strategy for reprioritizing pledged ongoing and future TransNet major corridor projects against limited funding—including how funds are moved between projects and factors are weighed for starting new projects when other ongoing projects may have unmet funding needs.	Pages 45-48	**High**
Section 5: Smart Growth Grant Activities Generally Aligned with Program Goals, Although SANDAG Should Strengthen Monitoring			
16.	Revamp the smart growth grant application form to clearly identify quantified, detailed objectives and deliverables to allow for meaningful analysis.	Pages 52-54	**Medium**
17.	Require grantees to include a well-defined description of what will be constructed through the project to affect desired smart growth outcomes.	Pages 52-54	**Medium**
18.	Require grantees to report on the quantifiable performance metrics now required in grant awards related to promoting smart growth goals to create compact, walkable, bikeable, and transit-oriented communities and increase housing and transportation choices around the region as applicable.	Pages 54-56	**Medium**
19.	Put practice in place to summarize grantee performance data, analyze success of grant efforts, and report to ITOC.	Pages 54-56	**Medium**
20.	Review grantees final close out reports and investigate any items the grantees marked as "in-progress."	Pages 56-58	**Medium**
21.	Validate that smart growth grantees met all objectives and verify that grantees provided deliverables at project close-out during site visits.	Pages 56-58	**Medium**
Section 6: SANDAG Has Not Taken Strong Enough Actions to Implement Prior Audit Recommendations and Ordinance Amendments			
22.	Require SANDAG Executive Management to take an active role in overseeing the implementation of the ITOC audit recommendations and hold staff accountable for timely corrective action.	Pages 59-65	**High**
23.	Set timelines for local agency consensus on proposed Ordinance amendments and then take the related amendments to the Board for consideration soon after.	Pages 66-67	**Medium**
24.	Immediately propose the amendments to the Board for the ITOC changes and other areas relating to the prior audit recommendations.	Pages 66-67	**High**

Appendix D: SANDAG Response

March 1, 2024 File Number 1500200

Ms. Cathy Brady
Partner
Sjoberg Evanshenk Consulting, Inc.
455 Capitol Mall, Suite 700
Sacramento, CA 95814
cathy@secteam.com

Dear Ms. Brady:

Subject: Transmittal of Reponses to FY 2024 TransNet Triennial Performance Audit Report and Recommendations

Thank you for the opportunity to respond to the FY 2024 TransNet Triennial Performance Audit report and recommendations as conducted by Sjoberg Evanshenk Consulting, Inc., on behalf of the TransNet Independent Taxpayer Oversight Committee (ITOC). The San Diego Association of Governments (SANDAG) appreciates your firm's review of the TransNet Program and is committed to address each of the recommendations in the audit report.

The FY 2024 TransNet Triennial Performance Audit is the sixth performance audit conducted by the ITOC. The audit includes a review of the three-year period between FY 2020 and FY 2023, focusing on Major Corridor project progress against the TransNet Ordinance plans, legislation impacting future Major Corridor project delivery, funding for TransNet projects, Smart Growth grants funded by TransNet, and status of implementing prior audit recommendations. SANDAG will implement processes that improve the overall performance of the program to ensure all voter mandates are carried out as required by the TransNet Extension Ordinance (Ordinance).

Moreover, SANDAG agrees with the recommendations set forth in the audit report and is committed to working with the ITOC, Board and partner agencies to address the issues and continue implementing best practices for the TransNet Program. Our priority is to remain accountable, transparent, and enhance efficiency. Significant progress has been made to deliver the TransNet Program, which can be reviewed on the SANDAG website. It is important that details on scope and location boundaries also be included in future informational products so that the public and Board have clear visibility into implementation of the program.

Similarly, SANDAG has been clear that anticipated revenues will not meet original projections. In order to facilitate the Board's consideration of future project implementation given actual funding, SANDAG will continue to have clear and detailed discussions on how best to deliver TransNet projects, consistent with current laws and requirements, through ongoing discussions on the Regional Plan and future Plans of Finance.

SANDAG appreciates that the audit recognizes the many challenges the agency has faced in the past three years, including staff turnover, changing staff responsibilities, and interruption from the COVID-19 pandemic. SANDAG is committed to refocusing resources to monitor and report on the status of the TransNet program and to respond to current and prior audit recommendations. Specifically, SANDAG will provide a full-time position within the Financial Programming, Budgets and Grants Department to lead the work effort. In addition, a multi-disciplinary staff team will be established to ensure that audit recommendations are completed and met in a timely manner. Funding for these efforts will be included in

the Final Draft FY 2025 Annual Program Budget.

André Douzdjian, the Chief Financial Officer, will be the Executive Team Leader to spearhead the work program and will provide regular updates to the ITOC and Board in response to audit recommendations.

To reiterate, SANDAG is committed to working toward implementation of recommendations and our responses to the audit are attached. We are pleased that throughout the audit process, members of your staff were accessible and helpful in clarifying issues raised. We appreciate your efforts in assisting SANDAG and its partner agencies to ensure the continued success of the TransNet Program.

Sincerely,

Coleen Clementson
Chief Executive Officer
MSM/SHUN
Enclosure(s)
Cc: Jonathan Frankel, ITOC Chair
Pedro-Orso-Delgado, ITOC Vice Chair

Proposed Action Plan for Implementing the FY 2024 TransNet Triennial Performance Audit Recommendations

The TransNet Triennial Performance Auditor, Sjoberg Evashenk Consulting, Inc., completed the FY 2024 TransNet Performance Audit in February 2024 on behalf of the Independent Taxpayer Oversight Committee (ITOC).

The audit focused on major corridor project progress against TransNet Ordinance plans, legislation impacting future major corridor project delivery, funding for TransNet projects, Smart Growth grants funded by TransNet, and the status of implementing prior audit recommendations. The audit resulted in 24 recommendations for consideration by SANDAG Management. Priority classifications and significance of recommendations were categorized into four separate rankings based on the impact on TransNet Ordinance goals and functions, critical path activities, accountability, and timing. Priority categories are:

- **Critical Priority:** Substantial risk to achievement of TransNet Ordinance goals, is fundamental to the TransNet Ordinance's success and critical path activities, is crucial for accountability, or has a time-sensitive component. Immediate attention is warranted.
- **High Priority:** Significant risk to achievement of TransNet Ordinance goals, is fundamental to the TransNet Ordinance's success or program activities or is important for accountability. Prompt attention is warranted.
- **Medium Priority:** Some risk to achievement of TransNet Ordinance goals, is important to the TransNet Ordinance's success or program activities or would help strengthen accountability. Moderate attention is warranted.
- **Low Priority:** Opportunity for improvement, but not vital to the TransNet ordinance's success or program activities. Routine attention is warranted.

SANDAG agrees with the recommendations set forth in the audit report and is committed to working with the ITOC, Board, and partner agencies to address recommendations and continue implementing best practices for the TransNet Program. Actions to start implementing the recommendations have been initiated.

This proposed Action Plan (Plan) has been prepared by Management in response to the recommendations identified in the audit report and summarizes the actions SANDAG intends to undertake. Periodic progress updates shall be reported.

Section I:

SANDAG Reported Progress with Delivery of Major Corridor Projects, but Did Not Track Specific Project Scope and Progress Against Ordinance Commitments.

Audit Recommendations	Priority	Management Planned Actions	Responsible Official	Estimated Completion Date
1. Ensure SANDAG Executive Management designated staff to have assigned responsibility for tracking against the Ordinance major corridor planned pledges at a detailed location boundary and scope level to be able to demonstrate what actual improvements were made.	Critical	Executive Management will oversee designated staff assigned to oversee the tracking of the TransNet Ordinance to the Overall Work Program and Capital Improvement Program. SANDAG will create a full-time position within the Financial Programming, Budgets and Grants Department responsible for providing Executive Team and ITOC quarterly updates on progress with TransNet Ordinance projects and recommendation implementation efforts.	Dawn Vettese	July 2024
2. Revamp or create new tools or spreadsheets to comprehensively track major corridor project delivery against Ordinance planned pledges at a detailed location boundary and scope level.	Critical	SANDAG is developing a spreadsheet to track past/current/future projects against the TransNet Ordinance. Staff will identify new project management software to allow for a more streamlined approach in tracking projects against the Ordinance and providing timely reports.	Susan Huntington Bill Parris	July 2024 July 2026
3. Make sure the revamped or new tools or spreadsheets comparing actual to planned project delivery for Ordinance major corridor planned pledges at a detailed location boundary and scope level are accurate and supported through links to project fact sheets, budget documents, google maps, or other specific project-level documents validating completion as appropriate.	Critical	SANDAG has been utilizing GIS data to update maps for projects which are related to the Ordinance as part of the FY 25 Program Budget. Staff is developing online tools to improve how this information is presented in a detailed and understandable way to the public via the SANDAG website.	Robyn Wapner	July 2025
4. Provide the detailed listing – or highlight just those original TransNet major corridor project boundaries and scopes that were not completed as pledged – to the Board and ITOC for use as part of annual budget conversations as well as the 2025 Regional Plan, and future regional plans.	Critical	On Jan 26, 2024, SANDAG staff provided the Board with a presentation on the 2025 Regional Plan Initial Concept that included an analysis of Transnet Major Corridor projects compared to the major corridor projects proposed in the Initial Concept. Staff will also include an attachment to the Board annually as part of the Program Budget item beginning with the FY 26 Program Budget.	Antoinette Meier Susan Huntington	July 2025

5. Update data in the TransNet Dashboard – or alternate public facing system designated in place of the Dashboard – on monthly basis to ensure up to date budget, expenditure, schedule, and status information is comprehensively available for both current in-progress major corridor projects and previous major corridor projects completed.	High	SANDAG provides up to date budget information for the Capital Program via the TransNet Dashboard. During the audit period, expenditures were updated daily, and schedules were updated bi-monthly. Staff will identify project management software tools which will provide monthly data updates on the TransNet Dashboard. Staff will determine if a separate website or page on the SANDAG website dedicated solely to TransNet projects is feasible.	Susan Huntington Bill Parris Robyn Wapner	July 2025 July 2026

Section II:

Other TransNet Ordinance Projects and Programs Reported Progress, Although Transit Projects are Not Yet Operating at Planned Frequency.

Audit Recommendations	Priority	Management Planned Actions	Responsible Official	Estimated Completion Date
6. Work with MTS and NCTD to closely monitor ridership on the TransNet-funded routes against service frequency levels and report to the SANDAG Board and ITOC on the impact service adjustments may have on riders, including how actual services align with the original plans in the TransNet Ordinance.	Medium	The 2022 State of the Commute (https://opendata.sandag.org/stories/s/2022-State-of-the- Commute/e8kw-bd95) dashboard presents regional Rapid bus ridership funded via TransNet. SANDAG has received a Caltrans Planning Grant to automate ridership data into a public-facing data dashboard with close to real- time information scheduled to be released by June 2025.	Director of Data Science (TBD) Grace Mino	June 2025
7. Ensure decisions made regarding funding MTS' and NCTD's transit operating service gaps or frequency expectations are documented with rationale supporting decisions and incorporated into Ordinance amendments as warranted.	Medium	Transit operating decisions are led by the transit operators. Per the MOU language between SANDAG, MTS, and NCTD, any significant changes to services are reviewed and approved by SANDAG staff. Staff will communicate these decisions to ITOC. The Transportation Committee and the Board review the transit operator's capital and operating budgets on an annual basis. Staff will provide an analysis of TransNet Transit Operating funding at this time to align with funding needs and availability.	Director of Data Science (TBD) Brian Lane	NA

Section III:

Status of Remaining TransNet Major Corridor Ordinance Projects is Unclear, Although Legislation Impact Regional Planning Decisions.

Audit Recommendations	Priority	Management Planned Actions	Responsible Official	Estimated Completion Date
8. Ensure Executive Management designate staff with the assigned responsibility for tracking future remaining major corridor projects against the Ordinance planned pledges at a detailed location boundary and scope level to be able to demonstrate what actual improvements are planned and which remaining major corridor projects will not be completed.	High	Executive Management will oversee designated staff assigned to oversee the tracking of the TransNet Ordinance to the Regional Plans. Designated staff will provide Executive Team, ITOC and the Board with a comparison list of remaining TransNet projects, at a detailed location boundary and scope level, and how they are proposed in the Regional Plan.	Dawn Vettese	July 2024
9. Establish tools or mechanisms to track remaining Ordinance major corridor projects (boundaries and scope) clearly and accurately against the 2021 Regional Plan and future regional plans, including maintaining underlying supporting data reported.	High	On Jan 26, 2024, SANDAG staff provided the Board with a presentation on the 2025 Regional Plan Initial Concept that included an analysis of Transnet Major Corridor projects compared to the major corridor projects proposed in the Initial Concept. The same analysis has been conducted for the projects in the 2021 Regional Plan. SANDAG is developing a spreadsheet to track past/current/future projects against the TransNet Ordinance as part of Item No. 2 above.	Antoinette Meier Susan Huntington	July 2025 July 2024
10. Make sure the new tools or mechanisms comparing remaining Ordinance major corridor projects to regional plans at a detailed location boundary and scope level are accurate and supported through links to planning documents, budget information or plans of finance, or other documents as appropriate.	Critical	Staff will ensure the tracking tool completed as part of Item No. 2 links to various other related documents.	Bill Parris Susan Huntington	July 2024
11. Provide a detailed listing to the Board and ITOC annually – or highlight those remaining original TransNet major corridor project boundaries and scope that will not be completed as pledged – starting in 2024 before completion of the future 2025 Regional Plan and regularly thereafter.	Critical	SANDAG currently provides an ITOC Annual Report, which is presented to the Board, reviewing what has been completed. Staff will include "future" projects to provide information on what has not yet been completed and the proposed plan moving forward.	Susan Huntington	December 2024
12. Present proposed amendment to the Board to align planned major corridor projects from the TransNet Ordinance with the current 2021 Regional Plan as required by the TransNet Ordinance.	Critical	On Jan 26, 2024, SANDAG staff provided the Board with a presentation on the 2025 Regional Plan Initial Concept that included an analysis of Transnet Major Corridor projects compared to the major corridor projects proposed in the Initial Concept. Given the changes between the 2021 and 2025 Regional Plan, staff recommend pursuing the amendment with the 2025 Regional Plan. Final 2025 Regional Plan will be brought to the board for acceptance in December 2025.	Antoinette Meier	December 2025

Section IV:

Formal Plans for Funding Shortfall and Priorities Were Not Developed To Address Impact on Specific TransNet Projects.

Audit Recommendations	Priority	Management Planned Actions	Responsible Official	Estimated Completion Date
13. Present the details of the next Plan of Finance to the Board and ITOC including specific amounts of funding shortfalls by subprogram and program-wide, in addition to the timeframe when shortages may begin to affect project delivery.	Critical	SANDAG will present an updated Plan of Finance to the Board with updated costs estimates from the 2025 Regional Plan. That will include updates to the subprograms and overall program-wide status to inform decisionmakers of potential risks to project delivery and future Ordinance projects.	Susan Huntington	December 2024
14. Develop specific options and corresponding timelines on possible actions to address funding shortfalls for the Board and ITOC that clearly state the impact of each option at the project- level, including how options will compare to what was originally pledged in the ordinance for each project.	High	Staff will include this as part of the Plan of Finance discussion as stated in Item No. 13.	Susan Huntington	December 2024
15. Develop, implement, and use a format, transparent, and vetted methodology and strategy for reprioritizing pledged ongoing and future TransNet major corridor projects against limited funding – including how funds are moved between projects and factors are weighed for starting new projects when other ongoing projects may have unmet funding needs.	High	SANDAG currently has a process and methodology for prioritizing and funding TransNet projects and tracks the movement of funds and funding through PMTools. Staff will ensure that a complete formal process is in writing and shared with ITOC to increase transparency of the TransNet program.	Susan Huntington	September 2024

Section V:

Smart Growth Grant Activities Generally Aligned with Program Goals, Although SANDAG Should Strengthen Monitoring.

Audit Recommendations	Priority	Management Planned Actions	Responsible Official	Estimated Completion Date
16. Revamp the smart growth grant application form to clearly identify quantified, detailed objectives and deliverables to allow for meaningful analysis.	Medium	The Cycle 6 call for projects, scheduled for release in fall 2024, will include this change.	Susan Huntington Jenny Russo	December 2024
17. Require grantees to include a well-defined description of what will be constructed through the project to affect desired smart growth outcomes.	Medium	The Cycle 6 call for projects, scheduled for release in fall 2024, will include this change.	Susan Huntington Jenny Russo	December 2024
18. Require grantees to report on the quantifiable performance metrics now required in grant awards related to promoting smart growth goals to create compact, walkable, bikeable, and transit-oriented communities and increase housing and transportation choices around the region as applicable.	Medium	Projects awarded funding in Cycle 5 (August 2022) and thereafter include performance measures and data from grantees. Staff will begin reporting this to ITOC in late 2024 or early 2025.	Susan Huntington Jenny Russo	January 2025

19. Put practice in place to summarize grantee performance data, analyze success of grant efforts, and reports to ITOC.	Medium	Projects awarded funding in Cycle 5 and thereafter include performance measures and data from grantees. Staff will begin reporting this to ITOC in late 2024 or early 2025.	Susan Huntington Jenny Russo	January 2025
20. Review grantees final close out reports and investigate any items that grantees marked as "in-progress."	Medium	Staff will begin implementing this immediately.	Susan Huntington Jenny Russo	March 2024
21. Validate that smart growth grantees met all objectives and verify that grantees provided deliverables at project close-out during site visits.	Medium	Staff will begin implementing this immediately.	Susan Huntington Jenny Russo	March 2024

Section VI:

SANDAG Has Not Taken Strong Enough Actions to Implement Prior Audit Recommendations and Ordinance Amendments.

Audit Recommendations	Priority	Management Planned Actions	Responsible Official	Estimated Completion Date
22. Require SANDAG Executive Management to take an active role in overseeing the implementation of the ITOC audit recommendations and hold staff accountable for timely corrective action.	High	SANDAG is consolidating all audit recommendations, and the complete list will be overseen by a senior level management lead. Status reports will be presented to ITOC and Executive Team for feedback and discussion. SANDAG will create a full-time position within the Financial Programming, Budgets and Grants Department responsible for overseeing a new internal TransNet Program Steering Committee to ensure that audit recommendations are completed and met in a timely manner.	Dawn Vettese	
23. Set timelines for local agency consensus on proposed Ordinance amendments and then take the related amendments to the Board for consideration soon after.	Medium	Staff provided timelines to the Mobility Working Group and the Mobility Working Group Subcommittee as part of the Overall Work Plan several times throughout the process. Executive Management will advise staff on when to take TransNet Ordinance Amendments to the Board for approval.	Susan Huntington	June 2025
24. Immediately propose the amendments to the Board for the ITOC changes and other areas relating to the prior audit recommendations.	High	ITOC Chair presented the proposed changes to the Membership and Selection Process section of the TransNet Ordinance and ITOC bylaws to respond to prior audit recommendations to the Board at their meeting on January 13, 2023 (first reading) and January 27, 2023. The Board did not approve of proposed changes. Staff and the ITOC Chair are presenting these changes again in March and April 2024 to request updates to the TransNet Ordinance related to prior audit recommendations.	Susan Huntington	March/April 2024

SANDAG TransNet program

Independent Taxpayer Oversight Committee

TransNet Triennial Performance Audit – FY24

May 2024

SJOBERG EVASHENK CONSULTING, INC

455 Capitol Mall • Suite 700 • Sacramento, California • 95814 • Tel 916.443.1300 • www.secteam.com

SJOBERG EVASHENK
CONSULTING, INC

May 17, 2024

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel and Members of the TransNet Independent Taxypayer Oversight Committee (ITOC),

Sjoberg Evashenk Consulting is pleased to submit our report for the Fiscal Year 2024 TransNet Triennial Performance Audit. The audit is mandated by the TransNet Ordinance (Ordinance) requiring an independent performance audit of the efficiency and effectiveness of Ordinance expenditures every three years. The FY 2024 audit focused on major corridor project progress and future projects against Ordinance plans, funding for those remaining TransNet projects, smart growth grants funded by TransNet, status of implementing prior audit recommendations, and ITOC practices.

Our report revealed that although the San Diego Association of Governments (SANDAG) reported completion of one-third of the major corridor Ordinance projects, we could not link whether project scope and boundaries aligned with Ordinance pledges nor could we determine whether remaining TransNet projects were planned for future completion especially given known funding shortfalls. Further, we found SANDAG had not taken strong enough action to implement many prior audit recommendations, such as one to identify which remaining Ordinance project scope and boundaries were incorporated into the 2021 Regional Plan.

Although changes can be made to the Ordinance given shifting transportation needs, evolving legislation, or lack of funding, SANDAG has not yet amended the Ordinance or transparently communicated which project scope and locations will not be delivered. Yet, during the period under audit, SANDAG operations were still being impacting by the COVID-19 pandemic and cited high turnover in addition to continued adjustments for staff in new roles with different responsibilities from a past SANDAG reorganization.

We appreciate the professionalism, cooperation, and dedication of all SANDAG staff and TransNet partner agencies who assisted us throughout the course of the audit as well as the ITOC Audit Subcommittee who provided insight and perspective on the audit.

Respectfully Submitted,

CMBrady

Cathy Brady, Partner
Sjoberg Evashenk Consulting, Inc.

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List of Acronyms

BRT	Bus Rapid Transit
CEQA	California Environmental Quality Act
CIP	Capital Improvement Project
CMCP	Comprehensive Multimodal Corridor Plans
EAP	Early Action Program
ITOC	Independent Taxpayer Oversight Committee
GHG	Greenhouse Gas
HOV	High-Occupancy Vehicle
LSR	Local Street and Road Program
MPO	Metropolitan Planning Organization
MTS	Metropolitan Transit System
NCTD	North County Transit District
OWP	Overall Work Program
POF	Plan of Finance
RTP	Regional Transportation Plan
SANDAG	San Diego Association of Governments
VMT	Vehicle Miles Traveled

Executive Summary

As part of its responsibility under the TransNet Ordinance, the Independent Taxpayer Oversight Committee (ITOC) contracted with Sjoberg Evashenk Consulting, Inc. to conduct the Fiscal Year (FY) 2024 TransNet Triennial Performance Audit of the San Diego Association of Governments (SANDAG) and other agencies' implementation of the TransNet Extension Ordinance (TransNet)-funded projects and programs for the period from July 1, 2020 to June 30, 2023. This audit focused on major corridor project progress against TransNet Ordinance plans, legislation impacting future major corridor project delivery, funding for TransNet projects, smart growth grants funded by TransNet, and status of implementing prior audit recommendations.

SANDAG reported completion of approximately one-third of the major corridor TransNet Ordinance projects; yet data did not clearly link whether projects delivered aligned with the TransNet Ordinance commitments at the location where the improvement was planned (boundary or limit) and for the improvement planned (scope).[1] This is a repeat issue from the prior audit where SANDAG does not comprehensively track how completed projects align with Ordinance commitments at a granular level and no single SANDAG area or division seems to have full ownership for tracking against those commitments. Although changes can be made to long-range transportation plans, a complete crosswalk is needed to fully demonstrate progress against specific Ordinance commitments or explain why different project options were delivered.

In fact, as transportation needs change and legislation is introduced, regional planning entities adjust and adapt to the changing demands including focus on multimodal solutions to reduce GHG emissions through regional planning efforts. Legislation passed over the last fifteen years has changed the nature of projects that Metropolitan Planning Organizations (MPOs), like SANDAG, include in regional plans. SANDAG conveyed to us that some TransNet Ordinance projects were not consistent with its 2021 Regional Plan and provided, at a high level, which TransNet Ordinance project boundaries and scope were not included in the regional plan.

However, SANDAG had not amended the Ordinance, as allowed, to be consistent with the regional plan nor did it have clear link to demonstrate the underlying details on how the remaining TransNet projects were affected. Regardless of whether transportation legislation or preferences change over time and decision-makers determine that certain original TransNet projects scopes may no longer be the best options for the region, SANDAG still must be accountable to the voters and transparent on which project scope and locations will not be delivered.

Relatedly, funding the ultimate mix of capital projects is a complex endeavor with many options and mechanisms. SANDAG puts in much effort to bolster revenues and link project needs to available funding using conservative estimates in its Plan of Finance (POF), strengthening its cost estimation and escalation practices, dedicating efforts to pursue grants, and successfully leveraging notable state and federal funding. But available funds are insufficient to cover planned TransNet major corridor project costs and

[1] SANDAG tracks and manages project phase status, budget to actual expenditures, engineer's estimates to bids received, milestone durations, revenues, and cost inflation among other details at an individual project level and overall portfolio level.

enhanced frequencies on new transit facilities, creating a funding gap in the next few years. SANDAG's endeavors have not solved the greater concern of the shortfall and there are still no formal plans to address the issue even though the shortfall could impact delivery for major corridor projects in-progress by FY 2027.

Although a recent budget amendment provided relief and helped mitigate the risk of disruptions to project delivery, it did not make a substantial change overall to the major corridor program. Additionally, there was no formal or documented methodology for reprioritizing funding TransNet projects or moving money between projects when funding gaps exist. Without a clearly documented and agreed-upon methodology, SANDAG cannot demonstrate accountability to the TransNet Ordinance.

Moreover, without adequate funding, the SANDAG Board must make decisions to delay projects, reduce or remove scope and projects, confirm receipt of additional funding, and communicate plans to the public and stakeholders. Given that SANDAG has reportedly eliminated some TransNet Ordinance projects from its regional plan, it has a responsibility to ensure the TransNet Ordinance is consistent with that plan and an inherent obligation to present timely and clear information to both the public and oversight bodies before the funding shortfall impacts project delivery.

In terms of smart growth grants for local development to "create more compact, walkable, bikeable, and transit-oriented communities," our testing of 16 smart growth grants closed during the period of our review found that activities adhered to grant applications and project outputs aligned with smart growth concepts—although there was limited data available to measure program outcomes.

Finally, we found SANDAG has not taken strong enough action to implement prior audit recommendations with more than 40 percent that remain outstanding—some for more than six years—including several for which SANDAG may not understand the intent behind the recommendations based on the reported actions taken to address the recommendations. Part of the delay in implementation was attributed to staff turnover, changing staff responsibilities, and interruption from the COVID-19 pandemic with SANDAG reporting that although it operates "in a constrained funding environment with limited staff resources, staff is committed to continue working with the ITOC and Board to set priorities and address remaining audit recommendations."

Key audit results are summarized on the next page.

SANDAG TransNet program

FISCAL YEAR 2024 KEY AUDIT RESULTS

Major Corridors

- SANDAG reported progress with delivery of major corridor projects, but information was unclear to validate specific project scopes and progress against Ordinance commitments.
- Reported progress could not be confirmed due to inconsistent project status data.

Local Street & Road, Bike, Transit

- Local Street & Road funding reported many improvements.
- Bike projects were completed and ridership was up, although there are still many miles left to deliver.
- New Transit capital projects are not yet operating at planned frequency which impacts growing ridership.

Funding

- TransNet Ordinance program shows a funding shortfall, although revenue and expense estimates are generally reliable.
- SANDAG's investment of TransNet funds for CMCPs to be eligible for state funding opportunities provide worthwhile.
- Though shortfall for remaining major corridor projects was recently reduced, SANDAG does not have formal plans to address the gap.
- No established or vetted methodology exists to reprioritize projects against limited funding to be more transparent with rationale used in-decision making.

Smart Growth Grants

- Smart Growth grant activities generally aligned with program goals, although SANDAG should strengthen monitoring.
- Grant activities aligned with stated purpose in grant agreements, although capital grant applications did not require clear objectives.
- Grant purposes aligned with program goals, but performance outcomes were not measured.
- SANDAG needs to strengthen Smart Growth grant monitoring.

Prior TransNet Audit Recommendations

- SANDAG has not taken strong enough actions to implement prior audit recommendations and may not understand intent behind prior audit recommendations.
- More than 40 percent of prior audit recommendations remain outstanding.
- SANDAG cited struggles to implement audit recommendations due to staff turnover and reorganized responsibilities.
- No indication of Executive Management direction prioritizing or setting timelines for implementing audit recommendations.
- SANDAG's TransNet Ordinance amendment process to address outstanding recommendations is slow and has not yet occurred.

To address results discussed and issues raised in this FY 2024 TransNet Triennial Audit, we make several recommendations as summarized on the page that follows.

Summary of Recommendations

Results of the FY 2024 TransNet Triennial Performance Audit for the three-year period from July 1, 2020 to June 30, 2023, are presented in the following report sections, with recommendations summarized below. To improve efficiency, effectiveness, and accountability to the taxpayers of the San Diego region, ITOC should request that the SANDAG Board direct its staff to consider and implement recommendations summarized in the table that follows. Priority classifications and significance of recommendations were categorized into four separate rankings based on the impact on TransNet Ordinance goals and functions, critical path activities, accountability, and timing. Priority categories are:

- **Critical Priority**: Substantial risk to achievement of TransNet Ordinance goals, is fundamental to the TransNet Ordinance's success and critical path activities, is crucial for accountability, or has a time-sensitive component. Immediate attention is warranted.
- **High Priority**: Significant risk to achievement of TransNet Ordinance goals, is fundamental to the TransNet Ordinance's success or program activities or is important for accountability. Prompt attention is warranted.
- **Medium Priority**: Some risk to achievement of TransNet Ordinance goals, is important to the TransNet Ordinance's success or program activities or would help strengthen accountability. Moderate attention is warranted.
- **Low Priority**: Opportunity for improvement, but not vital to the TransNet Ordinance's success or program activities. Routine attention is warranted.

COMPREHENSIVE AUDIT RECOMMENDATION MATRIX

	Audit Recommendation	Report Page	Priority
Section 1: SANDAG Reported Progress with Delivery of Major Corridor Projects, but Did Not Track Specific Project Scope and Progress Against Ordinance Commitments			
1.	Ensure SANDAG Executive Management designates staff to have assigned responsibility for tracking against the Ordinance major corridor planned pledges at a detailed location boundary and scope level to be able to demonstrate what actual improvements were made.	Pages 13-18	**Critical**
2.	Revamp or create new tools or spreadsheets to comprehensively track major corridor project delivery against Ordinance planned pledges at a detailed location boundary and scope level.	Pages 13-18	**Critical**
3.	Make sure the revamped or new tools or spreadsheets comparing actual to planned project delivery for Ordinance major corridor planned pledges at a detailed location boundary and scope level are accurate and supported through links to project fact sheets, budget documents, google maps, or other specific project-level documents validating completion as appropriate.	Pages 13-18	**Critical**
4.	Provide the detailed listing—or highlight just those original TransNet major corridor project boundaries and scopes that were not completed as pledged—to the Board and ITOC for use as part of annual budget conversations as well as the 2025 Regional Plan, and future regional plans.	Pages 13-18	**Critical**

Audit Recommendation		Report Page	Priority
5.	Update data in the TransNet Dashboard—or alternate public facing system designated in place of the Dashboard—on monthly basis to ensure up-to-date budget, expenditure, schedule, and status information is comprehensively available for both current in-progress major corridor projects and previous major corridor projects completed.	Pages 16-17	**High**
Section 2: Other TransNet Ordinance Projects and Programs Reported Progress, Although Transit Projects are Not Yet Operating at Planned Frequency			
6.	Work with MTS and NCTD to closely monitor ridership on the TransNet-funded routes against service frequency levels, and report to the SANDAG Board and ITOC on the impact service adjustments may have on riders including how actual services align against original plans in the TransNet Ordinance.	Pages 21-24	**Medium**
7.	Ensure decisions made regarding funding MTS' and NCTD's transit operating service gaps or frequency expectations are documented with rationale supporting decisions and incorporated into Ordinance amendments as warranted.	Pages 21-24	**Medium**
Section 3: Status of Remaining TransNet Major Corridor Ordinance Projects is Unclear, Although Legislation Impacts Regional Planning Decisions			
8.	Ensure Executive Management designate staff with the assigned responsibility for tracking future remaining major corridor projects against the Ordinance planned pledges at a detailed location boundary and scope level to be able to demonstrate what actual improvements are planned and which remaining major corridor projects will not be completed.	Pages 25-31	**High**
9.	Establish tools or mechanisms to track remaining Ordinance major corridor projects (boundaries and scope) clearly and accurately against the 2021 Regional Plan and future regional plans, including maintaining underlying supporting data reported.	Pages 25-31	**High**
10.	Make sure the new tools or mechanisms comparing remaining Ordinance major corridor projects to regional plans at a detailed location boundary and scope level are accurate and supported through links to planning documents, budget information or plans of finance, or other documents as appropriate.	Pages 25-31	**Critical**
11.	Provide a detailed listing to the Board and ITOC annually—or highlight those remaining original TransNet major corridor project boundaries and scope that will not be completed as pledged—starting in 2024 before completion of the future 2025 Regional Plan and regularly thereafter.	Pages 25-31	**Critical**
12.	Present proposed amendment to the Board to align planned major corridor projects from the TransNet Ordinance with the current 2021 Regional Plan as required by the TransNet Ordinance.	Pages 25-31	**Critical**
Section 4: Formal Plans for Funding Shortfall and Priorities Were Not Developed To Address Impact on Specific TransNet Projects			
13.	Present the details of the next Plan of Finance to the Board and ITOC including specific amounts of funding shortfalls by subprogram and program-wide, in addition to the timeframe when shortages may begin to affect project delivery.	Pages 41-44	**Critical**
14.	Develop specific options and corresponding timelines on possible actions to address funding shortfalls for the Board and ITOC that clearly state the impact of each option at the project-level, including how options will compare to what was originally pledged in the ordinance for each project.	Pages 41-44	**High**

Audit Recommendation		Report Page	Priority
15.	Develop, implement, and use a formal, transparent, and vetted methodology and strategy for reprioritizing pledged ongoing and future TransNet major corridor projects against limited funding—including how funds are moved between projects and factors are weighed for starting new projects when other ongoing projects may have unmet funding needs.	Pages 45-48	**High**
Section 5: Smart Growth Grant Activities Generally Aligned with Program Goals, Although SANDAG Should Strengthen Monitoring			
16.	Revamp the smart growth grant application form to clearly identify quantified, detailed objectives and deliverables to allow for meaningful analysis.	Pages 52-54	**Medium**
17.	Require grantees to include a well-defined description of what will be constructed through the project to affect desired smart growth outcomes.	Pages 52-54	**Medium**
18.	Require grantees to report on the quantifiable performance metrics now required in grant awards related to promoting smart growth goals to create compact, walkable, bikeable, and transit-oriented communities and increase housing and transportation choices around the region as applicable.	Pages 54-56	**Medium**
19.	Put practice in place to summarize grantee performance data, analyze success of grant efforts, and report to ITOC.	Pages 54-56	**Medium**
20.	Review grantees final close out reports and investigate any items the grantees marked as "in-progress."	Pages 56-58	**Medium**
21.	Validate that smart growth grantees met all objectives and verify that grantees provided deliverables at project close-out during site visits.	Pages 56-58	**Medium**
Section 6: SANDAG Has Not Taken Strong Enough Actions to Implement Prior Audit Recommendations and Ordinance Amendments			
22.	Require SANDAG Executive Management to take an active role in overseeing the implementation of the ITOC audit recommendations and hold staff accountable for timely corrective action.	Pages 59-65	**High**
23.	Set timelines for local agency consensus on proposed Ordinance amendments and then take the related amendments to the Board for consideration soon after.	Pages 66-67	**Medium**
24.	Immediately propose the amendments to the Board for the ITOC changes and other areas relating to the prior audit recommendations.	Pages 66-67	**High**

Introduction and Background

To provide congestion relief, improve safety, and expand highways, streets, and transit in the San Diego region, voters passed Proposition A in November 2004 calling for a continuation of an existing TransNet half-cent sales tax for an additional 40-year period from 2008 through 2048. This proposition paved the way for dedicated local funds to be leveraged through state and federal matching dollars for improving regional transportation systems as part of the TransNet Extension Ordinance and Expenditure Plan (TransNet Ordinance) as approved by the San Diego Association of Governments' (SANDAG) Board of Directors. Throughout this report, we refer to the TransNet Ordinance or Ordinance interchangeably.

SANDAG and TransNet Ordinance Responsibilities

SANDAG is the Metropolitan Planning Organization (MPO) for the San Diego region with many responsibilities including planning regional transportation projects, overseeing transportation infrastructure, and programming financial investments in highways, roadways, public transit, and bicycle and pedestrian infrastructure.[2] Additionally, SANDAG's dual role as the San Diego County Regional Transportation Commission affords additional responsibilities for authorizing payments from any local sales-tax—such as the TransNet Ordinance.

SANDAG's efforts and activities are governed by a 21-member Board of Directors (Board) as well as a seven-member Independent Taxpayer Oversight Committee (ITOC) that aid in the oversight of the TransNet Ordinance and provide an increased level of accountability for expenditures of TransNet Ordinance funds.

While SANDAG is the primary entity responsible for administering the TransNet Ordinance, other entities share responsibilities for managing and implementing projects and programs funded through the TransNet Ordinance as well as maintaining and operating part of the transportation network. Key TransNet Ordinance partners include Caltrans that implements the major corridor highway projects, Metropolitan Transit System (MTS) and North County Transit District (NCTD) that operate transit services along TransNet Ordinance corridors, and 19 local agencies that implement local street and road improvement projects. There are also a multitude of grantees, non-profits, conservancy groups, and other federal and state agencies that assist with implementation of the TransNet Ordinance.

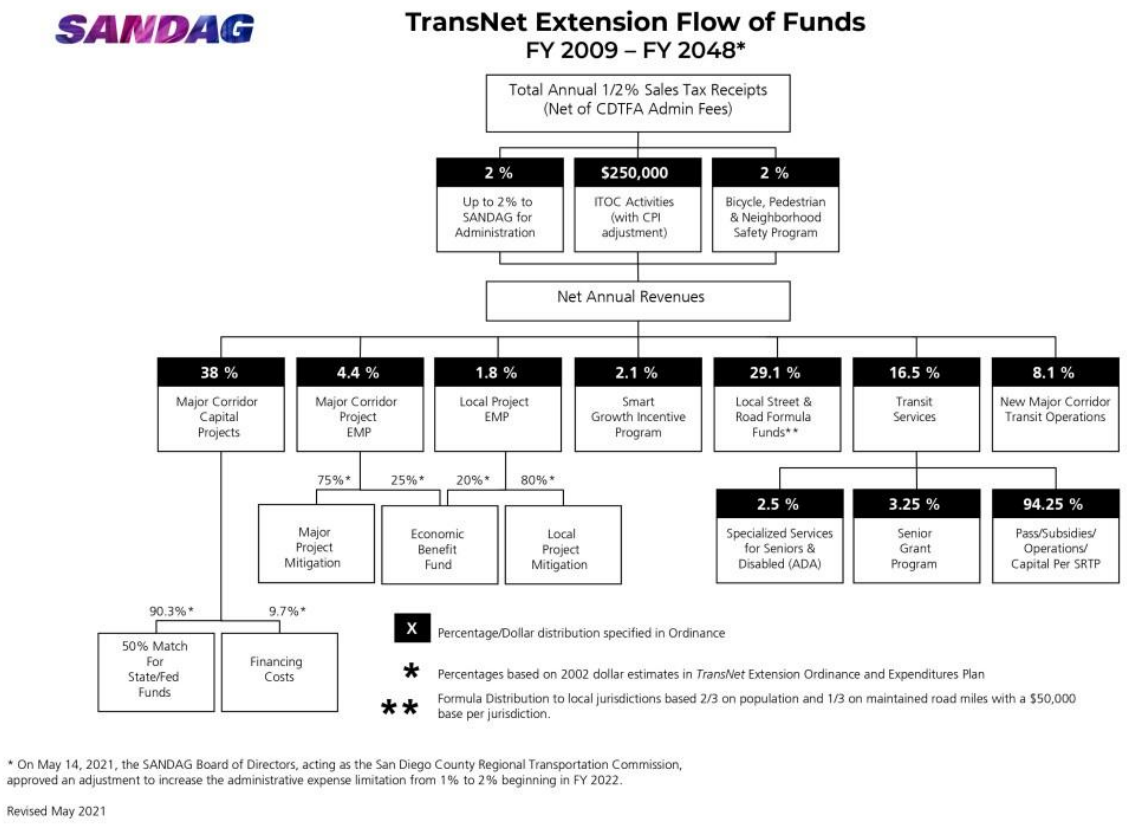
Further, the TransNet Ordinance assigns the ITOC responsibility for conducting triennial performance audits of SANDAG and other agencies involved in the implementation of TransNet Ordinance-funded programs and projects among its other responsibilities.

[2] A Metropolitan Planning Organization (MPO) is an agency created by federal law to provide local officials input into the planning and implementation of federal funds in urban areas with populations greater than 50,000. In San Diego, the SANDAG MPO has joined together elected officials from all 18 cities and the County of San Diego as a Regional Council of Governments.

TransNet Ordinance and Expenditure Plan

As the San Diego County Regional Transportation Commission, the SANDAG Board has responsibility for implementing the San Diego voter-approved sales tax measure. To meet expectations of the tax measure, the SANDAG Board authorized and implemented the TransNet Extension Ordinance and Expenditure Plan guiding the types of transportation improvement projects in the region funded through the sales-tax measure. Funds generated must be allocated to each TransNet Ordinance area using a specified percentage or amount, as shown in Exhibit 1.

EXHIBIT 1. TRANSNET ORDINANCE FOCUS AREAS AND REQUIRED PERCENT OF ALLOCATION



Source: SANDAG and the 2004 TransNet Extension Ordinance and Expenditure Plan

More than 44 percent of net TransNet Ordinance funds combined are dedicated to major corridor capital projects for highway and transit including an environmental mitigation program, with another 29.1 percent required for local street and road capital projects.[3] The remaining 27 percent is allocated specifically for

[3] TransNet Ordinance set aside 38 percent for major corridor capital projects, 4.4 percent for major corridor project environmental mitigation, and 1.8 local project environmental mitigation for a combined total of 44.2 percent.

alternate modes of transportation such as transit operations, bike and pedestrian projects, neighborhood safety projects, and grants for specialized transportation activities.

TransNet Ordinance Projects and Programs

To relieve traffic congestion and improve safety, the TransNet Ordinance identified 15 major highway and transit transportation corridors to receive various congestion relief related improvements through 48 major corridor projects scheduled for completion by 2048.[4] As of June 2023, SANDAG has split the TransNet Ordinance projects into 107 project segments to deliver various project phases as shown in Appendix A. Although the TransNet Ordinance encompassed specific major corridor projects, it allows for amendments to the Ordinance; thus, original planned projects may change over time as the regional plans evolve.

Most of the planned projects included a transit or multiple-vehicle type improvement such as flexible managed lanes; only six projects were capacity enhancements such as general-purpose lanes or connectors.[5] In addition to highway and transit major corridor capital projects, there are approximately 40 proposed bike construction projects to expand the bike network countywide involving 70 miles of new bikeways and hundreds of local street and road capital projects for new construction, maintenance, and more as identified on a biennial basis as part of each local jurisdiction's transportation improvement plan.[6] Related to the major corridor projects, the environmental mitigation program provides funding for habitat-related mitigation costs of the highway and transit projects including large-scale acquisition and management of critical habitat areas in accordance with multiple species conservation plans. This program created a reliable approach for funding required mitigation for future transportation improvements that reduced future costs and accelerated project delivery.

The TransNet Ordinance also established the Smart Growth Incentive Program to fund infrastructure improvement grants that integrate transportation and land use through a wide array of activities including community planning efforts, enhancements to streets and public places, and active transportation. Also, as part of Transit Services funded by the TransNet Ordinance program, 8.1 percent is allocated for operating new or expanded services after the effective date of the Ordinance. Other transit services relate to grants to nonprofit and local agencies to provide specialized transportation services for seniors, reduced transit passes for youths and seniors, and paratransit services.

Relationship Between TransNet Ordinance and the 2021 Regional Plan

Each MPO like SANDAG, is federally required to prepare a long-range transportation plan or blueprint that sets forth the region's long-term transportation needs, priorities, and investments considering state and

[4] In 2010, the Coronado City Council shelved Ordinance Project 46 (Coronado Tunnel project); a 2012 amendment added the SR 125 Toll Road purchase as Ordinance Project 48.

[5] Types of planned improvements involve "highway improvements" such as general-purpose lanes, high-occupancy vehicle lanes, express lanes, and connectors—as well as "transit improvements" such as adding rail tracks and bus rapid transit routes, improving transit stations, and adding signal priority systems and grade separations.

[6] In 2010, the Board approved the 40-year Regional Bikeway Program to guide the development of the San Diego regional bicycle system through the year 2050. Subsequently, the Board approved and accelerated several projects in 2013 as part of a Bike Early Action Program (EAP) to be completed within a 10-year period —with many additional projects to be completed over the remaining 30 years of the Regional Bikeway Program. Of the 76.9 total planned miles, 6.7 miles were reduced through individual project design activities to arrive at a revised approximate 70 miles of Bike EAP planned.

federal goals. For the San Diego region, the most recent long-range plan is the 2021 Regional Plan that combined the Regional Transportation Plan, Sustainable Communities Strategy required by state legislation, and the Regional Comprehensive Plan.[7] Funding for the regional plan comes from a variety of local, state, and federal sources, including the local TransNet Ordinance's countywide half-cent sales tax that comprised less than 10 percent of the current 2021 Regional Plan funding.[8]

EXHIBIT 2. RELATIONSHIP BETWEEN TRANSNET ORDINANCE AND REGIONAL PLAN

Source: 2021 Regional Plan and TransNet Ordinance

SANDAG is required to update and submit a new regional plan to the federal government at least every four years, the entities undergo a continuous process to revisit and make decisions on the best mix of planned projects that a region wants to fund based on changing travel demand patterns, new technologies, and other forecasted needs. However, Section 5B of the TransNet Ordinance states that "all projects to be funded with revenues made available under Section 4 (Expenditure Plan Purpose) must be consistent with the Regional Transportation Plan." Although the TransNet Ordinance allows amendments to the portfolio of projects initially identified, there are certain prioritized "lockbox" projects that were uncompleted from the original sales tax measure passed in 1987 that require voter-approval to change.[9] These "lockbox" projects were ultimately completed in 2011 (SR 52), 2017 (SR 76) and 2021 (Mid-Coast).

2021 Regional Plan Incorporated 5 Big Moves Vision

As part of its 2021 Regional Plan, SANDAG introduced a "5 Big Moves" concept where efforts are focused on complete managed corridor planning, flexible fleet options, expansion of high-speed transit, and connecting multimodal travel via mobility hubs and technology advancements. Each in-progress or future

[7] At its May 25, 2012 meeting, the SANDAG Board of Directors approved the integration of the Regional Comprehensive Plan update with the development of the Regional Transportation Plan and Sustainable Communities Strategy. The 2015 Regional Transportation Plan was the first integrated plan (San Diego Forward: The Regional Plan) which the Board adopted on October 9, 2015. A Sustainable Communities Strategy is required by Senate Bill 375 to achieve greenhouse gas emission reduction targets set by the California Air Resources Board.

[8] Percentage does not consider future revenue that has not been identified.

[9] "Lockbox" projects include improvements planned on the SR 52, SR 76, and Mid-Coast Transit Guideway as described in the TransNet Expenditure Plan Section A.1.a.9 and 12 and Section A.1.b.6.

planned capital improvement project listed in the 2021 Regional Plan would be categorized under one of the 5 Big Move areas shown in Exhibit 3—including any remaining TransNet Ordinance major corridor projects approved as part of the 2021 Regional Plan.

EXHIBIT 3. FIVE BIG MOVES OVERVIEW

Source: Five Big Moves brochures on SANDAG San Diego Forward: 2021 Regional Plan website: www.sdforward.com

Though there are 5 separate "moves," they are interconnected and closely linked with one another. For instance, Complete Corridors acts as the backbone of the entire transportation system using technology and connectivity to support all types of movement such as using a Flexible Fleet and Next OS technology to help people travel efficiently. Likewise, Mobility Hubs are communities with high concentrations of people, destinations and travel choices that can offer on-demand travel options and enhanced connections to Transit Leap services, while also helping people make short trips to local destinations around the community using Flexible Fleets.

Comprehensive Multimodal Corridor Plans are Prioritized Actions to Implement 2021 Regional Plan

In addition to the 2021 Regional Plan's 5 Big Moves vision and various strategies, the plan called for ten priority implementation actions—specific steps taken to bring the plans, projects, policies, and programs to reality. One of those priority action strategies is the development of Comprehensive Multimodal Corridor Plans (CMCPs) to refine projects at the corridor level and qualify the region for future funding opportunities. According to SANDAG's website, CMCPs are data-driven plans designed to reduce vehicle miles traveled (VMT) and greenhouse gas emissions (GHG) as well as identify mobility solutions and options along the region's busiest travel corridors. CMCPs evaluate all travel modes and transportation facilities to "optimize system operations" and increase access for residents, commuters, visitors, and goods movement—and may include remaining TransNet Ordinance major corridor projects.

Scope and Methodology

In accordance with the TransNet Ordinance, the ITOC has responsibility for conducting triennial performance audits of SANDAG and other agencies involved in the implementation of the TransNet Ordinance-funded projects and programs.

Audit Scope and Objectives

ITOC contracted with Sjoberg Evashenk Consulting Inc., to conduct the TransNet Triennial Performance audit for the three-year period between July 1, 2020, and June 30, 2023, and identified the following eight audit objectives for the Fiscal Year (FY) 2024 audit:

1. Determine whether SANDAG and its partners made progress delivering TransNet Ordinance projects and programs and progress toward the goals of the Ordinance.
2. Assess whether the 2021 Regional Plan and related laws and regulations impacted the delivery of remaining TransNet Ordinance projects and is consistent with the TransNet Ordinance.
3. Evaluate the 5 Big Moves and related CMCPs and determine whether they impacted the delivery of the remaining TransNet Ordinance projects and are required by law.
4. Assess the funding shortage impact on TransNet Ordinance project delivery and whether movement of TransNet Ordinance money between projects is appropriate and prioritized.
5. Consider whether the cost escalation methodology for drawdowns is adequate to preserve funding over time for the Border, LOSSAN, and Bike Early Action Plan (EAP) projects.
6. Assess whether local agencies are using Smart Growth Incentive Program grants for intended purposes and achieving intended outcomes under appropriate SANDAG oversight.
7. Evaluate whether SANDAG and its TransNet Ordinance partners are committed to continued improvement by implementing corrective actions noted in prior audits and whether those actions resulted in efficiencies or more effective practices.
8. Determine if ITOC is fulfilling responsibilities to provide accountability in accordance with bylaws, the Ordinance, and best practices.

Audit Methodology

To fulfill these objectives, we conducted a series of audit tasks involving data mining and analysis, documentary examinations, peer comparisons, file testing, and source data verification, in addition to inquiries of executives, management, staff, and stakeholders of entities involved with the implementation of the TransNet Ordinance. Appendix B provides the detailed methodology employed on this audit.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Section 1. SANDAG Reported Progress with Delivery of Major Corridor Projects, but Did Not Track Specific Project Scope and Progress Against Ordinance Commitments

With 38 percent of TransNet Ordinance net annual revenues dedicated solely to major corridor capital projects, the program is not only the largest component of the TransNet Ordinance, but its improvements are also the most visible and tangible to the public as new roadways open for use and the transit experience is enhanced throughout the region.[10] Envisioned to be built over the 40-year Ordinance timeframe, the delivery of individual projects and segments was aligned with high-level schedules outlined in the regional plan in place at the time the TransNet Ordinance passed.[11]

SANDAG reported approximately one-third of the major corridor TransNet Ordinance projects were completed.[12] However, we could not determine whether SANDAG delivered these projects in alignment with the TransNet Ordinance commitments at the location where the improvement was planned (boundary or limit) and what improvement was planned (scope). Although SANDAG has several protocols in place to track and manage Ordinance projects, it did not comprehensively track how completed projects align with Ordinance commitments at a granular level and no single SANDAG area seems to have full ownership for tracking against those commitments—this is a repeat audit finding where a prior recommendation was made to prepare a proper reconciliation to crosswalk between the planned Ordinance and project delivery to fully demonstrate progress and accomplishments.[13] Although SANDAG attempted a crosswalk and provided information related to CIP descriptions via the 2023 Annual Program Budget, the data did not align well against the Ordinance and underlying data provided was inconsistent and unclear. According to SANDAG, information is nuanced and complicated by the segmentation of projects. Auditors agree with this assertion; nonetheless, project status and underlying information should be consistent and clearly identified across tracking tools.

Reported Major Corridor Progress Could Not be Confirmed Due to Inconsistent Status Data

As of June 2023, SANDAG staff from the Financial Planning, Budgets, and Grants Division reported, in a Project Progress Update spreadsheet, that, of the 48 TransNet Ordinance major corridor projects, 70 percent of the projects were completed or in progress—specifically, 12 were completed (25 percent), 22 are in progress (46 percent) and 14 (29 percent) are slated for the future.[14] However, we could not validate with

[10] In the Introduction of this report, the 38 percent for Major Corridor was combined with 6.2 percent for the Environmental Mitigation Program for a combined approximate 44 percent.

[11] Projects from the 2004 TransNet Extension Ordinance & Expenditure Plan were part of the "2030 Mobility" Regional Transportation Plan, approved by the SANDAG Board in March 2003.

[12] The TransNet Ordinance major corridor projects are currently being implemented through 107 funded project segments—although not all Ordinance projects have been funded; so, the number of project segments will grow as budgets are approved for those activities.

[13] SANDAG tracks and manages project phase status, budget to actual expenditures, engineer's estimates to bids received, milestone durations, revenues, and cost inflation among other details at an individual project level and overall portfolio level.

[14] Project Progress Update provided by the Financial Planning, Budgets and Grants Division, as of June 30, 2023. However, progress reported by the Financial Planning, Budgets and Grants Division contradicted some status reported in the FY 2021 TransNet Triennial Performance Audit where 35 percent of projects were completed, 23 percent were in progress, and 42 percent were future projects that had not yet started.

certainty whether specific scopes pledged in the TransNet Ordinance were completed or whether the projects were located within planned project boundaries because of contradictory information and unclear data to link project delivery against Ordinance plans or confirm details from staff's institutional memory.

SANDAG staff endeavored to address prior ITOC audit recommendations related to tracking major corridor projects that were completed, in-progress, and planned, but the spreadsheets and documentation given did not provide explicit information related to how project delivery had shifted or evolved against those original Ordinance commitments.[15] When we attempted to confirm progress against Ordinance plans, we found contradictory information between spreadsheets provided, staff's institutional memory, and TransNet Dashboard or SANDAG budget documents—as shown in Exhibit 4.[16] Without performing the recommended crosswalk between the original Ordinance commitments and current projects, it is challenging to demonstrate and confirm progress towards the Ordinance commitments.

EXHIBIT 4. EXAMPLES OF DATA INCONSISTENCIES RELATED TO ORDINANCE PROJECT STATUS

	Status Reported				
Original Ordinance Project	**Financial Planning, Budgets, Grants Working Session Information Agrees?**	**Financial Planning, Budgets, Grants Progress Project Update Spreadsheet Agrees?**	**Dashboard Information Agrees? [1, 2]**	**Caltrans Information Agrees? [3]**	**Consistent Status Noted**
1 - I-15: SR 163 to SR 56	Completed	✓	Future	✓	**No**
3 - I-15: SR 94 to SR 163	In progress	✓	Future	✓	**No**
11 - I-805: Mission Valley Viaduct	Future	✓	Missing	In-Progress	**No**
25 - I-5/I-805 Merge	Future	✓	Completed	On Hold	**No**
29 - FWY Connector: I-5/SR 56 Interchange	In progress	Future	Completed	✓	**No**
32 - SR 52: I-15 to SR 125	In progress	✓	Future	✓	**No**
35 - SR 94: SR 125 to Steele Canyon Rd	Future	✓	Missing	Cancelled	**No**
48 - SR 125: SR 905 to SR 54	Completed	In-Progress	Missing	✓	**No**

Source: Financial Planning, Budgets, and Grants Division spreadsheet provided; public TransNet Dashboard; and working sessions with SANDAG staff and Caltrans.

Note [1] Within the TransNet Dashboard, granular information related to status at an Ordinance Project Level was not available; only information for "Ordinance Budget Status" and "Ordinance Schedule Status" expressed as a percentage. As such, auditors were only able to use Dashboard examples in which both the "Ordinance Budget Status" as well as the "Ordinance Schedule Status" were listed as either 0 (zero) percent (indicating a project not yet started) or 100 percent (indicating a project had been completed) in the Dashboard.

Note [2] If the project was not included in the Dashboard, for which there were several examples, the corresponding cell was labeled as "missing" indicating that either (1) the project was not included on the Dashboard or (2) the project status was the same as the "baseline."

Note [3] Caltrans did not provide project status details at a Capital Improvement Project level since those identifiers relate to SANDAG budget documents.

[15] Some SANDAG spreadsheets were created when a "crosswalk" was requested by the auditors or data was added to auditor-generated spreadsheets attempting to validate project delivery status.

[16] Auditors also attempted to mine details from SANDAG's internal PM Tools system that contained financial reports and budgetary change information, various project fact sheets, the 2023 Program Budget, and links to the "Keep San Diego Moving" website. Data in those documents and resources often required SANDAG staff interpretation from institutional memory because project descriptions and details were not consistent or well-defined.

Varying definitions for marking a project segment as "complete" added to the confusion. For instance, depending on the staff interviewed or spreadsheet used, project completion could mean (1) a completed capital improvement project (CIP) project from the budget that could be related to any phase of a project, (2) completion of construction of the project and open to traffic, or (3) completion of all expected segments in alignment with the Ordinance planned commitment.

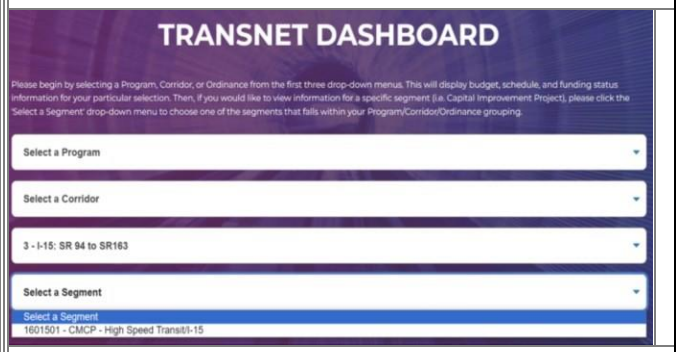
For example, the "I-805/SR 15 interchange" project segment (CIP: 1280514) associated with Ordinance Project 3 planned for the addition of two high-occupancy (HOV) lanes and direct connectors between I-805 and SR 15 for northbound-to-northbound and southbound-to-southbound HOV/Rapid traffic. The Financial Planning, Budgets, and Grants Division noted that this project was completed, while a Project Progress Update spreadsheet provided by the same division indicated the project was in progress. Further, the program budget stated that the design portion of the project was completed but waiting on additional funds for right-of-way to advertise for construction, while TransNet Dashboard did not include or display information related to this project segment at all—all adding to the challenge to validate project status.

EXHIBIT 5. EXAMPLE OF UNCLEAR COMPLETION STATUS FOR ORDINANCE PROJECT 3: CIP1280514

2022 SANDAG Program Budget notes I-805 / SR 15 Interchange Project completed Design in FY 2016 but requires additional funding to move forward.	TransNet Dashboard for Ordinance Project 3 did not list I-805 / SR 15 Interchange as a segment.

FY 2022 Projects Completed Through A Major Milestone

Project No.	Project Title	Funded to Date ($000s)	Budget Year
1280512	**I-805 Imperial BRT Station** Project Study Report for an I-805 *Rapid* station with connection to the 47th Street Trolley complete.	$1,673	FY 2016
1280514	**I-805/SR 15 Interchange** Design of two high-occupancy vehicle (HOV) lanes and direct connectors between I-805 and SR 15 for northbound-to-northbound and southbound-to-southbound HOV/*Rapid* traffic is complete. Needs additional funds for right-of-way in order to advertise for construction.	$17,926	FY 2016

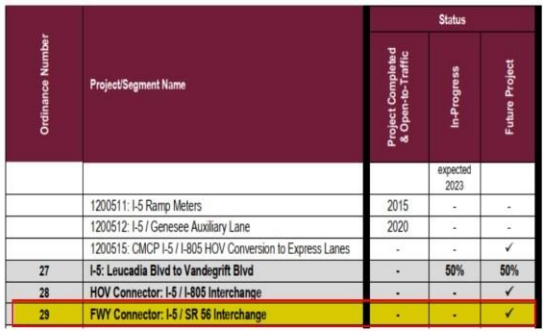


Source: 2022 Program Budget, TransNet Public Dashboard

Auditors found additional discrepancies between the spreadsheets provided by SANDAG and referenced supporting documents where we could not confirm which source was most accurate and reliable. For example, as shown in Exhibit 6, for Ordinance Project 29 (FWY Connector: I-5/SR 56 Interchange), the Project Progress Update spreadsheet, provided by the Financial Planning, Budgets and Grants Division, reported this project is slated for the future although the TransNet Dashboard displayed the project as being completed. Conversely, the Financial Planning, Budgets, and Grants Division noted this project was in progress during working sessions; with Caltrans also noting that the project was in progress although it was currently inactive. Although the Ordinance progress information is complicated by the segmentation of projects, status and information should be consistent and clearly identified across tracking tools.

EXHIBIT 6. EXAMPLE OF DIFFERENT STATUS REPORTED FOR ORDINANCE PROJECT 29 I-5/SR 56 INTERCHANGE BETWEEN INTERNAL SANDAG SPREADSHEET AND TRANSNET DASHBOARD

Financial Planning, Budgets and Grants Division – Project Progress Update	TransNet Dashboard
Projects shown as Slated for the Future	**Projects shown at 100% Schedule and Completed**



Ordinance Number	Project/Segment Name	Status		
		Project Completed & Open-to-Traffic	In-Progress	Future Project
			expected 2023	
	1200511: I-5 Ramp Meters	2015	-	-
	1200512: I-5 / Genesee Auxiliary Lane	2020	-	-
	1200515: CMCP I-5 / I-805 HOV Conversion to Express Lanes	-	-	✓
27	I-5: Leucadia Blvd to Vandegrift Blvd	-	50%	50%
28	HOV Connector: I-5 / I-805 Interchange	-	-	✓
29	FWY Connector: I-5 / SR 56 Interchange	-	-	✓

Source: Project Progress Update provided by the Financial Planning, Budgets, and Grants Division, TransNet Dashboard

When looking across 107 Ordinance Project segments for the major corridor improvements, these types of discrepancies required substantial research for auditors to understand or capture each individual project segment scope and boundary limits delivered as shown in budgets, the Dashboard, project fact sheets, and Google maps to align with the Ordinance plans—basically preparing the detailed crosswalk that prior audits recommended SANDAG develop and maintain to be more accountable to the Ordinance pledges. Although auditors performed some validation in prior audits, it was not part of the audit scope for this FY 2024 TransNet Triennial Performance Audit. Yet, we attempted to identify and update project status (completion, in-progress, or future) from the prior audit's universe of TransNet projects to the best of our ability and to the extent possible—based on program budget information as shown in Appendix A—just not at a detailed project scope and boundary level.

Dashboard Was Not Current and Has Less Detail Data Available than in Prior Audits, Although New Systems are Being Implemented

SANDAG created its TransNet Dashboard to keep the public informed on the status of TransNet projects as well as to be used as a project and program management tool. During prior audits, the TransNet Dashboard contained details related to schedule, cost, and progress at both the Ordinance project and segment level allowing auditors and the public to view details about project delivery. Data was supported by an internal Dashboard used by project managers with links to underlying project files where auditors could validate schedule and costs. Although the TransNet Dashboard did not link project segment data against original baseline budgets and schedule to show progress against initial Ordinance plans at the scope and boundary level, SANDAG staff at the time asserted that a comprehensive revision to its interactive TransNet Dashboard would address that missing connection.

Although SANDAG updated the TransNet Dashboard in 2022, most of its internal Dashboard data is no longer available. SANDAG staff reported that the information previously included in the internal Dashboard had been disaggregated into other sources—leaving mostly the "PM Tools" section of the internal Dashboard remaining. Auditors found that "PM Tools" did not include comprehensive budgetary or project status details and seems most frequently used to record one-time budget amendments.

As the primary tool for the public to learn up-to-date schedule, budget, and expenditure information, we noted several concerns with the TransNet Dashboard as follows:

- The Dashboard did not display granular project status details. For example, with projects under construction, there was no distinction at the project segment level to discern whether all the planned Ordinance improvements were in construction, some segments were already completed and open to the public, or others were not yet in progress.
- Not all Ordinance projects and segments were included. SANDAG reported that only FY 2022 CIPs are currently included in the Dashboard, although the Dashboard indicates that "the TransNet Dashboard provides up-to-date schedule, budget, expenditure, and funding information for projects identified in the first measure and the extension." Of the 48 major corridor Ordinance projects, only 33 projects were shown in the TransNet Dashboard; previously completed project segments were absent in many cases to allow for a comprehensive universe.
- The Dashboard was not up to date. In some cases, it appeared that project information had not been updated for more than a year. This may have partially caused some of the previous discrepancies discussed earlier in this section.

According to SANDAG, auditor-observed changes in the Dashboard are the results of aging technology and the manual processes used to update the Dashboard from siloed systems. SANDAG is in the process of modernizing its technology platforms and implementing an Enterprise Resource Planning (ERP) system where SANDAG reports the Phase I plans for centralizing budget and finance functions have been completed. Additionally, SANDAG described its commitment to implementing a project and portfolio management software solution that auditors assume should contain detailed project scope and schedule information. While these systems are being implemented, SANDAG stated that no changes or development of existing homegrown systems—like the Dashboard—will be made.

Project Scope and Boundaries Delivered Not Tracked Against TransNet Ordinance Commitments

In addition to not being able to confirm Ordinance project status, auditors could not conclude on how progress made to date specifically aligned with planned scope (such as two managed lanes or a direct access ramp) and boundaries (along certain locations on a corridor) from the TransNet Ordinance. Prior audits reported the same concern with SANDAG not developing complete crosswalks between planned Ordinance project scope and location boundaries with actual project delivery—as discussed in more detail in Section 6 of this report, related recommendations remain outstanding.

Although changes to long-range transportation improvements are common in the industry as projects are phased over time and adjusted to changing the transportation environment, without a complete crosswalk, SANDAG cannot fully demonstrate its progress against specific Ordinance commitments. Thus, it is crucial that SANDAG document any delivery changes against TransNet plans, along with rationale, to facilitate public transparency and promote accountability against the TransNet Ordinance pledges.

Recommendations

To clearly demonstrate and substantiate progress toward TransNet Ordinance planned commitments for its major corridor capital projects, the ITOC should request the SANDAG Board to direct staff to:

1. Ensure SANDAG Executive Management designates staff to have assigned responsibility for tracking against the Ordinance major corridor planned pledges at a detailed location boundary and scope level to be able to demonstrate what actual improvements were made.
2. Revamp or create new tools or spreadsheets to comprehensively track major corridor project delivery against Ordinance planned pledges at a detailed location boundary and scope level.
3. Make sure the revamped or new tools or spreadsheets comparing actual to planned project delivery for Ordinance major corridor planned pledges at a detailed location boundary and scope level are accurate and supported through links to project fact sheets, budget documents, google maps, or other specific project-level documents validating completion as appropriate.
4. Provide the detailed listing—or highlight just those original TransNet major corridor project boundaries and scopes that were not completed as pledged—to the Board and oversight committees for use as part of annual budget conversations as well as part of planning for the 2025 Regional Plan and future regional plans.
5. Update data in the TransNet Dashboard—or alternate public facing system designated in place of the Dashboard—on a monthly basis to ensure up-to-date budget, expenditure, schedule, and status information is comprehensively available for both current in-progress major corridor projects and previous major corridor projects completed.

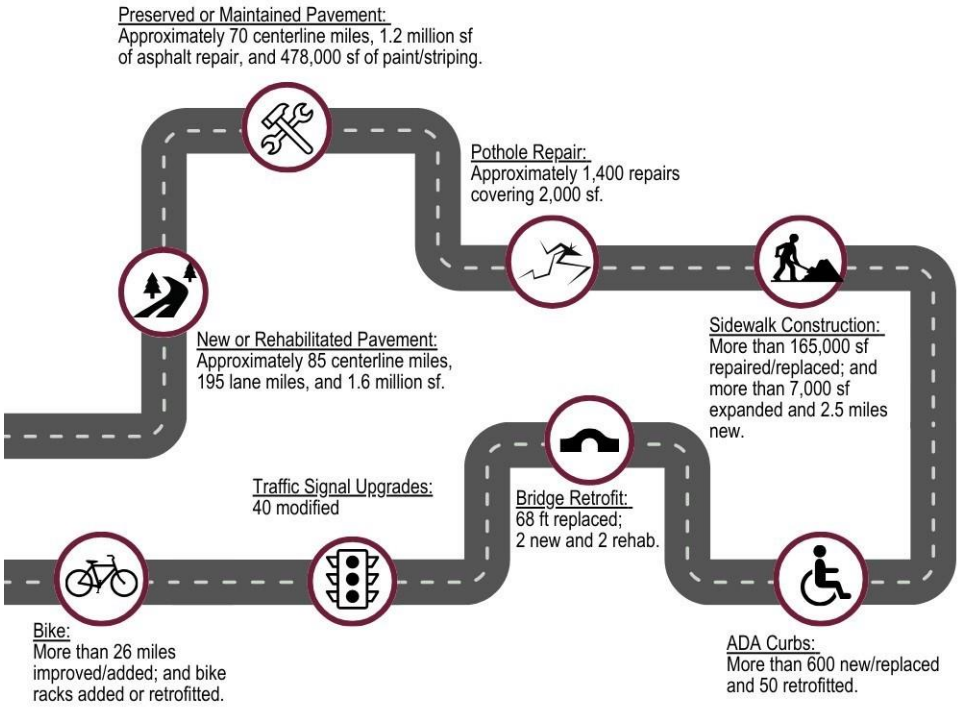
Section 2. Other TransNet Ordinance Projects and Programs Reported Progress, Although Transit Projects are Not Yet Operating at Planned Frequency

In addition to the major corridor projects, the TransNet Ordinance provided funding to deliver transportation improvements for local street and road, bikeways, and transit operations among other areas. SANDAG reported progress in delivering projects in many of the planned TransNet Ordinance projects and programs, although certain transit routes are not yet operating at planned frequency due to funding concerns.

Local Street and Road Funding Reported Many Improvements

The TransNet Ordinance provides funds to local agencies for activities such as new or reconstructed roadways, roadway maintenance, and traffic operations. Annually, the local agencies prepare and submit a Local Street and Road Program report to SANDAG identifying projects and activities accomplished. We summarized the unaudited data from annual status reports from FY 2020, FY 2021, and FY 2022, and found local agencies reported approximately 190 projects completed with many more in progress. Local agencies also reported other performance outputs related to pavement, sidewalks and curbs, potholes, bridges, bike lanes, traffic signals, parking, streetlights, and landscape. Some examples are shown in Exhibit 7, but local agencies specified additional improvements in their annual reports.

EXHIBIT 7. HIGHLIGHTS OF LOCAL STREET AND ROAD IMPROVEMENTS REPORTED, FY 2020 THROUGH FY 2022



Source: Annual Local Street and Road program reports for FYs 2020, 2021, and 2022. Data unaudited.

Notes: SF= square feet; ADA = American with Disabilities Act

SANDAG does not summarize pavement condition impacted by the roadway improvements across the region since each local agency measures the condition differently and at different stages. However, the City of San Diego's January 2024 Pavement Management Plan, rated its pavement condition with a score of 63—considered fair—and below the 13 peer-average that is studied for comparison. That same benchmarking showed the County of San Diego's pavement rated a score of 71 which is defined as satisfactory. Relatedly, Caltrans reported 82 percent of bridges and 85 percent of pavement on the National Highway System were rated good or fair—although the National Highway System does not include all TransNet-funded highways and local roads.

Bike Projects were Completed and Ridership was Up, Although There Are Still Many Miles Left to Deliver

In 2013, the SANDAG Board of Directors approved the Bike EAP designating $200 million in TransNet Ordinance funds for a series of capital improvement projects to be built within 10 years, starting in 2014. During our audit period, SANDAG reported three new bikeways were opened to the public in 2022—namely, the Georgia-Meade, Landis, and Fourth & Fifth Avenue bikeways that added approximately 10 miles of bikeways. Although SANDAG's State of the Commute report compares bike miles for multi-use paths, bike lanes, and separated bikeways 2010 miles with 2022 miles, there are still approximately 50 additional Bike EAP miles to be completed—or nearly three-quarters of the program left to deliver.[17]

In terms of ridership, there was a 14 percent decline in bike activity across eight major bike routes in 2021, a departure from the peak observed during the historic "bike boom" in 2020. While this decrease may have been affected by in-progress active bikeway construction along specific corridors at the time like Landis Street, 30th Street, and Fourth & Fifth Avenues, there was an overall 27 percent surge in 2021 for bike activity compared to the benchmark year of 2017.

Roadway Congestion Increased and Safety Declined

Looking at the most recent performance data in SANDAG's State of the Commute, SANDAG reported a 3 percent increase in VMT to over 4.8 billion during peak hours between 2021 and 2022, and an overall 19 percent increase in travel times during the morning rush hour (nearly 24 minutes on average) and 7 percent increase during the evening commute (taking just over 26 minutes). This performance resulted even though transit ridership increased 49 percent between 2021 to 2022—almost to pre COVID-19 pandemic levels—and SANDAG built three additional bikeways adding approximately 10 miles as alternative modes of transportation.

In terms of preliminary roadway safety, although fatal and serious injury crashes were down 8 percent between 2021 and 2022, pedestrian and bike safety worsened between 2020 and 2022. For instance, pedestrian fatal crashes grew 9 percent from 88 fatal crashes in 2020 to 96 fatal crashes in 2022. Severe injuries among pedestrians also rose at 9 percent between 2020 and 2022 from 145 severe injuries in 2020 to 158 severe injuries in 2022.

[17] As of February 2024, SANDAG reports there are more than 15 miles in construction and nearly 18 miles nearing the construction phase.

Likewise, bicyclists experienced fluctuation in fatal crashes, increasing from 9 fatalities in 2020 to 17 fatalities in 2021 followed by a decrease to 10 fatalities in 2022 to hold steady when measured across the three years. Bicycle serious injuries worsened over the three-year period resulting in a 21 percent increase growing from 77 serious injury crashes in 2020 to 93 serious injury crashes in 2022. Factors in collisions were mostly related to driver behavior exhibiting unsafe speed, improper turning, and impairment.

New Transit Capital Projects are Not Yet Operating at Planned Frequency as Major Corridor Capital Projects are Still In-Progress

The TransNet Ordinance allocated 8.1 percent of TransNet funds for the operation of new or expanded services including certain bus rapid transit (BRT), trolley, and rail services for both MTS and NCTD. To implement the transit service enhancement projects, SANDAG executed memorandums of understanding with the transit operators that outlined payment provisions and service expectations. Because many of the planned transit major corridor capital improvements and service enhancements have not yet been implemented, the transit operators have not been able to achieve planned frequency improvements. Coupled with the COVID-19 pandemic where transit ridership dropped nationwide, transit operators had to adjust service times and frequency. In fact, we found instances where the transit operators were not running the transit vehicles on these routes at the frequency planned—mostly due to available funding as discussed in Section 5 of this report. Ridership on these TransNet Ordinance-funded routes significantly increased over the past three fiscal years; thus, less frequent operations may impact riders, their satisfaction, and possibly their choice on whether to use transit.

Some MTS BRT and Light Rail Services Not Yet Operating at Frequency Planned

As shown in Exhibit 8, the TransNet Ordinance included eight MTS provided BRT and light rail service enhancements—although one project was split into two Super Loop routes. Our review found that the San Ysidro Rapid (Ordinance Project No. 16), is on-hold indefinitely and five other projects are not currently running at the frequency planned in the TransNet Ordinance due to funding shortfalls and MTS staffing shortages.

EXHIBIT 8. MTS TRANSNET FUNDED TRANSIT ENHANCEMENTS: PLANNED VS ACTUAL FREQUENCY, NOVEMBER 2023

Ordinance Project Number	Ordinance Route/Actual Route	Description	Service Level [A]	Ordinance Planned Frequency (minutes)	Current Frequency (minutes)		Ordinance Planned Frequency Met
					MTS Programmed FY 2024	MTS Actual (as of November 2023) [B]	
7	BRT Rt 610/ Rapid 235	I-15 Rapid	Weekday Peak	10	15	15	No
			Weekday Midday	-	15	15	Yes
			Saturday	-	30	30	Yes
			Sunday	-	30	30	Yes
8	BRT Rt 470/ Rapid 237	Mira Mesa - UTC	Weekday Peak	15	15	15	Yes
14	BRT Rt 628/ Rapid 225	South Bay Rapid	Weekday Peak	10	15	20	No
			Weekday Midday	15	30	30	No

Ordinance Project Number	Ordinance Route/Actual Route	Description	Service Level [A]	Ordinance Planned Frequency (minutes)	Current Frequency (minutes)		Ordinance Planned Frequency Met
					MTS Programmed FY 2024	MTS Actual (as of November 2023) [B]	
			Saturday	15	30	30	No
			Sunday	15	30	30	No
16	BRT Rt 680/ San Ysidro Rapid	On-HOLD San Ysidro	Peak Only	15	N/A	N/A	N/A
22	Route 500/ Blue Line Trolley	Included in Ordinance, but not currently reimbursed by TransNet.	Weekday Peak	7.5	7.5	7.5	Yes
			Weekday Midday	7.5	7.5	7.5	Yes
			Saturday	7.5	15	15	No
			Sunday	7.5	15	15	No
23	Route 570/ Mid-Coast LRT	Old Town - UTC	Weekday Peak	15	15	15	Yes
			Weekday Midday	15	15	15	Yes
			Saturday	15	15	15	Yes
			Sunday	15	15	15	Yes
24	BRT RT 634/ Rapid 201/202	Super Loop	Weekday Peak	10	5	5	Yes
			Weekday Midday	10	10	10	Yes
			Saturday	10	15	15	No
			Sunday	10	15	15	No
24	BRT RT 634/ Rapid 204	Super Loop East	Weekday Peak	10	30	30	No
			Weekday Midday	10	30	30	No
			Saturday	10	No Service	No Service	No
			Sunday	10	No Service	No Service	No
45	BRT Rt 611/ Rapid 215	Mid-City Rapid	Weekday Peak	10	10	15	No
			Weekday Midday	15	15	15	Yes
			Saturday	15	15	15	Yes
			Sunday	15	15	20	No

Source: TransNet Ordinance and unaudited service frequency information provided by MTS.

Note: [A]: Service levels of weekday midday, Saturday, and Sunday are considered off-peak.

Note: [B]: According to MTS, it is operating lower levels of service than programmed on many routes due to staffing shortages and anticipates programmed service levels will be restored in 2024.

Key: Red indicates the service level planned in the TransNet Ordinance has not been achieved. **Black** indicates the service level planned in the TransNet Ordinance has been achieved. N/A = not applicable

NCTD Coaster and Sprinter Rail Not Yet Operating at Frequency Planned in Ordinance

Although the Ordinance included service levels by frequency in minutes for peak periods for the NCTD Coaster (Ordinance Project 31) and Sprinter (Ordinance Project 42) rail services, neither the Ordinance nor the memorandum of understanding (MOU) with NCTD defined the time frame for peak versus non-peak services. Instead, the MOU between SANDAG and NCTD provided service specifications tied to the number of trips per day rather than the frequency of service in terms of minutes during peak and non-peak

times. For instance, in line with its MOU with SANDAG, in October 2021, NCTD expanded Coaster service from 20 weekday trips and 8 weekend trips to 30 weekday trips and 20 weekend trips. NCTD reported that it has the infrastructure in place to further enhance frequency to 36 weekday trips and ultimately 42 weekday trips; however, NTD and SANDAG have not yet increased service due to funding shortfalls.

To assist us in comparing service against the Ordinance provisions, NCTD calculated peak frequency in minutes as shown in Exhibit 9. When comparing the TransNet Ordinance planned frequency for Coaster service every 20 minutes during peak periods and maintaining existing service frequency during off-peak periods by 2016, NCTD's frequency of minutes does not yet align with the Ordinance. According to NCTD, its ability to meet the planned service frequency in the Ordinance is impacted by TransNet funding shortfalls that delayed the construction of required double tracking on the line as the tracks are currently shared with other rail operators. Likewise, although the Ordinance included service frequency of every 15 minutes on the NCTD Sprinter during peak periods beginning in 2016, NCTD has not received TransNet funding for this service and current service levels are at a 30-minute frequency all day for the Sprinter (Ordinance Project 31). The planned service frequency cannot be fully implemented because the related TransNet capital project to extend the service and install double tracking is currently on hold.

EXHIBIT 9. NCTD TRANSNET FUNDED TRANSIT ENHANCEMENTS: PLANNED VS ACTUAL FREQUENCY, DECEMBER 2023

Ordinance Project Number	Ordinance Route/Service	Service Level	Ordinance Planned Frequency (minutes)	Current Frequency (minutes)	Ordinance Planned Frequency Met
31	**Route 398/ Coaster (related capital project on-going)**	Peak Only	20	20/40	No
42	**Route 399/ Sprinter (related capital project on-hold)**	Peak Only	15	30	No

Source: TransNet Ordinance and unaudited service frequency information provided by NCTD.

Key: Red shading indicates service level planned in the TransNet Ordinance has not been achieved.

Transit Ridership Increased on TransNet Funded Route Enhancements

Overall transit ridership has not rebounded to pre-pandemic levels in the San Diego region, although ridership on MTS and NCTD operated routes funded by the TransNet Ordinance significantly increased between FY 2021 through FY 2023. Specifically, MTS ridership on its eight funded routes increased by nearly 19 million riders, or 151 percent, rising from approximately 13 million riders in FY 2021 to approximately 32 million riders in FY 2023, as shown in Exhibit 10.

EXHIBIT 10. MTS TRANSNET FUNDED TRANSIT ENHANCEMENTS: RIDERSHIP GROWTH, FY 2021 TO FY 2023

Ordinance Project Number	Ordinance Route/ Actual Route	FY 2021 Ridership	FY 2022 Ridership	FY 2023 Ridership	Growth Between 2021 and 2023	% Growth
7	**Rapid 235/ I 15 Rapid**	677,834	884,235	1,035,247	357,413	53%
8	**Rapid 237/ Mira Mesa - UTC**	50,138	120,854	151,933	101,795	203%
14	**Rapid 225/ South Bay Rapid**	257,478	397,358	495,535	238,057	92%
22	**Blue Line Trolley** [A]	10,468,636	17,366,905	21,867,982	11,399,346	109%
23	**Mid-Coast Light Rail Transit**	Not In Service	2,125,354	4,223,372	2,098,018	99%

Ordinance Project Number	Ordinance Route/ Actual Route	FY 2021 Ridership	FY 2022 Ridership	FY 2023 Ridership	Growth Between 2021 and 2023	% Growth
24	**Rapid 201/202 / Super Loop**	378,666	1,556,486	2,452,699	2,074,033	548%
24	**Rapid 204 / Super Loop East**	9,482	43,689	70,422	60,940	643%
45	**Rapid 215 / Mid-City Rapid**	749,201	1,018,402	1,271,180	521,979	70%
	Total	**12,591,435**	**23,513,283**	**31,568,370**	**18,976,935**	**151%**

Source: TransNet Ordinance and unaudited ridership information provided by MTS.

Note: [A:] MTS estimated Mid-Coast light rail ridership from Automatic Passenger Counter data and only includes ridership from Tecolote Canyon to University Town Center.

Similarly, although NCTD reported that its system-wide ridership levels have not rebounded to pre-pandemic levels, Coaster ridership increased by nearly 640,000 riders, or approximately 400 percent, over the past three fiscal years as shown in Exhibit 11. Coaster ridership increased from approximately 163,000 riders in FY 2021 to more than 798,000 riders in FY 2023.

EXHIBIT 11. TRANSNET FUNDED NCTD COASTER ENHANCEMENTS: RIDERSHIP GROWTH FY 2021 TO FY 2023

Ordinance Project Number	Ordinance Route/ Actual Route Name	FY 2021 Ridership	FY 2022 Ridership	FY 2023 Ridership [A]	Growth Between 2021 and 2023	% Growth
31	Route 398/ COASTER	162,707	588,409	798,328	635,621	391%

Source: TransNet Ordinance and unaudited ridership information provided by NCTD.

Note [A]: Data provided by NCTD for FY 2023 included both actual and projected ridership.

With overall ridership for both MTS and NCTD TransNet Ordinance-funded routes growing over the past three fiscal years, it is increasingly important for SANDAG and the transit operators to continue working together to identify alternative funding sources to address planned service frequency. If the TransNet Ordinance revenue projections do not improve and shortfalls come to fruition, service cuts or additional frequency reductions could adversely impact more than 32.4 million riders.

Recommendations

To better ensure Transit Operations funded by the TransNet Ordinance are operating as planned or as revised, the ITOC should request the SANDAG Board to direct staff to:

6. Work with MTS and NCTD to closely monitor ridership on the TransNet-funded routes against service frequency levels, and report to the SANDAG Board and ITOC on the impact service adjustments may have on riders including how actual services aligns against original plans in the TransNet Ordinance.
7. Ensure decisions made regarding funding MTS' and NCTD's transit operating service gaps or frequency expectations are documented with rationale supporting decisions and incorporated into Ordinance amendments as warranted.

Section 3. Status of Remaining TransNet Major Corridor Projects is Unclear, Although Legislation Impacts Regional Planning Decisions

As transportation needs and technology evolve, regional planning entities adjust and adapt to changing demands for greater connectivity as well as to new provisions in state and federal legislation focused on multimodal solutions to reduce GHG emissions and provide social equity and environmental justice.[18] SANDAG's 2021 Regional Plan is a 30-year blueprint for the San Diego region that aims to meet regulatory requirements, address traffic congestion, and create equal access to jobs, education, healthcare, and community resources. Funding comes from a variety of federal, state, and local sources—including the TransNet Ordinance funding that comprised less that 10 percent of the plan—to pay for planned regional projects, such as those in the TransNet Ordinance, over a 20+-year timeframe. The Ordinance also provides for amendments following each major regional plan update, as necessary, so that projects in the Ordinance are consistent with the regional plan. If any remaining planned TransNet projects are not included in the 2021 Regional Plan, the Ordinance must be amended.

SANDAG reported that some TransNet Ordinance projects are currently not consistent with the 2021 Regional Plan, although SANDAG has not yet amended the Ordinance. At a high-level, SANDAG provided a "red-lined" document showing changes to Ordinance projects' scope and boundaries more globally, but it was not clear whether changes were a result of already completed projects or related to remaining projects where scope and boundaries were now planned for delivery in a different way than anticipated in the Ordinance. We attempted to pinpoint the remaining TransNet projects not yet delivered at the Ordinance project segment level using several documents and data sources to confirm against projects in the 2021 Regional Plan but could not clearly identify or validate the remaining projects and scope with the information provided.[19]

Over the last fifteen years, legislation has changed the nature of projects MPOs like SANDAG includes in regional plans. In fact, there is strong legal encouragement and administrative orders to reduce VMT and limit GHG emission-producing projects from being included in regional plans. SANDAG incorporated the legislative provisions into its 2021 Regional Plan as part of its 5 Big Moves vision to achieve some of the encouraged goals. Because SANDAG is required to include regionally significant projects in its long-range plan and the envisioned TransNet Ordinance projects are considered regionally significant, the regional plan's 5 Big Moves vision for addressing related laws has a direct impact on the remaining TransNet Ordinance projects.

External funding sources can also restrict the type of allowable project activities; thus, leveraged federal and state funding for capital projects combined with TransNet funding can impact the type of projects that move forward into its regional plan. Also, SANDAG prepared CMCPs identifying multimodal solutions for

[18] Related laws include SB 743 Environmental Quality, AB 32 Global Warming Solutions Act of 2006, Title VI Social Equity, and SB 1 Transportation Funding.

[19] Because we could not validate what project scope was completed as described in Section 1 of the report, auditors also could not identify with certainty what projects remained or what projects were included in the 2021 Regional Plan.

implementing inclusion in the 2021 Regional Plan that can further impact the delivery of the remaining TransNet projects.[20] To be eligible for certain state funding from the SB1 program, CMCPs must be prepared. Yet, given that we could not identify with certainty which planned Ordinance boundaries and scope remain to be completed, we could not comment on how the 5 Big Moves and related CMCPs have impacted specific TransNet projects.

Regardless of whether transportation legislation or preferences change over time and decision-makers decide that certain original TransNet projects scopes or boundaries may no longer be the best options for the region, SANDAG still must be accountable to the voters and be clear on which project scope and locations will not be delivered.

Status of Remaining TransNet Major Corridor Projects Is Unclear because SANDAG Did Not Link Project Scope with the 2021 Regional Plan

Delivery of the remaining TransNet Ordinance major corridor projects remains unclear as existing SANDAG data did not comprehensively or reliably link the original Ordinance projects (boundary and scope) to actual delivery of projects to identify remaining projects that were linked to the 2021 Regional Plan. This issue was previously reported in the prior FY 2021 triennial performance audit. Specifically, the FY 2021 triennial performance audit recommended that SANDAG clearly identify which remaining Ordinance projects were included in the 2021 Regional Plan. This area was a concern in the FY 2018 audit as well with a recommendation to link major corridor projects against the TransNet Ordinance.

Although SANDAG noted that they could "crosswalk" the linkage between the 2021 Regional Plan and TransNet Ordinance for projects in progress as well as bridge the original Ordinance project scopes to future projects in the regional plan not yet started, the documentation provided was not sufficient to clearly validate an accurate link to the projects. SANDAG provided auditors with several tracking spreadsheets to attempt this linkage including attempts to crosswalk the 5 Big Moves to TransNet, CIPs with the Regional plan and 5 Big Moves, and CIPs to CMCPs.

Yet, we found major corridor project descriptions and scope were at times inconsistent, requiring staff interpretations to connect Ordinance and regional plan projects. When we discussed document inconsistencies with staff, we often received conflicting responses. Thus, we could not determine with certainty what TransNet Ordinance projects remained or which were included in the 2021 Regional Plan. Moreover, SANDAG documents did not include scope details to allow for a comparison of specific pledged improvements, such as adding two HOV lanes, with future project improvements listed in the 2021 Regional Plan. Some examples of data challenges and inconsistencies are provided in Exhibit 12.

[20] In its 2021 Regional Plan, SANDAG introduced a "5 Big Moves" concept focused on (1) complete managed corridor planning, (2) flexible fleet options, (3) transit leap expansion of high-speed transit, (4) connecting multimodal travel via mobility hubs, and (5) technology advancements—with the intent to incorporate more principles of sustainability and mobility into transportation planning and infrastructure delivery. Capital improvement projects listed in the 2021 Regional Plan are categorized under a 5 Big Moves Area.

EXHIBIT 12. EXAMPLES OF DISCREPANCIES NOTED WITH LINKING THE REMAINING TRANSNET MAJOR CORRIDOR PROJECTS TO THE 2021 REGIONAL PLAN

Ordinance Project Number and Description	CIP Number	Discrepancy Noted [1]
7 – BRT Route 610: via I-15/SR 94 (Now Route 235)	1201519	• One document said this CIP was not associated with a Regional Plan Project ID. • Different document identified CIP as associated with Regional Plan Project ID 110 – I-15 (Clairemont Mesa Boulevard).
10 – I-805: SR 54 to I-8	1280521	• One document stated this CIP was not associated with a Regional Plan Project ID. • Different documents showed this CIP associated with CC017-CC022. ▪ CC017 – I-805 (Palm Avenue to H Street) ▪ CC018 – I-805 (H Street to I-15) ▪ CC019 – I-805 (SR 15 to I-8) ▪ CC020 – I-805 (I-8 to Mesa College Drive) ▪ CC021 – I-805 (Mesa College Drive to Balboa Avenue) ▪ CC022 – I-805 (Balboa Avenue to Northbound Bypass Lane)
13 – I-805/SR 54 Interchange Improvements	Entire Ordinance Project	• One document listed Ordinance Project 13 as associated with CC093 – I-805 (SR 54). • Another document said only CIP associated with Ordinance Project 13 was 1280520, and that this CIP was associated with CC083 – I-805 (SR 15) and CC084 – I-805 (SR 94). • Caltrans staff reported Ordinance Project 13 associated with CC093– I-805 (SR 54 and CC094 – I-805 (SR 54).
26 – I-5: SR 56 to Leucadia Blvd	1200501	• One document listed CIP 1200501 as associated with in-progress project, Regional Plan Project ID CC046 – I-5 (Manchester to Vandegrift). • Prior audit confirmed as completed in 2015, so unclear why in the 2021 Regional Plan.
	1200502	• One document had 1200502 linked to the in–progress project, Regional Plan Project ID CC046 – I-5 (Manchester to Vandegrift). • Prior audit confirmed as completed in 2009, so unclear why in the 2021 Regional Plan.
32 – SR 52: I-15 to SR 125	1205204	• One staff stated that CIP 1205204 was associated with Regional Plan Project ID CC028 – SR 52 (I-5 to I-805). • Another staff stated RTP Project ID CC028 – SR 52 (I-5 to I-805) was not associated with a CIP.
41 – SR 78: I-5 to I-15	1207803	• One document had CIP 1207803 associated with Regional Plan Project IDs CC105 – I-5 (SR 78) and CC064 – I-5 (SR 78). • Another staff informed us that CIP 1207803 was associated with CC064 – I-5 (SR 78) and CC036 – SR 78 (I-5 to Twin Oaks)—not CC105 as we were initially told.
44 – SR 56: I-5 to I-15	1200513	• One document stated CIP 1200513 was not associated with a Regional Plan Project ID. • SANDAG staff informed us CIP 1200513 was associated with CC104 – I-5 (SR 56).
47 – Border Access Improvements	1201101	• One document listed CIP 1201101 as associated with Regional Plan Project IDs GM01 – Otay Mesa Commercial Vehicle Enforcement Facility (CVEF) Modernization, GM02 – Otay Mesa East POE Pilot Programs to Reduce Commercial Vehicles Wait Times, GM07 – Regional Border Management System and Tolling Equipment, and CC045 – SR 11/Otay Mesa East POE (Enrico Fermi to Mexico). • Another staff stated this CIP was associated with only Regional Plan Project ID CC045 – SR 11/Otay Mesa POE (Enrico Fermi to Mexico).

Source: SANDAG-completed spreadsheets including comparisons between 5 Big Moves to TransNet, CIPs to the Regional Plan and 5 Big Moves, and CIPs- to CMCPs Crosswalk" in addition to work sessions with SANDAG's Regional Planning staff and Financial Planning, Budgets, and Grants staff.

Note [1]: Because the preparation of a crosswalk to link remaining TransNet projects was not part of the audit scope, auditors tried to limit resources spent resolving the discrepancies noted among the various documents and staff interpretations.

Given these challenges, and SANDAG not tracking project scope in terms of Ordinance plans against projects delivered or planned for delivery, we cannot comprehensively identify with certainty which of the remaining TransNet Ordinance project scope and boundaries SANDAG has chosen to move forward with or which of the remaining TransNet Ordinance project scope and boundaries were eliminated from the 2021 Regional Plan. While transportation demands and needs expectedly evolve and state and federal legislation changes are focused on multimodal solutions to reduce greenhouse gas emissions that could change the mix of TransNet projects, SANDAG is still accountable to the Ordinance and should be able to directly link its capital project completion and planned completion against Ordinance project scope and boundaries.

SANDAG Reported Some TransNet Projects Were Not in the 2021 Regional Plan, But Did Not Clearly Identify for the Board or ITOC Which Planned Projects Were Affected

According to SANDAG, it reported to the Board numerous times during the regional planning and approval process that not all original TransNet Ordinance projects were included in the 2021 Regional Plan—yet we found information provided was not detailed to clearly identified which projects were excluded.[21]

For instance, at a December 10, 2021 SANDAG Board meeting, SANDAG staff indicated stating that "the remaining projects in the TransNet measure may not be constructed due to changes in regional needs, changes in State law, and technology advancements that would suggest a different transportation solution," and that "the SANDAG Board of Directors may review the TransNet ordinance and discuss possible updates. This process is outside of the development of the proposed plan." During that same meeting, SANDAG provided its responses to written public comments received asking SANDAG to uphold project pledges in the Ordinance. In response, SANDAG staff responded that discussions of TransNet delivery were outside the purview of SANDAG staff responsible for the regional plan that was being discussed at the meeting. Although it is understandable that certain staff are only responsible for regional plan development, SANDAG should assign other staff with specific responsibility for tracking against the TransNet Ordinance planned pledges that can address public comments related to TransNet and its link to regional planning. As the entity responsible for the TransNet sales tax measure, SANDAG has an obligation to provide detailed information clearly and transparently to decision-makers and the public when programs and planning documents like the TransNet Ordinance and 2021 Regional Plan are intertwined.

Similarly, SANDAG provided a "reimagined" report of TransNet projects to ITOC at its July 7, 2021 meeting that were planned for inclusion in the draft 2021 Regional Plan.[22] The presentation included a table for each corridor that listed TransNet improvements and projects in the draft 2021 Regional Plan, although the tables did not plainly identify which TransNet projects were in the draft plan by ordinance number, associated scope, or boundary. Educated guesses could be made to link Ordinance projects and segments to those in the draft regional plan, but ITOC should not have to make presumptions about projects and should instead have access to data that is simple to follow with clear connections.

[21] SANDAG was not able to provide precise information on which Ordinance projects and corresponding scope were included in the 2021 Regional Plan for auditors to validate.

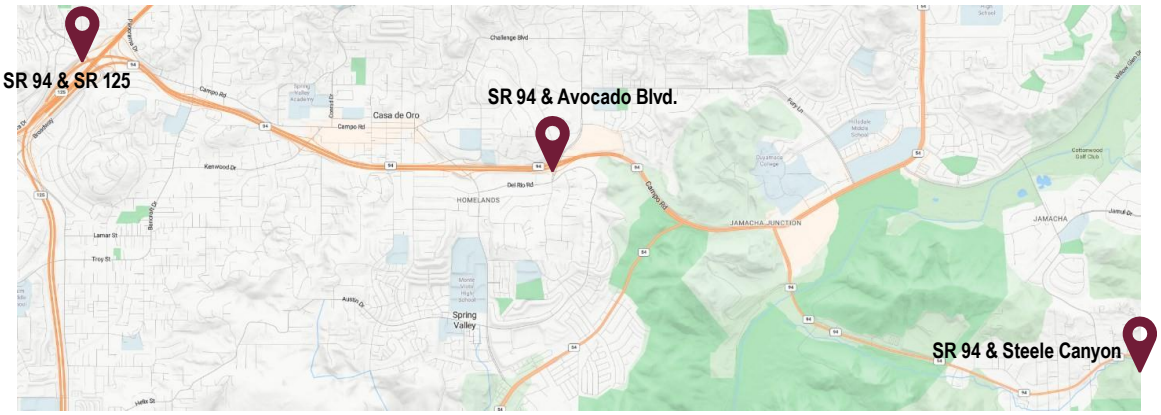
[22] Per SANDAG, the report was meant to "explain what TransNet projects have been completed, what projects remain, and the approach to provide multimodal solutions in the remaining corridors as part of an integrated approach."

For instance, as shown in Exhibit 13, the scope for Ordinance Project 35 was to "Widen 6-lane freeway from SR 125 to Avocado Boulevard and provide a 4-lane conventional highway from Avocado Boulevard to Steele Canyon Road." SANDAG's document shows four draft 2021 Regional Plan improvements planned for Ordinance Project 35. Yet, when looking at on a map where the regional plan improvements would be located, the boundaries do not align with the project limits set forth by the TransNet Ordinance.

EXHIBIT 13. UNCLEAR LINKAGE OF ORDINANCE PROJECT 35 (SR 94/SR 125) SEGMENTS WITH 2021 REGIONAL PLAN

Ordinance Project 35 – SR 94 / SR 125 Corridor Original Scope:

"Widen to 6-Lane Freeway from SR 125 to Avocado Blvd. and provide 4-Lane conventional Highway from Avocado Blvd. to Steele Canyon."



SANDAG Presentation to ITOC July, 7 2021:

SR 94/SR 125 (I-5 to I-8) and Rural SR 94

TransNet improvements include:

- SR 94/SR 125 (I-5 to I-8): 2 HOV Lanes
- SR 94/SR 125 Connector: South to East and West to North
- SR 94 (SR 125 to Steele Canyon Road): 2 General Purpose Lanes

Draft 2021 Regional Plan includes:

Complete Corridors

- SR 94 (I-5 to SR 125): Conversion of 2 General Purpose Lanes to Managed Lanes + 1 Additional Managed Lane[xxix] + Connectors
- SR 125 (SR 54 to Amaya Drive): Conversion of 2 General Purpose Lanes to Managed Lanes + SR 125/Spring Street/SR 94 Direct Access Ramps
- Rural SR 94: Melody Road/Daisy Drive Intersection Improvements
- Rural SR 94 (Jamul Reservation to Tecate Road): Shoulder Widening, Straightening, and Evacuation Improvements

Auditor Analysis: Improvements shown above by SANDAG are **NOT** within the project limits set forth by the TransNet Ordinance; specifically, the projects listed are located **ADJACENT** to Ordinance Project 35 as follows—although that would be difficult for ITOC to discern from data provided:

- SR 94 (I-5 to SR 125): **West**
- SR 125 (SR 54 to Amaya Drive): **North**
- Rural SR 94 (Melody Road/Daisy Drive; Jamul Reservation to Tecate Road): **East**

Source: SANDAG Special Meeting of ITOC Notes July 7, 2021

Specifically, Ordinance Project 35 called for improvements on SR 94 (SR 125 to Steele Canyon Rd) that would go in an easterly direction of SR 125. Yet, as described in SANDAG's presentation, the regional plan shows a planned improvement for the SR 94 (I-5 to SR 125) segment that would go in a westerly direction adjacent to the original Ordinance Project 35 boundaries—although that would be difficult for ITOC to discern from data provided. Similarly, another draft 2021 Regional Plan project noted in the table presented to ITOC showed the planned project SR 125 (SR 54 to Amaya Drive) is north of the original Ordinance project segment planned for the SR 94/SR125 Connector (South to East and West to North). These nuances take time to research and, without specific project limits and scope descriptions and a direct link between planned Ordinance projects and the 2021 Regional Plan, we could not determine which remaining Ordinance projects are planned for future completion.

Within the same presentation packet, SANDAG stated that Ordinance Project 35 (SR 94: SR 125 to Steele Canyon Road), is still slated as a future project as shown in Exhibit 14. Caltrans anecdotally shared that Ordinance Project 35 was specifically not included in the 2021 Regional Plan because it is being re-evaluated due to changing land use, population forecasts, and VMT reduction considerations. Without better linkages to help decision-makers and the public understand revised plans against the Ordinance, SANDAG's communication is confusing.

EXHIBIT 14. COMMUNICATION OF TRANSNET ORDINANCE FUTURE PROJECTS

Corridor	Project	Future Project
I-5 South	I-5 South Express Lanes (SR 905 to SR 54)	✓
I-5 South	I-5 South Express Lanes (SR 54 to I-8)	✓
I-5 South	I-5 Express Lanes (8 to Merge)	✓
I-5 North	I-5/I-805 Merge (Express Lanes)	✓
I-5 North	I-5/I-805 HOV Connectors	✓
I-5 North	I-5/SR 56 Freeway Connectors	✓
I-5 North	I-5/SR 78 Freeway Connectors	✓
I-8	I-8 Widening (2nd to Los Coches)	✓
I-805	I-805 Express Lanes (Mission Valley Viaduct)	✓
I-805	SR 94 (I-805 to I-15)	✓
I-805	BRT Service from San Ysidro to Sorrento Mesa	✓
I-805	SR 52 Express Lanes (I-15 to I-805)	✓
I-805	I-805/SR 52 HOV Connectors	✓
I-15	I-15 Express Lanes (SR 94 to SR 163)	✓
I-15	I-15/SR 94 HOV Connectors	✓
I-15	SR 94 (I-5 to I-15) and Connectors	✓
SR 56	56 Widening and Connectors (I-5 to I-15)	✓
SR 94/ SR 125	SR 94 Widening (SR 125 to Steele Canyon)	✓

Source: SANDAG Special Meeting of ITOC on July 7, 2021

SANDAG staff asserted that any exclusion of a planned TransNet project from the 2021 Regional Plan does not necessarily mean that those projects will never be delivered as they could be included in the 2025 Regional Plan. Staff made similar statements during the prior audit when auditors asked about which remaining projects were being considered for inclusion in the developing regional plan. Although transportation planning is a continual process where entities like SANDAG reassess needs and revisit capital improvements to meet the needs based on fiscal constraints, SANDAG has augmented responsibilities for accountability against the planned TransNet Ordinance projects as funded by the voter-approved sales tax.

As such, SANDAG cannot continue delaying the explicit reconciliation of its regional plans with pledged TransNet Ordinance improvements to the next planning cycle. SANDAG should provide those reconciliations or explanations to decision-makers and the public at a project-level, including scope. Thus, there should be a clear, comparative list of which Ordinance projects and associated scope were originally promised and what will or will not be delivered as it relates to the regional plan—as was previously recommended during the FY 2021 TransNet Triennial Performance Audit issued in June 2021.

Legislation Affects Types of Projects Included in Regional Plans That Could Include TransNet Ordinance Projects

MPOs must adhere to various laws, regulations, and guidelines in developing their regional transportation plans, but there are few absolute restrictions on specific projects that can be included in a regional plan.[23] As such, MPOs are afforded flexibility to plan projects that best address the needs of their communities to meet statewide targets and goals. However, legislation and administrative orders over the last fifteen years have changed the nature of desired project types in the regional plan with strong pressure and statewide targets to reduce VMT and GHG emission producing projects through strategies in regional plans as shown in Exhibit 15. SANDAG put strategies in its 2021 Regional Plan and 5 Big Moves vision to align with the key priorities related to GHG reduction and climate resilience. Because SANDAG is required to include regionally significant projects in its regional plan and the envisioned TransNet Ordinance projects are considered regionally significant, the 2021 Regional Plan and related laws have direct impacts on the remaining TransNet Ordinance projects.

EXHIBIT 15. KEY LEGISLATION AND EXECUTIVE ORDERS IMPACTING TRANSNET ORDINANCE PROJECTS

Year Enacted	Legislation or State Executive Order	Summary Description
2005	Executive Order S-3-05	Established statewide incremental targets for GHG reduction, with an ultimate target of 80 percent below 1990 levels by 2050.
2008	SB 375, Sustainable Communities and Climate Protection Act	Each MPO must prepare a Sustainable Communities Strategy in its regional plan showing how the area will reduce GHG from automobiles to meet the region's GHG emission reduction targets.

[23] As mentioned in Footnote 5, SANDAG integrated its Regional Comprehensive Plan update with the development of the Regional Transportation Plan, Regional Comprehensive Plan, and Sustainable Communities Strategy into a combined plan referred to as the San Diego Forward: Regional Plan.

Year Enacted	Legislation or State Executive Order	Summary Description
2008	California Complete Streets Act	Encourages creation of multimodal transportation networks. MPOs are required to identify how they will provide accommodation of all users of roadways during the revision of the circulation element of their general plan.
2013	SB 743	Strongly recommended that transportation impacts should be measured by VMT.
2016	SB 32, California Global Warning Solutions Act	Requires a GHG-emission reduction of at least 40 percent of 1990 levels by 2030, and authorizes the California Air Resources Board to adopt rules to achieve reductions.
2017	AB 805	Included a requirement to include transportation strategies and a mode shift to public transportation in regional plans.
2018	Executive Order B-55-18	Added statewide goal of achieving statewide carbon neutrality by 2045.
2021	AB 1279, California Climate Crisis Act	Set state target to achieve net zero GHG emissions by 2045 and reduce anthropogenic (human caused) GHG to 85 percent of 1990 levels by 2045.

Source: Approved legislative bill text, state regulation, executive orders, fact sheets, technical advisories, transportation analysis, implementation guidelines and tools, strategy letters, and frequently asked questions.

Senate Bill 375's Sustainable Communities and Climate Protection Act Greatly Impacts Projects Included in SANDAG's Regional Plan

The most pivotal of these legislative changes was SB 375, the Sustainable Communities and Climate Protection Act of 2008, which requires transportation networks to meet the California Air Resources Board's GHG emission reduction targets. Each MPO must prepare a Sustainable Communities Strategy in its regional plan showing how the area will reduce GHG from automobiles to achieve the California Air Resources Board's target for the region. The California Air Resources Board reviews and makes a determination whether a region's sustainable strategy would, if implemented, achieve the GHG targets. Projects consistent with the Sustainable Communities Strategy are eligible for incentives to streamline the environmental review process under the California Environmental Quality Act (CEQA).[24] Although SB 375 does not specifically preclude SANDAG from placing a project in its regional plan that increases GHG without mitigation, this law combined with other laws and policies strongly encourage limiting GHG-increasing projects to meet overall targets set by the California Air Resources Board.

However, recent reports from California Air Resources Board and the California Strategic Growth Council noted challenges with implementing SB 375 with results as of 2019 showing nearly all metropolitan regions in the state were not on track to meet their 2020 GHG reduction target, with some regions showing increases in per capita GHG and VMT.[25] One report noted that California entities have a "major opportunity to review and reprioritize the often decades-old projects in the "pipeline" for funding, projects which often reflect planning ideas and priorities from decades prior." Both entities noted that state funding does not always align with what projects MPO must put in their Sustainable Communities Strategy.

[24] SB 375 also creates California Environmental Quality Act (that mandates state and local agencies to ascertain the environmental effects of their actions and to mitigate them, if possible) streamlining incentives and benefits for projects that are consistent with the Sustainable Communities Strategy.

[25] 2022 CARB SB150 Progress Report and 2022 California Transportation Assessment Report.

Additional Legislation Can Impact Remaining TransNet Ordinance Projects

Other legislation encourages multimodal solutions and pollution reduction as well. For instance, SB 743 changed the way that public agencies evaluate the transportation impacts of projects and strongly recommends using VMT to determine GHG impact under CEQA requirements and consider mitigation through non-automobile travel such as increasing transit and providing active transportation such as walking and biking. Additional legislation under Assembly Bill (AB)1358, the California Complete Streets Act of 2008, requires regional plans to include information on projects that show how a region will accommodate all users of roadways and encourage multimodal transportation networks. Likewise, AB 805 passed in 2017, made rules specifically to SANDAG including a requirement to include transportation strategies in its regional plan to address GHG reduction targets and provide for a mode shift to public transportation—all affecting potential projects included in the regional plan. Executive orders from California's Governor guiding state department activity align with these legislative actions and speak to GHG and set additional carbon neutrality targets.

Moreover, although funding restrictions and legislation influence the types of transportation solutions planned in the region, the TransNet Ordinance allows revisions and amendments. Thus, projects may be modified, reprioritized, accelerated, delayed, or cancelled.

Certain Funding Sources Have Restrictions That May Impact Decision-Making on Which Remaining TransNet Ordinance Major Corridor Projects to Deliver

Available external funding for future capital delivery of TransNet major corridor projects also has individual rules and restrictions narrowing which projects are eligible to receive and use the funds. For instance, State Cap and Trade funds can only be used on projects that achieve designated GHG targets, Federal Railroad Administration funds can only be used on rail projects, and local Toll Road (SR 125) funding can only be used on projects near or on SR 125. Yet, the funding rules and restrictions seem subject to interpretation rather than providing narrow directives.

Exhibit 16 provides examples of key external funds leveraged by SANDAG to pay for projects in the 2021 Regional Plan—that includes TransNet projects—and demonstrates the complexity and challenge MPOs face when matching available funding requirements with project needs, including whether funds are available by formula that the SANDAG region automatically receives or whether SANDAG must compete for funds.

EXHIBIT 16. KEY FUNDING AVAILABLE AND RELATED RESTRICTIONS FOR REGIONAL PROJECTS

	Name [1]	Formula	Competitive	Match Required	Key Allowable Uses & Restrictions	GHG Reduction Encouraged or Required [2]	% of RTP Funding [3]
	Sample Federal						
1	Federal Transit Administration Discretionary • Small Starts • New Starts		✓		Transit	✓	10%
2	Federal Transit Administration Formula Programs	✓		✓	Transit	✓	2%
3	Congestion Mitigation and Air Quality (CMAQ)	✓			Reduce congestion and improve air quality	✓	2% [A]
4	Regional Surface Transportation Programs (RSTP)	✓			Various such as highway, bridge, transit		2% [A]

	Name [1]	Formula	Competitive	Match Required	Key Allowable Uses & Restrictions	GHG Reduction Encouraged or Required [2]	% of RTP Funding [3]
5	Federal Highway Administration Discretionary • TIGER • INFRA • BUILD		✓		Various such as highway, bridge, road		0.2%
6	Federal Railroad Administration (PRIIA)		✓	✓	Rail projects	✓	0.1%
7	Coordinated Border Infrastructure (CBI), Other Freight Funds	✓			Border projects		0.4%
	Sample State						
8	State Transportation Improvement Program (STIP)	✓			Various such as improve highways, local roads, public transit		1%
9	State Transit Assistance Program (STAP)	✓			Transit operations	✓	1%
10	State Highway Account for Operations/Maintenance (SHOPP)		✓		Improvements that do not add new traffic lane	✓	7%
11	Cap-and-Trade • TIRCP • LCTOP • AHSC		✓	✓	Achieve GHG targets.	✓	1%
12	State FASTLANE (State Share TCEP)	✓			Border projects	✓	1%
13	State Managed Federal Programs • HBP • HPP • HSIP • IM • SRTS • TCSP		✓	✓	Various high priority projects		1%
14	Senate Bill 1 (SB 1) • SOGR • TIRCP • TCEP • LPP • SCC	✓			Local projects	✓	7%
	Sample Local/Other						
15	Transportation Development Act (TDA)	✓		NA	Local projects		3%
16	City/County Local Gas Taxes		NA	NA	Local projects		1%
17	General/Miscellaneous Local Road Funds	✓		NA	Local projects		4%
18	Toll Road (SR 125) Funding		NA	NA	Projects on/near SR 125		1%
19	FasTrak®Net Revenues		NA	NA	Areas served by transit		11%
20	Passenger Fares		NA	NA	Transit agencies operations		7%
21	Ride hailing Company Service Fees		NA	NA	Unknown		1%

Source: February 2023 Plan of Finance, 2021 Regional Plan Appendix V, SANDAG staff, and grant information on state and federal webpages
Note [1]: The first five columns verified by staff in the Financial Planning, Budgets, and Grants. Acronyms for subgrants include Transportation Investment Generating Economic Recovery (TIGER); The Nationally Significant Multimodal Freight & Highway Projects (INFRA); Better Utilizing Investments to Leverage Development (BUILD;, Transit and Intercity Rail Capital Program (TIRCP); Low Carbon Transit Operations Program (LCTOP); Affordable Housing and Sustainable Communities (AHSC) High Priority Projects (HPP); Highway Bridge Program (HBP); Highway Safety Improvement Program (HSIP); Intermodal (IM); Safe Routes to School (SRTS); Transportation, Community, and System Preservation (TCSP); State of Good Repair (SOGR); Transit and Intercity Rail Capital Program (TIRCP); Trade Corridor Enhancement Program (TCEP); Local Partnership Program (LPP); and Solutions for Congested Corridors (SCC).
Note [2]: ✓ indicates there was at least one subgrant within this category where climate forward projects were encouraged or required.
Note [3]: Percentages were calculated by dividing the specific funding source with the regional plan estimated revenue.
Note [A]: CMAQ and RSTP are combined in underlying RTP spreadsheets. Both funding sources combined comprise 2 percent of RTP funding.

Both SANDAG and Caltrans emphasized that available funding sources and the industry are moving toward legislation and funding sources focused on capital projects that are not capacity-building—discouraging projects that build additional general purpose freeway lanes for single occupied vehicles. In fact, nine out of 21 categories of funding sources, or 43 percent, had language requiring or encouraging projects to meet specific climate-related goals or improvements.

For instance, an SB1 (2017 Road Repair and Accountability Act) subprogram, Solutions for Congested Corridors, stated that highway lane capacity-increasing projects have limitations and that general purpose lanes are not eligible. Another SB1 subprogram, Trade Corridor Enhancement Program, encourages projects aligned with state climate and equity goals where possible, but were not explicitly required. Likewise, one federal funding source, Congestion Mitigation and Air Quality Improvement, can only be used on projects that reduce congestion and improve air quality. Thus, MPOs like SANDAG face challenges to balance regional projects needs against funding restrictions from available revenue streams which can affect the nature of projects put in the regional plan.

Comprehensive Multimodal Corridor Plans Align with Specific State Legislation and Funding Sources That Can Impact Future TransNet Projects

As part of the 2021 Regional Plan efforts, SANDAG first introduced the concept for CMCPs envisioning interdependent strategies designed to address transportation and mobility challenges such as safety and traffic congestion considering state and federal push to reduce GHG emissions and air pollution.

CMCPs are not new transportation planning concepts but the plans gained greater attention with state legislation such as SB1. Specifically, SB1 invests $5.4 billion annually to fix roads, freeways, and bridges in communities across California and ties state funding to improvements that reduce congestion through diverse transportation choices rather than increased roadway capacity. Enabling statutes for one of SB1's subprograms, the Solutions for Congested Corridors Program, requires that preference for funding be given to public agencies that prepare a CMCP.

CMCPs detail specific projects designed to reduce congestion in highly traveled corridors through performance improvements that balance transportation improvements, community impacts, and provide environmental benefits. They are used in the industry and by other California entities such as LA Metro, Orange County Transportation Authority, and the San Francisco County Transportation Authority. SANDAG has completed five CMCPs as of June 2023 as follows:[26]

1. Central Mobility Hub and Connections,
2. SR 52 - Coast, Canyons, and Trails
3. SR 78 - North County – Sprinter/Palomar Airport Road
4. SR 67 - San Vincente
5. I 805 - South Bay to Sorrento – Purple Line/I-805/Blue Line/I-5 South

Some CMCPs Appear to Capture Original TransNet Project Scopes, but Data Could Not be Verified

When we attempted to align any remaining TransNet Ordinance improvements with proposed and planned projects from the existing CMCPs, the CMCPs did not contain sufficient detail for us to determine with certainty which remaining Ordinance projects could continue as part of the current 2021 Regional Plan or be considered for future regional plans.

[26] Other CMCPs in progress are the SR 125 corridor and the I-8 Kumeyaay Corridor in addition to four more CMCPs planned for completion related to the Airport to Airport, 1-15, SR 56, and SR-94 corridors.

Further, there was no available reconciliation to determine with certainty which project identifiers in the CMCPs relate to remaining Ordinance projects—yet some CMCP project descriptions broadly aligned with TransNet project scope. According to SANDAG, most TransNet major corridor project segments that are in-progress or will start in the near-term with approved CIP budgets are captured in a current CMCP. For the future upcoming CMCPs, they indicated there is also the possibility that additional TransNet projects may be included, although those decisions will not be made until the remaining CMCP is finalized. Nonetheless, CMCPs can affect the future remaining TransNet projects to be delivered.

Recommendations

To be more transparent regarding decisions made on remaining TransNet Ordinance projects and their inclusion in SANDAG's regional plans, the ITOC should request the SANDAG Board to direct staff to:

8. Ensure Executive Management designate staff with the assigned responsibility for tracking future remaining major corridor projects against the Ordinance planned pledges at a detailed location boundary and scope level to be able to demonstrate what actual improvements are planned and which remaining major corridor projects will not be completed.
9. Establish tools or mechanisms to track remaining Ordinance major corridor projects (boundaries and scope) clearly and accurately against the 2021 Regional Plan and future regional plans, including maintaining underlying supporting data reported.
10. Make sure the new tools or mechanisms comparing remaining Ordinance major corridor projects to regional plans at a detailed location boundary and scope level are accurate and supported through links to planning documents, budget information or plans of finance, or other documents as appropriate.
11. Provide a detailed listing to the Board and ITOC annually—or highlight those remaining original TransNet major corridor project boundaries and scope that will not be completed as pledged—starting in 2024 before completion of the future 2025 Regional Plan and regularly thereafter.
12. Present proposed amendment to the Board to align planned major corridor projects from the TransNet Ordinance with the current 2021 Regional Plan as required by the TransNet Ordinance.

Section 4. Formal Plans for Funding Shortfall and Priorities Were Not Developed To Address Impact on Specific TransNet Projects

Funding transportation infrastructure improvements is a complex endeavor with a variety of options and mechanisms. SANDAG puts in much effort to help bolster revenues and link project needs to available funding. For instance, to estimate funding needed to pay TransNet Ordinance project costs, SANDAG used generally conservative estimates in its POF, strengthened its cost estimation and escalation practices, dedicated efforts to pursue grants, and successfully leveraged notable state and federal funding. But available funds are insufficient to cover planned project major corridor costs and funds for enhanced transit frequencies creating a funding gap in the next few years. SANDAG's efforts have not solved the greater issue of the shortfall and there were still no formal plans on how to address the issue.

Although the funding shortfall decreased since the last triennial performance audit and has not yet impacted project delivery, SANDAG is quickly approaching a crossroad where it must make decisions on the rest of the remaining TransNet program. The shortfall could impact delivery for near-term major corridor projects in-progress as well as halt the start of future remaining projects planned in the 2021 Regional Plan that were imagined starting in the next few years.

Additionally, there is no formal or documented standard methodology for reprioritizing funding for TransNet projects or moving money between projects as limited funds remain. There was no indication that the priority of projects was unjustified, but without a clearly documented and agreed-upon methodology, SANDAG cannot demonstrate accountability to the TransNet Ordinance or whether they are efficient in project delivery decisions.

TransNet Ordinance Program Shows a Funding Shortfall, Although Revenue and Expense Estimates are Generally Reliable

SANDAG used a POF to forecast current and future costs of the TransNet Ordinance projects and programs against available revenues through 2048—the end of the program. The POF was the primary financing tool in the past and updated annually, but staff informed us that the POF is now used as a cashflow tool that is continually updated as needed. The latest February 2023 POF shows that the funding shortfall for major corridors has been reduced from $9.8 billion since the last triennial TransNet performance audit in FY 2021 to approximately $6.5 billion as of the February 2023—attributed to higher-than-expected sales tax revenue and reduced project scope.[27] Also, SANDAG leveraged its TransNet major corridor funds averaging more than $2.50 in external funding for each dollar of TransNet spent between FY 2022 and 2023.Yet, a funding shortfall remains for the major corridor projects.

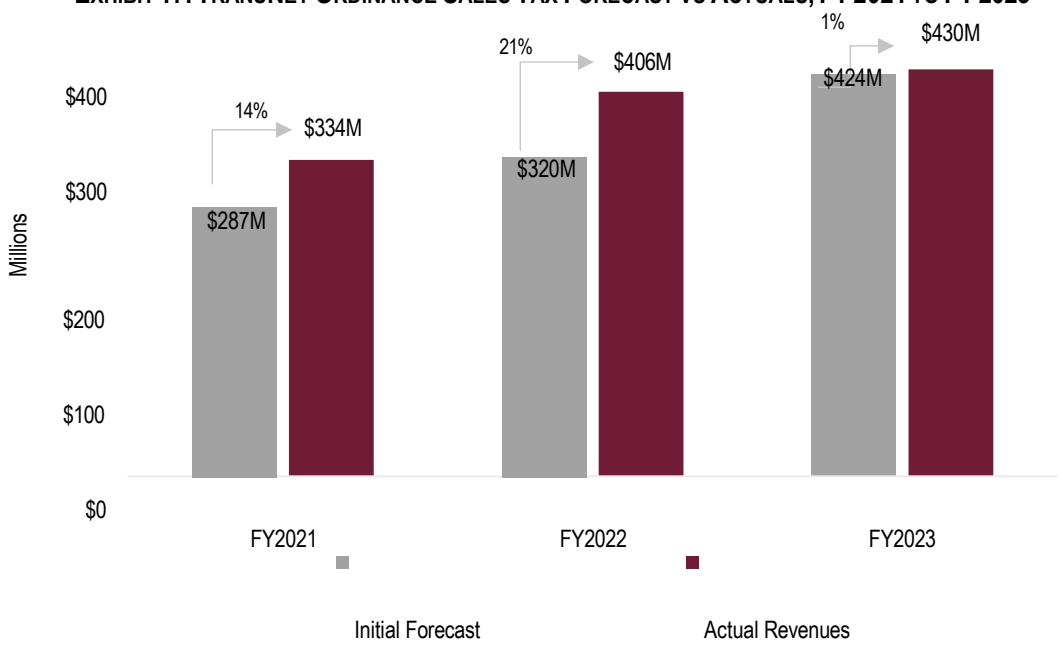
Revenue Projections Used in the Plan of Finance were Generally Conservative

When comparing estimates to actuals for both TransNet and non-TransNet revenue streams, SANDAG has generally been conservative in its forecasting assumptions—with outcomes often underestimated.

[27] Though SANDAG staff stated that scope was cut from different projects, they were not able to provide a comprehensive list comparing original pledged scope in the Ordinance compared to the latest revised scope.

SANDAG staff made improvements in 2023 to update its TransNet revenue forecast more often and document methodology with related assumptions to ensure better transparency and retention of institutional knowledge. As shown in Exhibit 17, TransNet Ordinance sales tax receipts were between 14 percent and 21 percent higher than initially expected for FY 2021 and FY 2022.

EXHIBIT 17. TRANSNET ORDINANCE SALES TAX FORECAST VS ACTUALS, FY 2021 TO FY 2023



Source: ITOC Meeting September 13, 2023, Item 5

Though recent TransNet revenues are rising, it is expected that there will be less revenue than initially forecasted in 2004 due to past estimation errors and lingering effects of the Great Recession as detailed in previous triennial TransNet audits.

SANDAG also considered historical performance for outside state and federal sources when developing its POF revenue forecasts but took a conservative approach in estimating available funds from these sources. In early 2023, SANDAG staff analyzed 10 years of past non-TransNet revenue to determine how closely forecasts compared to actuals. Their review showed underestimated revenues were usually caused by the unexpected availability of new funding sources such as state SB1 money and federal Investment and Jobs Act money. This conservative forecasting for both TransNet and non-TransNet revenues helps mitigate the risk of incorrect planning based on overly optimistic revenue streams.

SANDAG Strengthened Cost Estimation and Escalation Methodologies to Support Its Financial Planning, but Costs Remain Higher than Estimates

Accurately estimating costs is critical to ensure there are sufficient financial resources available to implement the project as planned. Yet, the construction market conditions remain volatile with a national expert commenting that "the construction industry has been weathering a storm of economic uncertainty."[28]

[28] Rider Levett Bucknall, North America Quarterly Construction Cost Report, Fourth Quarter 2023.

In response to market volatility, SANDAG has implemented several improvements to support their project-level cost estimation practices and program-level cost escalation methodologies which impact financial planning for annual project budgets, its POF, and the 2021 Regional Plan. For instance, SANDAG incorporated the following protocols to estimate costs:

- Employed external consultants to provide multiple estimates throughout a project's lifecycle—such as at 30 percent design, 60 percent design, and 90 percent design phases—that are input into the POF annually when SANDAG's budget cycle begins each fall.
- Starting in 2019 and updated in February 2023, SANDAG refined its short-term cost escalation approach for project cost estimates in its POF, incorporating a 2-year look back and 2-year look forward adjustment to cost estimates in the short-term in response to inflationary conditions.
- Created an internal cost estimation guide in June 2023 to help standardize internal estimation processes across individual projects.

Protocols also included conducting internal peer review processes to revisit and calibrate existing spreadsheets and more frequently updating forecasts. These efforts demonstrate SANDAG's pursuit of due diligence in curbing cost volatility, although these changes were only recently employed for 2022 and 2023.

We compared engineers' estimates with bids received for two TransNet Ordinance projects to determine cost estimation variances. Bids received were higher than initial estimates ranging between 17 percent and 46 percent higher as shown in Exhibit 18—not unlike market volatility experienced by other entities. However, the percent variance was lower in 2023 indicating a closer engineers' estimate to market.

EXHIBIT 18. COMPARISON ENGINEER'S ESTIMATES TO BIDS RECEIVED FOR TWO PROJECTS

Project	CIP Number	Delivery Method	Initial Estimate	Bids Received	Variance from Estimate
Imperial Avenue Bikeway	1223058	Design-Bid-Build	$10.8M November 2022	2 bids in June 2023—one at $13.2M and another at $15.8M	• 22% Higher • 46% Higher
SR 56 AUX Lanes	1200513	Design-Bid-Build	$15.3M June 2023	5 bids ranging from $18M to 19.9M August 2023	• 17% higher for lowest bid • 29% higher for highest bid

Source: Project contract award letters and project file Bid Tabulation and Comparison sheets showing engineer's estimates and line-items bids received on project specifications

Although we are unable to calculate the exact dollar impact of these estimate variances program-wide, the takeaway is that the costs to deliver the TransNet Ordinance program will likely continue to be higher than anticipated. As more data becomes available and market conditions evolve, SANDAG stated they plan to update rates more regularly to better ensure that SANDAG monitors cash flow given changing market conditions.[29] SANDAG has already updated the escalation table in its internal guide in November 2023 to better reflect recent conditions. However, these escalations relate only to SANDAG-managed transit projects and not the highway projects that Caltrans manages. Nonetheless, higher costs coupled with

[29] Escalation methodologies have only been developed for Design-Bid-Build projects given that this project delivery method is primarily used on the SANDAG-managed TransNet Ordinance projects.

inflation reduces the value of incoming revenue, despite higher TransNet Ordinance revenues received, and contributes to the weight of the shortfall.

To Address the Funding Shortfall, SANDAG Created a Focused Team to Pursue External Funding That Has Secured an Additional $1.2 Billion

In April 2020, SANDAG created a new grant team dedicated to pursuing state, federal, and other funding to leverage TransNet Ordinance funds that has secured $1.2 billion to date. The formal Grants Advisory Subcommittee had a slow start through the COVID-19 pandemic, but reorganized efforts and gained steam starting in February 2022 through coordinated efforts across SANDAG departments to consult and pursue competitive grant opportunities. Although there was no formal process for how SANDAG strategizes on which grants to pursue, staff stated that the subcommittee considered various factors such as when a project is planned to start or when the project will be open to traffic. Some deliberation was documented in meeting minutes—though level of detail varied between meeting minutes.[30]

As shown in Exhibit 19, SANDAG applied for 108 grants totaling $2.4 billion between 2019 to 2023 and successfully won 62 awards, or 57 percent of applications submitted, totaling $1.2 billion. That rate translates to 52 percent for the grant award amounts requested versus received—as external funding agencies can award a grant at lower amounts than SANDAG requested in its application. Of the 108 SANDAG grant applications, 33 applications, or 31 percent, were related to TransNet Ordinance projects.[31] SANDAG was successful and was awarded grant funds for 18 of those 33 TransNet-related grants—for a realized 55 percent success rate. SANDAG anecdotally told us they noticed that SANDAG received more than its proportional share of grants compared to other MPOs, but there was no data available to confirm this observation.

EXHIBIT 19. COMPETITIVE GRANTS APPLICATIONS SUBMITTED BETWEEN 2019 AND 2023, AS OF DECEMBER 2023

Grant Application Result	Number of Grant Applications	Percent of Total Grant Applications	Amount Applied for in Application	Grant Amount Awarded	Percent of Requested Amount Awarded
Successful	62	57%	$2.4 B	$1.2 B	52%
Unsuccessful	46	43%			
Total	108				

Source: Internal Discretionary Grants Tracker provided by SANDAG Staff as of December 2023
Note: Statistics reflect grants that SANDAG was the primary applicant or supporting a partner agency applying for the grant between calendar years 2019 and 2023, where results of successful or unsuccessful outcomes were available at the time of audit fieldwork. While the audit period is 2020 to 2023, auditors included 2019 in the analysis because some grants that opened in 2019 were not awarded until 2020 or later.

According to SANDAG, they ask grantors for reasons when an application is rejected to track lessons learned and apply to future processes. Auditors requested the lessons learned tracker for four grant applications that were rejected—staff provided lessons for one of the four applications and had anecdotal reasons for why SANDAG did not pursue input from the grantor for the remaining three applications. Since 2019, SANDAG steadily increased its grant applications from 11 applications in 2020 to 43 applications in

[30] Auditors observed a December 4, 2023 Grants Advisory Committee meeting, and found the discussion was detailed with involved parties well-informed on topics.

[31] SANDAG Grants Manager identified which grants related to TransNet and provided information to auditor.

2023. Staff maintained a universe of possible grants to pursue in the future as well as previously submitted application materials and related information to inform its continual pursuit of grants.

SANDAG's Investment of TransNet Funds for CMCPs to be Eligible for State Funding Opportunities Proved Worthwhile

In FY 2023, SANDAG budgeted nearly $27 million to pay for CMCP activities, with 75 percent covered by federal Regional Surface Transportation Program funds, 24 percent paid by TransNet funds, and the remaining 1 percent from other sources. As of December 2023, SANDAG had spent a little more than half its estimated budget— approximately $15 million or 56 percent—which was generally commensurate with the five of 11 planned CMCPs completed as shown in Exhibit 20.

EXHIBIT 20. CMCP STATUS, BUDGET, AND COST AS OF DECEMBER 2023

	CIP	Name	Status	Budget	Actual Cost
1	1600504	Central Mobility Connections	Complete	$3,198,000	$2,870,516
2	1605201	Coast, Canyons, and Trails SR 52	Complete	$2,144,000	$1,846,449
3	1606701	San Vicente Corridor SR 67	Complete	$1,220,000	$755,848
4	1607801	North County SPRINTER/Palomar airport Road/SR 78/SR 76	Complete	$3,000,000	$2,175,436
5	1685501	South Bay to Sorrento Corridor	Complete	$4,980,000	$4,734,243
6	1600801	High Speed Transit/I-8 (Kumeyaay)	In progress	$ 3,000,000	$1,745,362
7	1612501	High Speed Transit/SR 125	In progress	$3,192,000	$199,772
8	1600001	Airport to Airport Connection	Future	$ 500,000	$0
9	1601501	High Speed Transit/I-8	Future	$1,500,000	$0
10	1605601	High Speed Transit/I-8	Future	$1,100,000	$0
11	1609401	High Speed Transit/SR 94	Future	$ 2,000,000	$0
12	1600101	Regional CMCP Development	Program admin	$1,000,000	$794,514
			Totals	**$26,834,000**	**$15,122,140**

Source: FY24 Budget, OneSolution Financial System as of December 13, 2023

Although the funds that SANDAG budgeted for the CMCPs could have been used on TransNet capital improvement projects, SANDAG expects their $27 million investment will attract and leverage millions of dollars more that can be used on TransNet projects or on other regional plan projects in the region. Though it is too early to calculate the exact overall return on investment, SANDAG received a $103 million grant for one TransNet project (CIP 1239816: Batiquitos Lagoon Double Track) through SB1 funding because of its inclusion in a CMCP. Thus, SANDAG's choice to invest both TransNet and non-TransNet funds on the CMCPs has brought in significant funding that SANDAG otherwise may not have been eligible to receive—and exceeded the initial TransNet amount invested.

Though the Shortfall for Remaining Major Corridor Projects Was Recently Reduced, SANDAG Did Not Have Formal Plans to Address the Gap

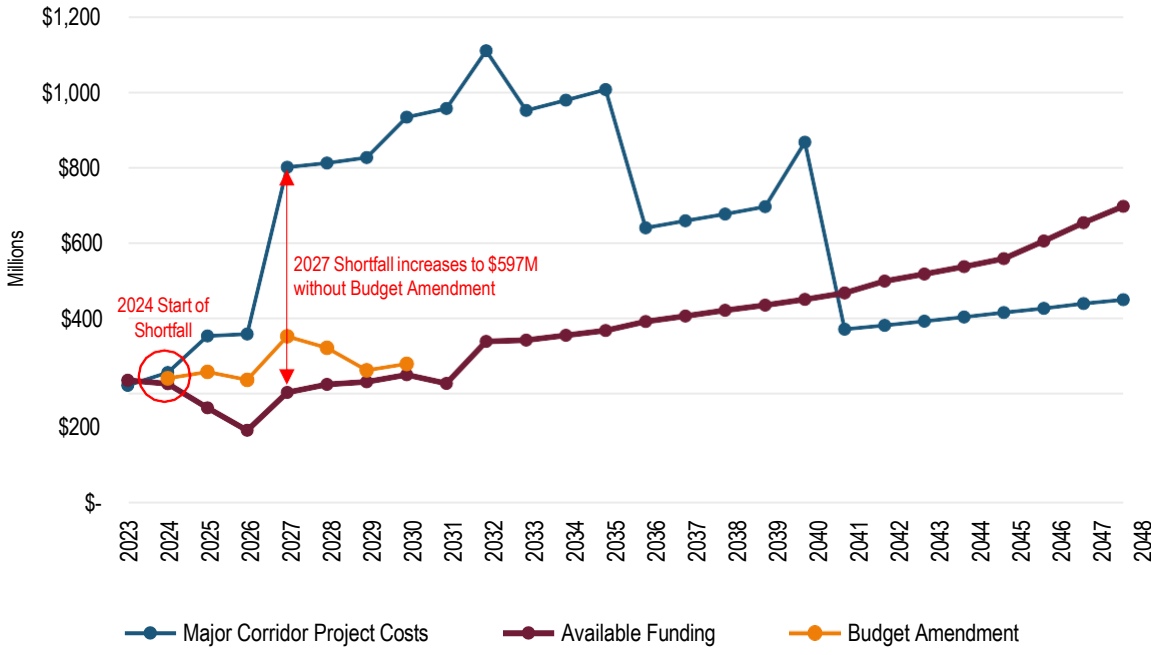
With a funding shortfall of approximately $6.5 billion for major corridors projects based on the February 2023 POF, SANDAG still faced a challenge in deciding how to deliver pledged improvements in the TransNet program against limited available funds. Yet, SANDAG had still not made decisions on what it will

do to address the shortfall comprehensively—whether that means delaying projects, cutting scope, or changing plans in other ways—even though auditors had this same concern in the FY 2021 prior audit and made recommendations regarding the shortfall.

In October 2023, the Board approved a budget amendment providing $530 million state, federal, local, and TransNet funds that narrowed the funding gap and minimized potential delivery impacts for a few more years. Before the amendment, the timing of major corridor costs was set to exceed available projected funding starting in 2024 and substantially increasing in 2026 and beyond. Although SANDAG can issue bonds to advance projects and recent sales tax revenues were greater than expected, the overall issue remains that there are insufficient funds to deliver the TransNet program as approved in the Ordinance.

As shown in Exhibit 21, before the budget amendment, SANDAG estimated that the availability of funds to cover TransNet major corridor project costs would shift from a positive to negative balance starting in 2024 with the shortfall increasing to $597 million by 2027. This pattern continues until 2041, when SANDAG's POF estimated that the major corridor program would return to a positive balance of $95.8 million when more non-TransNet monies become available. Although the budget amendment provided some relief to the funding shortfall and helps mitigate some disruption to project delivery, it does not make a substantial change overall to the major corridor program.

EXHIBIT 21. PLAN OF FINANCE MAJOR CORRIDOR COSTS, AVAILABLE FUNDING, AND SHORTFALL AS OF OCTOBER 2023



Source: February 2023 Plan of Finance, October 2023 Board-approved Budget Amendment

To understand the near-term potential impact from the shortfall if SANDAG does not act to remedy the gap by FY 2027 when the shortfall sharply increases to $597 million, we identified 13 in-progress major corridor projects with budgeted costs in the POF that could be at risk, as shown in Exhibit 22. Specifically, four of the 13 projects, or 31 percent, have funding planned for construction in FY 2026; staff noted that some of these projects were nearing completion and had less at risk of not being completed. The remaining nine

projects were estimated to be in various planning stages such as environmental documents or design. Without additional funds, delivery could be stalled or not progress beyond preliminary stages. Higher risk of not being delivered lies with future projects forecasted in the POF that are scheduled in FY 2027 or beyond and have not yet started.[32]

EXHIBIT 22. KEY IN-PROGRESS MAJOR CORRIDOR PROJECTS AS OF FEBRUARY 2023 AT-RISK OF NEAR-TERM IMPACT FROM FUNDING SHORTFALL

Corridor	Project Name	CIP	Expected Status in FY26
Coastal Rail Corridor	San Dieguito Lagoon (Phase 1)	1239822	Construction
I-15	I-15 Transit Priority Lanes & DAR at Clairmont	1201519	Planning
I-5	I-5 HOV: Carlsbad	1200510	Construction
	SR 56 Aux Lanes	1200513	Construction
	I-5/I-805 HOV Conversion to Express Lanes	1200515	Planning
I-805	I-805 South Soundwalls	1280515	Construction
	I-5/I-805 HOV to Express Lanes Conversion	1280517	Planning
	SR 94 Transit Priority Lanes (I-805 to I-5)	1280518	Planning
	I-805 Transit Priority Lanes (SR 15 to SR 52)	1280519	Planning
SR52/76/other	SR 52 Improvements	1205204	Planning
	I-15/SR78 HOV Connectors	1207802	Planning
	SR 78/I-5 Express Lanes Connector	1207803	Planning
	SR 78 HOV Lanes: I-5 to I-15	1207804	Planning

Source: February 2023 POF and working sessions with Engineering and Construction staff
Planning = Design or Environmental

Without adequate funding, the SANDAG Board must make decisions to delay projects, cut scope or cut projects, or confirm receipt of additional funding ahead of when the funding shortage starts impacting project delivery, in addition to communicate plans to the public and stakeholders. As of the end of audit fieldwork in December 2023, no clear plans were documented.

SANDAG Has Not Adequately Presented the Funding Shortfall to Oversight Bodies or Recommended Options to Address

In April 2023, SANDAG prepared a draft document to share details with the Board and ITOC on the ongoing shortfall—based on the latest available POF—that included the need to prioritize projects for delivery, as well as the option to down scope or eliminate remaining projects through a future Ordinance amendment. These draft materials discussed the amounts of the shortfall, timing of when project delivery would be impacted, and options for addressing the issue. Ultimately, this data was not presented—although the rationale behind not providing this critical information is unknown. Staff stated that presentations at this level of detail were typically only provided to the Board if staff requested permission to bond as were not required to specifically present the POF to decision-makers.

[32] According to SANDAG Financial Planning, Budgets, and Grant staff, the February 2023 POF only includes original TransNet projects that were included in the 2021 Regional Plan—although the specific projects and scope excluded from the plan are unknown due to SANDAG not adequately tracking project delivery against the Ordinance as discussed in Section 2 of this report.

Instead, the most recent SANDAG presentation to the Board on TransNet Ordinance funding was in February 2022 as shown in Exhibit 23.[33] This presentation lacked sufficient detail or timelines surrounding the funding shortfall issue—especially when compared to the draft presentation documents we reviewed that more clearly explained the shortfall and its impact on the TransNet program.

EXHIBIT 23. TRANSNET FUNDING OVERVIEW PRESENTED TO BOARD, FEBRUARY 2022

TransNet Flow of Funds in 2020$
by subprogram

	A. Expenditure Plan Component	B. Percent of Net	C. Updated Revenue Forecast	D. Total Disbursements (6/30/21)**	E. Remaining Revenues (=C-D)	F. Debt Service Remaining/ Committed	G. Remaining funds available by Category (=E-F)
	Freeway, Highway, & Transit Capital Projects	38.0%	$4,860	$1,300	$3,560	$2,694	$866
	Project Specific Transit Operations	8.1%	$1,036	$131	$905	$0	$905
	Freeway, Highway, & Transit Project Environmental Mitigation	4.4%	$563	$349	$213	$326	($113)
	Local Street & Road Projects	29.1%	$3,722	$1,108	$2,614	$0	$2,614
	Local Street & Road Project Environmental Mitigation	1.8%	$230	$10	$220	$27	$194
	Smart Growth Incentive Competitive Grant Program	2.1%	$269	$47	$222	$0	$222
	Transit System Improvements	16.5%	$2,110	$608	$1,503	$0	$1,503
	Subtotal	*100.0%*	*$12,789*	*$3,552*	*$9,236*	*$3,047*	*$6,190*
	Bicycle, Pedestrian & Neighborhood Safety Grant Program*	2.0%	$267	$81	$185	$177	$8
	Administration*	2.0%	$267	$38	$229	$0	$229
	Oversight Committee*	0.1%	$16	$4	$12	$0	$12
	TOTAL *TransNet* Funding Requirement	**100.0%**	**$13,338**	**$3,675**	**$9,662**	**$3,224**	**$6,438**

Source: Board of Directors Packet, Item 8, February 11, 2022

Yet, neither the draft presentation documents nor the February 2022 presentation to the Board had appropriate detail explicitly explaining which specific TransNet Ordinance projects would be impacted by funding challenges—although the draft presentation documents acknowledged the need to prioritize projects to deliver, as well as the option to down scope or eliminate remaining projects through a future Ordinance amendment. As described in Section 6 of this report, SANDAG has delayed processing Ordinance amendments and plans to bring the next round of amendment drafts to the Board in 2025—which may counteract any timing gains achieved through the recent budget amendment.

If SANDAG waits until 2025 to explain impacts on TransNet projects, it will remain in the same status quo of incrementally delaying its decision-making on how to address the program shortfall and not appropriately demonstrating accountability to taxpayers on its delivery plans under the TransNet Ordinance. Given that SANDAG has reported eliminating some TransNet Ordinance project scopes and boundaries from its regional plan as discussed in Section 3 of this Report, it has a responsibility to ensure the TransNet Ordinance is consistent with that plan and an inherent obligation to present timely and clear information to both the public and oversight bodies before the funding shortfall impacts project delivery.

[33] Staff were not able to cite any other presentation where they discussed the POF, funding shortfall, and related impact on the program to ITOC or the Board during the audit period.

No Established or Vetted Methodology Exists to Reprioritize Projects against Limited Funding to Ensure SANDAG is Transparent with Rationale used in Decision-Making

Given the existing funding shortfall for TransNet Ordinance major corridor projects, SANDAG is faced with making challenging decisions about how to use its limited resources to advance pledged projects. SANDAG reprioritized projects annually during its budget process and moved funds between projects. The decision process was limited to incremental decision-making by corridor and project and did not address how SANDAG would prioritize global funding shortages program wide. Although staff internally considered certain criteria to reprioritize projects and assign funding, the process was not formalized or structured with agreed-upon parameters to support decisions made.

Recently, SANDAG started using a few lists when making decisions to prioritize projects against limited available funding that considered the following:

- **Near-term funding needs**. This list of projects captured project needs communicated by project managers when costs were higher than expected for near-term needs.
- **Expiring funds**. This list tracked expiring funds and employed built-in reminders to project managers and funding managers when deadlines to spend external funding were approaching.
- **High priority projects.** This list identified both TransNet and non-TransNet projects deemed priority based on a variety of sources for staff reference and included factors such as whether a project was shovel ready, what year it was planned to open, and project cost.

Additionally, staff reinstated quarterly corridor meetings (after pausing during the height of the COVID-19 pandemic) with staff from each applicable corridor including the project managers, corridor director, funding manager, budget staff, and key staff from Financial Planning, Budgets, and Grants to identify key project status, assess needs, and discuss funding. These efforts were an improvement from previously not having any formal tools but are not sufficient to transparently justify and explain why and how SANDAG makes decisions to reprioritize specific projects for funding and proceeding with project delivery.

Further, ultimate funding decisions did not rely solely on SANDAG's internal priority lists. For instance, for a recent October 2023 Budget Amendment, SANDAG identified different project priority for funding than was shown on the internal spreadsheets. According to staff, SANDAG prioritized projects for the October budget amendment considered the following:

- 1st Priority: Projects already in construction
- 2nd Priority: Projects flagged by the Board
- 3rd Priority: Projects flagged by Executive team
- 4th Priority: Projects flagged by the Department Engineering and Construction
- 5th Priority: Projects flagged by the Regional Planning Department

Staff stated they also considered prioritizing projects that were at risk of losing external funding. When we compared the budget amendment projects funded against internal project priority lists, the ultimate funding decisions did not clearly follow the stated methodology, as shown in Exhibit 24, nor did they have a straightforward rationale for prioritization employed.

For example, North Park/Mid-City Bikeways: Howard Bikeway (CIP 1223079) was not given funds in the budget amendment even though it was on the high priority list and needed funds to continue construction. In another example, I-805 South: HOV Conversion to Express Lanes - Palomar to SR 94 (CIP 1280521) was a new project that was provided budget amendment funds though it was not on SANDAG's internal priority list.

According to SANDAG staff, this project was prioritized to receive funds per Caltrans recommendation. Additionally, two new projects (CIPs 1200516 and 1280521) and one future project (CIP 1280517)—by default projects not yet in construction—were given funding even though they were not on the internal priority list and other in-progress priority projects were not given funds.

EXHIBIT 24. COMPARISON OF INTERNAL TRANSNET PROJECT PRIORITIES TO PROJECTS FUNDED BY BUDGET AMENDMENT

	CIP	Project Name	Status	Internal Priority List	Budget Amendment
1	1129900	Bayshore Bikeway: 8B Main Street to Palomar	In progress	✓	
2	1145400 [A]	San Onofre Bridge Replacements	In progress	✓	
3	1201515	Clairemont Mesa Blvd BRT Stations	In progress	✓	
4	1280512	I-805 Imperial BRT Station	In progress		
5	1201101	11 and Otay Mesa East Port of Entry	In progress	✓	✓
6	1223055	Bayshore Bikeway: Barrio Logan	In progress	✓	✓
7	1223017	Coastal Rail Trail Encinitas: E Street to Chesterfield Drive	In progress	✓	✓
8	1223079	North Park/Mid-City Bikeways: Howard Bikeway	In progress	✓	
9	1239809	Eastbrook to Shell Double Track	In progress	✓	
10	1239822	San Dieguito Lagoon Double-Track Phase 1 Construction	In progress	✓	
11	1223058	Downtown to Imperial Avenue Bikeway	In progress	✓	✓
12	1223081	North Park/Mid-City Bikeways: University Bikeway	In progress	✓	✓
13	1223083	Uptown Bikeways: Eastern Hillcrest Bikeways	In progress	✓	✓
15	1200516	I-5 HOV: Oceanside	New		✓
16	1280521	I-805 South: HOV Conversion to Express Lanes - Palomar to SR 94	New		✓
17	1201519	I-15 Transit Priority Lanes & Direct Access Ramp at Clairemont Mesa Blvd	Future	✓	✓
18	1280517	I-805 North: HOV Conversion to Express Lanes - SR 52 to I-5	Future		✓

Source: October 2023 Board Budget Amendment, List of CIPs that need construction funds provided by SANDAG staff, Internal High Priority Project Listing, FY 2024 Budget

Note [A]: According to SANDAG staff, this is not considered a TransNet project. Per SANDAG's financial system OneSolution, TransNet funds were included on this project, though a funding swap was later made for federal funds.

Similarly, we found examples of TransNet Ordinance projects where project work had stopped because sufficient funding was not available for the project to proceed—as shown in Exhibit 25—but were not prioritized to receive additional budget amendment funding in October 2023. Some of the projects have been paused for multiple years as they wait for funds. For instance, the I-805 Imperial BRT Station (Ordinance Project 14, CIP 1280512) has been stopped for five years after a project study was done and the project has not received funds to move forward with design.

EXHIBIT 25. TRANSNET MAJOR CORRIDOR PROJECTS STOPPED WHEN FUNDING WAS NOT AVAILABLE, FY 2020 TO FY 2024 [A]

Ordinance Number	CIP	Project Name	Project Phase When Stopped	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Internal Priority List	Budget Amendment [B]
Bike EAP	1129900	Bayshore Bikeway: 8B Main Street to Palomar	Design				X	X	✓	
31	1145400 [C]	San Onofre Bridge Replacements	Preliminary Survey					X	✓	
7	1201515	Clairemont Mesa Blvd BRT Stations	Design				X	X	✓	
14	1280512	I-805 Imperial BRT Station	Study	X	X	X	X	X		

Source: Annual SANDAG Budgets for FY 2020, 2021, 2022, 2023, 2024

Note [A]: An 'X' indicates that the CIP was listed on the "Projects Completed Through a Major Milestone" section of the stated Program Budget Year. SANDAG staff described that projects featured on this list had no available funding to continue to the next phase of the project for the listed budget year.

Note [B]: All four projects from FY 2024 were not included in the funding plan that the Board approved on October 2023 for the Budget Amendment for FY 2024.

Note [C]: According to SANDAG staff, this is not considered a TransNet project. Per SANDAG's financial system OneSolution, TransNet funds were included on this project, though a funding swap was later made for federal funds.

SANDAG's ultimate justifications and decisions may be reasonable—as staff provided auditors explanations for some decisions made. For example, staff explained they did not provide the San Eastbrook to Shell Double Track (CIP 1239809 in Exhibit 25) with budget amendment funds despite being on the internal priority list because they had anticipated funding the project with other sources but found out too late that those estimated funds were not available to include the project in the budget amendment.

Yet, there should be a vetted methodology or criteria for priority decision-making with more details that provide clarity about how and why certain projects are given precedence over another. Such a process could include agreed-upon criteria including both qualitative and quantitative factors, protocols for how to proceed in conflicting circumstances where two equally high-priority projects are competing for the same funds, and documented rationale for decisions.

According to a Texas A&M Transportation Institute's report on the state of prioritization practice, many states and MPOs recognize the importance of a data-driven systematic project prioritization framework.[34] Other entities' prioritization processes identified categories or factors to consider, assigned weights to each

[34] May 2020 Texas A&M Transportation Institute's Technical Memorandum: Project Prioritization Practices and Methods.

category, assessed quantitative points, and calculated scores that qualitative factors can be assigned to support other ultimate funding-decisions. The entities had documented methodology where projects would be evaluated against various factors and assigned points with a stated ranking process and measure for assigning scores to projects. Some used their project selection and prioritization criteria methodology on planning projects for both their federally required programs as well as local measures—demonstrating that the approach provided a foundation that can be tailored to any project selection process including prioritizing local funded projects—like the TransNet Ordinance. Further, the methodology and project selection results from these other entities were provided to their respective decision-makers.

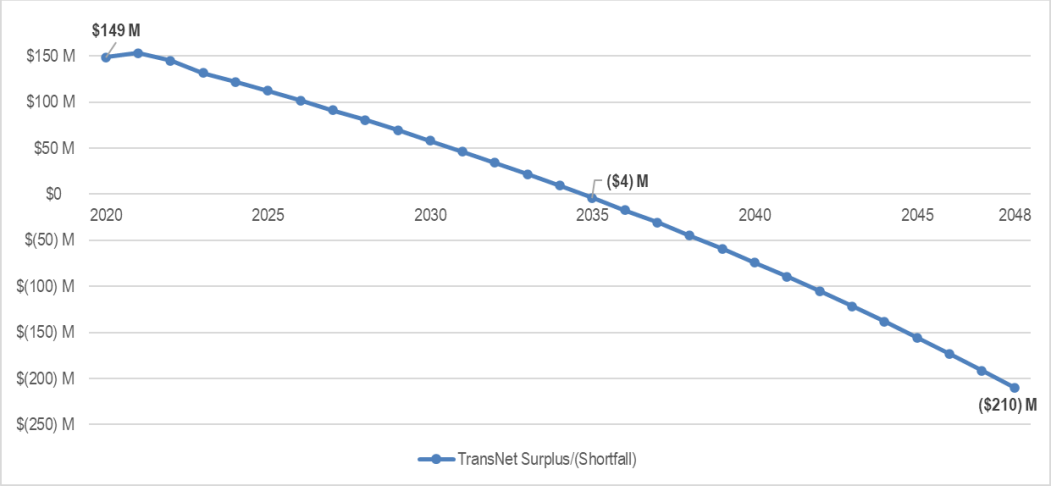
Although there is no "one size fits all" strategy, a process needs documented steps for project evaluation, prioritization, and selection; the process should be flexible and modified as needed to accommodate the current environment and regional vision. SANDAG described a similar process for its funding principles and project selection process for its Regional Transportation Improvement Plan and they could apply similar principles with additional detail for the TransNet program within the context of its specific funding shortfall. Regardless of what other similar organizations might use that could be considered for SANDAG, without clearer agreed-upon methodology, SANDAG cannot transparently demonstrate that its prioritization selections are reasonable or accountable to the TransNet Ordinance.

Like Major Corridor Projects, Funds for Transit Operations Related to New Capital Improvement are Slated to be Insufficient to Fully Cover Net Operating Costs by 2035

As part of the TransNet Ordinance, several major corridor improvements related to transit were implemented, such as managed lanes for BRT, new transit stations and improvements to existing stations, upgraded rail tracks, signal upgrade, and conversion to low-floor vehicles to name a few. To operate enhanced service along these newly constructed routes, the TransNet Ordinance allocates 8.1 percent of the sales tax funds generated to operationally expand and enhance certain BRT, trolley, and rail services for MTS and NCTD transit operators in San Diego County.

Although many of the planned capital improvements and service enhancements were implemented, not all planned operations and service frequencies were deployed as discussed in Section 2 of this report. In fact, net operating costs are projected to increase at a faster rate than the projected TransNet funding available. As a result, funding for these transit operations is likely to be insufficient to cover the full net cost to operate these routes and services beginning in 2035, with the gap between available funding and costs growing each year thereafter, as shown in Exhibit 26. For instance, SANDAG projects the net cost to operate these services will be $50.5 million in 2035; however, only $37.6 million TransNet funds are projected to be available for these services in 2035, resulting is a funding shortfall of $3.7 million that year.

EXHIBIT 26. PROJECTED TRANSNET TRANSIT OPERATIONS FUNDING SURPLUS/(SHORTFALL), IN MILLIONS



Source: Projections are from SANDAG's "TransNet Extension: 8.1% Tables"

Note: Current projections are based on assumptions of no change to the existing service and no additional outside funds leveraged.

Like other transit agencies across the country, both NCTD and MTS reported that ridership levels have not returned to pre-pandemic levels impacting revenues and operating costs have continued to rise. Both agencies reported fiscal challenges, relying on federal funding to cover current shortfalls which were expected to expire over the next few years.[35] According to SANDAG, leadership from SANDAG and the transit agencies met in January 2022 to discuss projected funding shortfalls. SANDAG decided that the TransNet Ordinance would not fund MTS' costs related to equipment replacement, although it worked with the operators to fully fund the transit system enhancements through 2030 and meet again in five years to re-assess the funding shortfalls and service levels.[36] However, neither SANDAG nor the transit agencies had a plan in place to protect the investments if TransNet Ordinance funding forecasts do not improve or other funding alternatives are not attained to fill the projected gap in funding.

Recommendations

To address critical funding shortfalls with the TransNet Ordinance and strengthen accountability for related project funding decisions, the ITOC should request the SANDAG Board to direct staff to:

13. Present the details of the next Plan of Finance to the Board and ITOC including specific amounts of funding shortfalls by subprogram and program-wide, in addition to the timeframe when shortages may begin to affect project delivery.

[35] At the time audit fieldwork was completed in December 2023, NCTD reported that its operating budget was balanced although there were funding gaps with their capital budget. Subsequently, NCTD reported that these gaps have been partially filled by recently awarded state funding.

[36] SANDAG is currently providing TransNet funding for the full net cost to operate these services. Although SANDAG will continue to provide 8.1percent of TransNet revenues to transit operators, the available funding is not expected to keep pace with increased operating costs. As a result, there will be a gap in the level of funding available and the net cost to operate expanded services. SANDAG and transit operators will need to assess whether an alternative funding source can cover this gap or whether service adjustments and cuts will be necessary to align service levels and the associated net cost to operate with available funding.

14. Develop specific options and corresponding timelines on possible actions to address funding shortfalls for the Board and ITOC that clearly state the impact of each option at the project-level, including how options will compare to what was originally pledged in the ordinance for each project.
15. Develop, implement, and use a formal, transparent, and vetted methodology and strategy for reprioritizing pledged ongoing and future TransNet major corridor projects against limited funding—including how funds are moved between projects and factors are weighed for starting new projects when other ongoing projects may have unmet funding needs.

Section 5. Smart Growth Grant Activities Generally Aligned with Program Goals, Although SANDAG Should Strengthen Monitoring

With the 2.1 percent of TransNet Ordinance funds allocated to the Smart Growth Incentive Program, SANDAG provides competitive grants to local jurisdictions to fund transportation-related infrastructure improvements and planning efforts that promote smart growth development and "create more compact, walkable, bikeable, and transit-oriented communities." Different grants may serve different purposes and have different activities, but the program goals are "to encourage comprehensive public infrastructure projects and planning activities that facilitate compact, mixed-use development focused on public transit, and that aim to increase housing and transportation choices, reduce GHG emissions, and improve public health."

Based on our testing of 16 smart growth grants closed during the period of our review, grant activities generally aligned with grant applications and project outputs aligned with smart growth concepts. Although limited data was available to measure program outcomes, one grantee reported more than 100 housing units were added after the close of their grant with another 183 units in development.[37] Even so, SANDAG needs to strengthen its protocols to verify grant deliverables, conduct regular site visits, and capture performance of the grant program.

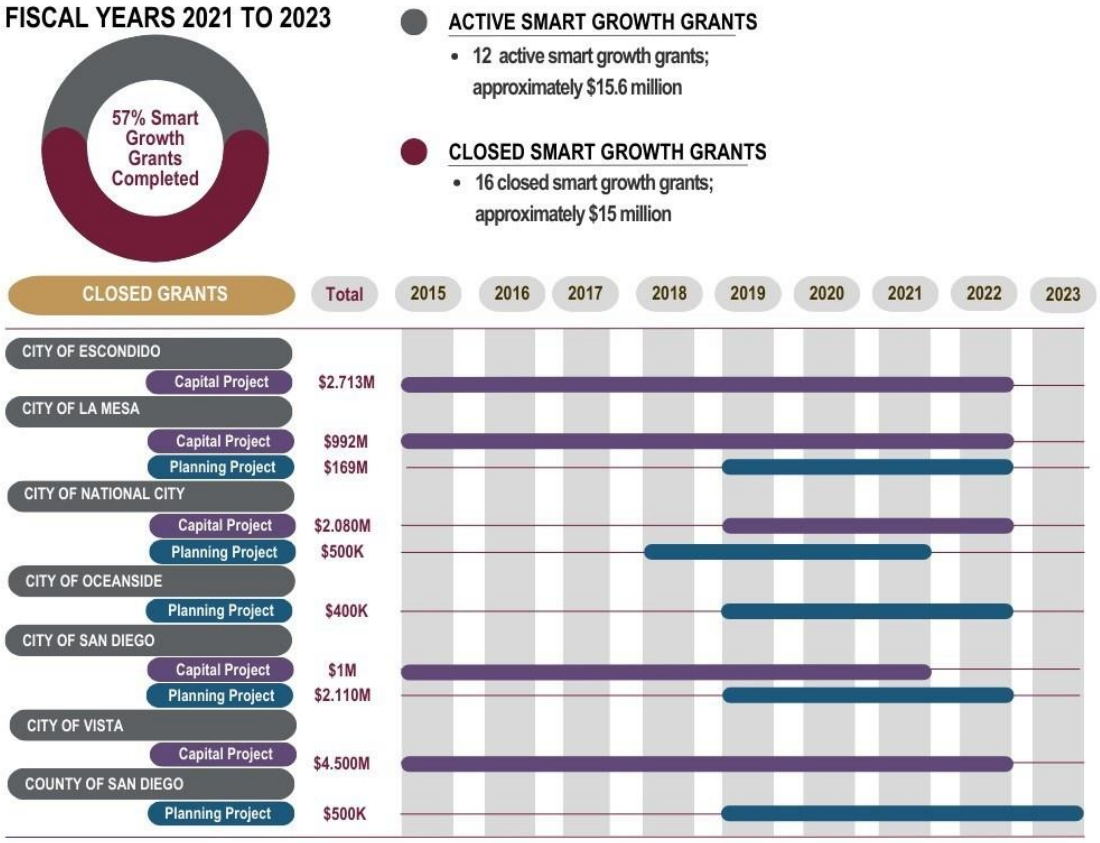
Background

SANDAG uses a Smart Growth Concept Map that identified more than 200 existing, planned, or potential smart growth locations within the region that can support transportation investments and is used to determine smart growth grant eligibility. It funds smart growth grant applications for "planning" to develop community plan updates or local plans in specific areas or for "capital projects" to construct improvements or new infrastructure. Examples of planning grants included area specific or corridor master plans, community plan updates, and planning studies to identify future transportation infrastructure improvement projects. Examples of capital project grants included streetscape enhancements, complete streets projects, and pedestrian and bicycle infrastructure improvements.

During our audit period, there were 12 active smart growth grants and 16 closed smart growth grants as shown in Exhibit 27. Of those 16 completed grants totaling approximately $15 million, nearly 56 percent (9 grants) were for planning and the remaining 44 percent (7 grants) were for capital projects. Seven different local agencies were grant recipients of the closed grants—specifically, the Cities of Escondido, La Mesa, National City, Oceanside, San Diego, and Vista in addition to the County of San Diego—receiving amounts ranging from approximately $100,000 to $2.5 million for individual grants.

[37] Data is unaudited.

EXHIBIT 27. ACTIVE AND CLOSED SMART GROWTH GRANTS, FY 2021 THROUGH FY 2023



Source: Smart Growth grant applications; active and closed grant project files

Grant Activities Aligned with Stated Purpose in Grant Agreements, Although Capital Grant Applications Did Not Require Clear Objectives

For our testing, we reviewed all 16 smart growth grants completed during our audit period. With limited information available at SANDAG, we contacted the local grantees to request information about the closed smart growth grants tested and received data such as finalized plans and board approval for planning projects, photographs of completed capital projects, and other data on grant activities. We found that both planning and capital grant activities aligned with the terms of the grant agreements—although capital grant applications objectives were broad and not specific.

Planning Grants Used to Develop Plans Seemed to Be In Use

All nine of the closed planning projects we reviewed had completed their local plans with six approved by the relevant city council or the San Diego County Board of Supervisors—and another three plans being incorporated into larger community plans that were waiting on local approval as shown in Exhibit 28. In some instances, local agencies reported they put the plans in place to further smart growth activity such as the City of San Diego's reported construction starting on projects considered in its E Street Greenway Master Plan.

EXHIBIT 28. SMART GROWTH PLANNING GRANTS REVIEWED ALIGNED WITH GRANT AGREEMENTS, FY 2021 TO FY 2023

City	Planning Grant Project	Amount	Completed As Described in Application	Approved by City Council	Informed Further Smart Growth Activity
La Mesa	Complete Streets Integrated Design Manual	$169,801	✓	✓	✓
National City	24th Street Transit Oriented Development Overlay	$500,000	✓	✓	✓
Oceanside	Coastal Rail Trail Extension	$400,000	✓	✓	✓
San Diego	Clairemont Transit Oriented Development Design Concepts	$500,000	✓	No [1]	✓
San Diego	College Area Smart Growth Study	$500,000	✓	No [2]	✓
San Diego	E Street Greenway Master Plan	$110,000	✓	✓	✓ [3]
San Diego	Mira Mesa Transit Oriented Development Concept Plan	$500,000	✓	✓	✓
San Diego	University Community Smart Growth Concept Study	$500,000	✓	No [2]	✓
County of San Diego	Casa De Oro - Campo Road Specific Plan	$500,000	✓	✓	✓

Source: Smart Growth Grant applications, community plans, city council resolutions, e-mail correspondence with grantee's staff

Note [1]: The Clairemont Transit Oriented Development Design Concepts were incorporated into the Draft Clairemont Community Plan in 2021, which has not yet been approved.

Note [2]: The College Area Smart Growth Study and University Community Smart Growth Concept Study projects were incorporated into community plans still in development, which are anticipated to be adopted by city council in 2024.

Note [3]: In addition to influencing further planning, the City of San Diego reported that construction is underway for the first phase of The E Street Greenway Master Plan.

Capital Grants Projects Were Generally Completed As Planned

For the seven closed capital project grants reviewed, all seven grants were completed as described in applications with some improvements combined with other smart growth projects planned as shown in Exhibit 29. Yet, SANDAG's grant application form did not contain a section identifying clear, quantified, detailed objectives aside from a brief project summary section with space for an approximate 100-word description, nor a dedicated section asking the applicant to state the objectives or deliverables of the grant.

EXHIBIT 29. SMART GROWTH CAPITAL GRANTS REVIEWED ALIGNED WITH GRANT AGREEMENTS, FY 2021 TO FY 2023

City	Project	Amount	Completed As Described in Application	Additional Development Planned or Completed [1]
Escondido	Grand Avenue Complete Streets Improvement Project, Phase I	$1,443,161	✓	✓
Escondido	Escondido Transit Center Active Transportation Connections	$1,270,000	✓	✓
La Mesa	North Spring Street Smart Growth Corridor	$ 992,503	✓	✓
National City	Roosevelt Avenue Corridor Smart Growth Revitalization Plan	$2,080,000	✓	✓
San Diego	14th Street Pedestrian Promenade	$1,000,000	✓	✓
Vista	Paseo Santa Fe Phase II	$2,000,000	✓	✓
Vista	Paseo Santa Fe Phase III	$2,500,000	✓	✓

Source: Smart Growth Grant applications, city websites, photographs of completed projects, and additional information obtained from grantees
Note [1]: Grantees reported subsequent smart growth planning and development in the project area, including housing and adjacent infrastructure projects. For example, the City of Vista reported that 100 housing units were added since the close of their two projects, and another 183 housing units are being developed in the area (unaudited).

Although Grant Activities Generally Aligned with Broad Smart Growth Goals, there was Limited Data Available to Measure Program Outcomes

Different grants may serve diverse purposes and progress toward smart growth goals that facilitate mixed-use development to increase housing and transportation choices, reduce GHG emissions, and improve public health. However, SANDAG did not require grantees with closed grants to report performance metrics related to pedestrians, bicycles, transit, housing, or GHG for the grants closed during our audit period. Thus, limited data was available to measure program outcomes—although grant activities generally aligned with smart growth concepts.

SANDAG Required Limited Performance Data for Past Grants

SANDAG's grant application included questions about how the project will affect desired smart growth outcomes in their application responses, but there was not a well-defined description or requirement for what outcomes would result from the project's participation in the grant program.

According to SANDAG's September 2020 Draft Implementation Guide for Grant Distribution Phase IV, Section 45, the project manager should develop performance metrics and a "tracking system to store and analyze performance metrics." SANDAG required quarterly progress reports and conducted monitoring activities but had not developed or required performance metrics for the completed grants we reviewed.

Auditors first reported concerns with the lack of data or established method for assessing whether smart growth grants performed as expected to meet desired goals in the FY 2015 TransNet Triennial Performance Audit. Since that time, SANDAG incorporated requirements into its grant agreements for local agencies to report certain baseline data related to bike and pedestrian counts—although it did not ensure

the data was captured or compared against actual performance, nor did it report whether grants were achieving program goals as recommended by the audit.

Starting with in-progress SANDAG's Cycle 6 grants funded in FY 2022, smart growth grant agreements now incorporate metrics that could be used to capture performance against goals depending on the type of project funded. Metrics include statistics on the number or amount of:

1. Housing units created or located on an infill site surrounded by urban uses (shops, restaurants)
2. Housing units in general created in the area and employment centers
3. Linkages to transit, pedestrian, or bike systems
4. Improved neighborhood projects with safety features promoting active mobility
5. Projects connective to non-auto transportation network
6. Reduction of VMT or GHG per capita

Grant Purposes Aligned with Program Goals, But Performance Outcomes were Not Measured

All seven of the closed capital grants we reviewed involved adding or improving some type of walking, biking, or transit options that aligned with smart growth concepts for "increasing transportation choices" and to "facilitate compact, mixed-use" development. For instance, several grants added bike lanes, enhanced sidewalks, or added new lighting—all outputs that promote a walkable, mixed-use, livable community. Thus, in the strictest sense, these completed projects supported the smart growth program goals.

Further, SANDAG required capital grantees to collect baseline data on pedestrian and bike activity before project construction. However, for two of the seven projects, local agencies could not provide the data when auditors requested as shown in Exhibit 30. Capturing pedestrian and bike data can be useful when measuring progress toward smart growth concepts of a compact, livable, bike-friendly community. Yet, without capturing "after" actual data to compare against the "before" baseline data, progress cannot be accurately measured.[38]

EXHIBIT 30. CLOSED CAPITAL GRANTS ACCOMPLISHMENTS GENERALLY ALIGN WITH SMART GROWTH PROGRAM GOALS

City	Project	Added Bike Lanes	New Lighting or Signage	Enhanced Pedestrian Features[1]	Lane Reduction/ Road Diet	Baseline Bike/ Pedestrian Data Provided[2]
Escondido	Grand Avenue Complete Streets Improvement Project, Phase I		✓		✓	✓[3]
Escondido	Escondido Transit Center Active Transportation Connections	✓		✓		✓
La Mesa	North Spring Street Smart Growth Corridor	✓	✓			
National City	Roosevelt Avenue Corridor Smart Growth Revitalization Plan	✓	✓	✓		✓
San Diego	14th Street Pedestrian Promenade		✓	✓	✓	

[38] Cities of National City and Vista provided both "before" baseline data and "after" count data.

City	Project	Added Bike Lanes	New Lighting or Signage	Enhanced Pedestrian Features[1]	Lane Reduction/ Road Diet	Baseline Bike/ Pedestrian Data Provided[2]
Vista	Paseo Santa Fe Phase II		✓	✓	✓	✓
Vista	Paseo Santa Fe Phase III		✓	✓	✓	✓

Source: Smart Growth Grant applications, city websites, photographs of completed projects, and e-mail correspondence with city staff

Note [1]: Enhanced pedestrian features include sidewalks, crossings, and pedestrian bridges.

Note [2]: Table includes baseline bike/pedestrian data provided as of January 29, 2024.

Note [3]: Escondido provided baseline vehicle and pedestrian data—but not bicycle data—for the Grand Avenue project. Both "before" baseline pedestrian data and "after" pedestrian count data provided.

Limited Industry Guidance on Measuring Smart Growth Performance

Although there is a lot of industry information on smart growth policy and implementation activities, there was limited research available on evaluating performance with empirical before and after data to assess either travel behavior or urban development impacts from capital projects. For more than a decade, research has concluded that clearer definition of performance is needed to measure success and that entities have not collected the data necessary to monitor performance—yet our research found that not much progress has been made.

Rather, we found studies that described challenges with measuring progress toward smart growth goals. One study pointed out that "there is little agreement about how to define, observe or measure the success of plan implementation" and it can be hard to definitively "link on-the-ground development with upstream land use plans or policies."[39] Effects of completed projects may take decades to become observable, as investment in housing and other development takes additional time to execute. Even a decade ago, a research article published in the Journal of Transport and Land Use that studied four regional smart growth programs, including SANDAG's Smart Growth Incentive Program, cautioned that "it will take many years of concerted effort to influence the form of metropolitan development and assess the impact of these policies in terms of land use and transportation."[40]

SANDAG Needs to Strengthen Smart Growth Grant Monitoring

Although SANDAG's established some components for its monitoring framework, it could strengthen its protocols to verify grant deliverables, conduct regular site visits, and assess performance. SANDAG's program manager position—the only position dedicated to the smart growth program—had been vacant during our audit, but SANDAG reported that the position was recently filled.

[39] National Center for Sustainable Transportation / University of California, Davis, "Measuring Land Use Performance: Policy, Plan, and Outcome," October 2015.

[40] The Journal of Transport and Land Use, Volume 6, No. 2 [2013] pp.21-32.

Regular Reviews and Quarterly Reports Track Compliance, but Not Performance

SANDAG established grant monitoring responsibilities and protocols for monitoring. For instance, its draft internal Implementation Guide for Grant Distribution from September 2020 states that project managers are responsible for the following activities, although it is not clear how project managers should fulfill them:

- Compliance with completion deadlines
- Indicators of timely progress toward grant completion, such as regular draw-down of funding
- Performance of work in a manner consistent with the scope of work
- Other project specific or program-specific performance indicators

As part of its monitoring responsibilities, SANDAG required grantees to submit quarterly reports as well as a final closeout report on items such as work accomplished, deliverables produced, schedule and task status, funding or invoicing, and project challenges or schedule delays. SANDAG monitored the grantees' quarterly reports submitted in addition to grantee requests for reimbursement.[41] However, we found instances where "final quarterly reports" submitted by the grantee had open items. For instance, of the nine closed planning projects reviewed, three had work noted as still in progress as of the closeout quarterly report received, and one did not have a quarterly closeout report available.

Nonetheless, SANDAG used the information reviewed during the invoicing and monitoring process to develop quarterly reports that SANDAG provided to ITOC with the intent "to provide transparency and public accountability of the grant programs." The process was also intended to alert decision makers of projects that may require action should poor performance continue, such as approving a time extension or terminating the project—although there was no discussion on performance outcomes against smart growth program goals.

Site Visit Protocols were Reestablished, but were Not Regularly Performed

As early as 2014, auditors noted that SANDAG had protocols for formal site review process. According to SANDAG, it had not been conducting those visits as planned, but reestablished the site visit protocols in 2022 when it developed detailed monitoring checklists with questions and topics to review on site visits considering compliance with grant agreement terms, payments and invoicing, schedule, project progress, and deliverables. SANDAG's Smart Growth Program Manager was assigned responsibility for conducting the site visits, completing the site visit checklist, and reviewing resulting reports with the grantees.[42]

Yet, of the seven closed capital grants we reviewed, site visits were documented for only three closed capital projects as shown in Exhibit 31. For those three site visit reports, several questions were left blank, or responses lacked details other than indicating a yes or no response. None of the site visit reports included verification of activities completed or photographs of the completed project—even though SANDAG's September 2020 Draft Implementation Guide for Grant Distribution Phase III, Section 44 states the "project manager should verify all deliverables were provided by the grantee."

[41] SANDAG reviews performance delays, fund transfers between tasks, invoicing issues (support, indirect cost compliance, cost allowability), reporting (on time, details, milestones), performance against tasks/schedule, and other agreement compliance.

[42] According to the Grants Manager, the goal is to conduct three site visits—during pre-construction, active construction, and post-construction or closeout—primarily related to capital grants.

Based on our testing of closed grants, this was not regularly done by SANDAG staff as we received most of the evidence of project completion directly from the local grantees.

EXHIBIT 31. GRANT MONITORING SITE VISITS CONDUCTED ON CLOSED CAPITAL PROJECTS, FY 2021 TO FY 2023

City	Project	SANDAG Site Visit Conducted	Evidence of Project Completion
Escondido	Grand Avenue Complete Streets Improvement Project, Phase	✓	✓
Escondido	Escondido Transit Center Active Transportation Connections		✓
La Mesa	North Spring Street Smart Growth Corridor	✓	✓
National City	Roosevelt Avenue Corridor Smart Growth Revitalization Plan	✓	✓
San Diego	14th Street Pedestrian Promenade Demonstration Block		✓
Vista	Paseo Santa Fe Phase II		✓
Vista	Paseo Santa Fe Phase III		✓

Source: SANDAG project files and site visit reports, city websites, photographs of completed projects, and e-mail correspondence with city staff
Note: ✓ Indicates a "yes" or positive response.

Recommendations

To strengthen its Smart Growth Incentive Program monitoring practices as well as ensure grants are used for intended purposes to achieve intended outcomes, the ITOC should request the SANDAG Board to direct staff to:

16. Revamp the smart growth grant application form to clearly identify quantified, detailed objectives and deliverables to allow for meaningful analysis.
17. Require grantees to include a well-defined description of what will be constructed through the project to affect desired smart growth outcomes.
18. Require grantees to report on the quantifiable performance metrics now required in grant awards related to promoting smart growth goals to create compact, walkable, bikeable, and transit-oriented communities and increase housing and transportation choices around the region as applicable.
19. Put practice in place to summarize grantee performance data, analyze success of grant efforts, and report to ITOC.
20. Review grantees final close out reports and investigate any items the grantees marked as "in-progress."
21. Validate that smart growth grantees met all objectives and provided deliverables at project close-out during site visits.

Section 6. SANDAG Has Not Taken Strong Enough Actions to Implement Prior Audit Recommendations and Ordinance Amendments

As part of its role to provide an "enhanced level of accountability for expenditures" under the TransNet Ordinance, the ITOC performance audits are one tool to demonstrate that accountability, as well as improve the efficiency and effectiveness of SANDAG operations related to the TransNet Ordinance. In prior reports, auditors found that although SANDAG was generally compliant and completed planned projects as intended, it could do more to better demonstrate accountability including better tracking and reporting against the TransNet Ordinance goals and plans. The current FY 2024 audit found this is still the case.

Auditors made several critical and high priority recommendations to SANDAG in prior audits to demonstrate accountability by clearly identifying what remaining TransNet Ordinance projects are in the 2021 Regional Plan and documenting how choices will be made between projects if funding does not materialize—among other recommendations. SANDAG uses a formal tracker to report on status to ITOC with clear indications of owners, actions, and targeted completion deadlines.

However, many of the audit recommendations remain outstanding—some for more than six years—including several where SANDAG may not understand the intent behind the recommendations based on the underlying findings presented in the audits. We found several instances for which SANDAG-implemented actions did not relate to the action suggested by audit recommendations. Some open items related to planned amendments to the TransNet Ordinance—which are progressing slowly. Part of the delay has been attributed to staff turnover, changing staff responsibilities, and interruption from the COVID-19 pandemic. According to SANDAG, "despite the challenges involved in implementing audit recommendations in a constrained funding environment with limited staff resources, staff is committed to continue working with the ITOC and Board to set priorities and address remaining audit recommendations."[43] Ultimately, SANDAG has not taken strong enough actions to timely implement the prior audit recommendations.

While Many Audit Recommendations were Addressed, More Than 40 Percent of Prior Audit Recommendations Remained Outstanding

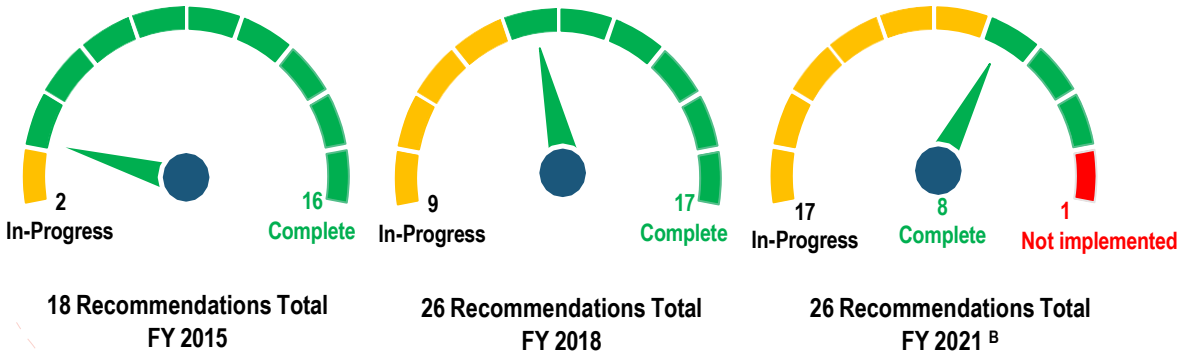
Over the past three performance audits between FY 2015 and FY 2021, auditors made recommendations related to a variety of TransNet Ordinance areas. SANDAG addressed more than half of the recommendations through improvements related to TransNet sales tax forecasts and cost estimates, Bike Early Action Program crosswalks between planned activity and results, regional safety planning, the Environmental Mitigation Program and related regional monitoring, and quality control and quality assurance processes. Another area for which SANDAG made solid progress related to SANDAG's performance measurement framework and interactive State of the Commute Dashboard to capture and report performance data, with a particular emphasis on safety metrics for a regional safety dashboard and

[43] As presented to ITOC in its October 11, 2023 meeting, agenda item 8.

implementing a Vision Zero Action Plan. SANDAG was responsive to the FY 2018 audit performance-related recommendations with more safety and congestion data now being captured and reported. As of the end of our audit fieldwork in December 2023, SANDAG was still working on performance tracking and review of pavement, bridge, and other asset data.

While implementing certain audit recommendations can take longer periods of time on occasion, SANDAG has not addressed more than 40 percent of prior audit recommendations. In fact, 28 of 70 audit recommendations reported since the FY 2015 audit were in-progress or not implemented as shown in Exhibit 32.

EXHIBIT 32. MORE THAN 40 PERCENT OF PRIOR TRANSNET PERFORMANCE AUDIT RECOMMENDATIONS REMAIN OUTSTANDING [A]



Source: Auditor verification of SANDAG's efforts to address FY 2018 and FY 2021 TransNet Triennial Performance Audit recommendations
Note A: Total recommendations outstanding = 2 recommendations FY 2015 + 12 recommendations from FY 2018 + 17 recommendations from FY 2021 + 1 recommendation from 2021 not implemented for a total of 32 outstanding recommendations. 32/70= approximately 45 percent.
Note B: After careful consideration, ITOC decided not to implement one FY 2021 recommendation (#24) to modify ITOC member service limits.

Moreover, many of the outstanding recommendations classified by auditors as critical or high priority remain outstanding as shown in Exhibit 33. Outstanding audit recommendations from the FY 2018 audit related to a variety of areas including performance framework (critical priority), project prioritization (high priority), and local road accomplishments against plans (high priority), to name a few. Similarly, outstanding recommendations from the FY 2021 audit relate to identifying which remining projects are in the 2021 Regional plan (critical priority), process to address gaps noted in the plan of finance (critical priority), and compliance with Rule 21 (high priority) among others.

EXHIBIT 33. OUTSTANDING CRITICAL AND HIGH PRIORITY AUDIT RECOMMENDATIONS, AS OF OCTOBER 2023

FY Audit	Critical and High Priority Audit Recommendation (Summarized)	Critical	High
2021			
Rec #1	Clearly identify whether remaining projects will be in 2021 Regional Plan.	✓	
Rec #2	Develop crosswalks to compare major corridor projects in TransNet Ordinance with actual scope completed, in progress, future, or cancelled.		✓
Rec #3	Develop a formal process to address issues identified in annual Plan of Finance updates.	✓	

FY Audit	Critical and High Priority Audit Recommendation (Summarized)	Critical	High
Rec #8	Clearly and comprehensively report on actual progress and accomplishments against the TransNet Ordinance on a regular and periodic basis.	✓	
Rec #9	Demonstrate compliance with the TransNet Ordinance by identifying, tracking, and reporting on various requirements and provisions to the Board and ITOC regularly.		✓
Rec #10	Implement shorter-term steps to report on performance, including continued development SANDAG's proposed "Goals and Provision" document to distribute to the Board and ITOC.		✓
Rec #15	Estimate and communicate to the Board and ITOC the quantifiable impact of permit delays on individual Bike Early Action Program projects and the overall Regional Bikeway Program.	✓	
Rec #16	Work with the Board to have leadership collaborate with its representatives from the City of San Diego to rectify critical Bike Early Action Program project permit issues.	✓	
2018			
Rec #3a	Regularly track and report on the TransNet Program's financial capacity to complete projects by implementing establishing a formal protocol to review funding sources and uses occurring in the last 10 to 20 years of the TransNet Program and assess options such as delaying projects, eliminating projects, or reducing scope as warranted.		✓
Rec #3c	Identifying methods to assess options, if needed, to delay, eliminate, or reduce scope of projects and whether methods would follow the same priority process used in Regional Plan.		✓
Rec #5a/5b	Establish a comprehensive performance framework by (a) setting targets to measure TransNet performance against the TransNet Ordinance goals, (b) capturing and report data on safety, pavement condition, and bridge.	✓	
Rec #7	Develop and reconcile a comprehensive universe of TransNet projects completed, underway, and planned back to TransNet Ordinance and what was expected to be delivered including reconciling local street and road planned outputs with actual accomplishments.		✓
Rec #12	Continue to monitor compliance with SANDAG Board Policy No. 031, Rule 21 including following-up on areas of noncompliance noted it a SANDAG 2014 review, working with locals to determine a method to demonstrate compliance, and amending Board Policy to require locals to report on the number of bike and pedestrian facilities implemented.		✓

Source: TransNet Triennial Performance Audits for FY 2018 and 2021; SANDAG's Performance Audit Implementation of Recommendations Tracker as of July 2023 presented to ITOC on October 11, 2023.

Further, there are two outstanding recommendations from the FY 2015 audit—nine years ago—that relate to tracking and reporting whether TransNet Ordinance grants are achieving program goals and setting other internal performance indicators such as percent of projects delivered on schedule and on budget.

Without implementing corrective actions to address audit findings in a timely manner, SANDAG cannot best demonstrate accountability to taxpayers and the Ordinance nor can SANDAG achieve the intended benefit from the recommendations. SANDAG reported that most outstanding recommendations are planned for completion over the next three to eight months by spring/summer 2024. Given reported challenges to address audit recommendations due to staff turnover and new staff responsibilities as described later in this section of the report, completion within that timeframe may be challenging.

SANDAG May Not Understand Intent Behind Prior Audit Recommendations

When validating SANDAG efforts to address prior audit recommendations, we found instances of disconnects between recommendations and SANDAG implemented activities as shown in Exhibit 34. In some instances, the initial response to the recommendation was on point—yet, over time, the implementation actions veered off course and became unrelated to the audit recommendation.

EXHIBIT 34. EXAMPLES OF DISCONNECTS BETWEEN AUDIT RECOMMENDATIONS AND SANDAG ACTIONS

FY Audit	Report Finding & Audit Recommendation Summary	SANDAG Reported Action	Disconnect Noted
2021			
Rec #1	**Clearly identify which TransNet major corridor projects are in the 2021 Regional Plan before Board approves**	• Referred to adopted plan and that updates were provided on proposed 2025 amendments • Discussed special report provided to ITOC that included details of TransNet projects and regional plan	✘ Neither the 2021 Regional Plan, proposed amendments, or special ITOC report gave a clear identification of which TransNet Ordinance project scope and location boundaries were in the regional plan
Rec #3	**Adopt a formal funding process,** with options, scenarios, or choices as needed to reduce scope, delay, or eliminate remaining TransNet projects	• Referred to 2021 Regional Plan for prioritization, scope, and phasing • Plans did not include a funding update until 2024 to discuss methodology	✘ No discussions of how plans or funding relate to decisions on the remaining TransNet projects—just action at the regional-level not specific to TransNet
Rec #6	**Describe the QA/QC sampling** methodology clearly to the Board	• Described a lot of progress on QA guidelines, models, and practices	✘ No discussion on presenting the sampling methodology to Board—only progress in other related QA/AC areas
Rec #8	**Clearly report on actual to planned TransNet major corridor project progress for scope, cost, and schedule**	• Indicated that the information was provided in Report Cards, Dashboard, and the ITOC annual report	✘ None of the referenced documents had a comprehensive comparison of actual delivery to Ordinance project boundaries, scope, cost, and schedule
Rec #10	**Implement short-term performance steps** such as comparing against the ballot expectations or SANDAG's draft goals and provisions document	• Proposed an initial infographic that would have addressed issue but then changed focus to State of Commute dashboard	✘ Actions focused on longer-term performance, and not quick short-term information related to ballot expectations as recommended by audit
Rec #15	**Estimate and communicate quantifiable impact of Bike permit delays to Board**	• Talked about bringing on bike replacement staff and how bike status is communicated	✘ Missing the focus on quantifying and reporting on permit delays
2018			
Rec 5a	**Setting targets to measure performance against 7 TransNet ballot language expectations**	• Discussed efforts related to overall performance measurement and targets	✘ Although the performance system will help inform targets, the recommendation was specific to seven expectation areas in ballot
Rec #12a	**Monitor local agency compliance with** "Rule 21" for bike and pedestrian accommodations	• Initially (six years ago) discussed conducting a compliance review, but then actions were linked to overall performance framework. Recent actions talked about amending Rule 21	✘ Actions related to performance are off topic, as are discussions on amending Rule 21—recommendation spoke to monitoring compliance with existing rule in place
Rec #13	**Analyze transit routes to report on** whether commute times have improved	• Initially spoke on transit travel in State of the Commute, but subsequent actions refer to safety, pavement, and streetlights	✘ Actions are not relevant to the topic of transit

Source: TransNet Triennial Performance Audits for FY 2018 and 2021; SANDAG's Performance Audit Implementation of Recommendations Tracker as of July 2023 presented to ITOC on October 11, 2023. Note: ML= managed lanes.

For instance, FY 2021 audit recommendation #1 was to clearly identify whether the remaining TransNet projects would be part of the 2021 Regional Plan. SANDAG viewed this as completed because they gave updates on 2021 Regional Plan and were working on Ordinance amendments. They also stated that "remaining feasible TransNet Ordinance projects have been included with updated costs" in the regional plan. However, because SANDAG could not provide documentation to validate what remaining projects are scheduled for completion in the 2021 Regional Plan—as discussed in Section 3 of this report—this recommendation remains outstanding.

In another instance, FY 2018 audit recommendation # 5a was to implement short-term steps to report on TransNet Ordinance expectations set forth in the 2005 ballot language. SANDAG's efforts focused on communication platforms and yearly communication strategies with social media and then linked actions to different recommendation related to development of a longer-term comprehensive performance framework and the State of Commute dashboard. Yet, the underlying intent behind the finding and audit recommendation suggested a simple comparison of performance results against the seven ballot expectations in the short-term enhancing accountability to the voters—not waiting for a longer-term performance framework and not related to communication strategies.

Similarly, for a FY 2021 audit recommendation #8 to "clearly report on actual progress against Ordinance for project scope, costs, schedule, and outcomes against promises," SANDAG's initial response was that information was in TransNet report cards and the ITOC annual report—then staff were going to consider incorporating the recommended data into quarterly reports to ITOC—until it was ultimately marked complete since the dashboard was updated to include all the necessary information. Yet, as we discussed in Section 1 of this report, the dashboard did not have the requisite data and we cannot identify specifically what scope was delivered against promises. Thus, there appears to be a disconnect.

SANDAG Cited Struggles to Implement Audit Recommendations Due to Staff Turnover and Reorganized Responsibilities

SANDAG attributed challenges with turnover and changing staff responsibilities for the slow movement in addressing audit recommendations—although some delay was caused by certain corrective actions being viewed by SANDAG as requiring Ordinance amendments.[44] When looking at turnover data provided to us, SANDAG's turnover rate for its filled positions ranged from 10.2 percent in FY 2021 to 13.8 percent by FY 2023—with a peak in FY 2022 of 24.5 percent, as shown in Exhibit 35. [45]

[44] SANDAG staff cited challenges with redefined executive management and staff roles, responsibilities, and lines of authority while the COVID-19 pandemic was ongoing and nearly all staff remotely worked from home.

[45] Auditors were not provided support to validate data.

EXHIBIT 35. SANDAG REPORTED STAFF TURNOVER, FY 2021 TO FY 2023

	FY 2021	FY 2022	FY 2023	FY 2024 Through (December 2023)
Budgeted Employee Population	361	376	414	422
Separations & Terminations	37	92	57	14
Turnover Rate Based on Budgeted	10.2%	24.5%	13.8%	3.3%

Source: Data provided by SANDAG HR Department; not verified by auditor

Note: According to the SANDAG's HR Director, the agency averages a 10 to 15 percent vacancy. Auditors were not provided support to validate data.

Individual SANDAG departments had varying rates of turnover within each area—for those departments auditors identified as most relevant or responsible for implementing audit recommendations, we found turnover generally ranged between 4 and 15 percent. Departments included Accounting & Finance; Data Science; Engineering & Construction; Financial Planning, Budgets & Grants; and Regional Planning. We also noted that several long-time management and staff retired or left the organization which could impact historical knowledge maintained related to the prior audit recommendations.

When compared to Bureau of Labor Statistics data, SANDAG's overall turnover rates from fiscal year 2021 through fiscal year 2023 seemed higher than rates reported for the local government sector nationally that averaged 1.55 percent across the nation in 2022 and 2023. Turnover reported across all industry sectors during the same time frame was still lower than SANDAG's rate ranging from 2.1 percent to 24.7 percent. Several local jurisdictions we interviewed also discussed challenges with staffing shortages and vacancies. Nonetheless, for the first half of FY 2024 through December 2023, SANDAG's turnover seems to have stabilized and is more in line with industry averages.

In addition to turnover, SANDAG staff cited challenges with the reorganization from 2021 that redefined executive management and staff roles, responsibilities, and lines of authority while the pandemic was ongoing and nearly all staff worked remotely.

No Indication of Executive Direction Prioritizing or Setting Timelines for Implementing Audit Recommendations

While staff from the Financial Programming, Budgets, and Grants Division coordinated the tracking and reporting the status of prior audit recommended actions, staff managers and directors share implementation of audit recommendations among different owners that possess the related technical expertise in the recommended area. Each owner determined the timing and scale of actions to be taken.

Specifically, technical program directors prioritized recommendations, allocated staff resources, determined what actions would be taken if any, and concluded whether a recommendation is complete. However, given the length of time recommendations have been outstanding, there was no indication of direction from SANDAG Executive Management on implementing corrective action in a timely manner or to prioritize the importance of addressing audit recommendations and resolving issues identified by ITOC audits.

While SANDAG has many MPO-related responsibilities, strong executive sponsorship is needed for leading efforts to address audit recommendations and following up on corrective actions to demonstrate accountability to the TransNet Ordinance.

SANDAG's TransNet Ordinance Amendment Process to Address Outstanding Audit Recommendations Was Slow and Not Yet Implemented

To address some prior audit recommendations, SANDAG believed corrective actions required amendments to the Ordinance—although not all currently proposed draft Ordinance amendments stemmed from prior audit findings. According to SANDAG, proposed amendments came from three main sources, including the TransNet Ten-Year Comprehensive Review, FY2018 and FY 2021 TransNet Triennial Performance Audits, and 2021 Regional Plan—although at least one amendment related to an audit recommendation for the local street and road program from the FY 2015 audit. Yet, the progress to date has been slow and none of the following proposed amendments have been submitted to the Board for approval.

After the 2021 Regional Plan was approved, SANDAG recognized it needed an update to the TransNet Ordinance since TransNet Ordinance projects must be consistent with the regional plan. According to SANDAG, it also wanted to incorporate changes based on 2018 and 2021 audit recommendations. As shown in Exhibit 36, half of the in-progress amendments related to prior audit recommendations—although some of the specific details for what is being proposed was not evident from documents we were provided.

EXHIBIT 36. PROPOSED ORDINANCE AMENDMENTS AS PRESENTED TO ITOC, NOVEMBER 2021

#	Ordinance Area	From Prior Audit Recommendation	Summary of Draft Proposed Change
1	Expenditure Plan		Expand to include bike, pedestrian, flexible fleets, and necessary digital communication and information technology
2	Local Street and Road	✓	Remove 70/30 congestion relief/maintenance split and require performance reporting
3	Smart Growth GIP		Replace references to RCP with RTP to be consistent
4	Bike, Ped, Neighborhood		Increase the off-the-top 2% funding available for bike and pedestrian projects
5	Transit Operations Funding	✓	Revisit transit operations funding to address potential funding shortfall
6	Transit Operator Eligibility	✓	Revisit transit operator eligibility requirements
7	General Provisions		Integrate digital communications infrastructure for all SANDAG-funded projects
8	General Provisions	✓	Comprehensive performance framework to better measure progress against Ordinance goals, demonstrate outcomes, improve data analysis transparency, communication, and track TransNet accomplishments
9	ITOC	✓	Consider changes to ITOC membership makeup, conflict of interest, terms, and selection
10	All Programs		Update funding estimates throughout the Ordinance document

Source: SANDAG presentation at ITOC's November 10, 2021 meeting, Item 9.

Specifically, the five proposed amendments that aligned with outstanding recommendations related to the local street and road program from FY 2015 audit, transit operations funding and eligibility from FY 2018 audit, performance measures from the FY 2018 audit, and ITOC membership from the FY 2021 audit. The remaining five proposed amendments were not specific to outstanding audit recommendations.

Amendment Process Has Been Slow and Delays the Intended Benefit of Audit Recommendations

SANDAG relied on a subcommittee of its Mobility Working Group to review and discuss proposed amendments.[46] The process started with an introduction of amendment, presentation and education on the amendment topic, discussion of the topic, and then a vote on the amendment which can take several meetings. Since 2021, limited progress had been made on finalizing and presenting the proposed amendments to the Board related to the prior audit recommendations.

The delay or stalled momentum to craft proposed amendments was partly affected by the COVID-19 pandemic, although more progress on amendments to address audit recommendation could possibly have been made prior to the subcommittee formation in 2021. For at least one potential amendment related to removing the 70/30 local street and road split, the initial audit recommendation was made nearly nine years ago. Some of the delay was related to local jurisdictions needing additional time for deliberations when affected by certain proposed amendments. According to SANDAG, as of July 2023, plans were to recommend amendments to the SANDAG Board in the spring/summer of 2025 as extra time was needed to vet decisions because subcommittee members did not have availability to meet or sufficient time to process through the information before making decisions. As of July 12, 2023, the Mobility Working Group Subcommittee has reached consensus on just two amendments related to transit operator eligibility with 75 percent of the local jurisdictions in favor or citing neutral agreement and related to the local street and road program with 100 percent in favor or citing neutral agreement.

When the ITOC presented a proposed amendment to the Board in January 2023 to address a prior audit recommendation related to ITOC membership and selection, it coincided with several Board members walking out of the meeting in protest related to other board discussions. As a result, there was no action taken on the proposed amendments presented by the ITOC representative. SANDAG staff have also not attempted to present any additional proposed amendments in 2023; however, SANDAG indicated that the ITOC amendment is on draft Board agendas beginning on March 22, 2024.

Without timely implementation of changes needed to the 20-year-old Ordinance, the region is not benefiting from the proposed audit recommendations.

Amendment Discussions May Misconstrue ITOC Authority and Related Audit Recommendations

We reviewed minutes for the six Mobility Working Group Subcommittee meetings held in 2023 and found there may be some misunderstanding of ITOC's authority and the audit recommendations behind the proposed amendments. For instance, in a February 16, 2023, local jurisdictions were sharing concerns

46 The purpose of the Mobility Working Group is ""serve as a critical resource to carry out and promote cross-agency coordination on the policy, planning, development, deployment, and operations of mobility solutions that help advance the implementation of the SANDAG Regional Plan." Membership consists of one voting member and one alternate member from each of the 18 cities and county, MTS, NCTD, Port of San Diego, and the Airport Authority. Membership may also include non-voting agency partners like Caltrans, DOD, and Southern California Tribal Chairman's Association.

about proposed amendments related to bike accommodations and one local requested "that the 1-inch street overlay specific language be removed from the amendment." SANDAG noted they would "like to provide more flexibility, but SANDAG needs to comply with the TransNet audit reports from ITOC and certain items in the amendment cannot change because they need to satisfy ITOC requirements." Yet, we are not aware of any audit reports or ITOC requirements that would have the authority to prevent such an amendment change or even prescribe the type of local street and road language that should be in any proposed amendment.

Similarly, one item discussed in a July 20, 2023, subcommittee meeting related to bike accommodation amendments for excluding projects subject to Board Policy 31, Rule 21.[47] SANDAG described the current process is for cities to "document if a project was not able to accommodate bike/pedestrian requirements and that, if the ITOC agrees and deems it unnecessary (through an exemption), they are able avoid the additional requirements." Yet, Board Policy 31, Rule 21 only states that ITOC would review and comment on excluded projects as part of its role in the Regional Transportation Improvement Plan process. Any requested exclusion is also "subject to review and comment by SANDAG through the Bicycle-Pedestrian Working Group, which would forward its comments to the SANDAG Transportation Committee."[48] Board policy further states that the SANDAG Transportation Committee is the group with authority to approve the exemption by making a finding that the decision is consistent with the Ordinance—not ITOC. This misunderstanding of ITOC's authority adds confusion and could lead to potential local agency frustration with ITOC and the audit process, as several comments in the subcommittee meeting discussed the misdirected viewpoint that local agencies had extra burden to obtain the bicycle accommodations exemptions because of ITOC.

Recommendations

To demonstrate accountability to the TransNet Ordinance by implementing long-outstanding corrective actions needed to address prior audit recommendations, the ITOC should request the SANDAG Board to direct staff to:

22. Require SANDAG Executive Management to take an active role in overseeing the implementation of the ITOC audit recommendations and hold staff accountable for timely corrective action.
23. Set timelines for local agency consensus on proposed Ordinance amendments and then take the related amendments to the Board for consideration soon after.
24. Immediately propose the amendments to the Board for the ITOC changes and other areas relating to the prior audit recommendations.

[47] Board Policy 31, Rule 21 relates to the Accommodation of Bicyclists and Pedestrians and includes procedures for excluding accommodations for pedestrians and bicyclists from projects.

[48] The Bicycle-Pedestrian Working Group is now the Mobility Working Group.

Appendix A: TransNet Ordinance Major Corridor Projects

As discussed in Section 1 of this report, SANDAG did not clearly identify the status of major corridor Ordinance capital projects in terms of scope delivered (e.g. 4 managed lanes, etc.) or boundaries (limits between geographical locations). However, we attempted to identify and update project status (completion, in-progress, or future) to the best of our ability and to the extent possible using SANDAG's annual program budgets, maps, and fact sheets for the 48 major corridor capital construction projects by TransNet Ordinance category and CIP number as summarized in Exhibit 37 and detailed in Exhibit 38 that follow.

EXHIBIT 37. CLARIFICATION FOR TRANSNET ORDINANCE PROJECT LISTING AT EXHIBIT 38

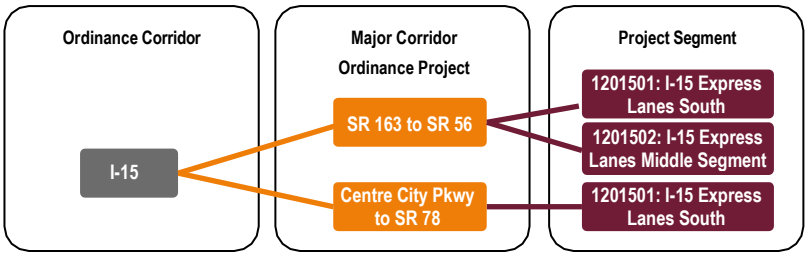
Exhibit Area	
Ordinance Number	▪ Numbered 1 to 48—representing the 48 major corridor projects from the 2004 TransNet Ordinance passed by voters.
Project / Segment Name	▪ 3 layers—corridor, major corridor project, and project/segment as follows: ✓ **Ordinance Corridor: 15 corridors** per the TransNet Ordinance. ✓ **Major Corridor Ordinance Project: 48 major corridor projects** per the TransNet Ordinance. ✓ **Project Segment: 107 project segments to date.** Project segments are shown with a seven-digit number that represents the project's Capital Improvement Program budget number. Only completed, in-progress, and future projects with programmed funding have a CIP. New CIPs added since the FY 2021 Triennial Audit were obtained from the Dashboard. Example for I-15 Corridor:  Note: The I-15 stretch between SR 56 and Centre City Pkwy was built as the I-15 Express Lanes Middle Segment.
Segment	▪ The 48 TransNet Ordinance projects resulted in 107 individual project segments as of June 30, 2023, but this number will grow as new project segments are started.
Status	▪ General: Project segments where only a study was completed are shown because expenses were incurred but were not counted as a completed project segment. ▪ Project Completed: At the 48 Ordinance Project level, fully completed segment. ▪ In-Progress: Project segments could be in various stages—environmental, design, or construction. ▪ Future: Project or project segments have not started and have not incurred expenses, but a CIP budget number has been assigned. ▪ Unknown: Project was provided by SANDAG, but CIP was not listed in the annual program budget.

EXHIBIT 38. STATUS OF MAJOR CORRIDOR CAPITAL PROJECTS AS INCLUDED IN THE TRANSNET ORDINANCE

Ordinance Project Number	Project/Segment Name	Segment	Status	Auditor Notes Based on Annual Program Budgets for FY 2021, FY 2022, FY 2023 (Unless Noted Otherwise)
1	**I-15: SR 163 to SR 56**			
	1201501: I-15 Express Lanes South Segment	1	Completed.	-
	1201502: I-15 Express Lanes Middle Segment	2		
	1201504: I-15 FasTrak®	3		
	1201520: I-15 Express Lanes – Forrester Creek Improvements	-	On-Going.	Project is for Mitigation work started in FY 2022.
2	**I-15: Centre City Pkwy to SR 78**			
	1201503: I-15 Express Lanes North Segment	4	Completed.	-
3	**I-15: SR 94 to SR163**			
	1280514: I-805/SR 15 Interchange	5	In-Progress.	Original CIP 1280514 for design complete. Project now part of I-805/SR 94/SR 15 Transit Connection under CIP 1280520 where design and right-of-way started in FY 2023.
	1601501: CMCP – High Speed Transit/I-15	-	Future.	CMCP study only. Study in planning since FY 2021 but changed to future project in FY 2023.
4	**HOV Connector: I-15 / SR 78**			
	1207802: I-15/SR 78 HOV Connectors	6	In-Progress.	Environmental phase 55% complete. Final Environmental Document estimated by June 2024.
5	**HOV Connector: I-15 / SR 94**			
	1280508: SR 94 Express Lanes I-805 to Downtown	-	In-Progress.	Combined with Ordinance Project 12, 15. Project now part of SR 94 Transit Priority Lanes (I-805 to I-5) under CIP 1280518 with feasibility study 85% complete and environmental phase estimated to start summer 2025.
6	**SR 94: I-5 to I-15**			
	1280508: SR 94 Express Lanes I-805 to Downtown	-	In-Progress.	Combined with Ordinance Project 12, 15. Project now part of SR 94 Transit Priority Lanes (I-805 to I-5) under CIP 1280518 with feasibility study 85% complete and environmental phase estimated to start summer 2025.
7	**BRT Route 610: via I-15 / SR 94 (Now Route 235)**			
	1201505: I-15 BRT Stations – Rancho Bernardo, Sabre Springs, and Del Lago	7	Completed.	-
	1201506: I-15 Mira Mesa DAR & BRT Station	8		
	1201508: I-15 Bus *Rapid* Transit	9		
	1201509: Downtown BRT Stations	10		
	1201512: I-15 BRT Sabre Springs Parking Structure	11		
	1201514: Downtown Multiuse and Bus Stopover Facility	12	In-Progress.	In-Right-of-Way with two of three parcels acquired. Third parcel necessary to construct facility estimated to be acquired in FY 2023.
	1201515: Clairemont Mesa Blvd BRT Stations	13	In-Progress.	Final design of five additional transit stations complete. Construction is pending availability of funding as of FY 2023.
	1201516: I-15 BRT Station Enhancements	14	Completed.	-
	1201517: I-15 BRT WiFi Phase 1	15		
	1201518: I-15 Mira Mesa Transit Station Parking Structure	16		

Ordinance Project Number	Project/Segment Name	Segment	Status	Auditor Notes Based on Annual Program Budgets for FY 2021, FY 2022, FY 2023 (Unless Noted Otherwise)
	1201519: I-15 Transit Priority Lanes & Direct Access Ramp at Clairemont Mesa Blvd.	17	In-Progress	Environmental and design only for two transit lanes and south facing Direct Access as of FY 2023.
8	**BRT Route 470: via I-15 / Mira Mesa Blvd (Now Route 237)**			
	1201511: Mira Mesa Blvd BRT Priority Treatments	18	Completed.	-
9	**I-805: SR 905 to SR 54**			
	1280501: I-805 South – 4 Express Lanes	19	Completed.	-
	1280515: I-805 South Soundwalls	20	In-Progress.	Unit 1 soundwalls and Sweetwater River bridge complete. Unit 2 soundwalls design complete but funding required for construction as of FY 2023.
10	**I-805: SR 54 to I-8**			
	1280510: I-805 South – 2 HOV and DAR	21	Completed.	-
	1280521: I-805 South HOV Conversion to Express Lanes (Palomar to SR 94)	22	Unknown.	Project not in program budgets. This project converts the HOV lanes completed in 2017 to Express Lanes.
11	**I-805: Mission Valley Viaduct**		Future.	Project not listed in program budgets. Per FY 2021 Audit, merged with I-805: I-15 to SR 163 segment, scheduled to be built by 2050.
12	**I-805: I-8 to I-5**			
	1280503: I-805 North 4 Express Lanes	23	Completed.	-
	1280505: I-805 HOV/Carroll Canyon DAR	24		
	1280511: I-805 North: 2 HOV Lanes	25		
	1280516: I-805 North Auxiliary Lanes	26	In-Progress.	Design 98% complete but funding required for construction as of FY 2023.
	1280517: I-805 HOV Conversion to Express Lanes	27	Future.	This future project intends to convert HOV lanes to Express lanes from SR 52 to the I-5/I-805 merge.
	1280518: I-805 Transit Priority Lanes (SR 15 to SR 52)	28	In-Progress.	Combined with Ordinance Project 5, 6. 15. Feasibility study 85% complete and environmental phase estimated to start summer 2025.
13	**I-805 / SR 54 Interchange Improvements**			
	1280506: I-805 E Street Auxiliary Lane	29	Completed.	-
	1280520: I-805 / SR 94 / SR 15 Transit Connection	30	In-Progress.	In design as of FY 2023. CIP is for design and right-of-way only.
14	**BRT Route 628: via I-805 / I-15 / SR 94 (Now known as South Bay *Rapid*)**			
	1280504: South Bay BRT	31	Completed.	-
	1280512: I-805 Imperial BRT Station	32	In-Progress.	Project Study Report completed but funding required to move forward with design as of FY 2023.
	1280513: I-805/SR 94 Bus on Shoulder Demonstration Project	33	Completed.	-
	1201513: South Bay BRT Maintenance Facility	34	Completed.	-
15	**SR 94: I-805 to I-15**			
	1280518: SR 94 Transit Priority Lanes (I-805 to I-5)	35	In-Progress.	Combined with Ordinance Project 5, 6. 12. Feasibility study 85% complete and environmental phase estimated to start summer 2025.
16	**BRT Route 680: via I-805 / I-15 / SR 52**		Future.	Project not in program budgets.
17	**SR 52: I-15 to I-805**		Future.	Project not in program budgets.
18	**HOV Connector: I-805 / SR 52 Interchange**		Future.	Project not in program budgets.

Ordinance Project Number	Project/Segment Name	Segment	Status	Auditor Notes Based on Annual Program Budgets for FY 2021, FY 2022, FY 2023 (Unless Noted Otherwise)
19	**I-5: SR 905 to SR 54**		Future.	Project not in OWPs.
20	**I-5: SR 54 to I-8**			
	1149000: Central Mobility Station	36	In-Progress.	Renamed as Central Mobility Hub in FY 2022. Final Environmental Document expected by June 2026 as of FY 2023. According to SANDAG staff, only a portion of the scope was eligible for TransNet funding.
	1600501: Central Mobility Hub – Notice of Preparation / P3 Procurement	-	In-Progress.	Project description until FY 2021 was CMCP – Central Mobility Connections for same CIP. In preparation for environmental document phase as of FY 2023.
	1600001: CMCP – Airport to Airport Connection	-	Future.	CMCP study only. Study in planning since FY 2021 but changed to future project in FY 2023.
	1600504: CMCP – Central Mobility Connections	-	In-Progress.	CMCP study only. Draft CMPC with on-going public involvement in progress as of FY 2023.
	1600505: CMCP – Central Mobility Hub: Military Installation Resilience Phase 2	-	In-Progress.	CMCP study only. 85% complete as of FY 2023.
21	**I-5: I-8 to I-805**			
	1200505: I-5/I-8 West to North Connector Improvements	37	Completed.	-
	1200506: I-5/Genesee Interchange and Widening	38		
	1200507: I-5/Voigt Drive Improvements	39	Completed.	-
	1200508: I-5/Gilman Drive Bridge	40	Completed.	-
22	**Route 500 (Blue Line Trolley) Improvements**			
	1210010: Orange and Blue Line PM	41	Completed.	-
	1210020: Blue Line Crossovers and Signals	42		
	1210030: Blue Line Station Rehab	43		
	1210040: Orange and Blue Line Traction Power Substations	44		
	1210050: Orange and Blue Line Communications System	45		
	1210070: Orange and Blue Line Platforms	46		
	1210080: Low Floor LRT Vehicles	47		
	1210091: Palomar Street Rail Grade Separation	48	In-Progress.	Design 45% complete as of FY 2023.
	1600502: CMCP Blue Line / I-5 S	-	In-Progress.	Combined with South Bay to Sorrento CMCP (CIP 1685501) in FY 2022. South Bay to Sorrento CMPC completed.
23	**Route 570 (MidCoast)**			
	1257001: Mid-Coast Light Rail Transit (LRT)	49	Completed.	-
24	**Route 634 (*SuperLoop*) (Now Routes 201, 202, and 204)**			
	1041502: *SuperLoop*	50	Completed.	-
25	**I-5 / I-805 Merge**		Future.	
26	**I-5: SR 56 to Leucadia Blvd**			
	1200501: I-5 North Coast – 4 Express Lanes (Final Environmental Document)	51	Completed.	-

Ordinance Project Number	Project/Segment Name	Segment	Status	Auditor Notes Based on Annual Program Budgets for FY 2021, FY 2022, FY 2023 (Unless Noted Otherwise)
	1200502: I-5 HOV Extension & Lomas Santa Fe Interchange	52		
	1200504: I-5 HOV Manchester to Palomar	53	Completed.	-
	1200509: I-5 HOV San Elijo Bridge Replacement	54	Completed.	-
	1200510: I-5 HOV Carlsbad	55	Completed.	Completed per FY 2024 program budget.
	1200511: I-5 Ramp Meters	56	Completed.	-
	1200512: I-5 / Genesee Auxiliary Lane	57	Completed.	-
	1200515: I-5 / I-805 HOV Conversion to Express Lanes	-	In-Progress.	Design started spring 2023.
	1200514: I-5 HOV Conversion to Express Lanes	58	Future.	This future project intends to convert the HOV lanes completed on the I-5 North Coast Corridor to Express lanes between I-5/I-805 and SR 78.
	1280517: I-805 HOV Conversion to Express Lanes	59	Unknown.	Project not in program budgets.
27	**I-5: Leucadia Blvd to Vandegrift Blvd**		Future.	Combined with Ordinance Project 26 per FY 2021 Audit.
28	**HOV Connector: I-5 / I-805 Interchange**		Future.	Combined with Ordinance Project 25 per FY 2021 Audit.
29	**FWY Connector: I-5 / SR 56 Interchange**			
	1200503: I-5/SR 56 Interchange (Final Environmental Document)	-	In-Progress.	Final environmental document complete. Construction combined with Ordinance Project 44 (CIP 1200513).
30	**FWY Connector: I-5 / SR 78 Interchange**		Future.	
31	**Route 398 (COASTER) / BRT Route 472 Improvements**			
	1239801: Sorrento to Miramar Phase 1	60	Completed.	-
	1239803: Oceanside Station Pass-Through Track	61		
	1239804: Carlsbad Double Track	62		
	1239805: Poinsettia Station Improvements	63		
	1239806: San Elijo Lagoon Double Track	64		
	1239807: Sorrento Valley Double Track	65		
	1239808: Tecolote to Washington Crossovers	66		
	1239809: Eastbrook to Shell Double Track	67	In-Progress.	Design complete, pending permits for construction.
	1239810: Carlsbad Village Double Track	68	In-Progress.	30% Design complete.
	1239811: Elvira to Morena Double Track	69	Completed.	
	1239812: Sorrento to Miramar Phase 2	70	In-Progress.	Design is complete. Permitting and right-of-way are expected to be complete in late 2023.
	1239813: San Dieguito Lagoon Double Track and Platform	71	In-Progress.	95% Design complete.
	1239814: COASTER Preliminary Engineering	72	On-Going.	Ongoing preliminary engineering and project prioritization of the LOSSAN Rail Corridor improvement projects.
	1239815: San Diego River Bridge	73	Complete.	-
	1239816: Batiquitos Lagoon Double Track	74	In-Progress.	Design complete, pending permits for construction.

Ordinance Project Number	Project/Segment Name	Segment	Status	Auditor Notes Based on Annual Program Budgets for FY 2021, FY 2022, FY 2023 (Unless Noted Otherwise)
	1239817: Chesterfield Drive Crossing Improvements	75	Completed.	-
	1143800: Encinitas Grade Separation Pedestrian Crossing	76	Completed.	-
	1239820: COASTER Train Sets	77	Completed.	-
	1239821: CMCP LOSSAN Corridor Improvements	-	In-Progress.	95% Preliminary Engineering and Corridor Studies complete.
	1239819: Carlsbad Village Double Track Trench	78	Unknown.	Project not in program budgets.
	1239822: San Dieguito Lagoon Double Track Phase 1 Construction	79	In-Progress.	Design completed. Construction estimated to start in spring 2023.
	1239823: San Dieguito to Sorrento Valley Double Track	80	Unknown.	Project not in program budgets. Per FY 2021 Audit, San Dieguito Lagoon Double Track was in design.
	1239824: San Dieguito Lagoon Double Track Phase 2 Construction	81	Unknown.	Project not in program budgets. Per FY 2021 Audit, all Phase 2 Double Track projects were planned for 2050 (future).
32	**SR 52: I-15 to SR 125**			
	1205201: SR 52 2 ML I-15 to SR 125	-	Unknown.	Project not in program budgets. Per FY 2021 Audit, 1st segment from I-15 to Mast Blvd complete, while 2nd segment from Mast to SR 125 was planned for 2035 (future).
	1205202: SR 52 Widening	82	Completed.	-
	1205204: SR 52 Improvements	83	In-Progress.	Environmental Document 80% complete but project put on hold in FY 2022.
33	**SR 52: SR 125 to SR 67**			
	1205203: SR 52 Extension	84	Completed.	-
34	**FWY Connector: SR 94 / SR 125 Interchange**			
	1212501: SR 94 / SR 125 South to East Connector	85	In-Progress.	75% Design complete.
	1612501: CMCP – High Speed Transit/SR 125	-	In-Progress.	CMCP study only. Estimated to start in FY 2023.
35	**SR 94: SR 125 to Steele Canyon Rd**			
36	**SR 94 / SR 125: I-805 to I-8**			
	1609401: CMCP – High Speed Transit/SR 94	-	Future.	CMCP study only.
37	**Route 520 (Orange Line Trolley) Improvements**			
	1210010: Orange and Blue Line PM	-	Completed.	-
	1210020: Blue Line Crossovers and Signals	-		
	1210040: Orange and Blue Line Traction Power Substations	-		
	1210050: Orange and Blue Line Communications System	-		
	1210070: Orange and Blue Line Platforms	-		
	1210080: Low Floor LRT Vehicles	-		
	1210021: Blue Line Railway Signal Improvements	-	In-Progress.	10% Construction complete.
	1210090: Low-Floor Light Rail Transit Vehicles	-	In-Progress.	Procurement in process.

Ordinance Project Number	Project/Segment Name	Segment	Status	Auditor Notes Based on Annual Program Budgets for FY 2021, FY 2022, FY 2023 (Unless Noted Otherwise)
38	**SR 54 / SR 125: I-805 to SR 94**		Future.	
39	**SR 67: Mapleview St to Dye Rd**			
	1206701: SR 67 Improvements	86	In-Progress.	Environmental phase.
	1605201: CMCP – Coasts, Canyons and Trails (SR 52)	-	In-Progress.	CMCP study only. 95% complete as of FY 2023.
40	**I-8: Second St to Los Coches Rd**			
	1600801: CMCP – High Speed Transit/I-8		In-Progress.	CMCP study only. Existing Conditions and the Data Analysis reports were completed in June 2022.
41	**SR 78: I-5 to I-15**			
	1207801: SR 78 HOV/Managed Lanes (Study Only)	-	Complete.	Study only.
	1207803: SR 78 / I-5 Express Lanes Connector	87	In-Progress.	5% Environmental phase complete.
	1207804: SR 78 HOV Lanes I-5 to I-15	88	In-Progress.	10% Environmental phase complete.
	1201510: SR 78 Nordahl Road Interchange	89	Completed.	-
42	**Route 399 (SPRINTER) / BRT Route 471 Improvements**			
	1230001: SPRINTER: Single Track	90	Completed.	-
	1607801: CMCP – SPRINTER/BRT Route 471 Improvements	-	In-Progress.	CMCP study only. 90% complete as of FY 2023.
43	**SR 76: Melrose Dr to I-15**			
	1207602: SR 76 Middle	91	Completed.	-
	1207606: SR 76 East	92		
44	**SR 56: I-5 to I-15**			
	1200513: SR 56 Auxiliary Lanes	93	In-Progress.	Design is complete. Construction estimated to start summer 2022.
	1705601: CMCP – High Speed Transit/SR 56	-	Unknown.	CMCP study only. Project not in program budgets.
45	**BRT Showcase Route 611: via El Cajon Blvd & Park Blvd (Now Mid-City *Rapid* Route 215)**			
	1240001: Mid-City *Rapid* Bus	94	Completed.	-
	1201507: SR 15 BRT – Mid-City Centerline Stations	95		
46	**SR 75 / SR 282 (Coronado Tunnel): Glorietta Blvd to Alameda Blvd**		Future [49]	
47	**Border Access Improvements**			
	1201101: SR 11 and Otay Mesa East Port of Entry	96	In-Progress.	40% Design-Build construction complete.
	1300601: San Ysidro Intermodal Freight Facility	97	Completed.	-
	1300602: South Line Rail Freight Capacity	98		
	1390501: SR 905 – I-805 to Britannia Blvd	99		
	1390502: I-805 / I-905 Connectors	100		

[49] Refer to Footnote 3.

Ordinance Project Number	Project/Segment Name	Segment	Status	Auditor Notes Based on Annual Program Budgets for FY 2021, FY 2022, FY 2023 (Unless Noted Otherwise)
	1390504: SR 905 / 125 / 11 Northbound Connectors	101		
	1390505: SR 905 / 125 / 11 Southbound Connectors (Design Only)	-	Unknown.	Project not in program budgets.
	1201102: SR 11 and Otay Mesa East Port of Entry Segment 1 Construction	102	Completed.	-
	1201103: SR 11 and Otay Mesa East Port of Entry Segment 2A and SR 905 / 125 / 11 Southbound Connectors Construction	103	Completed.	-
	1390506: SR 125 / 905 Southbound to Westbound Connector	104	In-Progress.	95% Construction complete.
	1201104: SR 11 and Otay Mesa East Port of Entry: Siempre Viva Interchange Construction	105	Completed.	Completed per FY 2024 program budget.
	1201106: Otay Mesa East Port of Entry Utility Improvements	106	In-Progress.	Design complete. Construction estimated to start summer 2022.
48	**SR 125: SR 905 to SR 54**			
	3312100: South Bay Expressway (Toll Road Purchase)	107	Completed.	-

Source: FY 2021 TransNet Triennial Performance Audit, annual program budgets for FY 2021 through FY 2024, Dashboard.

Appendix B: Detailed Audit Methodology

The TransNet Ordinance established a requirement that ITOC conduct triennial performance audits of the agencies involved in the implementation of TransNet Ordinance-funded projects. ITOC contracted with Sjoberg Evashenk Consulting Inc., to conduct the triennial performance audit for the three-year period between July 1, 2020 and June 30, 2023, and identified the following eight audit objectives for the FY 2024 audit:

1. Determine whether SANDAG and its partners made progress delivering TransNet Ordinance projects and programs and progress toward the goals of the Ordinance.
2. Assess whether the 2021 Regional Plan and related laws and regulations impacted the delivery of remaining TransNet Ordinance projects and is consistent with the TransNet Ordinance.
3. Evaluate the 5 Big Moves and related CMCPs and determine whether they impacted the delivery of the remaining TransNet Ordinance projects and are required by law.
4. Assess funding shortage impact on TransNet Ordinance project delivery and whether movement of TransNet Ordinance money between projects is appropriate and prioritized.
5. Consider whether the cost escalation methodology for drawdowns is adequate to preserve funding over time for the Border, LOSSAN, and Bike EAP projects.
6. Assess whether local agencies are using Smart Growth Incentive Program grants for intended purposes and achieving intended outcomes under appropriate SANDAG oversight.
7. Evaluate whether SANDAG and its TransNet Ordinance partners are committed to continued improvement by implementing corrective actions noted in prior audits and whether those actions resulted in efficiencies or more effective practices.
8. Determine if ITOC is fulfilling responsibilities to provide accountability in accordance with bylaws, the Ordinance, and best practices.

Our end of audit fieldwork date was December 31, 2023, although we considered any subsequent events or activities as warranted and practical through January 2024.

To understand changes made to the TransNet Ordinance since the prior audit, Sjoberg Evashenk Consulting, Inc. reviewed federal and state regulations, TransNet Ordinance updates and amendments, prior audit status of corrective action, fact sheets, and online data, in addition to the following:

- 2021 Regional Plan
- Regional Transportation Improvement Program of 2020 and 2022
- State of the Commute Reports for 2020, 2021, and 2022 (most recent)
- TransNet Ordinance Quarterly Reports from July 1, 2020 through June 30, 2023
- TransNet Dashboard and Keep San Diego Moving website
- SANDAG's Capital Improvement Program for FYs 2021 through 2024.

To analyze and consider the full complement of changes, challenges, and successes surrounding organizational and operational procedures, protocols over functional areas, and performance in general as part of the implementation of the TransNet Ordinance, we researched similar programs and current best practices, as well as conducted a wide range of interviews to ascertain perspectives, insights, challenges, and recommendations on the implementation of the TransNet Ordinance. Specifically, we met with more than 100 board officials, executives, managers, staff, and stakeholders in areas related to transportation planning, capital construction, program management, finance and cost estimation, transit operations, business operations, performance measurement, smart growth grants, and program oversight.

To assess project delivery status of major corridor program projects completed, in-progress, and remaining since the prior audit, we conducted the following tasks:

- Using the 2004 TransNet Ordinance, identified the initial portfolio of major corridor capital project segments by reviewing both project titles and descriptions.
- Attempted to compare information from improvements identified in the TransNet Ordinance to internal SANDAG spreadsheets, the 2021 Regional Plan, TransNet Dashboard, project maps and fact sheets from SANDAG's keepsandiegomoving.com website, SANDAG's Annual Program Budgets for FY 2021 through 2024, google maps, and meeting materials and minutes from the SANDAG Board, SANDAG Transportation Committee, and ITOC meetings between July 1, 2020 and June 30, 2023.
- For projects where status was unclear, discussed progress with SANDAG staff in Financial, Planning, Budgets, & Grants, Accounting & Finance, Regional Planning, and Engineering & Construction, as well as Caltrans Corridor Directors.

To evaluate the project delivery and performance for the other TransNet Ordinance program areas during our audit period, we conducted the following tasks:

- Reviewed and commented on performance reported in State of the Commute, Caltrans safety and asset conditions reports, Local Street and Road Annual Report, and other readily available performance documents to comment on outcomes over last 3 years. Auditors did not independently develop, calculate, or analyze performance metrics.
- Obtained and assessed information from MTS and NCTD to determine if TransNet funded routes are running at frequency anticipated.

To assess the impact of the 2021 Regional Plan and related laws and regulations on the TransNet Extension Ordinance projects, we conducted the following tasks:

- Attempted to identify the remaining TransNet Ordinance project scope and geographical boundaries by reviewing internal SANDAG spreadsheets, the 2021 Regional Plan, TransNet Dashboard, project maps and fact sheets from SANDAG's keepsandiegomoving.com website, SANDAG's Annual Program Budgets for FY 2020 through 2024, google maps, and meeting materials and minutes from the SANDAG Board, SANDAG Transportation Committee, and ITOC meetings between July 1, 2020 and June 30, 2023—and comparing those projects with the 2021 Regional Plan planned projects.

- Reviewed publicly posted Board, ITOC, Transportation Committee, Executive Committee, and Regional Planning Committee meeting agenda packets from July 2020 to December 2021 (when the 2021 Regional Plan was approved by the Board) to determine what Regional Plan details SANDAG staff had presented to oversight bodies to communicate the effect on the original planned TransNet Ordinance project.
- Using the 2021 Regional Plan, TransNet Ordinance 10-Year Look Ahead in 2018-2019, and guidance from entities such as Caltrans, California Transportation Commission, Federal Highway Administration, Federal Transit Authority, we identified and researched state and federal legislation in addition to assessed state and federal legislation, regulations, requirements, executive orders, policies, funding agreements, and directives that applied any restrictions or affect the types of projects that can be in a Regional Plan including SB 375, SB 743, and AB 805 to name a few.

To assess the impact of the 5 Big Moves on the TransNet Ordinance projects, we conducted the following tasks:

- Assessed what the 5 Big Moves entail and how they align with state and federal directives including reviewed underlying spreadsheets used to compile the 2021 Regional Plan in addition to how the 5 Big Moves components are related to estimated costs and funding sources.
- Considered the strategies and timing for implementation of CMCPs and impact on the TransNet Ordinance.
- Evaluated completed and planned CMCPs to compare cost of the plans (and source of funding) to the amount of external state or federal funding leveraged from the effort.
- Analyzed guidelines, funding sources, budget to actuals spent, and status of each CMCP as of December 2023.
- Compared SANDAG's use of CMCPs with other California entities.

To evaluate the funding shortfall and major corridor project prioritization decisions made by SANDAG, we conducted the following tasks:

- Reviewed the most updated version of the POF applicable to the audit period (as of February 2023) and identified the status of the funding shortfall and its impact on specific TransNet subprograms.
- Evaluated any changes to the cash flow model, debt service coverage, or recent changes to methodologies.
- Determined how much of the program can be delivered based on POF forecasting for specific projects and phases, the timeline for when funding shortfalls will impact delivery, and the timeframe for when future project costs will comprise the majority of POF forecasted costs.
- Spot-checked validity of data in SANDAG's internal analysis on non-TransNet revenue forecast to actual financial system records for reliability.

- Reviewed revenue projections and underlying assumptions, compared past forecasts to actual collections for the TransNet Ordinance and other funding sources, and identified fluctuations in sources.
- Analyzed information that staff presented to oversight bodies about the POF and funding shortfalls.
- Attempted to compile a comprehensive universe of funding sources in the RTP and POF, and researched specific rules, restrictions, allowances, and caveats for use of different funding sources.
- Reviewed recently employed cost estimation and escalation methodology and process improvements and reviewed underlying internal spreadsheets and tools, and determined how SANDAG has factored in pandemic-induced market volatility to its estimation practices.
- Evaluated SANDAG's stated methodology and process for how it reprioritizes projects when full funding is not available, including review of internal tools used to guide process, and strategy used when projects do not have full funding.
- Reviewed the October 2023 Budget Amendment passed by the Board and corresponding documents to understand the methodology and basis for why specific projects were prioritized to receive funding; compared against internal prioritization documents to see if projects that received funds were priority projects per internal records.
- Analyzed lists of projects provided by SANDAG staff that showed various levels of funding needs, including projects that have stopped altogether due to no funding and projects that need funds to progress to the construction phase.
- Assessed new efforts to pursue external grant funding opportunities including the formation of the Grants Advisory Subcommittee, internal tracking tools, decision-making methodology on grant pursuit decisions, and outcomes of grants applied for during the audit period.
- Obtained and assessed information from MTS and NCTD to determine whether TransNet-provided funds covered transit operator costs to fund newly added TransNet routes as planned. Evaluated any plans to cover any gaps in funding.

To determine the status of prior audit recommendations and proposed amendments to the TransNet Ordinance to address some of the recommendations, we conducted the following tasks:

- Reviewed prior FY 2021 audit status reports to identify past audit recommendations.
- Obtained SANDAG's "FY 2018 TransNet Triennial Performance Audit: implementation of Recommendations Tracking Matrix as of July 2023" and the "FY 2021 TransNet Triennial Performance Audit: implementation of Recommendations Tracking Matrix as of July 2023" presented at the October 11, 2023 ITOC meeting.
- Gathered documentary support for corrective action to verify progress or reported completion.
- Obtained universe of in-process amendments being considered and underlying documentation used to deliberate the amendments, in addition to how they related prior audit recommendations.

- Understand strategy and approach used for amendments such as initiation, rationale or justification, collaboration with other stakeholders, reviews, recommended actions, and Board presentation and approval.
- Reviewed Mobility Working Group meeting agendas, minutes, documents, and discussions related to the amendments, as well as to assess timelines and reasons for any delay.

To assess whether the cost escalation methodology used by SANDAG for drawing down TransNet Ordinance funds is the most appropriate method to estimate and preserve available future funding for the Border, LOSSAN, and Bike EAP projects, we conducted the following tasks:

- Identified the current approach basis, assumptions, and escalation factors compared with alternate proposed methods.
- Gathered and reviewed SANDAG's peer review process documents related to TransNet drawdowns and conducted interviews with SANDAG staff and economists.
- Researched industry best practices to escalate unspent balances of tax receipts. While we attempted to compare SANDAG's approach against peer methodologies, our efforts did not identify sufficient information publicly available to allow for a meaningful analysis. Given the lack of industry or peer preferred methods, we determined there was no definitive criteria or beneficial audit results to be realized in this area.

To evaluate whether local agencies are using Smart Growth Incentive Program Grants for intended purposes and achieving outcomes of the program under appropriate oversight by SANDAG, we conducted the following tasks:

- Compiled list of smart growth grants completed within the review period summarized types of grants, general type of activities, and amounts spent.
- Tested 16 grants closed during our audit period to determine whether activities aligned with stated purpose in application and validated information against supporting documentation, baseline data collected, and performance metrics, if available, from the local grantees.
- For the same 16 closed grants, obtained performance data, if available, from SANDAG or local grantees to assess whether grants achieved the intended outcomes of the program.
- Obtained and assessed monitoring tools, plans, checklists, and completed reviews to evaluate the adequacy of SANDAG's monitoring and oversight.
- Identified actions taken by SANDAG when grant performance fell short of expectations.

Finally, to assess whether ITOC fulfills its responsibilities related to the TransNet Ordinance in alignment with its bylaws and best practices, we conducted the following tasks:

- Ascertained any changes in TransNet Ordinance ITOC responsibilities or changes in practices, protocols, and activities of the ITOC.
- Assessed ITOC bylaws, annual reports, and implementation procedures.
- Reviewed ITOC meeting agendas and minutes between July 1, 2020 and December 31, 2023.

Audit findings and conclusions were presented and discussed with representatives of SANDAG and the ITOC Audit Subcommittee on several occasions prior to completion of the audit. Management views and comments were considered and incorporated into the audit report, as appropriate.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix C: ITOC Responsibilities and Performance

As part of the TransNet Ordinance and Expenditure Plan, the ITOC was established to provide accountability for expenditures made under the program. According to the "Statement of Understanding Regarding the Implementation of ITOC" for the TransNet Program, ITOC is to ensure that all voted mandates are carried out as required in the TransNet Ordinance. Responsibilities include:

1. Conduct annual fiscal and compliance audit
2. Prepare annual report to Board to present results of annual audit process with assessment of consistency of expenditures with the ordinance plan, review of expenditures by each local jurisdiction and share results with the SANDAG Transportation Committee
3. Conduct triennial performance audit to review project delivery, cost control, schedule adherence, and related activities including changes to contracting, construction, permitting, and more in addition to share results with the SANDAG Transportation Committee
4. Provide recommendations to the Board regarding any proposed amendments to the Ordinance and Expenditure Plan
5. Provide recommendations as part of the 10-year review process
6. Participate in ongoing refinement of transportation system performance measurement process and the project evaluation criteria used in developing the regional plan and prioritizing projects
7. Annually review ongoing SANDAG system performance evaluations including the State of the Commute and provide an independent analysis of information including in that report
8. Review and comment on the programming of TransNet revenue in the Regional Transportation Improvement Plan and raise any concerns on eligibility of projects proposed for funding
9. Review proposed debt financing to ensure benefits for accelerated project delivery, avoiding future cost escalation, and related factors exceed issuance and interest costs
10. Review major congestion relief projects in the Ordinance in terms of cost control and schedule adherence on a quarterly basis

Results indicated that the ITOC functions as an independent, open, and transparent group that ensures all voter mandates are carried out. Since the Ordinance was implemented, ITOC has continued to refine its processes for attendance, analysis, tracking of information presented, membership, recruiting, and conflicts of interest, as well as demonstrated rigor through its protocols and actions. For the FY 2024 audit, we found that ITOC continues to fulfill its responsibilities and provide accountability through its expertise in public questioning and requests for information from SANDAG and its partners as well as its continuity and stability of its membership. Committee members are well-versed and provide technical expertise on matters brought before the committee. ITOC seems fully engaged and exercises significant accountability, responsibility, and ownership of its TransNet responsibilities.

Appendix D: SANDAG Response

March 1, 2024 File Number 1500200

Ms. Cathy Brady
Partner
Sjoberg Evanshenk Consulting, Inc.
455 Capitol Mall, Suite 700
Sacramento, CA 95814
cathy@secteam.com

Dear Ms. Brady:

Subject: Transmittal of Reponses to FY 2024 TransNet Triennial Performance Audit Report and Recommendations

Thank you for the opportunity to respond to the FY 2024 TransNet Triennial Performance Audit report and recommendations as conducted by Sjoberg Evanshenk Consulting, Inc., on behalf of the TransNet Independent Taxpayer Oversight Committee (ITOC). The San Diego Association of Governments (SANDAG) appreciates your firm's review of the TransNet Program and is committed to address each of the recommendations in the audit report.

The FY 2024 TransNet Triennial Performance Audit is the sixth performance audit conducted by the ITOC. The audit includes a review of the three-year period between FY 2020 and FY 2023, focusing on Major Corridor project progress against the TransNet Ordinance plans, legislation impacting future Major Corridor project delivery, funding for TransNet projects, Smart Growth grants funded by TransNet, and status of implementing prior audit recommendations. SANDAG will implement processes that improve the overall performance of the program to ensure all voter mandates are carried out as required by the TransNet Extension Ordinance (Ordinance).

Moreover, SANDAG agrees with the recommendations set forth in the audit report and is committed to working with the ITOC, Board and partner agencies to address the issues and continue implementing best practices for the TransNet Program. Our priority is to remain accountable, transparent, and enhance efficiency. Significant progress has been made to deliver the TransNet Program, which can be reviewed on the SANDAG website. It is important that details on scope and location boundaries also be included in future informational products so that the public and Board have clear visibility into implementation of the program.

Similarly, SANDAG has been clear that anticipated revenues will not meet original projections. In order to facilitate the Board's consideration of future project implementation given actual funding, SANDAG will continue to have clear and detailed discussions on how best to deliver TransNet projects, consistent with current laws and requirements, through ongoing discussions on the Regional Plan and future Plans of Finance.

SANDAG appreciates that the audit recognizes the many challenges the agency has faced in the past three years, including staff turnover, changing staff responsibilities, and interruption from the COVID-19 pandemic. SANDAG is committed to refocusing resources to monitor and report on the status of the TransNet program and to respond to current and prior audit recommendations. Specifically, SANDAG will provide a full-time position within the Financial Programming, Budgets and Grants Department to lead the work effort. In addition, a multi-disciplinary staff team will be established to ensure that audit recommendations are completed and met in a timely manner. Funding for these efforts will be included in

the Final Draft FY 2025 Annual Program Budget.

André Douzdjian, the Chief Financial Officer, will be the Executive Team Leader to spearhead the work program and will provide regular updates to the ITOC and Board in response to audit recommendations.

To reiterate, SANDAG is committed to working toward implementation of recommendations and our responses to the audit are attached. We are pleased that throughout the audit process, members of your staff were accessible and helpful in clarifying issues raised. We appreciate your efforts in assisting SANDAG and its partner agencies to ensure the continued success of the TransNet Program.

Sincerely,

Coleen Clementson
Chief Executive Officer
MSM/SHUN
Enclosure(s)
Cc: Jonathan Frankel, ITOC Chair
Pedro-Orso-Delgado, ITOC Vice Chair

Proposed Action Plan for Implementing the FY 2024 TransNet Triennial Performance Audit Recommendations

The TransNet Triennial Performance Auditor, Sjoberg Evashenk Consulting, Inc., completed the FY 2024 TransNet Performance Audit in February 2024 on behalf of the Independent Taxpayer Oversight Committee (ITOC).

The audit focused on major corridor project progress against TransNet Ordinance plans, legislation impacting future major corridor project delivery, funding for TransNet projects, Smart Growth grants funded by TransNet, and the status of implementing prior audit recommendations. The audit resulted in 24 recommendations for consideration by SANDAG Management. Priority classifications and significance of recommendations were categorized into four separate rankings based on the impact on TransNet Ordinance goals and functions, critical path activities, accountability, and timing. Priority categories are:

- **Critical Priority:** Substantial risk to achievement of TransNet Ordinance goals, is fundamental to the TransNet Ordinance's success and critical path activities, is crucial for accountability, or has a time-sensitive component. Immediate attention is warranted.
- **High Priority:** Significant risk to achievement of TransNet Ordinance goals, is fundamental to the TransNet Ordinance's success or program activities or is important for accountability. Prompt attention is warranted.
- **Medium Priority:** Some risk to achievement of TransNet Ordinance goals, is important to the TransNet Ordinance's success or program activities or would help strengthen accountability. Moderate attention is warranted.
- **Low Priority:** Opportunity for improvement, but not vital to the TransNet ordinance's success or program activities. Routine attention is warranted.

SANDAG agrees with the recommendations set forth in the audit report and is committed to working with the ITOC, Board, and partner agencies to address recommendations and continue implementing best practices for the TransNet Program. Actions to start implementing the recommendations have been initiated.

This proposed Action Plan (Plan) has been prepared by Management in response to the recommendations identified in the audit report and summarizes the actions SANDAG intends to undertake. Periodic progress updates shall be reported.

Section I:

SANDAG Reported Progress with Delivery of Major Corridor Projects, but Did Not Track Specific Project Scope and Progress Against Ordinance Commitments.

Audit Recommendations	Priority	Management Planned Actions	Responsible Official	Estimated Completion Date
1. Ensure SANDAG Executive Management designated staff to have assigned responsibility for tracking against the Ordinance major corridor planned pledges at a detailed location boundary and scope level to be able to demonstrate what actual improvements were made.	Critical	Executive Management will oversee designated staff assigned to oversee the tracking of the TransNet Ordinance to the Overall Work Program and Capital Improvement Program. SANDAG will create a full-time position within the Financial Programming, Budgets and Grants Department responsible for providing Executive Team and ITOC quarterly updates on progress with TransNet Ordinance projects and recommendation implementation efforts.	Susan Huntington	July 2024
2. Revamp or create new tools or spreadsheets to comprehensively track major corridor project delivery against Ordinance planned pledges at a detailed location boundary and scope level.	Critical	SANDAG is developing a spreadsheet to track past/current/future projects against the TransNet Ordinance. Staff will identify new project management software to allow for a more streamlined approach in tracking projects against the Ordinance and providing timely reports.	Susan Huntington Bill Parris	July 2024 July 2026
3. Make sure the revamped or new tools or spreadsheets comparing actual to planned project delivery for Ordinance major corridor planned pledges at a detailed location boundary and scope level are accurate and supported through links to project fact sheets, budget documents, google maps, or other specific project-level documents validating completion as appropriate.	Critical	SANDAG has been utilizing GIS data to update maps for projects which are related to the Ordinance as part of the FY 25 Program Budget. Staff is developing online tools to improve how this information is presented in a detailed and understandable way to the public via the SANDAG website.	Robyn Wapner	July 2025
4. Provide the detailed listing – or highlight just those original TransNet major corridor project boundaries and scopes that were not completed as pledged – to the Board and ITOC for use as part of annual budget conversations as well as the 2025 Regional Plan, and future regional plans.	Critical	On Jan 26, 2024, SANDAG staff provided the Board with a presentation on the 2025 Regional Plan Initial Concept that included an analysis of Transnet Major Corridor projects compared to the major corridor projects proposed in the Initial Concept. Staff will also include an attachment to the Board annually as part of the Program Budget item beginning with the FY 26 Program Budget.	Antoinette Meier Susan Huntington	July 2025

5. Update data in the TransNet Dashboard – or alternate public facing system designated in place of the Dashboard – on monthly basis to ensure up to date budget, expenditure, schedule, and status information is comprehensively available for both current in-progress major corridor projects and previous major corridor projects completed.	High	SANDAG provides up to date budget information for the Capital Program via the TransNet Dashboard. During the audit period, expenditures were updated daily, and schedules were updated bi-monthly. Staff will identify project management software tools which will provide monthly data updates on the TransNet Dashboard. Staff will determine if a separate website or page on the SANDAG website dedicated solely to TransNet projects is feasible.	Susan Huntington Bill Parris Robyn Wapner	July 2025 July 2026

Section II:

Other TransNet Ordinance Projects and Programs Reported Progress, Although Transit Projects are Not Yet Operating at Planned Frequency.

Audit Recommendations	Priority	Management Planned Actions	Responsible Official	Estimated Completion Date
6. Work with MTS and NCTD to closely monitor ridership on the TransNet-funded routes against service frequency levels and report to the SANDAG Board and ITOC on the impact service adjustments may have on riders, including how actual services align with the original plans in the TransNet Ordinance.	Medium	The 2022 State of the Commute (https://opendata.sandag.org/stories/s/2022-State-of-the-Commute/e8kw-bd95) dashboard presents regional Rapid bus ridership funded via TransNet. SANDAG has received a Caltrans Planning Grant to automate ridership data into a public-facing data dashboard with close to real-time information scheduled to be released by June 2025.	Cindy Burke Grace Mino	June 2025
7. Ensure decisions made regarding funding MTS' and NCTD's transit operating service gaps or frequency expectations are documented with rationale supporting decisions and incorporated into Ordinance amendments as warranted.	Medium	Transit operating decisions are led by the transit operators. Per the MOU language between SANDAG, MTS, and NCTD, any significant changes to services are reviewed and approved by SANDAG staff. Staff will communicate these decisions to ITOC. The Transportation Committee and the Board review the transit operator's capital and operating budgets on an annual basis. Staff will provide an analysis of TransNet Transit Operating funding at this time to align with funding needs and availability.	Cindy Burke Brian Lane	NA

Section III:

Status of Remaining TransNet Major Corridor Ordinance Projects is Unclear, Although Legislation Impact Regional Planning Decisions.

Audit Recommendations	Priority	Management Planned Actions	Responsible Official	Estimated Completion Date
8. Ensure Executive Management designate staff with the assigned responsibility for tracking future remaining major corridor projects against the Ordinance planned pledges at a detailed location boundary and scope level to be able to demonstrate what actual improvements are planned and which remaining major corridor projects will not be completed.	High	Executive Management will oversee designated staff assigned to oversee the tracking of the TransNet Ordinance to the Regional Plans. Designated staff will provide Executive Team, ITOC and the Board with a comparison list of remaining TransNet projects, at a detailed location boundary and scope level, and how they are proposed in the Regional Plan.	Susan Huntington	July 2024
9. Establish tools or mechanisms to track remaining Ordinance major corridor projects (boundaries and scope) clearly and accurately against the 2021 Regional Plan and future regional plans, including maintaining underlying supporting data reported.	High	On Jan 26, 2024, SANDAG staff provided the Board with a presentation on the 2025 Regional Plan Initial Concept that included an analysis of Transnet Major Corridor projects compared to the major corridor projects proposed in the Initial Concept. The same analysis has been conducted for the projects in the 2021 Regional Plan. SANDAG is developing a spreadsheet to track past/current/future projects against the TransNet Ordinance as part of Item No. 2 above.	Antoinette Meier Susan Huntington	July 2025 July 2024
10. Make sure the new tools or mechanisms comparing remaining Ordinance major corridor projects to regional plans at a detailed location boundary and scope level are accurate and supported through links to planning documents, budget information or plans of finance, or other documents as appropriate.	Critical	Staff will ensure the tracking tool completed as part of Item No. 2 links to various other related documents.	Bill Parris Susan Huntington	July 2024
11. Provide a detailed listing to the Board and ITOC annually – or highlight those remaining original TransNet major corridor project boundaries and scope that will not be completed as pledged – starting in 2024 before completion of the future 2025 Regional Plan and regularly thereafter.	Critical	SANDAG currently provides an ITOC Annual Report, which is presented to the Board, reviewing what has been completed. Staff will include "future" projects to provide information on what has not yet been completed and the proposed plan moving forward.	Susan Huntington	December 2024
12. Present proposed amendment to the Board to align planned major corridor projects from the TransNet Ordinance with the current 2021 Regional Plan as required by the TransNet Ordinance.	Critical	On Jan 26, 2024, SANDAG staff provided the Board with a presentation on the 2025 Regional Plan Initial Concept that included an analysis of Transnet Major Corridor projects compared to the major corridor projects proposed in the Initial Concept. Given the changes between the 2021 and 2025 Regional Plan, staff recommend pursuing the amendment with the 2025 Regional	Antoinette Meier	December 2025

		Plan. Final 2025 Regional Plan will be brought to the board for acceptance in December 2025.		

Section IV:

Formal Plans for Funding Shortfall and Priorities Were Not Developed To Address Impact on Specific TransNet Projects.

Audit Recommendations	Priority	Management Planned Actions	Responsible Official	Estimated Completion Date
13. Present the details of the next Plan of Finance to the Board and ITOC including specific amounts of funding shortfalls by subprogram and program-wide, in addition to the timeframe when shortages may begin to affect project delivery.	Critical	SANDAG will present an updated Plan of Finance to the Board with updated costs estimates from the 2025 Regional Plan. That will include updates to the subprograms and overall program-wide status to inform decisionmakers of potential risks to project delivery and future Ordinance projects.	Susan Huntington	December 2024
14. Develop specific options and corresponding timelines on possible actions to address funding shortfalls for the Board and ITOC that clearly state the impact of each option at the project- level, including how options will compare to what was originally pledged in the ordinance for each project.	High	Staff will include this as part of the Plan of Finance discussion as stated in Item No. 13.	Susan Huntington	December 2024
15. Develop, implement, and use a format, transparent, and vetted methodology and strategy for reprioritizing pledged ongoing and future TransNet major corridor projects against limited funding – including how funds are moved between projects and factors are weighed for starting new projects when other ongoing projects may have unmet funding needs.	High	SANDAG currently has a process and methodology for prioritizing and funding TransNet projects and tracks the movement of funds and funding through PMTools. Staff will ensure that a complete formal process is in writing and shared with ITOC to increase transparency of the TransNet program.	Susan Huntington	September 2024

Section V:

Smart Growth Grant Activities Generally Aligned with Program Goals, Although SANDAG Should Strengthen Monitoring.

Audit Recommendations	Priority	Management Planned Actions	Responsible Official	Estimated Completion Date
16. Revamp the smart growth grant application form to clearly identify quantified, detailed objectives and deliverables to allow for meaningful analysis.	Medium	The Cycle 6 call for projects, scheduled for release in fall 2024, will include this change.	Susan Huntington Jenny Russo	December 2024
17. Require grantees to include a well- defined description of what will be constructed through the project to affect desired smart growth outcomes.	Medium	The Cycle 6 call for projects, scheduled for release in fall 2024, will include this change.	Susan Huntington Jenny Russo	December 2024
18. Require grantees to report on the quantifiable performance metrics now required in grant awards related to promoting smart growth goals to create compact, walkable, bikeable,	Medium	Projects awarded funding in Cycle 5 (August 2022) and thereafter include performance measures and data from grantees. Staff will begin reporting this to ITOC in late 2024 or	Susan Huntington Jenny Russo	January 2025

and transit-oriented communities and increase housing and transportation choices around the region as applicable.		early 2025.		
19. Put practice in place to summarize grantee performance data, analyze success of grant efforts, and reports to ITOC.	Medium	Projects awarded funding in Cycle 5 and thereafter include performance measures and data from grantees. Staff will begin reporting this to ITOC in late 2024 or early 2025.	Susan Huntington Jenny Russo	January 2025
20. Review grantees final close out reports and investigate any items that grantees marked as "in-progress."	Medium	Staff will begin implementing this immediately.	Susan Huntington Jenny Russo	March 2024
21. Validate that smart growth grantees met all objectives and verify that grantees provided deliverables at project close-out during site visits.	Medium	Staff will begin implementing this immediately.	Susan Huntington Jenny Russo	March 2024

Section VI:

SANDAG Has Not Taken Strong Enough Actions to Implement Prior Audit Recommendations and Ordinance Amendments.

Audit Recommendations	Priority	Management Planned Actions	Responsible Official	Estimated Completion Date
22. Require SANDAG Executive Management to take an active role in overseeing the implementation of the ITOC audit recommendations and hold staff accountable for timely corrective action.	High	SANDAG is consolidating all audit recommendations, and the complete list will be overseen by a senior level management lead. Status reports will be presented to ITOC and Executive Team for feedback and discussion. SANDAG will create a full-time position within the Financial Programming, Budgets and Grants Department responsible for overseeing a new internal TransNet Program Steering Committee to ensure that audit recommendations are completed and met in a timely manner.	Susan Huntington	
23. Set timelines for local agency consensus on proposed Ordinance amendments and then take the related amendments to the Board for consideration soon after.	Medium	Staff provided timelines to the Mobility Working Group and the Mobility Working Group Subcommittee as part of the Overall Work Plan several times throughout the process. Executive Management will advise staff on when to take TransNet Ordinance Amendments to the Board for approval.	Susan Huntington	June 2025
24. Immediately propose the amendments to the Board for the ITOC changes and other areas relating to the prior audit recommendations.	High	ITOC Chair presented the proposed changes to the Membership and Selection Process section of the TransNet Ordinance and ITOC bylaws to respond to prior audit recommendations to the Board at their meeting on January 13, 2023 (first reading) and January 27, 2023. The Board did not approve of	Susan Huntington	March/April 2024

		proposed changes. Staff and the ITOC Chair are presenting these changes again in March and April 2024 to request updates to the TransNet Ordinance related to prior audit recommendations.		

Independent Taxpayer Oversight Committee (ITOC) 2024 TransNet Triennial Performance Audit

Board of Directors | Item 14
Jonathan Frankel and Sunnie House, TransNet Independent Taxpayer Oversight Committee
July 26, 2024

1

Introduction

- ITOC is responsible for conducting a Triennial Performance Audit (TPA) of SANDAG and all other agencies involved in implementation of Transnet funded projects and programs.
- ITOC hired the firm of Sjoberg Evashenk Consulting to conduct the FY24 TPA.
- ITOC subcommittee, chaired by Sunnie House, finalized the audit scope and received approval from ITOC to proceed with the Audit.
- Audit results and recommendations were presented to and accepted by ITOC in June 2024.

2

FY 2024 Performance Audit Scope

1. Transnet projects delivery progress
2. Impacts of 2021 RTP & laws/regulations
3. Five Big Moves & CMCP impacts
4. Funding shortages
5. Cost escalation drawdowns
6. Smart Growth grants performance
7. Status of prior audit recommendations
8. Review of ITOC performance

3

Summary of Findings

- Difficulty determining progress of projects delivered against Ordinance commitments.
- Status of remaining TransNet Major Corridor Projects is unclear.
- Improvements in Local Street & Road project delivery
- Transnet Ordinance Program shows a funding shortfall.
- Smart Growth grant activities generally align with program goals, although SANDAG should strengthen monitoring.
- More than 40% of the prior audit recommendations from (FY15, FY18, and FY 21) are still outstanding.
- ITOC continues to fulfill its responsibilities.

4

Key Areas to Address

- Project data was inconsistent and unclear to crosswalk delivery progress against the Ordinance.
- Project scope & boundaries not linked with Regional Plans.
- SANDAG needs more accountability & transparency to communicate project changes.
- Effort to bolster revenues and leverage TransNet funds are not enough to solve the funding shortfall.
- No formal methodology to reprioritize projects.
- No formal plan to address the funding gap.
- Limited data to measure Smart Growth program outcomes.
- Management direction for prioritizing incorporation of TPA recommendations were not provided.
- Staff turnover and changing responsibilities hindered the implementation of TPA recommendations.

5

Key Recommendations

- Assign an Executive Sponsor to prioritize implementation of all recommendations.
- Improve tracking process for remaining planned project boundaries and scope against Ordinance.
- Transparently and clearly show ITOC and the Board the Ordinance projects not planned for.
- Present details of funding shortfalls and timeline with impact to project delivery.
- Develop specific options and timelines for addressing funding shortfall.
- Implement vetted methodology to reprioritize projects.
- Set timelines to get Transnet Ordinance amendment process completed.
- Verify grant deliverables by conducting regular site visits and reporting performance.

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7

Management Response to FY 2024 TransNet Triennial Performance Audit

Board of Directors | Item 14
Dawn Vettese, Chief Financial Officer
July 26, 2024

1

Various Continual Audits

Fiscal Audits

- Single Audit – Federal Funding
- TDA Audits
- Annual Consolidated Financial Report
- San Diego County Regional Transportation Commission
- ARJIS
- South Bay Toll Road
- SourcePoint

Performance Audits

- TDA Performance Review
- **TransNet Triennial Review**
- Cost Incurred Audit

Compliance Audits/Review

- IPERA Review
- FTA Triennial Review
- Coronado Bridge Toll
- MPO Certification
- Chapter 53 of Title 49 Review
- Retirement Benefits
- Workers Comp
- Indirect Cost Allocation Plan (ICAP)
- Procurement System Review

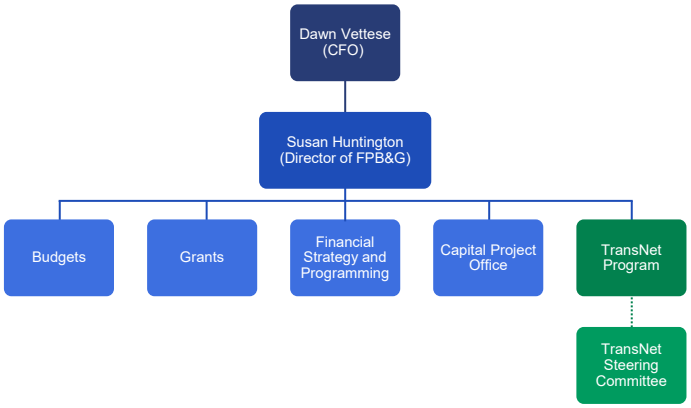
Agreed Upon Procedures

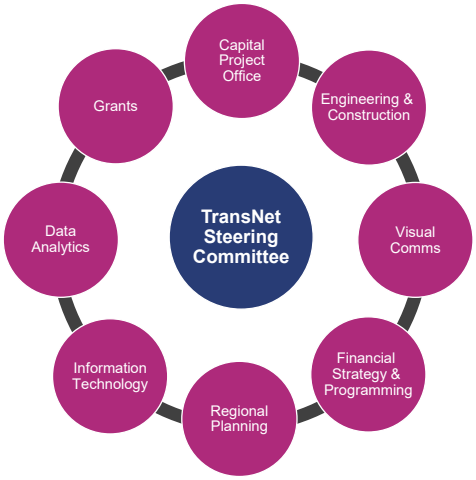
- TransNet Funds
- NTD AUP Report (Vanpool)

2

Proposed Staffing Plan

Financial Planning, Budgets and Grants Dept.





= New Position/Committee

3

Audit Response Timeline and Key Dates

2024

March
SANDAG Response and Action Plan

July
Create a full-time position to oversee the implementation of audit recommendations and budget staff hours for Steering Committee

December
Staff to present Plan of Finance to ITOC and Board.

2025

July
Enhancements to SANDAG website for increased transparency and Ordinance updates

December
Documentation on alignments of the 2025 Regional Plan and the TransNet Ordinance.

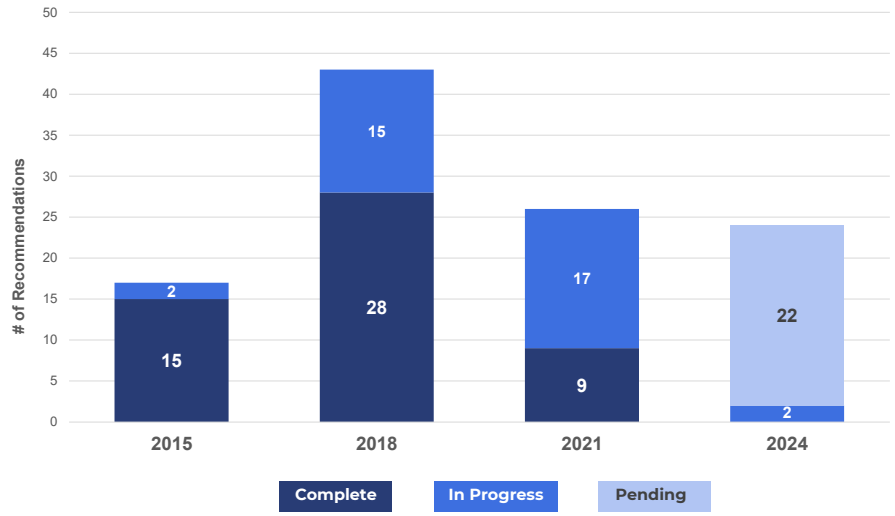
2026

July
Identify and implement new project management software

Ongoing
Provide quarterly updates on the progress to the Executive Team and ITOC

4

2015-2024 TPA Recommendations Progress Update



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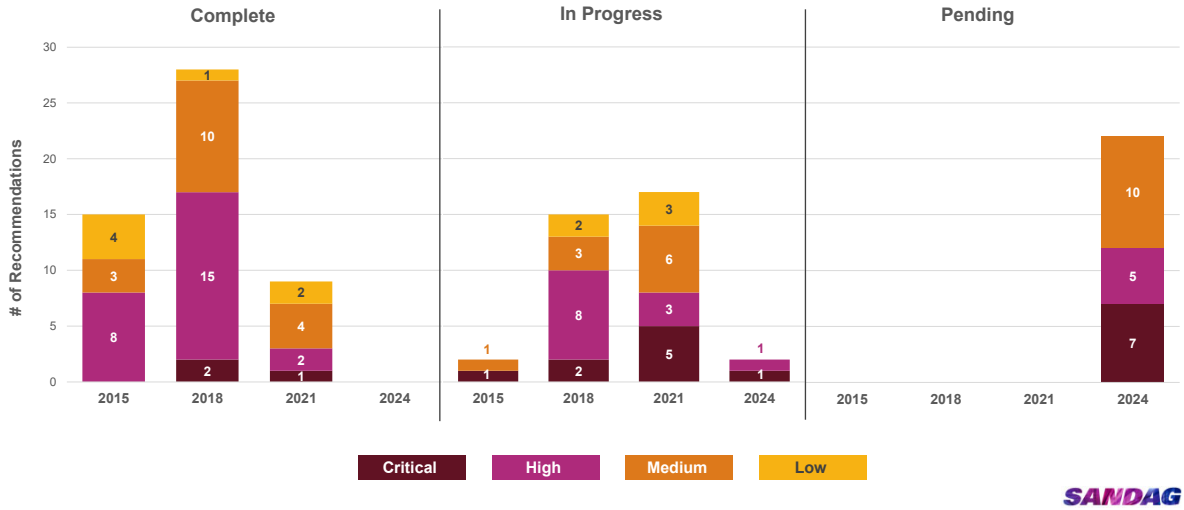
2015-2024 TPA Recommendations Progress Update



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FY 2023 Annual Comprehensive Financial Report and Other Financial and Compliance Matters

Action: **Information**

In accordance with SANDAG Bylaws, SANDAG and Davis Farr staff will present the FY 2023 Annual Comprehensive Financial Report and other Financial and Compliance Matters in compliance with the Statement of Auditing Standards 114.

Fiscal Impact:

In FY 2023, approximately $376.5 million was the balance of construction in progress for various regional transportation infrastructure improvement projects.

Schedule/Scope Impact:

The Annual Comprehensive Financial Report presents the financial position and activity of SANDAG and the three component units, which include the San Diego County Regional Transportation Commission, SourcePoint, and the Automated Regional Justice Information System. All other audit reports were issued, resulting in no delays of funding.

Overview

The independent certified public accounting firm of Davis Farr LLP has concluded the annual financial audit of SANDAG for the fiscal year ended June 30, 2023. The Annual Comprehensive Financial Report (ACFR) can be downloaded at sandag.org/FY23 ACFR.

In addition to the ACFR, Davis Farr LLP issued the reports of other annual financial audits of SANDAG for the fiscal year ended June 30, 2023. The Transportation Development Act audits, SANDAG Single Audit Report, SANDAG Agreed-Upon Procedures Performed with Respect to the National Transit Database Report, and the Report on Applying Agreed-Upon Procedures for the Coronado Toll Revenues are provided as attachments to this report.

Key Considerations

Annual Comprehensive Financial Report

The ACFR presents the financial position and activity of SANDAG and the three component units, which include the San Diego County Regional Transportation Commission, SourcePoint, and the Automated Regional Justice Information System. The independent auditor expressed a qualified opinion on these basic financial statements. The basis for the qualified opinion relates to the Toll Road (SR 125) fund due to the implementation of a new back-office system and an open investigation which resulted in difficulties in reconciling certain accounting records to the underlying customer accounts to obtain sufficient audit evidence to support the amounts reported for toll road revenue, accounts receivable, and unearned revenue amounts. The other funds and component units included in the ACFR, except for the SR 125 fund as the basis for the qualified opinion, were presented fairly in all material respects in accordance with accounting principles generally accepted in the United State of America.

In compliance with Generally Accepted Government Auditing Standards, the independent auditor assessed SANDAG's internal control over financial reporting and performed tests of the agency's compliance with certain provisions of laws and regulations during the FY 2023 audit. The Independent Auditor's Report On Internal Control Over Financial Reporting and On Compliance and Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards is included as Attachment 1.

SANDAG had three findings on the Annual Comprehensive Financial Report in FY 2023 and corrective action plans are in place to ensure the improvement of the controls in the future.

Transportation Development Act

The TDA audit includes recipients of TDA funds, State Transit Assistance (STA) funds, and the County of San Diego Local Transportation Fund (LTF), all of which are required to be submitted to the State Controller's Office within 180 days after fiscal year-end.

TDA fund audits are required under California Public Utilities Code Section 9924. An additional 90 days (or more given extenuating circumstances) may be approved by SANDAG for those TDA recipients that require more time to complete the audit.

A total of 12 audits were performed including a portion of claimants that requested an extension. At the January 12, 2024, Board meeting, extension requests were approved for the cities of El Cajon, Coronado, La Mesa, National City, Poway and Full Access & Coordinating Transportation (FACT) until March 26, 2024. All claimants were issued an unmodified (clean) opinion.

The STA audits are required under California Code of Regulations Section 6751. There were no exceptions to the County STAF or Metropolitan Transit System STAF reports.

The County LTF audit is required under California Code of Regulations Section 6661. There were no exceptions to this report.

SANDAG Single Audit

In accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, a Single Audit must be performed for any organziation that expends $750,000 or more of federal funds. The independent auditor expressed an unmodified opinion on compliance over major programs. Please reference the Schedule of Findings and Questioned Costs for the three findings mentioned above, two material weaknesses identified for internal control over financial reporting and one material weakness for internal control over major programs.

Next Steps

The Department of Accounting and Finance, working with other divisions of SANDAG, will address the three material weaknesses identified in the audit of the fiscal year ended June 30, 2023. Two important accounting staff positions have been filled since the audit period last year. These resources are leading the finance team in developing timelines that will allow for adequate review time of the financial statements before they are turned over to the auditors. This proactive approach should reduce adjustments detected during the audit (2023-001). SANDAG continues to address the toll roads back-office system errors. Progress to date has reduced variances between the current back-office system and the accounting records. A replacement of the back-office system is underway, and the steps identified in the Toll Operations Action Plan are underway (2023-002). The material weakness related to the TIFIA funding is a one-time, highly unusual situation of federal dollars being used to pay off a short-term borrowing rather than going directly to project expenses. SANDAG will work on strengthening communication and methods for identifying federal awards including utilizing functions in the new ERP financial system (2023-003). The audit report also included a recommendation related to password management. This recommendation has been addressed with the move to a new financial system that uses a system-wide password with stronger controls than the previous financial system password.

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to SANDAG for its ACFR for the fiscal year ended June 30, 2022. This was the sixteenth consecutive year that SANDAG has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement only is valid for a period of one year. The FY 2023 ACFR is expected to continue to meet the Certificate of Achievement Program requirements and has therefore been submitted to the GFOA to determine its eligibility for another certificate.

Since no modified opinions were issued for TDA, SANDAG will continue to administer TDA allocations to all claimants who participated in the audit.

Dawn Vettese, Chief Financial Officer

Attachments:
1. FY 2023 SANDAG Generally Accepted Government Auditing Standards Report
2. FY 2023 SANDAG Single Audit Report
3. FY 2023 Coronado Toll Bridge Report
4. FY 2023 SANDAG NTD AUP Report
5. FY 2023 SAS 114 Letter
6. FY 2023 Transportation Development Act (TDA) Reports
7. Corrective Action Plan for the Findings of FY 2023 Single Audit

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable Chair and Members of the Board of Directors
San Diego Association of Governments
San Diego, California

Independent Auditor's Report

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of San Diego Association of Governments (SANDAG), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise SANDAG's basic financial statements, and have issued our report thereon dated March 28, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered SANDAG's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SANDAG's internal control. Accordingly, we do not express an opinion on the effectiveness of SANDAG's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible*. The chance of the future event or events occurring is more than remote but less than likely.
- *Probable*. The future event or events are likely to occur.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We consider the issues identified below as *2023-001, 2023-002* and *2023-003* to be material weaknesses.

(2023-001) Adjustments Detected During the Audit

During our audit, we identified material errors in the accounting records that required correcting and adjusting journal entries as follows:

- To record unavailable revenue of $7M in the fund financial statements related to receivables not collected within the availability period,
- To increase interest payable by $5.1M related to the 2021 TIFIA Loan, and
- To record assets of $17.7M and liabilities of $21.5M related to the interest rate swap termination activities.
- To correct escrow retention cash balance to account for the release of funds of $6.4M in the capital projects fund.
- To correct negative receivables in the general fund for $1.8M.
- To increase the allowance for doubtful accounts in toll penalties in the SR-125 fund for $500K based on SANDAG staff calculations.

Potential Effect

The financial statements could be materially misstated if year-end adjustments are not recorded, and amounts are not reconciled to the subsidiary records.

Recommendation

Auditing standards indicate that material adjustments identified through the audit process are evidence of a weakness in SANDAG's internal control structure. Efforts should be made to enhance SANDAG's year-end closing procedures to include areas that resulted in audit adjustments.

Management's Comments Regarding Corrective Actions Planned

Due to staff turnover and the implementation of a new ERP system, the year-end close process was delayed, causing adjustments to the financials towards the end of the audit. However, management will have a more robust review process with the new ERP system for the upcoming audit years. SANDAG relies on third-party asset management services to provide derivative data that will make the year-end process efficient. However, there was extra discussion needed to reconcile the reports that were provided and how they should be reflected in the financial statements regarding swap terminations. Accounting for derivative transactions such as swap terminations are complex and unusual and require more time and resources. SANDAG will continue to promote continued educational opportunities to be better prepared in the future.

(2023-002) Toll Road Back-Office System Errors

SANDAG operates a Toll Road on State Route 125 (SR 125) and reports the activities in a major fund in SANDAG's financial statements. Due to the implementation of a new

back-office system, there were difficulties in reconciling certain accounting records to the underlying customer accounts. Additionally, due to SANDAG's ongoing efforts to further evaluate these accounts and the conclusions reported in the March 25, 2024 SANDAG Office of the Independent Performance Auditor's Report on SR 125 Toll Operations, we were unable to obtain sufficient appropriate audit evidence supporting the balances reported in the fund financial statements ($38,768,057 of SR 125 Toll Road revenue, $4,395,742 of accounts receivable, and $2,138,678 of unearned revenue). Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Potential Effect

The financial statements and customer account balances could be misstated.

Recommendation

SANDAG should continue to evaluate the back-office system to verify the accuracy of toll transactions, billing to customer accounts, and related accounting transactions recorded in the SR 125 fund. SANDAG should develop additional controls to regularly monitor the transactions recorded by the back-office system for timely detection of errors.

Management's Comments Regarding Corrective Actions Planned

We continue to work with our back-office software provider and external consultants to build out reporting items and to troubleshoot and resolve issues timely. Our teams meet weekly to review toll transactions, billings to customers and resolve accounting related items. Additionally we have signed a new agreement with Deloitte to implement a new back-office software. Once implemented SANDAG believes that will resolve the difficulties in the SR125 financial reporting.

(2023-003) Preparation of the Schedule of Expenditures of Federal Awards

2 CFR 200.508 requires that proper internal controls are in place for the preparation of the Schedule of Expenditures of Federal Awards (SEFA) which must include the total federal awards expended and the Assistance Lising Number for each individual federal program. The auditors are required to determine whether the SEFA is stated fairly in all material respects in relation to the auditee's financial statements as a whole. The auditors also utilize the SEFA for the determination of the major federal programs that will be audited.

Condition During our audit, we became aware of a material misstatement in the SEFA due to an excluded federal program: the Transportation Infrastructure Finance and Innovation Act (TIFIA) Program with federal expenditures of $537,484,439 for the fiscal year ended June 30, 2023.

Effect As a result of correcting the error in the SEFA, the TIFIA program was assessed for testing as a major program and met the criteria to require the program to be tested. Additionally, another major program that had already been selected and tested no longer was required to be tested as a major program.

Cause The TIFIA program expenditures were new in the fiscal year ended June 30, 2023 and SANDAG's system of internal controls did not identify the program as federal expenditures subject to the single audit requirements.

Recommendation We recommend SANDAG enhance the system of internal controls for identification of federal awards subject to the single audit requirements and the preparation and review of the SEFA for accuracy and completeness.

Management's Comments Regarding Corrective Actions Planned

We concur with the issue, and accept the recommendation provided by the auditor. We will strengthen the system of internal controls for identifying federal awards and expenditures, including TIFIA funds and the associated reporting requirements which are subject to single audit inclusion.

The following matter is not considered material weakness or significant deficiency in internal controls. However, as a service to you, we offer the following best practice recommendation to enhance internal controls of SANDAG:

(1) Information Systems Enhancements and Controls

As part of the annual financial statement audit, a Certified Information Systems Auditor performed a risk assessment summary on the information technology environment and systems. As a result of the review, we have the following best practice recommendations:

a. Password management

SANDAG should implement stronger password controls for its users. Specifically, SANDAG's password current requires a minimum 8-character password and password changes are required every 180 days.

Recommendation

As a best practice, we recommend SANDAG implement an increase in the password length requirement to be greater than 8 alphanumeric characters and consider increasing the password change frequency to decrease the risk of an account being compromised.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether SANDAG's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

SANDAG's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on SANDAG's response to the findings identified in our audit and described above. SANDAG's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Davis Farr LLP

Irvine, California
March 28, 2024

SAN DIEGO ASSOCIATION OF GOVERNMENTS
SAN DIEGO, CALIFORNIA

SINGLE AUDIT REPORT ON EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2023

SAN DIEGO ASSOCIATION OF GOVERNMENTS

SINGLE AUDIT REPORT ON EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2023

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable Chair and Members of the Board of Directors
San Diego Association of Governments
San Diego, California

Independent Auditor's Report

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of San Diego Association of Governments (SANDAG), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise SANDAG's basic financial statements, and have issued our report thereon dated March 28, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered SANDAG's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SANDAG's internal control. Accordingly, we do not express an opinion on the effectiveness of SANDAG's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the Schedule of Findings and Questioned Costs *(2023-001 and 2023-002)* to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether SANDAG's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

SANDAG's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on SANDAG's response to the findings identified in our audit and described above. SANDAG's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Davis Farr LLP

Irvine, California
March 28, 2024

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

Honorable Chair and Members of the Board of Directors
San Diego Association of Governments
San Diego, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the San Diego Association of Governments (SANDAG) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on SANDAG's major federal programs for the year ended June 30, 2023. The SANDAG's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, SANDAG complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of SANDAG and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the SANDAG's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to SANDAG's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on SANDAG's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the SANDAG's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding SANDAG's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the SANDAG's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of SANDAG's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item (2023-003). Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on SANDAG's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. SANDAG's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, discretely presented component unit, and the aggregate remaining fund information of SANDAG as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise SANDAG's basic financial statements. We issued our report thereon, dated March 28, 2024, which contained a qualified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Davis Farr LLP

Irvine, California
March 28, 2024

SAN DIEGO ASSOCIATION OF GOVERNMENTS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2023

Federal Grantor/ Program or Cluster Title	Assistance Listing Number	Grant Identification Number	Federal Expenditures	Passed Through to Subrecipients
Department of Transportation				
Federal Highway Administration				
Passed through California Department of Transportation:				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	74A0817	$ 5,210,370	$ 44,265
Highway Planning and Construction	20.205	STPL-6066(162)	263,927	-
Highway Planning and Construction	20.205	STPL-6066(168)	265,999	-
Highway Planning and Construction	20.205	STPL-6066(172)	317,503	-
Highway Planning and Construction	20.205	STPL-6066(173)	49,905	-
Highway Planning and Construction	20.205	STPL-6066(174)	579,218	-
Highway Planning and Construction	20.205	STPL-6066(175)	86,990	-
Highway Planning and Construction	20.205	STPL-6066(190)	956,757	-
Highway Planning and Construction	20.205	STPL-6066(198)	118,770	-
Highway Planning and Construction	20.205	CMLG-6066(156)	328,939	-
Highway Planning and Construction	20.205	CMLG-6066(180)	12,262,589	6,368,016
Highway Planning and Construction	20.205	CML-6066(164)	1,352,087	-
Highway Planning and Construction	20.205	ATPL-6066(129)	4,627,285	-
Highway Planning and Construction	20.205	ATPL-6066(130)	1,196,127	-
Highway Planning and Construction	20.205	ATPL-6066(159)	141,009	-
Highway Planning and Construction	20.205	RSTPL-6066(158)	1,168,526	-
Highway Planning and Construction	20.205	RSTPL-6066(161)	200,023	-
Highway Planning and Construction	20.205	RSTPL-6066(163)	430,943	-
Highway Planning and Construction	20.205	STPBIPL-6066(154)	338,508	-
Highway Planning and Construction	20.205	STPBIPL-6066(170)	5,828,885	-
COVID-19 - Highway Planning and Construction	20.205	ATPL-6066(129)	3,358,456	-
COVID-19 - Highway Planning and Construction	20.205	ATPL-6066(130)	169,985	-
Total Highway Planning and Construction Cluster			39,252,799	6,412,281
Direct Programs:				
Highway Research and Development Program	20.200	N/A	1,065,695	-
Total Highway Research and Development Program Cluster			1,065,695	-
Motor Carrier Safety Administration				
Passed through Federal Highway Administration:				
Border Enforcement Grants	20.233	N/A	678,264	-
Total Border Enforcement Grants Cluster			678,264	-
Federal Transit Administration				
Passed through California Department of Transportation:				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	74A0817	3,175,185	183,694
Direct Programs:				
Federal Transit Cluster:				
Federal Transit - Capital Investment Grants	20.500	N/A	174,372,251	-
Federal Transit - Formula Grants	20.507	N/A	24,523,731	16,000
Total Federal Transit Cluster			198,895,982	16,000
Transit Services Programs Cluster:				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	N/A	2,041,911	1,685,713
COVID-19 - Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	N/A	77,015	30,623
Community Project Funding Congressionally Directed Spending	20.534	N/A	1,000,000	-
Total Transit Services Programs Cluster			3,118,926	1,716,336
Transportation Infrastructure Finance and Innovation Act (TIFIA) Program	20.223	TIFIA-20211003A	537,484,439	-
			537,484,439	-
Total Department of Transportation			783,671,290	8,328,311

SAN DIEGO ASSOCIATION OF GOVERNMENTS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2023

Federal Grantor/ Program or Cluster Title	Assistance Listing Number	Grant Identification Number	Federal Expenditures	Passed Through to Subrecipients
Department of Justice				
Passed through North County Lifeline:				
Services for Trafficking Victims	16.320	2017-VT-BX-K016	16,013	-
Services for Trafficking Victims	16.320	2019-VT-BX-0070	23,570	-
Total Services for Trafficking Victims			39,582	-
Passed through from the San Diego Children's Initiative:				
Project Safe Neighborhoods (PSN)	16.609	2020-GP-BX-0078	18,594	-
Direct Programs:				
Project Safe Neighborhoods (PSN)	16.609	N/A	238,887	130,746
Edward Byrne Memorial Assistance Grant Program (JAG)	16.738	N/A	122,866	-
Total Direct Programs			361,753	130,746
Total Department of Justice			419,930	130,746
Department of Education				
Passed through South Bay Community Services:				
Innovative Approaches to Literacy, Full-service Community Schools; and Promise Neighborhoods	84.215	U215N180049	183,244	-
Total Department of Education			183,244	-
Department of Defense				
Direct Programs:				
Military Installation Sustainability	12.003	N/A	535,824	-
Total Department of Defense			535,824	-
Total Federal Expenditures			$ 784,810,288	$ 8,459,058

SAN DIEGO ASSOCIATION OF GOVERNMENTS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2023

(1) Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards

a) Scope of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of SANDAG under federal government programs for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* for Federal Awards ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of SANDAG, it is not intended to and does not present the financial position, changes in net position or cash flows of SANDAG.

SANDAG did not use the 10% de minimis indirect cost rate as covered in section 200.414 of the Uniform Guidance.

b) Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards wherein certain types of expenditures are not allowable or are limited as to reimbursement.

SANDAG utilizes local funds when federal funds are not received in a timely manner. Upon receipt of federal funds, SANDAG reimburses local funds that were utilized for expenditures for federal programs. Reimbursements are shown as credit balances in the Schedule. Expenditures incurred before a federal grant is executed are included on the Schedule in the year the grant was executed.

SAN DIEGO ASSOCIATION OF GOVERNMENTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2023

Section I – Summary of Auditor's Results

Financial Statements

1. Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Qualified
2. Internal control over financial reporting:	
a. Material weakness(es) identified?	2023-001 2023-002
b. Significant deficiency(ies) identified?	None reported
3. Noncompliance material to the financial statements noted?	No

Federal Awards

1. Internal control over major programs:	
a. Material weakness(es) identified?	2023-003
b. Significant deficiency(ies) identified?	None reported
2. Type of auditor's report issued on compliance for major programs:	Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

4. Identification of major programs:

Assistance Listing	Name of Federal Programs or Clusters
20.205	Highway Planning and Construction
20.223	Transportation Infrastructure Finance and Innovation Act (TIFIA) Program
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research

5. Dollar threshold used to distinguish between Type A and Type B programs:	$3,000,000
6. Auditee qualified as a low-risk auditee?	No

SAN DIEGO ASSOCIATION OF GOVERNMENTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2023

Section II - Financial Statement Findings

(2023-001) Adjustments Detected During the Audit

During our audit, we identified material errors in the accounting records that required correcting and adjusting journal entries as follows:

- To record unavailable revenue of $7M in the fund financial statements related to receivables not collected within the availability period,
- To increase interest payable by $5.1M related to the 2021 TIFIA Loan, and
- To record assets of $17.7M and liabilities of $21.5M related to the interest rate swap termination activities.
- To correct escrow retention cash balance to account for the release of funds of $6.4M in the capital projects fund.
- To correct negative receivables in the general fund for $1.8M.
- To increase the allowance for doubtful accounts in toll penalties in the SR-125 fund for $500K based on SANDAG staff calculations.

Potential Effect

The financial statements could be materially misstated if year-end adjustments are not recorded, and amounts are not reconciled to the subsidiary records.

Recommendation

Auditing standards indicate that material adjustments identified through the audit process are evidence of a weakness in SANDAG's internal control structure. Efforts should be made to enhance SANDAG's year-end closing procedures to include areas that resulted in audit adjustments.

Management's Comments Regarding Corrective Actions Planned

Due to staff turnover and the implementation of a new ERP system, the year-end close process was delayed, causing adjustments to the financials towards the end of the audit. However, management will have a more robust review process with the new ERP system for the upcoming audit years. SANDAG relies on third-party asset management services to provide derivative data that will make the year-end process efficient. However, there was extra discussion needed to reconcile the reports that were provided and how they should be reflected in the financial statements regarding swap terminations. Accounting for derivative transactions such as swap terminations are complex and unusual and require more time and resources. SANDAG will continue to promote continued educational opportunities to be better prepared in the future.

SAN DIEGO ASSOCIATION OF GOVERNMENTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2023

Section II - Financial Statement Findings

(2023-002) Toll Road Back-Office System Errors

SANDAG operates a Toll Road on State Route 125 (SR 125) and reports the activities in a major fund in SANDAG's financial statements. Due to the implementation of a new back-office system, there were difficulties in reconciling certain accounting records to the underlying customer accounts. Additionally, due to SANDAG's ongoing efforts to further evaluate these accounts and the conclusions reported in the March 25, 2024 SANDAG Office of the Independent Performance Auditor's Report on SR 125 Toll Operations, we were unable to obtain sufficient appropriate audit evidence supporting the balances reported in the fund financial statements ($38,768,057 of SR 125 Toll Road revenue, $4,395,742 of accounts receivable, and $2,138,678 of unearned revenue). Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Potential Effect

The financial statements and customer account balances could be misstated.

Recommendation

SANDAG should continue to evaluate the back-office system to verify the accuracy of toll transactions, billing to customer accounts, and related accounting transactions recorded in the SR 125 fund. SANDAG should develop additional controls to regularly monitor the transactions recorded by the back-office system for timely detection of errors.

Management's Comments Regarding Corrective Actions Planned

We continue to work with our back-office software provider and external consultants to build out reporting items and to troubleshoot and resolve issues timely. Our teams meet weekly to review toll transactions and billings to customers and resolve accounting-related items. Additionally, we have signed a new agreement with Deloitte to implement a new back-office software. Once implemented SANDAG believes that will resolve the difficulties in the SR125 financial reporting.

SAN DIEGO ASSOCIATION OF GOVERNMENTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2023

Section III - Federal Award Findings and Questioned Costs

(2023-003) Preparation of the Schedule of Expenditures of Federal Awards

2 CFR 200.508 requires that proper internal controls are in place for the preparation of the Schedule of Expenditures of Federal Awards (SEFA), which must include the total federal awards expended and the Assistance Listing Number for each individual federal program. The auditors are required to determine whether the SEFA is stated fairly in all material respects in relation to the auditee's financial statements as a whole. The auditors also utilize the SEFA for the determination of the major federal programs that will be audited.

Condition During our audit, we became aware of a material misstatement in the SEFA due to an excluded federal program: the Transportation Infrastructure Finance and Innovation Act (TIFIA) Program with federal expenditures of $537,484,439 for the fiscal year ended June 30, 2023.

Effect As a result of correcting the error in the SEFA, the TIFIA program was assessed for testing as a major program and met the criteria to require the program to be tested. Additionally, another major program that had already been selected and tested no longer was required to be tested as a major program.

Cause The TIFIA program expenditures were new in the fiscal year ended June 30, 2023 and SANDAG's system of internal controls did not identify the program as federal expenditures subject to the single audit requirements.

Recommendation We recommend SANDAG enhance the system of internal controls for identification of federal awards subject to the single audit requirements and the preparation and review of the SEFA for accuracy and completeness.

Management's Comments Regarding Corrective Actions Planned

We concur with the issue, and accept the recommendation provided by the auditor. We will strengthen the system of internal controls for identifying federal awards and expenditures, including TIFIA funds and the associated reporting requirements which are subject to single audit inclusion.

SAN DIEGO ASSOCIATION OF GOVERNMENTS

STATUS OF PRIOR YEAR AUDIT FINDINGS

Year ended June 30, 2023

(2022-001) – Identification of Major Funds (Material Weakness)

GASB Codification 2200 paragraph 102 requires that a government's fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. Paragraph 159 states that individual governmental and enterprise funds should be reported in separate columns as major funds based on these criteria. The general services fund of SANDAG was reported as a nonmajor governmental fund in the financial statements. However, the totals of its liabilities and deferred inflows and expenditures exceeded the 10 percent and 5 percent criteria described above to be reported as a major governmental fund.

Recommendation

We recommend that management add recalculation of major funds to their procedures for preparation of the initial and final draft financial statements to ensure that any changes to major funds are evaluated and incorporated in the financial statements on a timely basis.

Status of Prior Year Auditing Finding

There were no errors identified with the calculation of major funds for the year ended June 30, 2023. As such, this finding is considered resolved.

(2022-002) – ARJIS Expense Recognition (Material Weakness)

Expenses for SANDAG's discretely presented component unit ARJIS were overstated by $708,527 relating to two invoices:

1. One invoice totaling $135,110 for a software subscription pertaining to fiscal year 2023 was improperly accrued in accounts payable as of June 30, 2022.

2. One invoice totaling $573,417 for IT hardware, installation, and related subscriptions was improperly expensed. $396,157 of the total related to hardware and ancillary charges and $177,260 of the total related to maintenance subscriptions pertaining to fiscal year 2023 through 2026.

Recommendation

We recommend that management strengthen controls around the processing of accounts payable to ensure that invoices are accrued in the period in which the related services are performed. Accounts payable staff should also examine invoices for capitalizable tangible or intangible assets. If the invoice received does not have sufficient detail to determine the service period or good received, additional information should be requested from the vendor. We also recommend additional layers of review over material transactions for proper financial reporting. Management should consider whether additional training for staff involved in processing and reviewing invoices is necessary.

SAN DIEGO ASSOCIATION OF GOVERNMENTS

STATUS OF PRIOR YEAR AUDIT FINDINGS

Year ended June 30, 2023

Status of Prior Year Auditing Finding

We did not identify any material errors with ARJIS expense recognition for the year ended June 30, 2023. As such, this finding is considered resolved.

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

Independent Accountant's Report

Management
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below, related to the San Diego Association of Governments' ("SANDAG") compliance with the agreement between SANDAG and the City of Coronado entered on June 30, 2000 ("Agreement") and the reporting requirements for the Annual Schedule of Status of Funds by Project (Schedule A) and the Cumulative Schedule of Status of Funds by Project (Schedule B) for the fiscal year ended June 30, 2023. The City of Coronado is responsible for its compliance with those requirements.

SANDAG has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in understanding compliance with the Agreement and the reporting requirements for Schedule A and Schedule B. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Our procedures and findings are as follows:

1. We obtained and documented the agreement between SANDAG and the City, entered on June 30, 2000 (the "Agreement").

   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG the applicable approved Regional Transportation Improvement Program (RTIP). We agreed the RTIP projects to the projects reported on Schedule A.

   Results: No exceptions were noted as a result of our procedures.

3. We inquired of the City's management and determined that the City maintains a separate fund for Toll Bridge revenues or an alternative approach to maintain separate accountability for reasonableness.

   Results: No exceptions were noted as a result of our procedures.

4. We obtained a detailed general ledger for Toll Bridge revenues and expenditures from the City for the fiscal year ended June 30, 2023.

   Results: No exceptions were noted as a result of our procedures.

5. We obtained from the City the Annual Schedule of Status of Funds by Project (Schedule A), and performed the following procedures:

a. Agreed the beginning balance to the prior year ending balance.

   Results: No exceptions were noted as a result of our procedures.

b. Obtained a listing of Toll Bridge payments made to the City from SANDAG and compared the revenue recorded by the City to the listing of payments received.

   Results: No payments were received during the year ended June 30, 2023.

c. Identified the interest income reported for the fiscal year by tracing interest income reported on Schedule A and agreed this amount to the City's general ledger.

   Results: No exceptions were noted as a result of our procedures.

d. Identified the Toll Bridge expenditures for the fiscal year under review by performing the following procedures:

   i. Traced the total project expenditures per Schedule A and agreed to the City's general ledger.

      Results: No exceptions were noted as a result of our procedures.

   ii. Selected individual expenditures that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation.

      Results: The City recorded total expenditures in the amount of $486. We selected $486 (100%) for testing. No exceptions were noted as a result of our procedures.

   iii. For the expenditures selected, we identified the Metropolitan Planning Organization Identification Number (MPO ID) that the expenditures are charged against to determine if the MPO ID is included in the 2023 RTIP and the expenditures are an eligible cost per the Agreement.

      Results: No exceptions were noted as a result of our procedures.

   iv. Inquired of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of the allocation.

      Results: This procedure is not applicable as there are no indirect costs allocated to projects included in the RTIP for the year ended June 30, 2023.

e. We determined that any amount reported in the "adjustments" column is explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

   Results: No exceptions were noted as a result of our procedures.

f. We obtained a list of completed projects from the City that are reported by the Toll Bridge fund project number and MPO ID. We determined whether any remaining

Toll Bridge funds for completed projects were transferred to another Toll Bridge-eligible project within the same program or related program. We determined that projects identified as completed in the previous fiscal year are not presented in the Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

i. If the balance of a completed project has not been transferred to another Toll Bridge-eligible project, we ensured that a footnote is presented that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

g. If a project ending balance was negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: This procedure is not applicable as there were no projects with a negative balance during the year ended June 30, 2023.

h. We obtained a signed staff report or resolution from the City's governing body consenting to the transfer of funds from one project to another.

Results: This procedure is not applicable as there were no transfers of funds during the year ended June 30, 2023.

i. We determined whether the City reported non-Toll Bridge activity separate from Toll Bridge activity in Schedule A.

Results: This procedure is not applicable as the City did not report non-Toll Bridge activity separate from Toll Bridge activity during the year ended June 30, 2023.

6. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the City and determined that it included cumulative information for all Coronado Toll bridge projects including funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID. We inspected Schedule B and determined that projects are properly classified and reported by project. We inspected the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

7. We inspected and documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable as there were no findings in the prior year.

8. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the City's response to the findings, if applicable:

Results: This procedure is not applicable as there were no findings for the year ended June 30, 2023.

We were engaged by SANDAG to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with specified requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City of Coronado and SANDAG and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of SANDAG and is not intended to be, and should not be, used by anyone other than the specified party.

Davis Farr LLP

Irvine, California
July 12, 2024

CITY OF CORONADO, CALIFORNIA

Coronado Toll Bridge Fund

Schedule of Status of Funds by Project

Year Ended June 30, 2023

MPO ID	CIP Number	Project Name	Project Status July 1, 2022	Funds Received	Interest Income	Project Expenditures	City Appropriations	Funds Returned	Adjustments	Project Status June 30, 2023	Notes
		Coronado Toll Bridge Fund									
		Toll Funds Available	$ 401,803	$ -	$ 150,085	$ -	$ -	$ -	$ -	$ 551,888	A
		Programmed Projects									
COR 19	10011	Coronado Gateway (SR 75/282 Toll Removal Mitigation Toll Plaza)	4,875,149	-	-	(486)	-	1,130	-	4,875,793	A
COR 23	17024	Street Lighting 3rd & 4th	428,117	-	-	-	-	-	-	428,117	A
		Total Programmed Projects	5,303,266	-	-	(486)	-	1,130	-	5,303,910	
		Reconciling Item for GASB 31	(165,820)	-	102,088	-	-	-	-	(63,732)	
		Total	$ 5,539,249	$ -	$ 252,173	$ (486)	$ -	$ 1,130	$ -	$ 5,792,066	

Notes:

A These funds were appropriated to the various projects from the Toll funds available.

CITY OF CORONADO, CALIFORNIA
Coronado Toll Bridge Fund
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2023

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	City Appropriations	Funds Returned	Adjustments	Project Status June 30, 2023	Notes
		Coronado Toll Bridge Fund								
		Toll Funds	$ 10,632,003	$ 2,793,542	$ -	$ (19,240,051)	$ 6,369,373	$ (2,979)	$ 551,888	
		Open Projects:								
		Programmed Projects								
COR 19	10011	SR 75/282 Toll Removal Mitigation (Toll Plaza)	-	-	(436,025)	5,310,688	1,130	-	4,875,793	
COR 23	17024	Street Lighting 3rd & 4th	-	-	(121,883)	550,000	-	-	428,117	
		Total programmed projects	-	-	(557,908)	5,860,688	1,130	-	5,303,910	
		Completed Projects:								
		Programmed Projects								
		Bus Shelters	-	-	(600)	600	-	-	-	
		Inroad Crosswalk Lighting	-	-	(4,966)	4,966	-	-	-	
		Semi-Diverter Program	-	-	(57,717)	57,717	-	-	-	
	03003	City-Wide Major Traffic Study	-	-	(157,235)	157,235	-	-	-	
	04502	6th & Orange Drainage Improvements	147,000	-	(363,584)	369,000	(152,416)	-	-	
	09902	Orange Ave. - Extension of Left Turn Lane	-	-	(77,182)	145,000	(67,818)	-	-	
COR 05	00901	SR 75 Tunnel	64,661	-	(1,783,239)	7,212,000	(5,493,422)	-	-	
COR 06	10009	SR 75/282 Toll Removal Mitigation (Bulbouts)	-	-	(587,393)	1,050,000	(462,607)	-	-	
COR 06	10010	SR 75/282 Toll Removal Mitigation (Traffic Signals)	125,000	-	(335,885)	210,885	-	-	-	
COR 13	8011	Pomona, Seventh and Adella Roundabout	-	-	(1,008,585)	1,200,000	(191,415)	-	-	
COR 14	12010	Third Street, Fourth Street, and I Avenue Drainage Improvements	-	-	(2,874,939)	2,871,960	-	2,979	-	A
COR 15	12002	Traffic Modeling Study	-	-	(48,305)	50,000	(1,695)	-	-	
COR 16	14026	Traffic Calming Study	-	-	(50,000)	50,000	-	-	-	
		Total Completed Projects	336,661	-	(7,349,630)	13,379,363	(6,369,373)	2,979	-	
		Sub-Total Funds Received & Project Expenditures	10,968,664	2,793,542	(7,907,538)	-	1,130	-	5,855,798	
		Reconciling Item for GASB 31	-	(63,732)	-	-	-	-	(63,732)	
		Total Cumulative *Toll Bridge Fund Programmed Projects*	$ 10,968,664	$ 2,729,810	$ (7,907,538)	$ -	$ 1,130	$ -	$ 5,792,066	

Notes:
A Project completed. Adjusted overspent balance to Toll Funds available.

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

Independent Accountant's Report

Board of Directors
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below on the Federal Funding Allocation Statistics Form (Form FFA-10) for the San Diego Association of Governments (SANDAG) for the fiscal year ended June 30, 2023, solely to assist the management of SANDAG in the evaluation of whether SANDAG complied with the standards described below, and that the information included in the Form FFA-10 of SANDAG's National Transit Database (NTD) Report is presented in conformity with the requirements of the Uniform System of Accounts and Records and Reporting System, Final Rule, as specified in 49 CFR Part 630, Federal Register, January 15, 1993, and as presented in the 2022 Policy Manual (Policy Manual). SANDAG's management is responsible for the data presented in Form FFA-10. SANDAG's management is responsible for the data presented in Form FFA-10.

SANDAG's management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating whether SANDAG complied with the standards described below, and that the information included in the Form FFA-10 of SANDAG's National Transit Database (NTD) Report is presented in conformity with the requirements of the Uniform System of Accounts and Records and Reporting System, Final Rule, as specified in 49 CFR Part 630, Federal Register, January 15, 1993, and as presented in the 2022 Policy Manual (Policy Manual). This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed, and the results of those procedures were as follows:

1. Obtain and read a copy of written procedures related to the system for reporting and maintaining data in accordance with NTD requirements and definitions set forth in 49 CFR Part 630, Federal Register, January 15, 1993, and as presented in the Policy Manual. If procedures are not written, discuss the procedures with the personnel assigned responsibility for supervising the NTD data preparation and maintenance.

   Results: No exceptions were noted as a result of the procedures performed.

2. Discuss the procedures (written or informal) with personnel assigned responsibility for supervising the preparation and maintenance of NTD data to determine:

   - The extent to which SANDAG followed the procedures on a continuous basis; and

   - Whether they believe such procedures result in accumulation and reporting of data consistent with the NTD definitions and requirements set forth in 49 CFR Part 630, Federal Register, January 15, 1993, and as presented in the Policy Manual.

   Results: No exceptions were noted as a result of the procedures performed.

3. Inquire with personnel concerning the retention policy that is followed by SANDAG with respect to source documents supporting the NTD data, Total Modal Operating Expenses data (F-30, line 15, column e), Actual Vehicle Revenue Mile and Passenger Miles Traveled (S-10, lines 12 and 20, column d).

   Results: No exceptions were noted as a result of the procedures performed.

4. Based on the description of SANDAG's procedures obtained in items "a" and "b" above, identify all the source documents that must be retained by SANDAG for a minimum of three years. For each type of source document, select three months of the fiscal year and determine whether the documents exist for each of these periods.

   Results: No exceptions were noted as a result of the procedures performed.

5. Discuss the system of internal controls with the person responsible for supervising and maintaining the NTD data. Inquire whether individuals, independent of the individuals preparing source documents and posting data summaries, review the source documents and data summaries for completeness, accuracy and reasonableness and how often such reviews are performed.

   Results: No exceptions were noted as a result of the procedures performed.

6. Select a random sample of the source documents and determine whether supervisors' signatures are present as required by the system of internal controls. If supervisors' signatures are not required, inquire how the supervisors' reviews are documented.

   Results: No exceptions were noted as a result of the procedures performed.

7. Obtain the worksheets utilized by SANDAG to prepare the final data that is transcribed onto the Federal Funding Allocation Statistics form. Compare the periodic data included on the worksheets to the periodic summaries prepared by SANDAG. Test the mathematical accuracy of the summarizations.

   Results: No exceptions were noted as a result of the procedures performed.

8. Discuss with SANDAG staff the procedure for accumulating and recording passenger miles traveled (PMT) data in accordance with NTD requirements. Inquire whether the procedure used is: (1) a 100% count of actual PMT; or (2) an estimate of PMT based on statistical sampling meeting FTA's 95% confidence and + 10% precision requirements. If SANDAG conducts a statistical sample for estimating PMT, inquire whether the sampling procedure is: (1) one of the two procedures suggested by the FTA and described in FTA Circulars 2710.1A or 2710.2A; or (2) an alternative sampling procedure. If SANDAG uses an alternative sampling procedure inquire whether the procedure has been approved by the FTA or whether a qualified statistician has determined that the procedure meets the FTA's statistical requirements.

   Results: No exceptions were noted as a result of the procedures performed.

9. Discuss with SANDAG staff SANDAG's ability to conduct statistical sampling for PMT data every third year. Determine whether SANDAG meets one of the three criteria that allow transit agencies to conduct statistical samples for accumulating PMT data every third year rather than annually. The criteria are as follows:

    - According to the 2020 Census, the public transit agency serves an urbanized area (UZA) of less than 500,000 population;
    - The public transit agency directly operates fewer than 100 revenue Vehicles Operated in Annual Maximum Service (VOMS) (in any size UZA).
    - The service is purchased from a seller operating fewer than 100 revenue vehicles in VOMS and is included in the transit agency's NTD report.

    Results: SANDAG did not meet the criteria established by the FTA to conduct statistical sampling for passenger mile data every third year. Therefore, this procedure was not applicable.

10. For agencies that meet one of the above criteria, review the NTD documentation for the most recent mandatory sampling year and determine that statistical sampling was conducted and meets the 95% confidence and ±10% precision requirements. Determine how SANDAG estimated annual PMT for the current report year.

    Results: SANDAG did not meet the criteria established by the FTA to conduct statistical sampling for passenger mile data every third year. Therefore, this procedure was not applicable.

11. Obtain a description of the sampling procedure for estimation of PMT data used by SANDAG. Obtain a copy of SANDAG's working papers or methodology used to select the actual sample of runs for recording PMT data. If the average trip length was used, determine that the universe of runs was used as the sampling frame. Determine that the methodology to select specific runs from the universe resulted in a random selection of runs. If a selected sample run was missed, determine that a replacement sample run was randomly selected. Determine that SANDAG followed the stated sampling procedure.

    Results: No exceptions were noted as a result of the procedures performed.

12. Select a random sample of source documents for accumulating PMT data and determine that they are complete (all required data is recorded) and that the computations are accurate. Select a random sample of the accumulation periods and recompute the accumulations for each of the selected periods. List the accumulation periods that were tested. Test the mathematical accuracy of the summarization.

    Results: No exceptions were noted as a result of the procedures performed.

13. Discuss with SANDAG staff the procedures for systematic exclusion of charter, school bus and other ineligible vehicle miles from the calculation of actual VRM and determine that stated procedures are followed. Select a random sample of the source documents used to record charter and school bus mileage and test the mathematical accuracy of the computations.

    Results: SANDAG does not provide charter or school bus services. Therefore, this procedure was not applicable.

14. For actual VRM data, document the collection and recording methodology and determine that deadhead miles are systematically excluded from the computation.

    - If actual VRM is calculated from schedules, document the procedures used to subtract missed trips. Select a random sample of the days that service is operated and recompute the daily total of missed trips and missed VRM. Test the mathematical accuracy of the summarization.

    - If actual VRM is calculated from hubodometers, document the procedures used to calculate and subtract deadhead mileage. Select a random sample of the hubodometer readings and determine that the stated procedures for hubodometer deadhead mileage adjustments are applied as prescribed. Test the mathematical accuracy of the summarization of intermediate accumulations.

    - If actual VRM is calculated from vehicle logs, select random samples of the vehicle logs and determine that the deadhead mileage has been correctly computed in accordance with FTA's definitions.

    Results: Per inquiry, with Michelle Porter, Administrative Analyst, there were no deadhead miles as of June 30, 2023. Therefore, this procedure was not applicable.

15. For rail modes, review the recording and accumulation sheets for actual VRM and determine that locomotive miles are not included in the computation.

    Results: SANDAG does not provide rail service. Therefore, this procedure was not applicable.

16. If fixed guideway (FG) or High Intensity Bus directional route miles (FG or HIB DRM) are reported, interview the person responsible for maintaining and reporting the NTD data and determine whether the operations meet FTA's definition of FG or HIB in that the service is:

    - Rail, trolleybus (TB), ferryboat (FB) or aerial tramway (TR); or

    - Bus (MB, CB or RB) service operating over exclusive or controlled access rights-of-way (ROW) and:
        1. access is restricted;
        2. legitimate need for restricted access is demonstrated by peak period level of Service D or worse on parallel adjacent highway;
        3. restricted access is enforced for freeways;
        4. priority lanes used by other high occupancy vehicles (HOV) (i.e., vanpools (VP), carpools) must demonstrate safe operation; and
        5. High Occupancy/Toll (HO/T) lanes meet FHWA requirements for traffic flow and use of toll revenues, and that the transit agency has provided to NTD a copy of the State's certification to the U.S. Secretary of Transportation that it has established a program for monitoring, assessing and reporting on the operation of the HOV facility with HO/T lanes.

    Results: SANDAG did not report FG/HIB DRM on its NTD report for the fiscal year ended June 30, 2023. Therefore, this procedure was not applicable.

17. Discuss the measurement of FG and HIB DRM with the person reporting the NTD data and determine that the mileage is computed in accordance with FTA's definitions of FG/HIB and DRM. Inquire whether there were service changes during the fiscal year that resulted in an increase or decrease in DRMs. If a service change resulted in a change in overall DRM, recompute the average monthly DRMs, and reconcile the total to the FG/HIB DRM reported on Form FFA-10.

    Results: SANDAG did not report FG/HIB DRM on its NTD report for the fiscal year ended June 30, 2023. Therefore, this procedure was not applicable.

18. Inquire if any temporary interruptions in transit service occurred during the report year. If these interruptions were due to maintenance or rehabilitation improvements to a FG segment(s), the following apply:

    - Report DRMs for the segment(s) for the entire report year if the interruption is less than 12 months in duration. Report the months of operation on the FG/HIB segments form as 12.

    - If the improvements cause a service interruption on the FG/HIB DRMs lasting more than 12 months, SANDAG should contact its NTD validation analyst to discuss. The FTA will make a determination on how to report the DRMs.

    Results: SANDAG did not report FG/HIB DRM on its NTD report for the fiscal year ended June 30, 2023. Therefore, this procedure was not applicable.

19. Measure FG/HIB DRM from maps or by retracing route.

    Results: SANDAG did not report FG/HIB DRM on its NTD report for the fiscal year ended June 30, 2023. Therefore, this procedure was not applicable.

20. Discuss with the person reporting the NTD data whether other public transit agencies operate service over the same FG as SANDAG. If yes, determine that SANDAG coordinated with the other transit agency (or agencies) such that the DRM for the segment of the FG/HIB are reported only once to the NTD on Form FFA-10. Each transit agency should report the actual VRM, PM and operating expense for the service operated over the same FG.

    Results: SANDAG did not report FG/HIB DRM on its NTD report for the fiscal year ended June 30, 2023. Therefore, this procedure was not applicable.

21. Review the FG/HIB Segments Form (S-20). Discuss with the persons reporting NTD data the Agency Revenue Service Start Date for any segments added in the 2017 report year. This is the commencement date of revenue service for each FG/HIB segment. Determine that the date is reported as when the agency began revenue service. This may be later than the Original Date of Revenue Service if SANDAG is not the original operator. If a segment was added for the 2017 report year, the Agency Revenue Service Date must occur within SANDAG's 2017 fiscal year. Segments are grouped by like characteristics. This pertains to segments reported for the first time in the current report year. Even if a transit agency can document a revenue service start date prior to the current NTD report year, FTA will only consider segments continuously reported to NTD.

    Results: SANDAG did not report FG/HIB DRM on its NTD report for the fiscal year ended June 30, 2023. Therefore, this procedure was not applicable.

22. Compare operating expenses with audited financial data, after reconciling items are removed.

    Results: No exceptions were noted as a result of the procedures performed.

23. If SANDAG purchases transportation services, interview personnel reporting the NTD data regarding the amount of purchased transportation (PT) generated fare revenue. The PT fare revenues should equal the amount reported on the Contractual Relationship Form (B-30).

    Results: No exceptions were noted as a result of the procedures performed.

24. If SANDAG's report contains data for PT services and assurances of the data for those services are not included, obtain a copy of the Independent Auditor Statement for Federal Funding Allocation data of the PT service.

    Results: PT services are included as part of SANDAG's NTD report. Therefore, this procedure was not applicable.

25. If SANDAG's purchases transportation services, obtain a copy of the PT contract and determine that the contract: (1) specifies the specific public transportation services to be provided; (2) specifies the monetary consideration obligated by SANDAG; (3) specifies the period covered by the contract and that this period is the same as, or a portion of, the period covered by SANDAG's NTD report; and (4) is signed by representatives of both parties to the contract. Interview the person responsible for maintaining the NTD data regarding the retention of the executed contract and determine that copies of the contracts are retained for three years.

    Results: No exceptions were noted as a result of the procedures performed.

26. If SANDAG provides services in more than one UZA, or between an UZA and a non-UZA, inquire of the person responsible for maintaining the NTD data regarding the procedures for allocation of statistics between UZAs and non-UZAs. Obtain and review the FG segment worksheets, route maps, and UZA boundaries used for allocating the statistics, and determine that the stated procedure is followed and that the computations are correct.

    Results: No exceptions were noted as a result of the procedures performed.

27. Compare the data reported on Total Modal Operating Expenses data (F-30, line 15, column e), Actual Vehicle Revenue Mile and Passenger Miles Traveled (S-10, lines 12 and 20, column d) to comparable data for the prior report year and calculate the percentage change from the prior year to the current year. For actual VRM, PMT or operating expense data that have increased or decreased by more than 10%, or FG DRM data that have increased or decreased, interview SANDAG management regarding the specifics of operations that led to the increases or decreases in the data relative to the prior reporting period.

    Results: No exceptions were noted as a result of the procedures performed.

We were engaged by SANDAG to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the procedures noted above. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of SANDAG and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

Davis Farr LLP

Irvine, California
March 1, 2024

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

September 11, 2023

Audit Committee
San Diego Association of Governments
San Diego, California

This letter is provided in connection with our engagement to audit the financial statements of the San Diego Association of Governments ("SANDAG") as of and for the year ended June 30, 2023. Professional standards require that we communicate with you certain items including our responsibilities with regard to the financial statement audit and the planned scope and timing of our audit, including significant risks we have identified.

Our Responsibilities

As stated in our engagement letter dated June 12, 2023, we are responsible for conducting our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards for the purpose of forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit does not relieve you or management of your respective responsibilities.

Our responsibility relating to other information, whether financial or nonfinancial information (other than financial statements and the auditor's report thereon), included in the entity's Annual Comprehensive Financial Report ("ACFR") includes only the information identified in our report. We have no responsibility for determining whether the Introductory Information, the Statistical Information, and the Continuing Disclosure Section of the ACFR is properly stated. We require that we receive the final version of the ACFR in a timely manner prior to the date of the auditor's report, or if that is not possible, as soon as practicable and, in any case, prior to the entity's issuance of such information.

Planned Scope of the Audit

Our audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Our audit is designed to provide reasonable, but not absolute, assurance about whether the financial statements as a whole are free of material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations. Because of this concept of reasonable assurance and because we will not examine all transactions, there is a risk that material misstatements may exist and not be detected by us.

Our audit will include obtaining an understanding of the entity and its environment, including its internal control, sufficient to assess the risks of material misstatement of the financial statements and as a basis for designing the nature, timing, and extent of further audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. However, we will communicate to you at the conclusion of our audit any material weaknesses or significant deficiencies identified. We will also communicate to you:

- Any violation of laws or regulations that come to our attention;
- Our views relating to qualitative aspects of the entity's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures;
- Significant difficulties, if any, encountered during the audit;
- Disagreements with management, if any, encountered during the audit;
- Significant unusual transactions, if any;
- The potential effects of uncorrected misstatements on future-period financial statements; and
- Other significant matters that are relevant to your responsibilities in overseeing the financial reporting process.

Timing of Audit

We begin the interim audit procedures in June 2023 and will begin our final audit examination in October 2023. We will present the audit reports and results of the audit to the Audit Committee at the completion of the audit.

Audit Risk Areas

In addition to our standard audit approach, our engagement team plans to expand our testing in the following areas:

- Risk of errors implementing new subscription-based IT arrangement standard: We will review SANDAG's inventory of IT arrangements, review a sample of agreements, and test the calculations of the transactions. We will ensure SANDAG's disclosure footnotes are accurate and complete in accordance with the new standard.

- Risk of noncompliance with purchasing policies: We plan to utilize our data mining software to perform data analytics on expenses, including performing a Benford's Law analysis to identify potential anomalies in transactions. We will use this transactional analysis to select a sample of disbursements for compliance with SANDAG's policies.

- Internal controls over information systems: This year we plan to perform an analysis of SANDAG's information systems using a Certified Information Systems Auditor. We will evaluate the current system of controls over the overall network and the accounting systems as well as identify key internal controls to determine if they are operating effectively.

- Risk of federal grant noncompliance: We will evaluate SANDAG's federal grants to determine which grants are required to be audited under the Federal Uniform Guidance. We will test those grants for compliance with the Uniform Guidance and the applicable grant agreements.

Fraud Inquiries

Professional auditing standards require that, as a part of our audit, we inquire of those in governance to ascertain whether or not the Audit Committee (the "Committee") has knowledge of matters that might have a bearing on the auditor's risk assessment for the annual audit of SANDAG's financial statements.

Examples of these matters are:

- Known or suspected instances of employee fraud
- Areas in which the internal controls of SANDAG are thought by the Committee to be weak
- Known or suspected misstatements in the accounting records of SANDAG
- Known or suspected use of improper accounting practices by SANDAG
- Any awareness of pressure upon SANDAG or Authority management with respect to achieving certain financial results
- Matters that warrant particular attention during the audit
- Information about unusual transactions or other matters relevant to the audit

Generally, the scope of the audit is limited to *matters involving amounts that would be significant to the financial statements of SANDAG taken as a whole*. If additional time is required to respond to the concerns of the Committee, we will estimate for SANDAG the costs involved.

This information is intended solely for the information and use of the Audit Committee and Management of the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

If any member of the committee has information relevant to our audit (matters involving amounts that would be significant to the financial statements of SANDAG taken as a whole), please contact the undersigned at (949) 783-1740 or JFarr@davisfarr.com.

Very truly yours,

Jennifer Farr
Davis Farr LLP

SANDAG Financial Audit Program

Transportation Development Act (TDA) and

State Transit Assistance Fund (STAF)

Financial Statements

Year Ended June 30, 2023

City of Coronado, California ..... /TDA Article 4 and Article 8 Funds
City of El Cajon, California ..... /TDA Article 3 and Article 4 Funds
City of Escondido, California ..... TDA Article 3 Fund
City of La Mesa, California ..... .TDA Article 3 and Article 4 Funds
City of Lemon Grove, California ..... TDA Article 4 Fund
City of National City, California ..... TDA Article 3 Fund
City of Poway, California ..... TDA Article 4 Fund
City of San Diego, California ..... TDA Article 3 Fund
City of Santee, California ..... TDA Article 3 and Article 4 Funds
City of Solana Beach, California ..... TDA Article 3 Fund
SANDAG FACT ..... TDA Article 4.5 Fund
SANDAG TDA AUP
County LTF
County STAF
MTS STAF

CITY OF CORONADO, CALIFORNIA

Transportation Development Act
Article 4 and Article 8 Funds

Financial Statements

For the Fiscal Year Ended June 30, 2023

CITY OF CORONADO, CALIFORNIA

Transportation Development Act
Article 4 and Article 8 Funds

Financial Statements

For the Fiscal Year Ended June 30, 2023

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Transportation Development Act ("TDA") Article 4 and Article 8 Funds ("TDA Funds") of the City of Coronado, California ("City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's TDA Fund financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the TDA Funds as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the TDA Funds of the City and do not purport to, and do not, present fairly the financial position of the City, as of June 30, 2023, and the respective changes in its financial position, for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Report on Summarized Comparative Information

The financial statements of the TDA Funds for the year ended June 30, 2022 were audited by other auditors whose report dated April 18, 2023 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Board of Directors
San Diego Association of Governments
San Diego, California

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinions are not modified with respect to this matter.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the TDA Funds of the City. The *Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual* and *Schedule of Status of Funds by Project*, listed as Supplementary Information in the Table of Contents, is presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Davis Farr LLP

Irvine, California
March 25, 2024

CITY OF CORONADO, CALIFORNIA

Transportation Development Act
Article 4 and Article 8 Funds

Balance Sheets

June 30, 2023
(with Comparative Information for the Prior Year)

	TDA Article 4		TDA Article 8	
	2023	2022	2023	2022
Assets:				
Cash and investments (Note 3)	$ 104,034	$ 128,715	$ 607,832	$ 522,701
Due from other governments (Note 4)	30,423	-	-	-
Total assets	$ 134,457	$ 128,715	$ 607,832	$ 522,701
Liabilities and Fund Balance:				
Liabilities:				
Accounts payable	$ -	$ -	$ 50,337	$ 17,173
Unearned revenue (Note 5)	128,715	128,715	534,942	505,528
Total liabilities	128,715	128,715	585,279	522,701
Fund balance (deficit):				
Unassigned	5,742	-	22,553	-
Total fund balance (deficit)	5,742	-	22,553	-
Total liabilities, deferred inflows of resources, and fund balance	$ 134,457	$ 128,715	$ 607,832	$ 522,701

See notes to financial statements

CITY OF CORONADO, CALIFORNIA

Transportation Development Act
Article 4 and Article 8 Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2023
(with Comparative Information for the Prior Year)

	TDA Article 4		TDA Article 8	
	2023	2022	2023	2022
Revenues:				
TDA funds	$ 30,423	$ 22,619	$ 293,852	$ 202,304
Interest income	5,742	928	22,553	3,771
Total revenues	36,165	23,547	316,405	206,075
Expenditures:				
Construction and development	30,423	23,547	293,852	206,075
Total expenditures	30,423	23,547	293,852	206,075
Change in fund balance	5,742	-	22,553	-
Fund balance (deficit) at beginning of year	-	-	-	-
Fund balance (deficit) at end of year	$ 5,742	$ -	$ 22,553	$ -

See notes to financial statements

CITY OF CORONADO, CALIFORNIA

Transportation Development Act
Article 4 and Article 8 Funds

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2023

(1) General Information

The financial statements of the Transportation Development Act Article 4 and Article 8 Funds Activity are intended to present the financial position and changes in financial position of only those transactions attributable to the TDA Funds administered and disbursed by the City of Coronado, California and do not purport to, and do not, present fairly the financial position of the City, the changes in its financial position in accordance with accounting principles generally accepted in the United States of America.

Pursuant to §99260 of the California Public Utilities Code, Article 4 monies may be used for the support of public transportation systems, aid to public transportation research and demonstration projects, and contributions for the construction of grade separation projects. Funding for this program was authorized by the San Diego Association of Governments (SANDAG).

Pursuant to Section 99400.7 of the California Public Utilities Code, Article 8 monies may be used to provide commuter ferry service on San Diego Bay for the purpose of serving peak period commute trips for pedestrians and bicycles. The commuter ferry service may be located anywhere on San Diego Bay, but shall be consistent with the regional transportation plan, shall serve employment centers and high-volume activity centers, and may be provided by contract with operators, private entities operating under a franchise or license, or nonprofit corporations organized pursuant to Division 2 (commencing with Section 5000) of Title 1 of the Corporations Code. Funding for this program was authorized by SANDAG.

(2) Summary of Significant Accounting Policies

Fund Accounting

The accounts of the City are organized on the basis of funds and account groups. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, obligations, reserves and equity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The TDA Funds are accounted for as Special Revenue Funds. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are usually required by law or administrative regulation to be accounted for in separate funds.

Measurement Focus and Basis of Accounting

Special Revenue Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred.

(2) Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants and contributions, is based on the primary characteristic from which the revenues are received by the City. For the City, funds received under TDA Article 4 and 8 possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under TDA Article 4 and 8 are recognized in the period when all eligibility requirements have been met.

Deferred Outflows and Inflows of Resources

In addition to assets, the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of fund balance that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure) until that time. The TDA Fund currently does not have any items that qualify for reporting in this category.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of fund balance that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The TDA Fund has only one type of this item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category, and is reported as unavailable revenue. The unavailable revenue arises when potential revenues do not meet both the measurable and availability criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the deferred inflow of resources is removed from the balance sheet and revenue is recognized.

Fund Equity

The components of the fund balances of governmental funds reflect the classifications described below.

- *Nonspendable Fund Balance* – this includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

- *Restricted Fund Balance* – this includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

- *Committed Fund Balance* – includes amounts that can be used only for the specific purposes determined by a formal action of the City Council.

(2) Summary of Significant Accounting Policies (Continued)

- *Assigned Fund Balance* – includes amounts that are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed.

- *Unassigned Fund Balance* – includes the remaining spendable amounts which are not included in one of the other classifications, plus any deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

It is the City's policy that restricted resources will be applied first, followed by (in order of application) committed, assigned, and unassigned resources, in the absence of a formal policy adopted by the City Council.

Use of Estimates

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then use unrestricted resources as needed. City Council Policy establishes the order of use of unrestricted fund balance. Committed amounts should be reduced first, followed by the assigned amounts, and then the unassigned amounts.

Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. The information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's prior year TDA Fund financial statements from which this selected data was derived.

(3) Cash and Investments

The City has pooled its cash and investments in order to achieve a higher return on investments while facilitating management of cash. The balance in the pool account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. The TDA Article 4 and Article 8 Fund's cash and investments as of June 30, 2023 and 2022 were $711,866 and $651,416, respectively.

The TDA Fund's cash is deposited in the City's internal investment pool, which is reported at fair value. Interest income is allocated on the basis of average cash balances. Investment policies and associated risk factors applicable to the TDA Program are those of the City and are included in the City's basic financial statements.

(3) Cash and Investments (Continued)

See the City's basic financial statements for disclosures related to cash and investments including those disclosures relating to interest rate risk, credit rate risk, custodial credit risk and concentration risk.

(4) Due from Other Governments

Due from other governments in the amount of $30,423 and $0 as of June 30, 2023 and 2022, respectively, represents a receivable from SANDAG for reimbursement of eligible TDA Article 4 expenditures.

(5) Unearned Revenue

TDA Article 4 and Article 8 monies allocated to the City by MTS for specific capital improvements of trolley and bus facilities and community ferry services are considered earned when they are properly spent for the specific projects authorized. Allocations received but not used are reported as unearned revenue. The balance of unearned revenue as of June 30, 2023 and 2022 was $663,657 and $634,243, respectively.

(6) Budgetary Data

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America and utilizes an encumbrance system as a management control technique to assist in controlling expenditures and enforcing revenue provisions. Under this system, the current year expenditures are charged against appropriations. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items.

(7) Restrictions

Funds received pursuant to the California Public Utilities Code §99260 (TDA Article 4) may only be used for the support of public transportation systems, aid to public transportation research and demonstration projects, and contributions for the construction of grade separation projects.

Funds received pursuant to California Public Utilities Code Section §99400 (TDA Article 8) may only be used for:

(a) Local streets and roads, and projects, which are provided for use by pedestrians and bicycles;

(b) Passenger rail service operations and capital improvements;

(c) Payment to any entity, which is under contract with a county, city, or transit district for public transportation or for transportation services for any group, as determined by the transportation planning agency, requiring special transportation assistance; or

(7) Restrictions (Continued)

(d) Administrative and planning costs with respect to transportation services.

(8) Contingencies

Disclosures related to contingencies, including those related to various legal actions, administrative proceedings, or claims in the ordinary course of operations, can be found in the audited financial statements of the City.

Supplementary Information

CITY OF CORONADO, CALIFORNIA

Transportation Development Act
Article 4 Fund

Schedule of Revenues, Expenditures and
and Change in Fund Balance - Budget and Actual

Year Ended June 30, 2023

	Budget			Variance From Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
TDA funds	$ 200,000	$ 200,000	30,423	$ (169,577)
Interest income	1,870	1,870	5,742	3,872
Total revenues	201,870	201,870	36,165	(165,705)
Expenditures:				
Construction and development	233,547	233,547	30,423	203,124
Total expenditures	233,547	233,547	30,423	203,124
Change in fund balance	$ (31,677)	$ (31,677)	$ 5,742	$ 37,419
Fund balance (deficit) at beginning of year			-	
Fund balance (deficit) at end of year			$ 5,742	

CITY OF CORONADO, CALIFORNIA

Transportation Development Act
Article 4 Fund

Schedule of Revenues, Expenditures and
and Change in Fund Balance - Budget and Actual

Year Ended June 30, 2022

	Budget			Variance From Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
TDA funds	$ 235,000	$ 235,000	22,619	$ (212,381)
Interest income	1,530	1,530	928	(602)
Total revenues	236,530	236,530	23,547	(212,983)
Expenditures:				
Construction and development	210,000	210,000	23,547	186,453
Total expenditures	210,000	210,000	23,547	186,453
Change in fund balance	$ 26,530	$ 26,530	-	$ (26,530)
Fund balance (deficit) at beginning of year			-	
Fund balance (deficit) at end of year			$ -	

CITY OF CORONADO, CALIFORNIA

Transportation Development Act
Article 8 Fund

Schedule of Revenues, Expenditures and
and Change in Fund Balance - Budget and Actual

Year Ended June 30, 2023

	Budget			Variance From Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
TDA funds	$ 200,000	$ 200,000	293,852	$ 93,852
Interest income	1,870	1,870	22,553	20,683
Total revenues	201,870	201,870	316,405	114,535
Expenditures:				
Construction and development	233,547	233,547	293,852	(60,305)
Total expenditures	233,547	233,547	293,852	(60,305)
Change in fund balance	$ (31,677)	$ (31,677)	$ 22,553	$ 54,230
Fund balance (deficit) at beginning of year			-	
Fund balance (deficit) at end of year			$ 22,553	

CITY OF CORONADO, CALIFORNIA

Transportation Development Act
Article 8 Fund

Schedule of Revenues, Expenditures and
and Change in Fund Balance - Budget and Actual

Year Ended June 30, 2022

	Budget			Variance From Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
TDA funds	$ 235,000	$ 235,000	202,304	$ (32,696)
Interest income	1,530	1,530	3,771	2,241
Total revenues	236,530	236,530	206,075	(30,455)
Expenditures:				
Construction and development	210,000	210,000	206,075	3,925
Total expenditures	210,000	210,000	206,075	3,925
Change in fund balance	$ 26,530	$ 26,530	$ -	$ (26,530)
Fund balance (deficit) at beginning of year			-	
Fund balance (deficit) at end of year			$ -	

CITY OF CORONADO, CALIFORNIA

Transportation Development Act
Article 4 and Article 8 Funds

Schedule of Status of Funds by Project

For the Fiscal Year Ended June 30, 2023

Claim Number	Project Description	Project Status at 6/30/22	Allocations Received	Interest Earned	Qualifying Project Expenditures	City Adjustments	Project Status at 6/30/23
Article 4:							
	Capital Improvements on Trolley and Bus Facilities	$ 128,715	$ -	$ 5,742	$ (30,423)	$ -	$ 104,034
Article 8:							
16031003	Community Ferry Service	505,528	336,982	22,553	(293,852)	-	571,211
	Totals	$ 634,243	$ 336,982	$ 28,295	$ (324,275)	$ -	$ 675,245

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Transportation Development Act (TDA) Article 4 and Article 8 Funds (TDA Funds) of the City of Coronado, California (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's TDA Fund financial statements, and have issued our report thereon dated March 25, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Board of Directors
San Diego Association of Governments
San Diego, California

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the TDA Funds of the City are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including §6666 of Part 21 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* including §6666 of Part 21 of the California Code of Regulations.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Davis Farr LLP

Irvine, California
March 25, 2024

CITY OF EL CAJON, CALIFORNIA

Transportation Development Act
Article 3 and Article 4 Funds

Financial Statements

For the Fiscal Year Ended June 30, 2023

CITY OF EL CAJON, CALIFORNIA

Transportation Development Act
Article 3 and Article 4 Funds

Financial Statements

For the Fiscal Year Ended June 30, 2023

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Transportation Development Act ("TDA") Article 3 and Article 4 Funds ("TDA Funds") of the City of El Cajon, California ("City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's TDA Fund financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the TDA Funds as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the TDA Funds of the City and do not purport to, and do not, present fairly the financial position of the City, as of June 30, 2023, and the respective changes in its financial position, for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Report on Summarized Comparative Information

The financial statements of the TDA Funds for the year ended June 30, 2022 were audited by other auditors whose report dated April 26, 2023 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Board of Directors
San Diego Association of Governments
San Diego, California

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinions are not modified with respect to this matter.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the TDA Funds of the City. The *Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual* and *Schedule of Status of Funds by Project*, listed as Supplementary Information in the Table of Contents, is presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Davis Farr LLP

Irvine, California
March 25, 2024

CITY OF EL CAJON, CALIFORNIA

Transportation Development Act
Article 3 and Article 4 Funds

Balance Sheets

June 30, 2023
(with Comparative Information for the Prior Year)

	TDA Article 3		TDA Article 4	
	2023	2022	2023	2022
Assets:				
Cash and investments (Note 3)	$ -	$ -	$ 502,074	$ 591,920
Due from other governments (Note 4)	67,740	67,740	83,552	-
Total assets	$ 67,740	$ 67,740	$ 585,626	$ 591,920
Liabilities, Deferred Inflows of Resources, and Fund Balance:				
Liabilities:				
Accounts payable	$ -	$ -	$ 7,212	$ 6,719
Payroll payable	-	-	-	131
Due to City of El Cajon (Note 5)	67,740	67,740	-	-
Unearned revenue (Note 6)	-	-	578,414	585,070
Total liabilities	67,740	67,740	585,626	591,920
Deferred inflows of resources:				
Unavailable revenue (Note 7)	67,740	67,740	-	-
Total deferred inflows of resources	67,740	67,740	-	-
Fund balance (deficit):				
Unassigned	(67,740)	(67,740)	-	-
Total fund balance (deficit) (Note 8)	(67,740)	(67,740)	-	-
Total liabilities, deferred inflows of resources, and fund balance	$ 67,740	$ 67,740	$ 585,626	$ 591,920

See notes to financial statements

CITY OF EL CAJON, CALIFORNIA

Transportation Development Act
Article 3 and Article 4 Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2023
(with Comparative Information for the Prior Year)

	TDA Article 3		TDA Article 4	
	2023	2022	2023	2022
Revenues:				
TDA funds	$ -	$ 77,358	$ 71,492	$ 83,552
Investment income	-	-	8,806	-
Total revenues	-	77,358	80,298	83,552
Expenditures:				
Construction and development	-	106,252	80,298	-
Salaries and Benefits	-	-	-	3,866
Services	-	-	-	79,686
Total expenditures	-	106,252	80,298	83,552
Change in fund balance	-	(28,894)	-	-
Fund balance (deficit) at beginning of year	(67,740)	(38,846)	-	-
Fund balance (deficit) at end of year	$ (67,740)	$ (67,740)	$ -	$ -

See notes to financial statements

CITY OF EL CAJON, CALIFORNIA

Transportation Development Act
Article 3 and Article 4 Funds

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2023

(1) General Information

The financial statements of the Transportation Development Act Article 3 and Article 4 Funds Activity are intended to present the financial position and changes in financial position of only those transactions attributable to the TDA Funds administered and disbursed by the City of El Cajon, California and do not purport to, and do not, present fairly the financial position of the City, the changes in its financial position in accordance with accounting principles generally accepted in the United States of America.

Pursuant to §99234 of the California Public Utilities Code, Article 3 monies may be used only for facilities provided for the exclusive use of pedestrians and bicycles, including the construction and related engineering expenditures of those facilities, the maintenance of bicycle trails (which are closed to motorized traffic) and bicycle safety education programs. Facilities that provide for the use of bicycles may include projects that serve the needs of commuting bicyclists, including, but not limited to, new trails serving major transportation corridors, secure bicycle parking at employment centers, park and ride lots, and transit terminals where other funds are unavailable. Funding for this program was authorized by the San Diego Association of Governments (SANDAG).

Pursuant to §99260 of the California Public Utilities Code, Article 4 monies may be used for the support of public transportation systems, aid to public transportation research and demonstration projects, and contributions for the construction of grade separation projects. Funding for this program was authorized by the San Diego Association of Governments (SANDAG).

(2) Summary of Significant Accounting Policies

Fund Accounting

The accounts of the City are organized on the basis of funds and account groups. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, obligations, reserves and equity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The TDA Funds are accounted for as Special Revenue Funds. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are usually required by law or administrative regulation to be accounted for in separate funds.

Measurement Focus and Basis of Accounting

Special Revenue Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred.

(2) Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants and contributions, is based on the primary characteristic from which the revenues are received by the City. For the City, funds received under TDA Article 3 and 4 possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under TDA Article 3 and 4 are recognized in the period when all eligibility requirements have been met.

Deferred Outflows and Inflows of Resources

In addition to assets, the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of fund balance that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure) until that time. The TDA Fund currently does not have any items that qualify for reporting in this category.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of fund balance that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The TDA Fund has only one type of this item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category, and is reported as unavailable revenue. The unavailable revenue arises when potential revenues do not meet both the measurable and availability criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the deferred inflow of resources is removed from the balance sheet and revenue is recognized.

Fund Equity

The components of the fund balances of governmental funds reflect the classifications described below.

- *Nonspendable Fund Balance* – this includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

- *Restricted Fund Balance* – this includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

- *Committed Fund Balance* – includes amounts that can be used only for the specific purposes determined by a formal action of the City Council.

(2) Summary of Significant Accounting Policies (Continued)

- *Assigned Fund Balance* – includes amounts that are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed.

- *Unassigned Fund Balance* – includes the remaining spendable amounts which are not included in one of the other classifications, plus any deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

It is the City's policy that restricted resources will be applied first, followed by (in order of application) committed, assigned, and unassigned resources, in the absence of a formal policy adopted by the City Council.

Use of Estimates

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then use unrestricted resources as needed. City Council Policy establishes the order of use of unrestricted fund balance. Committed amounts should be reduced first, followed by the assigned amounts, and then the unassigned amounts.

Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. The information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's prior year TDA Fund financial statements from which this selected data was derived.

(3) Cash and Investments

The City has pooled its cash and investments in order to achieve a higher return on investments while facilitating management of cash. The balance in the pool account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. The TDA Article 4 Fund's cash and investments as of June 30, 2023 and 2022 were $502,074 and $591,920, respectively.

The TDA Fund's cash is deposited in the City's internal investment pool, which is reported at fair value. Interest income is allocated on the basis of average cash balances. Investment policies and associated risk factors applicable to the TDA Program are those of the City and are included in the City's basic financial statements.

(3) Cash and Investments (Continued)

See the City's basic financial statements for disclosures related to cash and investments including those disclosures relating to interest rate risk, credit rate risk, custodial credit risk and concentration risk.

(4) Due from Other Governments

Due from other governments in the amount of $67,740 and $67,740 as of June 30, 2023 and 2022, respectively, represents a receivable from SANDAG for reimbursement of eligible TDA Article 3 expenditures. Additionally, due from other governments in the amount of $83,552 and $0 as of June 30, 2023 and 2022, respectively, represents a receivable from MTS for reimbursement of eligible TDA Article 4 expenditures.

(5) Due to City of El Cajon

Due to The City of El Cajon in the amount of $67,740 and $67,740 as of June 30, 2023 and 2022, respectively, represents cash advanced from other funds of the City to pay for eligible TDA 3 expenditures.

(6) Unearned Revenue

TDA Article 4 monies allocated to the City by SANDAG for specific capital improvements of trolley and bus facilities are considered earned when they are properly spent for the specific projects authorized. Allocations received but not used are reported as unearned revenue. The balance of unearned revenue as of June 30, 2023 and 2022 was $578,414 and $585,070, respectively.

(7) Unavailable Revenue

Unavailable revenue in the amount of $67,740 and $67,740 as of June 30, 2023 and 2022, respectively, for TDA Article 3 represents a receivable from SANDAG for eligible TDA expenditures which were not received within the City's availability period.

(8) Deficit Fund Balance

The TDA Article 3 Fund reported a deficit fund balance of $67,740 and $67,740 as of June 30, 2023 and 2022, respectively. This deficit fund balance will be cured during the year ending June 30, 2024, with the receipt of TDA 3 funds as reimbursement for eligible expenditures.

(9) Budgetary Data

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America and utilizes an encumbrance system as a management control technique to assist in controlling expenditures and enforcing revenue provisions. Under this system, the current year expenditures are charged against appropriations. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items.

(10) Restrictions

Funds received pursuant to the California Public Utilities Code §99234 (TDA Article 3) may only be used for facilities provided for exclusive use by bicycle and pedestrian facilities or bicycle safety programs. Funds received pursuant to the California Public Utilities Code §99260 (TDA Article 4) may only be used for the support of public transportation systems, aid to public transportation research and demonstration projects, and contributions for the construction of grade separation projects.

(11) Contingencies

Disclosures related to contingencies, including those related to various legal actions, administrative proceedings, or claims in the ordinary course of operations, can be found in the audited financial statements of the City.

Supplementary Information

CITY OF EL CAJON, CALIFORNIA

Transportation Development Act
Article 3 & 4 Fund

Schedule of Revenues, Expenditures and
and Change in Fund Balance - Budget and Actual

Year Ended June 30, 2023

	Budget			Variance From Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
TDA funds	$ 85,000	$ 85,000	$ 80,298	$ (4,702)
Total revenues	85,000	85,000	80,298	(4,702)
Expenditures:				
Construction and development	117,506	117,506	80,298	37,208
Total expenditures	117,506	117,506	80,298	37,208
Change in fund balance	$ (32,506)	$ (32,506)	$ -	$ 32,506
Fund balance (deficit) at beginning of year			(67,740)	
Fund balance (deficit) at end of year			$ (67,740)	

CITY OF EL CAJON, CALIFORNIA

Transportation Development Act
Article 3 & 4 Fund

Schedule of Revenues, Expenditures and
and Change in Fund Balance - Budget and Actual

Year Ended June 30, 2022

	Budget			Variance From Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
TDA funds	$ 248,421	$ 248,421	$ 160,910	$ (87,511)
Total revenues	248,421	248,421	160,910	(87,511)
Expenditures:				
Construction and development	106,252	106,252	106,252	-
Salaries and Benefits	3,874	3,874	3,866	8
Services	100,750	100,750	79,686	21,064
Total expenditures	210,876	210,876	189,804	21,072
Change in fund balance	$ 37,545	$ 37,545	$ (28,894)	$ (66,439)
Fund balance (deficit) at beginning of year			(38,846)	
Fund balance (deficit) at end of year			$ (67,740)	

CITY OF EL CAJON, CALIFORNIA

Transportation Development Act
Article 3 and Article 4 Funds

Schedule of Status of Funds by Project

For the Fiscal Year Ended June 30, 2023

Claim Number	Project Description	Project Status at 6/30/22	Allocations Received	Interest Earned	Qualifying Project Expenditures	Project Status at 6/30/23	Notes
Article 3:							
19011001	Active Transportation Plan	$ (67,740)	$ -	$ -	$ -	$ (67,740)	(a)
Article 4:							
PW00000059	Bus Stop Maint & Repair; Intersection (PW3483)	568,308	-	8,806	(1,495)	575,619	
0000014906	Bus Stop Maint & repair	16,762	-	-	(16,762)	-	
978	Bus Stop Maint & repair	-	83,552	-	(83,552)	-	
	Totals	$ 517,330	$ 83,552	$ 8,806	$ (101,809)	$ 507,879	

Notes

(a) The City has requested the final grant billing which is expected to be received in FY24.

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Transportation Development Act (TDA) Article 3 and Article 4 Funds (TDA Funds) of the City of El Cajon, California (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's TDA Fund financial statements, and have issued our report thereon dated March 25, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Board of Directors
San Diego Association of Governments
San Diego, California

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the TDA Funds of the City are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including §6666 of Part 21 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* including §6666 of Part 21 of the California Code of Regulations.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Davis Farr LLP

Irvine, California
March 25, 2024

CITY OF ESCONDIDO, CALIFORNIA

Transportation Development Act
Article 3 Fund

Financial Statements

For the Fiscal Year Ended June 30, 2023

CITY OF ESCONDIDO, CALIFORNIA

Transportation Development Act
Article 3 Fund

Financial Statements

For the Fiscal Year Ended June 30, 2023

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Transportation Development Act ("TDA") Article 3 Fund ("TDA Fund") of the City of Escondido, California ("City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's TDA Fund financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the TDA Fund as of June 30, 2023, and the change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the TDA Fund of the City and do not purport to, and do not, present fairly the financial position of the City, as of June 30, 2023, the changes in its financial position, for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Report on Summarized Comparative Information

The financial statements of the TDA Fund for the year ended June 30, 2022 were audited by other auditors whose report dated December 15, 2022 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Board of Directors
San Diego Association of Governments
San Diego, California

Required Supplemental Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinions are not modified with respect to this matter.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the TDA Fund of the City. The *Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual* and *Schedule of Status of Fund by Project*, listed as Supplemental Information in the Table of Contents, is presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Davis Farr LLP

Irvine, California
December 20, 2023

CITY OF ESCONDIDO, CALIFORNIA

Transportation Development Act
Article 3 Fund

Balance Sheets

June 30, 2023
(with Comparative Information for the Prior Year)

	TDA Article 3	
	2023	2022
Assets:		
Due from other governments (Note 3)	$ 300,407	$ 300,407
Total assets	$ 300,407	$ 300,407
Liabilities, Deferred Inflows of Resources, and Fund Balance:		
Liabilities:		
Due to City of Escondido (Note 4)	$ 300,407	$ 300,407
Total liabilities	300,407	300,407
Deferred inflows of resources:		
Unavailable revenue (Note 5)	300,407	300,407
Total deferred inflows of resources	300,407	300,407
Fund balance (deficit):		
Unassigned	(300,407)	(300,407)
Total fund balance (deficit)	(300,407)	(300,407)
Total liabilities, deferred inflows of resources, and fund balance	$ 300,407	$ 300,407

See notes to financial statements

CITY OF ESCONDIDO, CALIFORNIA

Transportation Development Act
Article 3 Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2023
(with Comparative Information for the Prior Year)

	TDA Article 3	
	2023	2022
Revenues:		
TDA funds	$ -	$ -
Total revenues	-	-
Expenditures:		
Construction and development	-	-
Total expenditures	-	-
Change in fund balance	-	-
Fund balance (deficit) at beginning of year	(300,407)	(300,407)
Fund balance (deficit) at end of year	$ (300,407)	$ (300,407)

See notes to financial statements

CITY OF ESCONDIDO, CALIFORNIA

Transportation Development Act
Article 3 Fund

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2023

(1) General Information

The financial statements of the Transportation Development Act Article 3 Fund Activity are intended to present the financial position and changes in financial position of only those transactions attributable to the TDA Fund administered and disbursed by the City of Escondido, California and do not purport to, and do not, present fairly the financial position of the City, the changes in its financial position in accordance with accounting principles generally accepted in the United States of America.

Pursuant to §99234 of the California Public Utilities Code, Article 3 monies may be used only for facilities provided for the exclusive use of pedestrians and bicycles, including the construction and related engineering expenditures of those facilities, the maintenance of bicycle trails (which are closed to motorized traffic) and bicycle safety education programs. Facilities that provide for the use of bicycles may include projects that serve the needs of commuting bicyclists, including, but not limited to, new trails serving major transportation corridors, secure bicycle parking at employment centers, park and ride lots, and transit terminals where other funds are unavailable. Funding for this program was authorized by the San Diego Association of Governments (SANDAG).

(2) Summary of Significant Accounting Policies

Fund Accounting

The accounts of the City are organized on the basis of funds and account groups. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, obligations, reserves and equity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The TDA Fund is accounted for as Special Revenue Fund. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are usually required by law or administrative regulation to be accounted for in separate funds.

Measurement Focus and Basis of Accounting

Special Revenue Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when liability is incurred.

(2) Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants and contributions, is based on the primary characteristic from which the revenues are received by the City. For the City, funds received under TDA Article 3 possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under TDA Article 3 are recognized in the period when all eligibility requirements have been met.

Deferred Outflows and Inflows of Resources

In addition to assets, the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of fund balance that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure) until that time. The TDA Fund currently does not have any items that qualify for reporting in this category.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of fund balance that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The TDA Fund has only one type of this item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category, and is reported as unavailable revenue. The unavailable revenue arises when potential revenues do not meet both the measurable and availability criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the deferred inflow of resources is removed from the balance sheet and revenue is recognized.

Fund Equity

The components of the fund balances of governmental funds reflect the classifications described below.

- *Nonspendable Fund Balance* – this includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

- *Restricted Fund Balance* – this includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

- *Committed Fund Balance* – includes amounts that can be used only for the specific purposes determined by a formal action of the City Council.

(2) Summary of Significant Accounting Policies (Continued)

- *Assigned Fund Balance* – includes amounts that are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed.

- *Unassigned Fund Balance* – includes the remaining spendable amounts which are not included in one of the other classifications, plus any deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

It is the City's policy that restricted resources will be applied first, followed by (in order of application) committed, assigned, and unassigned resources, in the absence of a formal policy adopted by the City Council.

Use of Estimates

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then use unrestricted resources as needed. City Council Policy establishes the order of use of unrestricted fund balance. Committed amounts should be reduced first, followed by the assigned amounts, and then the unassigned amounts.

Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. The information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's prior year TDA Fund financial statements from which this selected data was derived.

(3) Due from Other Governments

Due from other governments in the amount of $300,407 as of June 30, 2023 and 2022, represents a receivable from SANDAG for reimbursement of eligible TDA expenditures.

(4) Due to City of Escondido

Due to City of Escondido in the amount of $300,407 as of June 30, 2023 and 2022, represents cash advanced from other Fund of the City to pay for eligible TDA expenditures.

(5) Unavailable Revenue

Unavailable revenue in the amount of $300,407 as of June 30, 2023 and 2022 for TDA Article 3 represents a receivable from SANDAG for eligible TDA expenditures which were not received within the City's availability period.

(6) Deficit Fund Balance

The TDA Fund reported a deficit fund balance of $300,407 as of June 30, 2023 and 2022. This deficit fund balance will be cured with the receipt of TDA funds as reimbursement for eligible expenditure.

(7) Budgetary Data

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America and utilizes an encumbrance system as a management control technique to assist in controlling expenditures and enforcing revenue provisions. Under this system, the current year expenditures are charged against appropriations. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items.

(8) Restrictions

Fund received pursuant to the California Public Utilities Code §99234 (TDA Article 3) may only be used for facilities provided for exclusive use by bicycle and pedestrian facilities or bicycle safety programs.

(9) Contingencies

Disclosures related to contingencies including those related to various legal actions, administrative proceedings, or claims in the ordinary course of operations, can be found in the audited financial statements of the City.

Supplemental Information

CITY OF ESCONDIDO, CALIFORNIA

Transportation Development Act
Article 3 Fund

Statement of Revenues, Expenditures and
and Change in Fund Balance - Budget and Actual

Year Ended June 30, 2023

	Budget			Variance From Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
TDA funds	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
Expenditures:				
Construction and development	-	-	-	-
Total expenditures	-	-	-	-
Chagne in fund balance	$ -	$ -	$ -	$ -
Fund balance (deficit) at beginning of year			(300,407)	
Fund balance (deficit) at end of year			$ (300,407)	

CITY OF ESCONDIDO, CALIFORNIA

Transportation Development Act
Article 3 Fund

Statement of Revenues, Expenditures and
and Change in Fund Balance - Budget and Actual

Year Ended June 30, 2022

	Budget			Variance From Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
TDA funds	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
Expenditures:				
Construction and development	-	-	-	-
Total expenditures	-	-	-	-
Chagne in fund balance	$ -	$ -	$ -	$ -
Fund balance (deficit) at beginning of year			(300,407)	
Fund balance (deficit) at end of year			$ (300,407)	

CITY OF ESCONDIDO, CALIFORNIA

Transportation Development Act
Article 3 Fund

Schedule of Status of Funds by Project

For the Fiscal Year Ended June 30, 2023

Claim Number	Project Description	Project Status at 6/30/22	Allocations Received	Interest Earned	Qualifying Project Expenditures	Project Status at 6/30/23	Notes
16011005	El Norte Pedestrian Signal	$ (300,407)	$ -	$ -	$ -	$ (300,407)	(a)
	Totals	$ (300,407)	$ -	$ -	$ -	$ (300,407)	

Notes

(a) The deficit project status will be cured during the year ending June 30, 2024, with the receipt of TDA funds as reimbursment for eligible expenditures.

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Transportation Development Act (TDA) Article 3 (TDA Fund) of the City of Escondido, California (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's TDA Fund financial statements, and have issued our report thereon dated December 20, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Board of Directors
San Diego Association of Governments
San Diego, California

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the TDA Fund of the City are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including §6666 of Part 21 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* including §6666 of Part 21 of the California Code of Regulations*.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Irvine, California
December 20, 2023

CITY OF LA MESA, CALIFORNIA

Transportation Development Act
Article 3 and Article 4 Funds

Financial Statements

For the Fiscal Year Ended June 30, 2023

CITY OF LA MESA, CALIFORNIA

Transportation Development Act
Article 3 and Article 4 Funds

Financial Statements

For the Fiscal Year Ended June 30, 2023

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Transportation Development Act ("TDA") Article 3 and Article 4 Funds ("TDA Funds") of the City of La Mesa, California ("City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's TDA Fund financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the TDA Funds as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the TDA Funds of the City and do not purport to, and do not, present fairly the financial position of the City, as of June 30, 2023, and the respective changes in its financial position, for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Report on Summarized Comparative Information

The financial statements of the TDA Funds for the year ended June 30, 2022 were audited by other auditors whose report dated March 24, 2023 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Board of Directors
San Diego Association of Governments
San Diego, California

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinions are not modified with respect to this matter.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the TDA Funds of the City. The *Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual* and *Schedule of Status of Funds by Project*, listed as Supplemental Information in the Table of Contents, is presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Davis Farr LLP

Irvine, California
March 25, 2024

CITY OF LA MESA, CALIFORNIA

Transportation Development Act
Article 3 and Article 4 Funds

Balance Sheets

June 30, 2023
(with Comparative Information for the Prior Year)

	TDA Article 3		TDA Article 4	
	2023	2022	2023	2022
Assets:				
Cash and investments (Note 3)	$ -	$ -	$ 6,020	$ 7,196
Interest receivable	-	-	11	11
Due from other governments (Note 4)	-	27,004	21,267	-
Total assets	$ -	$ 27,004	$ 27,298	$ 7,207
Liabilities, Deferred Inflows of Resources, and Fund Balance:				
Liabilities:				
Due to City of La Mesa (Note 5)	$ -	$ 27,004	$ 21,267	$ -
Unearned revenue (Note 6)	-	-	6,691	7,207
Total liabilities	-	27,004	27,958	7,207
Deferred inflows of resources:				
Unavailable revenue (Note 7)	-	27,004	21,267	-
Total deferred inflows of resources	-	27,004	21,267	-
Fund balance (deficit):				
Unassigned	-	(27,004)	(21,927)	-
Total fund balance (deficit) (Note 8)	-	(27,004)	(21,927)	-
Total liabilities, deferred inflows of resources, and fund balance	$ -	$ 27,004	$ 27,298	$ 7,207

See notes to financial statements

CITY OF LA MESA, CALIFORNIA

Transportation Development Act
Article 3 and Article 4 Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2023
(with Comparative Information for the Prior Year)

	TDA Article 3		TDA Article 4	
	2023	2022	2023	2022
Revenues:				
TDA funds	$ 27,004	$ 523,251	$ -	$ -
Interest income (loss)	-	-	(660)	-
Total revenues	27,004	523,251	(660)	-
Expenditures:				
Construction and development	-	171,263	21,267	-
Total expenditures	-	171,263	21,267	-
Change in fund balance	27,004	351,988	(21,927)	-
Fund balance (deficit) at beginning of year	(27,004)	(378,992)	-	-
Fund balance (deficit) at end of year	$ -	$ (27,004)	$ (21,927)	$ -

See notes to financial statements

CITY OF LA MESA, CALIFORNIA

Transportation Development Act
Article 3 and Article 4 Funds

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2023

(1) General Information

The financial statements of the Transportation Development Act Article 3 and Article 4 Funds Activity are intended to present the financial position and changes in financial position of only those transactions attributable to the TDA Funds administered and disbursed by the City of Santee, California and do not purport to, and do not, present fairly the financial position of the City, the changes in its financial position in accordance with accounting principles generally accepted in the United States of America.

Pursuant to §99234 of the California Public Utilities Code, Article 3 monies may be used only for facilities provided for the exclusive use of pedestrians and bicycles, including the construction and related engineering expenditures of those facilities, the maintenance of bicycle trails (which are closed to motorized traffic) and bicycle safety education programs. Facilities that provide for the use of bicycles may include projects that serve the needs of commuting bicyclists, including, but not limited to, new trails serving major transportation corridors, secure bicycle parking at employment centers, park and ride lots, and transit terminals where other funds are unavailable. Funding for this program was authorized by the San Diego Association of Governments (SANDAG).

Pursuant to §99260 of the California Public Utilities Code, Article 4 monies may be used for the support of public transportation systems, aid to public transportation research and demonstration projects, and contributions for the construction of grade separation projects. Funding for this program was authorized by the San Diego Association of Governments (SANDAG).

(2) Summary of Significant Accounting Policies

Fund Accounting

The accounts of the City are organized on the basis of funds and account groups. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, obligations, reserves and equity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The TDA Funds are accounted for as Special Revenue Funds. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are usually required by law or administrative regulation to be accounted for in separate funds.

Measurement Focus and Basis of Accounting

Special Revenue Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred.

(2) Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants and contributions, is based on the primary characteristic from which the revenues are received by the City. For the City, funds received under TDA Article 3 and 4 possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under TDA Article 3 and 4 are recognized in the period when all eligibility requirements have been met.

Deferred Outflows and Inflows of Resources

In addition to assets, the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of fund balance that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure) until that time. The TDA Fund currently does not have any items that qualify for reporting in this category.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of fund balance that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The TDA Fund has only one type of this item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category, and is reported as unavailable revenue. The unavailable revenue arises when potential revenues do not meet both the measurable and availability criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the deferred inflow of resources is removed from the balance sheet and revenue is recognized.

Fund Equity

The components of the fund balances of governmental funds reflect the classifications described below.

- *Nonspendable Fund Balance* – this includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

- *Restricted Fund Balance* – this includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

- *Committed Fund Balance* – includes amounts that can be used only for the specific purposes determined by a formal action of the City Council.

(2) Summary of Significant Accounting Policies (Continued)

- *Assigned Fund Balance* – includes amounts that are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed.

- *Unassigned Fund Balance* – includes the remaining spendable amounts which are not included in one of the other classifications, plus any deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

It is the City's policy that restricted resources will be applied first, followed by (in order of application) committed, assigned, and unassigned resources, in the absence of a formal policy adopted by the City Council.

Use of Estimates

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then use unrestricted resources as needed. City Council Policy establishes the order of use of unrestricted fund balance. Committed amounts should be reduced first, followed by the assigned amounts, and then the unassigned amounts.

Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. The information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's prior year TDA Fund financial statements from which this selected data was derived.

(3) Cash and Investments

The City has pooled its cash and investments in order to achieve a higher return on investments while facilitating management of cash. The balance in the pool account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. The TDA Article 3 and Article 4 Fund's cash and investments as of June 30, 2023 and 2022 were $6,020 and $7,196, respectively.

The TDA Fund's cash is deposited in the City's internal investment pool, which is reported at fair value. Interest income is allocated on the basis of average cash balances. Investment policies and associated risk factors applicable to the TDA Program are those of the City and are included in the City's basic financial statements.

(3) Cash and Investments (Continued)

See the City's basic financial statements for disclosures related to cash and investments including those disclosures relating to interest rate risk, credit rate risk, custodial credit risk and concentration risk.

(4) Due from Other Governments

Due from other governments in the amount of $0 and $27,004 as of June 30, 2023 and 2022, respectively, represents a receivable from SANDAG for reimbursement of eligible TDA Article 3 expenditures. Additionally, due from other governments in the amount of $21,267 and $0 as of June 30, 2023 and 2022, respectively, represents a receivable from SANDAG for reimbursement of eligible TDA Article 4 expenditures.

(5) Due to City of La Mesa

Due to the City of La Mesa in the amount of $0 and $27,004 as of June 30, 2023 and 2022, respectively, represents a receivable from SANDAG for reimbursement of eligible TDA Article 3 expenditures. Additionally, due to the City of La Mesa in the amount of $21,267 and $0 as of June 30, 2023 and 2022, respectively, represents a receivable from SANDAG for reimbursement of eligible TDA Article 4 expenditures.

(6) Unearned Revenue

TDA Article 4 monies allocated to the City by SANDAG for specific capital improvements of trolley and bus facilities are considered earned when they are properly spent for the specific projects authorized. Allocations and any interest received but not used are reported as unearned revenue. The balance of unearned revenue as of June 30, 2023 and 2022 was $6,691 and $7,207, respectively.

(7) Unavailable Revenue

Unavailable revenue in the amount of $0 and $27,004 as of June 30, 2023 and 2022, respectively, for TDA Article 3 represents a receivable from SANDAG for eligible TDA expenditures which were not received within the City's availability period. Additionally, Unavailable revenue in the amount of $21,267 and $0 as of June 30, 2023 and 2022, respectively, for TDA Article 4 represents a receivable from SANDAG for eligible TDA expenditures which were not received within the City's availability period.

(8) Deficit Fund Balance

The TDA 3 Fund reported a deficit fund balance of $0 and $27,004 as of June 30, 2023 and 2022, respectively. This deficit fund balance was cured during the year ending June 30, 2023, with the receipt of TDA 3 funds as reimbursement for eligible expenditures.

(8) Deficit Fund Balance (Continued)

Additionally, The TDA 4 Fund reported a deficit fund balance of $21,927 and $0 as of June 30, 2023 and 2022, respectively. This deficit fund balance will be cured during the year ending June 30, 2024, with the receipt of TDA 4 funds as reimbursement for eligible expenditures.

(9) Budgetary Data

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America and utilizes an encumbrance system as a management control technique to assist in controlling expenditures and enforcing revenue provisions. Under this system, the current year expenditures are charged against appropriations. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items.

(10) Restrictions

Funds received pursuant to the California Public Utilities Code §99234 (TDA Article 3) may only be used for facilities provided for exclusive use by bicycle and pedestrian facilities or bicycle safety programs. Funds received pursuant to the California Public Utilities Code §99260 (TDA Article 4) may only be used for the support of public transportation systems, aid to public transportation research and demonstration projects, and contributions for the construction of grade separation projects.

(11) Contingencies

Disclosures related to contingencies, including those related to various legal actions, administrative proceedings, or claims in the ordinary course of operations, can be found in the audited financial statements of the City.

Supplementary Information

CITY OF LA MESA, CALIFORNIA

Transportation Development Act
Article 3 & 4 Funds

Schedule of Revenues, Expenditures and
and Change in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2023

	Budget			Variance From Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
TDA funds	$ 21,267	$ 21,267	$ 27,004	$ 5,737
Interest income (loss)	-	-	(660)	(660)
Total revenues	21,267	21,267	26,344	5,077
Expenditures:				
Construction and development	21,267	21,267	21,267	-
Total expenditures	21,267	21,267	21,267	-
Change in fund balance	$ -	$ -	5,077	$ 5,077
Fund balance (deficit) at beginning of year			(27,004)	
Fund balance (deficit) at end of year			$ (21,927)	

CITY OF LA MESA, CALIFORNIA

Transportation Development Act
Article 3 & 4 Funds

Schedule of Revenues, Expenditures and
and Change in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2022

	Budget			Variance From Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
TDA funds	$ 479,445	$ 479,445	$ 523,251	$ 43,806
Total revenues	479,445	479,445	523,251	43,806
Expenditures:				
Construction and development	96,720	96,720	171,263	(74,543)
Total expenditures	96,720	96,720	171,263	(74,543)
Change in fund balance	$ 382,725	$ 382,725	351,988	$ (30,737)
Fund balance (deficit) at beginning of year			(378,992)	
Fund balance (deficit) at end of year			$ (27,004)	

CITY OF LA MESA, CALIFORNIA

Transportation Development Act
Article 3 and Article 4 Funds

Schedule of Status of Funds by Project

For the Fiscal Year Ended June 30, 2023

Claim Number	Project Description	Project Status at 6/30/22	Allocations Received	Interest Earned	Qualifying Project Expenditures	City Adjustments	Project Status at 6/30/23	Notes
Article 3:								
19011003	University Avenue Corridor	$ -	$ 427,255	$ -	$ -	$ (427,255)	$ -	(a)
19011004	Massachusetts Ave. & Blackton Dr.	(27,004)	27,004	-	-	-	-	
Article 4:								
	MTS Spring Street Maintenance - Tree Trimming	-	-	-	(6,040)	-	(6,040)	(b)
	MTS Related Traffic Signal Maintenance	-	-	(660)	(12,409)	-	(13,069)	(b)
	MTS Plan Review Fees - Grossmont Bridge	-	-	-	(2,818)	-	(2,818)	(b)
	Totals	$ (27,004)	$ 454,259	$ (660)	$ (21,267)	$ (427,255)	$ (21,927)	

Notes

(a) Adjustments are for funds incorrectly recorded as being received in FY2022 when they were received in FY2023.

(b) The deficit balance will be cured during the year ending June 30, 2024 with the receipt of TDA funds as reimbursement for eligible expenditures.

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Transportation Development Act (TDA) Article 3 and Article 4 Funds (TDA Funds) of the City of La Mesa, California (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's TDA Fund financial statements, and have issued our report thereon dated March 25, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency to be a material weakness.

(1) Material Misstatements Detected in Financial Statements

As a result of our audit procedures, we detected material misstatements in the financial statements. We recorded adjusting journal entries to correct beginning fund balance, revenues, expenses, and receivables. We recommend the City carefully review expenses to ensure they are recorded in the period incurred. We also recommend the City maintain a complete self-balancing set of records for the TDA activities for purposes of ensuring the assets and liabilities are correctly recorded.

Management's Response to Finding

City staff involved with the administration of TDA will be incorporating a collective administration of reconciling revenue and expenditures and will meet with the City on a frequent basis to ensure we collectively review and are in line and agreement in the recordation of fiscal revenue, expenditures, and ending balances resulting in accurately prepared schedules. In addition, the City is in the process of implementing a new and robust ERP system that will be replacing the current antiquated platform that will certainly aid in providing additional reporting resources and best practice recordation in the future.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the TDA Funds of the City are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including §6666 of Part 21 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* including §6666 of Part 21 of the California Code of Regulations.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our engagement and described in the accompanying financial statements. The City's response was not subject to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Davis Farr LLP

Irvine, California
March 25, 2024

CITY OF LEMON GROVE, CALIFORNIA

Transportation Development Act
Article 4 Fund

Financial Statements

For the Fiscal Year Ended June 30, 2023

CITY OF LEMON GROVE, CALIFORNIA

Transportation Development Act
Article 4 Fund

Financial Statements

For the Fiscal Year Ended June 30, 2023

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Transportation Development Act ("TDA") Article 4 Fund ("TDA Fund") of the City of Lemon Grove, California ("City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's TDA Fund financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the TDA Fund as of June 30, 2023, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the TDA Funds of the City and do not purport to, and do not, present fairly the financial position of the City, as of June 30, 2023, the changes in its financial position, for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Report on Summarized Comparative Information

The financial statements of the TDA Funds for the year ended June 30, 2022 were audited by other auditors whose report dated December 15, 2022 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Board of Directors
San Diego Association of Governments
San Diego, California

Required Supplemental Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinions are not modified with respect to this matter.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the TDA Funds of the City. The *Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual* and *Schedule of Status of Funds by Project*, listed as Supplemental Information in the Table of Contents, is presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Davis Farr LLP

Irvine, California
December 20, 2023

CITY OF LEMON GROVE, CALIFORNIA

Transportation Development Act
Article 4 Fund

Balance Sheets

June 30, 2023
(with Comparative Information for the Prior Year)

	TDA Article 4	
	2023	2022
Assets:		
Due from other governments (Note 3)	$ 57,250	$ 99,499
Total assets	$ 57,250	$ 99,499
Liabilities, Deferred Inflows of Resources, and Fund Balance:		
Liabilities:		
Due to City of Lemon Grove (Note 4)	$ 56,040	$ 90,715
Accounts payable	1,210	8,784
Total liabilities	57,250	99,499
Deferred inflows of resources:		
Unavailable revenue (Note 5)	57,250	99,499
Total deferred inflows of resources	57,250	99,499
Fund balance (deficit):		
Unassigned	(57,250)	(99,499)
Total fund balance (deficit) (Note 6)	(57,250)	(99,499)
Total liabilities, deferred inflows of resources, and fund balance	$ 57,250	$ 99,499

See notes to financial statements

CITY OF LEMON GROVE, CALIFORNIA

Transportation Development Act
Article 4 Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2023
(with Comparative Information for the Prior Year)

	TDA Article 4	
	2023	2022
Revenues:		
TDA funds	$ 95,085	$ 109,768
Total revenues	95,085	109,768
Expenditures:		
Construction and development	52,836	95,020
Total expenditures	52,836	95,020
Change in fund balance	42,249	14,748
Fund balance (deficit) at beginning of year	(99,499)	(114,247)
Fund balance (deficit) at end of year	$ (57,250)	$ (99,499)

See notes to financial statements

CITY OF LEMON GROVE, CALIFORNIA

Transportation Development Act
Article 4 Fund

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2023

(1) General Information

The financial statements of the Transportation Development Act Article 4 Fund Activity are intended to present the financial position and changes in financial position of only those transactions attributable to the TDA Funds administered and disbursed by the City of Lemon Grove, California and do not purport to, and do not, present fairly the financial position of the City, the changes in its financial position in accordance with accounting principles generally accepted in the United States of America.

Pursuant to §99260 of the California Public Utilities Code, Article 4 monies may be used for the support of public transportation systems, aid to public transportation research and demonstration projects, and contributions for the construction of grade separation projects. Funding for this program was authorized by the San Diego Association of Governments (SANDAG).

(2) Summary of Significant Accounting Policies

Fund Accounting

The accounts of the City are organized on the basis of funds and account groups. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, obligations, reserves and equity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The TDA Funds are accounted for as Special Revenue Funds. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are usually required by law or administrative regulation to be accounted for in separate funds.

Measurement Focus and Basis of Accounting

Special Revenue Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred.

(2) Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants and contributions, is based on the primary characteristic from which the revenues are received by the City. For the City, funds received under TDA Article 4 possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under TDA Article 4 are recognized in the period when all eligibility requirements have been met.

Deferred Outflows and Inflows of Resources

In addition to assets, the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of fund balance that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure) until that time. The TDA Fund currently does not have any items that qualify for reporting in this category.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of fund balance that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The TDA Fund has only one type of this item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category, and is reported as unavailable revenue. The unavailable revenue arises when potential revenues do not meet both the measurable and availability criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the deferred inflow of resources is removed from the balance sheet and revenue is recognized.

Fund Equity

The components of the fund balances of governmental funds reflect the classifications described below.

- *Nonspendable Fund Balance* – this includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

- *Restricted Fund Balance* – this includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

- *Committed Fund Balance* – includes amounts that can be used only for the specific purposes determined by a formal action of the City Council.

(2) Summary of Significant Accounting Policies (Continued)

- *Assigned Fund Balance* – includes amounts that are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed.

- *Unassigned Fund Balance* – includes the remaining spendable amounts which are not included in one of the other classifications, plus any deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

It is the City's policy that restricted resources will be applied first, followed by (in order of application) committed, assigned, and unassigned resources, in the absence of a formal policy adopted by the City Council.

Use of Estimates

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then use unrestricted resources as needed. City Council Policy establishes the order of use of unrestricted fund balance. Committed amounts should be reduced first, followed by the assigned amounts, and then the unassigned amounts.

Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. The information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's prior year TDA Fund financial statements from which this selected data was derived.

(3) Due from Other Governments

Due from other governments in the amount of $57,250 and $99,499 as of June 30, 2023 and 2022, respectively, represents a receivable from SANDAG for reimbursement of eligible TDA expenditures.

(4) Due to City of Lemon Grove

Due to City of Lemon Grove in the amount of $56,040 and $90,715 as of June 30, 2023 and 2022, respectively, represents cash advanced from other funds of the City to pay for eligible TDA expenditures.

(5) Unavailable Revenue

Unavailable revenue in the amount of $57,250 and $99,499 as of June 30, 2023 and 2022, respectively, for TDA Article 4 represents a receivable from SANDAG for eligible TDA expenditures which were not received within the City's availability period.

(6) Deficit Fund Balance

The TDA Fund reported a deficit fund balance of $57,250 and $99,499 as of June 30, 2023 and 2022, respectively. This deficit fund balance will be cured during the year ending June 30, 2024, with the receipt of TDA funds as reimbursement for eligible expenditure.

(7) Budgetary Data

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America and utilizes an encumbrance system as a management control technique to assist in controlling expenditures and enforcing revenue provisions. Under this system, the current year expenditures are charged against appropriations. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items.

(8) Restrictions

Funds received pursuant to the California Public Utilities Code §99260 (TDA Article 4) may only be used for the support of public transportation systems, aid to public transportation research and demonstration projects, and contributions for the construction of grade separation projects.

(9) Contingencies

Disclosures related to contingencies including those related to various legal actions, administrative proceedings, or claims in the ordinary course of operations, can be found in the audited financial statements of the City.

Supplemental Information

CITY OF LEMON GROVE, CALIFORNIA

Transportation Development Act
Article 4 Fund

Statement of Revenues, Expenditures and
and Change in Fund Balance - Budget and Actual

Year Ended June 30, 2023

	Budget			Variance From Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
TDA funds	$ 121,170	$ 121,170	$ 95,085	$ (26,085)
Total revenues	121,170	121,170	95,085	(26,085)
Expenditures:				
Construction and development	121,170	121,170	52,836	68,334
Total expenditures	121,170	121,170	52,836	68,334
Change in fund balance	$ -	$ -	$ 42,249	$ 42,249
Fund balance (deficit) at beginning of year			(99,499)	
Fund balance (deficit) at end of year			$ (57,250)	

CITY OF LEMON GROVE, CALIFORNIA

Transportation Development Act
Article 4 Fund

Statement of Revenues, Expenditures and
and Change in Fund Balance - Budget and Actual

Year Ended June 30, 2022

	Budget			Variance From Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
TDA funds	$ 39,165	$ 39,165	$ 109,768	$ 70,603
Interest	200	200	-	(200)
Total revenues	39,365	39,365	109,768	70,403
Expenditures:				
Construction and development	121,371	121,371	95,020	26,351
Total expenditures	121,371	121,371	95,020	26,351
Change in fund balance	$ (82,006)	$ (82,006)	$ 14,748	$ 44,052
Fund balance (deficit) at beginning of year			(114,247)	
Fund balance (deficit) at end of year			$ (99,499)	

CITY OF LEMON GROVE, CALIFORNIA

Transportation Development Act
Article 4 Fund

Schedule of Status of Funds by Project

For the Fiscal Year Ended June 30, 2023

Claim Number	Project Description	Project Status at 6/30/22	Allocations Received	Interest Earned	Qualifying Project Expenditures	Project Status at 6/30/23	Notes
6260	Trolley Corridor Maintenance - Bus Shelters	$ (69,654)	$ 66,830	$ -	$ (14,794)	$ (17,618)	(a)
6530	Trolley Corrider Landscape Maintenance	(29,845)	28,255	-	(38,042)	(39,632)	(a)
	Totals	$ (99,499)	$ 95,085	$ -	$ (52,836)	$ (57,250)	

Notes

(a) The deficit project status will be cured during the year ending June 30, 2024, with the receipt of TDA funds as reimbursment for eligible expenditures.

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Transportation Development Act (TDA) Article 4 Funds (TDA Funds) of the City of Lemon Grove, California (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's TDA Fund financial statements, and have issued our report thereon dated December 20, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Board of Directors
San Diego Association of Governments
San Diego, California

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the TDA Funds of the City are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including §6666 of Part 21 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* including §6666 of Part 21 of the California Code of Regulations.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Davis Farr LLP

Irvine, California
December 20, 2023

CITY OF NATIONAL CITY, CALIFORNIA

Transportation Development Act
Article 3 Fund

Financial Statements

For the Fiscal Year Ended June 30, 2023

CITY OF NATIONAL CITY, CALIFORNIA

Transportation Development Act
Article 3 Fund

Financial Statements

For the Fiscal Year Ended June 30, 2023

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Transportation Development Act ("TDA") Article 3 Fund ("TDA Fund") of the City of National City, California ("City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's TDA Fund financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the TDA Funds as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the TDA Funds of the City and do not purport to, and do not, present fairly the financial position of the City, as of June 30, 2023, the changes in its financial position, for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America. Additionally, the financial statements for the fiscal year ended June 30, 2023 reflect a certain prior period adjustment as described further in note 7 to the financial statements. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant

to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Report on Summarized Comparative Information

The financial statements of the TDA Funds for the year ended June 30, 2022 were audited by other auditors whose report dated March 22, 2023 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived with the exception of the prior period adjustment as described further in note 7 to the financial statements.

Board of Directors
San Diego Association of Governments
San Diego, California

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinions are not modified with respect to this matter.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the TDA Funds of the City. The *Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual* and *Schedule of Status of Funds by Project*, listed as Supplementary Information in the Table of Contents, is presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Davis Farr LLP

Irvine, California
March 25, 2024

CITY OF NATIONAL CITY, CALIFORNIA

Transportation Development Act
Article 3 Fund

Balance Sheet

June 30, 2023
(with Comparative Information for the Prior Year)

	TDA Article 3	
	2023	2022
Assets:		
Due from other governments (Note 3)	$ -	342,352
Total assets	$ -	$ 342,352
Liabilities, Deferred Inflows of Resources, and Fund Balance:		
Liabilities:		
Due to City of National City (Note 4)	$ -	$ 342,352
Total liabilities	-	342,352
Deferred inflows of resources:		
Unavailable revenue (Note 5)	-	340,338
Total deferred inflows of resources	-	340,338
Fund balance (deficit):		
Unassigned	-	(340,338)
Total fund balance (deficit) (Note 6)	-	(340,338)
Total liabilities, deferred inflows of resources, and fund balance	$ -	$ 342,352

See notes to financial statements

CITY OF NATIONAL CITY, CALIFORNIA

Transportation Development Act
Article 3 Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2023
(with Comparative Information for the Prior Year)

	TDA Article 3	
	2023	2022
Revenues:		
TDA funds	$ 340,336	$ -
Total revenues	340,336	-
Expenditures:		
Construction and development	21,407	334,369
Total expenditures	21,407	334,369
Change in fund balance	318,929	(334,369)
Fund balance (deficit) at beginning of year, as restated (Note 7)	(318,929)	(5,969)
Fund balance (deficit) at end of year	$ -	$ (340,338)

See notes to financial statements

CITY OF NATIONAL CITY, CALIFORNIA

Transportation Development Act
Article 3 Fund

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2023

(1) General Information

The financial statements of the Transportation Development Act Article 3 Fund Activity are intended to present the financial position and changes in financial position of only those transactions attributable to the TDA Funds administered and disbursed by the City of National City, California and do not purport to, and do not, present fairly the financial position of the City, the changes in its financial position in accordance with accounting principles generally accepted in the United States of America.

Pursuant to §99234 of the California Public Utilities Code, Article 3 monies may be used only for facilities provided for the exclusive use of pedestrians and bicycles, including the construction and related engineering expenditures of those facilities, the maintenance of bicycle trails (which are closed to motorized traffic) and bicycle safety education programs. Facilities that provide for the use of bicycles may include projects that serve the needs of commuting bicyclists, including, but not limited to, new trails serving major transportation corridors, secure bicycle parking at employment centers, park and ride lots, and transit terminals where other funds are unavailable. Funding for this program was authorized by the San Diego Association of Governments (SANDAG).

(2) Summary of Significant Accounting Policies

Fund Accounting

The accounts of the City are organized on the basis of funds and account groups. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, obligations, reserves and equity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The TDA Funds are accounted for as Special Revenue Funds. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are usually required by law or administrative regulation to be accounted for in separate funds.

Measurement Focus and Basis of Accounting

Special Revenue Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred.

(2) Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants and contributions, is based on the primary characteristic from which the revenues are received by the City. For the City, funds received under TDA Article 3 possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under TDA Article 3 are recognized in the period when all eligibility requirements have been met.

Deferred Outflows and Inflows of Resources

In addition to assets, the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of fund balance that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure) until that time. The TDA Fund currently does not have any items that qualify for reporting in this category.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of fund balance that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The TDA Fund has only one type of this item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category, and is reported as unavailable revenue. The unavailable revenue arises when potential revenues do not meet both the measurable and availability criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the deferred inflow of resources is removed from the balance sheet and revenue is recognized.

Fund Equity

The components of the fund balances of governmental funds reflect the classifications described below.

- *Nonspendable Fund Balance* – this includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

- *Restricted Fund Balance* – this includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

- *Committed Fund Balance* – includes amounts that can be used only for the specific purposes determined by a formal action of the City Council.

(2) Summary of Significant Accounting Policies (Continued)

- *Assigned Fund Balance* – includes amounts that are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed.

- *Unassigned Fund Balance* – includes the remaining spendable amounts which are not included in one of the other classifications, plus any deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

It is the City's policy that restricted resources will be applied first, followed by (in order of application) committed, assigned, and unassigned resources, in the absence of a formal policy adopted by the City Council.

Use of Estimates

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then use unrestricted resources as needed. City Council Policy establishes the order of use of unrestricted fund balance. Committed amounts should be reduced first, followed by the assigned amounts, and then the unassigned amounts.

Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. The information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's prior year TDA Fund financial statements from which this selected data was derived.

(3) Due from Other Governments

Due from other governments in the amount of $0 and $342,352 as of June 30, 2023 and 2022, respectively, represent receivables from SANDAG for reimbursement of eligible TDA expenditures.

(4) Due to City of National City

Due to City of National City in the amount of $0 and $342,352 as of June 30, 2023 and 2022, respectively, represents cash advanced from other funds of the City to pay for eligible TDA expenditures.

(5) Unavailable Revenue

Unavailable revenue in the amount of $0 and $340,338 as of June 30, 2023 and 2022, respectively, for TDA Article 3 represents a receivable from SANDAG for eligible TDA expenditures which were not received within the City's availability period.

(6) Deficit Fund Balance

The TDA Fund reported a deficit fund balance of $0 and $340,338 as of June 30, 2023 and 2022. This deficit fund balance was cured during the year ending June 30, 2023, with the receipt of TDA funds as reimbursement for eligible expenditures.

(7) Prior Period Adjustment

The financial statements include a correction to the year ended June 30, 2022 fund balance as follows:

Fund Balance (deficit) at June 30, 2022, as previously reported	$(340,338)
Revenues received in Fiscal Years 2021 and 2020 not previously reported	21,409
Fund Balance (deficit) at June 30, 2022, as restated	$(318,929)

(8) Budgetary Data

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America and utilizes an encumbrance system as a management control technique to assist in controlling expenditures and enforcing revenue provisions. Under this system, the current year expenditures are charged against appropriations. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items.

(9) Restrictions

Funds received pursuant to the California Public Utilities Code §99234 (TDA Article 3) may only be used for facilities provided for exclusive use by bicycle and pedestrian facilities or bicycle safety programs.

(10) Contingencies

Disclosures related to contingencies including those related to various legal actions, administrative proceedings, or claims in the ordinary course of operations, can be found in the audited financial statements of the City.

Supplementary Information

CITY OF NATIONAL CITY, CALIFORNIA

Transportation Development Act
Article 3 Fund

Schedule of Revenues, Expenditures and
and Change in Fund Balance - Budget and Actual

Year Ended June 30, 2023

	Budget			Variance From Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
TDA funds	$ -	$ -	$ 340,336	$ 340,336
Total revenues	-	-	340,336	340,336
Expenditures:				
Construction and development	316,625	316,625	21,407	295,218
Total expenditures	316,625	316,625	21,407	295,218
Change in fund balance	$ (316,625)	$ (316,625)	$ 318,929	$ 635,554
Fund balance (deficit) at beginning of year, as restated			(318,929)	
Fund balance (deficit) at end of year			$ -	

CITY OF NATIONAL CITY, CALIFORNIA

Transportation Development Act
Article 3 Fund

Schedule of Revenues, Expenditures and
and Change in Fund Balance - Budget and Actual

Year Ended June 30, 2022

	Budget			Variance From Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
TDA funds	$ 277,836	$ 277,836	-	$ (277,836)
Total revenues	277,836	277,836	-	(277,836)
Expenditures:				
Construction and development	334,367	334,367	334,369	(2)
Total expenditures	334,367	334,367	334,369	(2)
Change in fund balance	$ (56,531)	$ (56,531)	$ (334,369)	$ (277,838)
Fund balance (deficit) at beginning of year			(5,969)	
Fund balance (deficit) at end of year			$ (340,338)	

CITY OF NATIONAL CITY, CALIFORNIA

Transportation Development Act
Article 3 Funds

Schedule of Status of Funds by Project

For the Fiscal Year Ended June 30, 2023

Claim Number	Project Description	Project Status at 6/30/22	Allocations Received	Interest Earned	Qualifying Project Expenditures	Project Status at 6/30/23	Notes
19011006	National City Blvd. Intercity Bike Connections	$ (318,929)	$ 340,336	$ -	$ (21,407)	$ -	(a)
	Totals	$ (318,929)	$ 340,336	$ -	$ (21,407)	$ -	

Notes

(a) The Project Status at June 30, 2022 has been restated to reflect the prior period adjustment described in footnote 7 of the Notes to Financial Statements.

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Transportation Development Act (TDA) Article 3 Fund (TDA Fund) of the City of National City, California (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's TDA Fund financial statements, and have issued our report thereon dated March 25, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency to be a material weaknesses.

(1) Material Misstatements Detected in Financial Statements

As a result of our audit procedures, we detected material misstatements in the financial statements. We recorded adjusting journal entries to correct beginning fund balance, expenses, and revenues previously collected. We recommend the City carefully review expenses to ensure they are recorded in the period incurred. We also recommend the City maintain a complete self-balancing set of records for the TDA activities for purposes of ensuring the assets and liabilities are correctly recorded.

Management's Respond to Finding

City staff involved with the administration of TDA will be incorporating a collective administration of reconciling revenue and expenditures and will meet with the on a frequent basis to ensure we collectively review and are in line and agreement in the recordation of fiscal revenue, expenditures, and ending balances resulting in accurately prepared schedules. In addition, the City is in the process of implementing a new and robust ERP system that will be replacing the current antiquated platform that will certainly aid in providing additional reporting resources and best practice recordation in the future.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the TDA Funds of the City are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including §6666 of Part 21 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* including §6666 of Part 21 of the California Code of Regulations.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our engagement and described in the accompanying financial statements. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Davis Farr LLP

Irvine, California
March 25, 2024

CITY OF POWAY, CALIFORNIA

Transportation Development Act
Article 4 Fund

Financial Statements

For the Fiscal Year Ended June 30, 2023

CITY OF POWAY CALIFORNIA

Transportation Development Act
Article 4 Fund

Financial Statements

For the Fiscal Year Ended June 30, 2023

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Transportation Development Act ("TDA") Article 4 Fund ("TDA Fund") of the City of Poway, California ("City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's TDA Fund financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the TDA Fund as of June 30, 2023, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the TDA Funds of the City and do not purport to, and do not, present fairly the financial position of the City, as of June 30, 2023, the changes in its financial position, for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Report on Summarized Comparative Information

The financial statements of the TDA Funds for the year ended June 30, 2022 were audited by other auditors whose report dated December 15, 2022 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Board of Directors
San Diego Association of Governments
San Diego, California

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinions are not modified with respect to this matter.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the TDA Funds of the City. The *Schedules of Revenues, Expenditures and Change in Fund Balance – Budget and Actual* and *Schedule of Status of Funds by Project*, listed as Supplementary Information in the Table of Contents, is presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Davis Farr LLP

Irvine, California
March 25, 2024

CITY OF POWAY, CALIFORNIA

Transportation Development Act
Article 4 Fund

Balance Sheets

June 30, 2023
(with Comparative Information for the Prior Year)

	TDA Article 4	
	2023	2022
Assets:		
Cash and investments (Note 3)	$ 364,536	$ 364,182
Due from other governments (Note 4)	30,194	-
Total assets	$ 394,730	$ 364,182
Liabilities, Deferred Inflows of Resources, and Fund Balance:		
Liabilities:		
Accounts payable	$ 8,543	$ -
Unearned revenue (Note 5)	355,993	364,182
Total liabilities	364,536	364,182
Deferred inflows of resources:		
Unavailable revenue (Note 6)	30,194	-
Total deferred inflows of resources	30,194	-
Fund balance:		
Unassigned	-	-
Total fund balance	-	-
Total liabilities, deferred inflows of resources, and fund balance	$ 394,730	$ 364,182

See notes to financial statements

CITY OF POWAY, CALIFORNIA

Transportation Development Act
Article 4 Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2023
(with Comparative Information for the Prior Year)

	TDA Article 4	
	2023	2022
Revenues:		
TDA funds	$ 36,191	$ 36,075
Miscellaneous revenue	8,731	-
Investment income	3,624	-
Total revenues	48,546	36,075
Expenditures:		
Salaries and benefits	4,123	3,744
Construction and development	44,423	32,331
Total expenditures	48,546	36,075
Change in fund balance	-	-
Fund balance at beginning of year	-	-
Fund balance at end of year	$ -	$ -

See notes to financial statements

CITY OF POWAY, CALIFORNIA

Transportation Development Act
Article 4 Fund

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2023

(1) General Information

The financial statements of the Transportation Development Act Article 4 Fund Activity are intended to present the financial position and changes in financial position of only those transactions attributable to the TDA Funds administered and disbursed by the City of Poway, California and do not purport to, and do not, present fairly the financial position of the City, the changes in its financial position in accordance with accounting principles generally accepted in the United States of America.

Pursuant to §99260 of the California Public Utilities Code, Article 4 monies may be used for the support of public transportation systems, aid to public transportation research and demonstration projects, and contributions for the construction of grade separation projects. Funding for this program was authorized by the San Diego Association of Governments (SANDAG).

(2) Summary of Significant Accounting Policies

Fund Accounting

The accounts of the City are organized on the basis of funds and account groups. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, obligations, reserves and equity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The TDA Funds are accounted for as Special Revenue Funds. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are usually required by law or administrative regulation to be accounted for in separate funds.

Measurement Focus and Basis of Accounting

Special Revenue Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred.

(2) Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants and contributions, is based on the primary characteristic from which the revenues are received by the City. For the City, funds received under TDA Article 4 possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under TDA Article 4 are recognized in the period when all eligibility requirements have been met.

Deferred Outflows and Inflows of Resources

In addition to assets, the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of fund balance that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure) until that time. The TDA Fund currently does not have any items that qualify for reporting in this category.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of fund balance that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The TDA Fund has only one type of this item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category, and is reported as unavailable revenue. The unavailable revenue arises when potential revenues do not meet both the measurable and availability criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the deferred inflow of resources is removed from the balance sheet and revenue is recognized.

Fund Balance

The components of the fund balances of governmental funds reflect the classifications described below.

- *Nonspendable Fund Balance* – this includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

- *Restricted Fund Balance* – this includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

- *Committed Fund Balance* – includes amounts that can be used only for the specific purposes determined by a formal action of the City Council.

(2) Summary of Significant Accounting Policies (Continued)

- *Assigned Fund Balance* – includes amounts that are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed.

- *Unassigned Fund Balance* – includes the remaining spendable amounts which are not included in one of the other classifications, plus any deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

It is the City's policy that restricted resources will be applied first, followed by (in order of application) committed, assigned, and unassigned resources, in the absence of a formal policy adopted by the City Council.

Use of Estimates

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then use unrestricted resources as needed. City Council Policy establishes the order of use of unrestricted fund balance. Committed amounts should be reduced first, followed by the assigned amounts, and then the unassigned amounts.

Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. The information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's prior year TDA Fund financial statements from which this selected data was derived.

(3) Cash and Investments

The City has pooled its cash and investments in order to achieve a higher return on investments while facilitating management of cash. The balance in the pool account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. The TDA Article 4 Fund's cash and investments as of June 30, 2023 and 2022, respectively, was $364,536 and $364,182.

The TDA Fund's cash is deposited in the City's internal investment pool, which is reported at fair value. Interest income is allocated on the basis of average cash balances. Investment policies and associated risk factors applicable to the TDA Program are those of the City and are included in the City's basic financial statements.

(3) Cash and Investments (Continued)

See the City's basic financial statements for disclosures related to cash and investments including those disclosures relating to interest rate risk, credit rate risk, custodial credit risk and concentration risk.

(4) Due from Other Governments

Due from other governments in the amount of $30,194 and $0 as of June 30, 2023 and 2022, respectively, represents a receivable from SANDAG for reimbursement of eligible TDA expenditures.

(5) Unearned Revenue

TDA Article 4 monies allocated to the City by SANDAG for specific capital improvements of trolley and bus facilities are considered earned when they are properly spent for the specific projects authorized. Allocations received but not used are reported as unearned revenue. The balance of unearned revenue as of June 30, 2023 and 2022, was $355,993 and $364,182, respectively.

(6) Unavailable Revenue

Unavailable revenue in the amount of $30,194 and $0 as of June 30, 2023 and 2022, respectively, for TDA Article 4 represents a receivable from SANDAG for eligible TDA expenditures which were not received within the City's availability period.

(7) Budgetary Data

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America and utilizes an encumbrance system as a management control technique to assist in controlling expenditures and enforcing revenue provisions. Under this system, the current year expenditures are charged against appropriations. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items.

(8) Restrictions

Funds received pursuant to the California Public Utilities Code §99260 (TDA Article 4) may only be used for the support of public transportation systems, aid to public transportation research and demonstration projects, and contributions for the construction of grade separation projects.

(9) Contingencies

Disclosures related to contingencies including those related to various legal actions, administrative proceedings, or claims in the ordinary course of operations, can be found in the audited financial statements of the City.

Supplementary Information

CITY OF POWAY, CALIFORNIA

Transportation Development Act
Article 4 Fund

Schedule of Revenues, Expenditures and
and Change in Fund Balance - Budget and Actual

Year Ended June 30, 2023

	Budget			Variance From Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
TDA funds	$ -	$ -	$ 36,191	$ 36,191
Miscellaneous revenue	-	-	8,731	8,731
Interest income	5,150	5,150	3,624	(1,526)
Total revenues	5,150	5,150	48,546	43,396
Expenditures:				
Salaries and benefits	4,000	4,000	4,123	(123)
Construction and development	-	265,960	44,423	221,537
Total expenditures	4,000	269,960	48,546	221,414
Change in fund balance	$ 1,150	$ (264,810)	-	$ 264,810
Fund balance at beginning of year			-	
Fund balance at end of year			$ -	

CITY OF POWAY, CALIFORNIA

Transportation Development Act
Article 4 Fund

Schedule of Revenues, Expenditures and
and Change in Fund Balance - Budget and Actual

Year Ended June 30, 2022

	Budget			Variance From Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
TDA funds	$ -	$ -	$ 36,075	$ 36,075
Interest income	7,860	7,860	-	(7,860)
Total revenues	7,860	7,860	36,075	28,215
Expenditures:				
Salaries and benefits	-	-	3,744	(3,744)
Construction and development	-	298,292	32,331	265,961
Total expenditures	-	298,292	36,075	262,217
Change in fund balance	$ 7,860	$ (290,432)	-	$ 290,432
Fund balance at beginning of year			-	
Fund balance at end of year			$ -	

CITY OF POWAY, CALIFORNIA

Transportation Development Act
Article 4 Fund

Schedule of Status of Funds by Project

For the Fiscal Year Ended June 30, 2023

Claim Number	Project Description	Project Status at 6/30/22	Allocations Received	Interest Earned	Qualifying Project Expenditures	City Adjustments	Project Status at 6/30/23
MNT0018	Bus Stop Improvements	$ 313,399	$ 36,733	$ 3,624	$ (48,546)	$ -	$ 305,210
MSC0008	Bus Shelter Construction	50,783	-	-	-	-	50,783
	Totals	$ 364,182	$ 36,733	$ 3,624	$ (48,546)	$ -	$ 355,993

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Transportation Development Act (TDA) Article 4 Fund (TDA Fund) of the City of Poway, California (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's TDA Fund financial statements, and have issued our report thereon dated March 25, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Board of Directors
San Diego Association of Governments
San Diego, California

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the TDA Funds of the City are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including §6666 of Part 21 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* including §6666 of Part 21 of the California Code of Regulations.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Davis Farr LLP

Irvine, California
March 25, 2024

CITY OF SAN DIEGO, CALIFORNIA

Transportation Development Act
Article 3 Fund

Financial Statements

For the Fiscal Year Ended June 30, 2023

CITY OF SAN DIEGO, CALIFORNIA

Transportation Development Act
Article 3 Fund

Financial Statements

For the Fiscal Year Ended June 30, 2023

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Transportation Development Act ("TDA") Article 3 Fund ("TDA Fund") of the City of San Diego, California ("City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's TDA Fund financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the TDA Funds as of June 30, 2023, and the change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the TDA Fund of the City and do not purport to, and do not, present fairly the financial position of the City, as of June 30, 2023, the changes in its financial position, for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Report on Summarized Comparative Information

The financial statements of the TDA Funds for the year ended June 30, 2022 were audited by other auditors whose report dated April 7, 2023 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Board of Directors
San Diego Association of Governments
San Diego, California

Required Supplemental Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinions are not modified with respect to this matter.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the TDA Funds of the City. The *Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual* and *Schedule of Status of Funds by Project*, listed as Supplemental Information in the Table of Contents, is presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Davis Farr LLP

Irvine, California
December 20, 2023

CITY OF SAN DIEGO, CALIFORNIA

Transportation Development Act
Article 3 Fund

Balance Sheets

June 30, 2023
(with Comparative Information for the Prior Year)

	TDA Article 3	
	2023	2022
Assets:		
Due from other governments (Note 3)	$ -	$ 97,533
Total assets	$ -	$ 97,533
Liabilities, Deferred Inflows of Resources, and Fund Balance:		
Liabilities:		
Due to City of San Diego (Note 4)	$ -	$ 97,533
Total liabilities	-	97,533
Deferred inflows of resources:		
Unavailable revenue (Note 5)	-	97,533
Total deferred inflows of resources	-	97,533
Fund balance (deficit):		
Unassigned (Note 6)	-	(97,533)
Total fund balance (deficit)	-	(97,533)
Total liabilities, deferred inflows of resources, and fund balance	$ -	$ 97,533

See notes to financial statements

CITY OF SAN DIEGO, CALIFORNIA

Transportation Development Act
Article 3 Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2023
(with Comparative Information for the Prior Year)

	TDA Article 3	
	2023	2022
Revenues:		
TDA funds	$ 97,534	$ 151,010
Total revenues	97,534	151,010
Expenditures:		
Construction and development	1	191,636
Total expenditures	1	191,636
Change in fund balance	97,533	(40,626)
Fund balance (deficit) at beginning of year	(97,533)	(56,907)
Fund balance (deficit) at end of year	$ -	$ (97,533)

See notes to financial statements

CITY OF SAN DIEGO, CALIFORNIA

Transportation Development Act
Article 3 Fund

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2023

(1) General Information

The financial statements of the Transportation Development Act Article 3 Fund Activity are intended to present the financial position and changes in financial position of only those transactions attributable to the TDA Funds administered and disbursed by the City of San Diego, California and do not purport to, and do not, present fairly the financial position of the City, the changes in its financial position in accordance with accounting principles generally accepted in the United States of America.

Pursuant to §99234 of the California Public Utilities Code, Article 3 monies may be used only for facilities provided for the exclusive use of pedestrians and bicycles, including the construction and related engineering expenditures of those facilities, the maintenance of bicycle trails (which are closed to motorized traffic) and bicycle safety education programs. Facilities that provide for the use of bicycles may include projects that serve the needs of commuting bicyclists, including, but not limited to, new trails serving major transportation corridors, secure bicycle parking at employment centers, park and ride lots, and transit terminals where other funds are unavailable. Funding for this program was authorized by the San Diego Association of Governments (SANDAG).

(2) Summary of Significant Accounting Policies

Fund Accounting

The accounts of the City are organized on the basis of funds and account groups. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, obligations, reserves and equity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The TDA Funds are accounted for as Special Revenue Funds. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are usually required by law or administrative regulation to be accounted for in separate funds.

Measurement Focus and Basis of Accounting

Special Revenue Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred.

(2) Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants and contributions, is based on the primary characteristic from which the revenues are received by the City. For the City, funds received under TDA Article 3 possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under TDA Article 3 are recognized in the period when all eligibility requirements have been met.

Deferred Outflows and Inflows of Resources

In addition to assets, the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of fund balance that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure) until that time. The TDA Fund currently does not have any items that qualify for reporting in this category.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of fund balance that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The TDA Fund has only one type of this item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category and is reported as unavailable revenue. The unavailable revenue arises when potential revenues do not meet both the measurable and availability criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the deferred inflow of resources is removed from the balance sheet and revenue is recognized.

Fund Equity

The components of the fund balances of governmental funds reflect the classifications described below.

- *Nonspendable Fund Balance* – this includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

- *Restricted Fund Balance* – this includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

- *Committed Fund Balance* – includes amounts that can be used only for the specific purposes determined by a formal action of the City Council.

(2) Summary of Significant Accounting Policies (Continued)

- *Assigned Fund Balance* – includes amounts that are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed.

- *Unassigned Fund Balance* – includes the remaining spendable amounts which are not included in one of the other classifications, plus any deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

It is the City's policy that restricted resources will be applied first, followed by (in order of application) committed, assigned, and unassigned resources, in the absence of a formal policy adopted by the City Council.

Use of Estimates

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then use unrestricted resources as needed. City Council Policy establishes the order of use of unrestricted fund balance. Committed amounts should be reduced first, followed by the assigned amounts, and then the unassigned amounts.

Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. The information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's prior year TDA Fund financial statements from which this selected data was derived.

(3) Due from Other Governments

Due from other governments in the amount of $0 and $97,533 as of June 30, 2023 and 2022, respectively, represents a receivable from SANDAG for reimbursement of eligible TDA expenditures.

(4) Due to City of San Diego

Due from other governments in the amount of $0 and $97,533 as of June 30, 2023 and 2022, respectively, represents cash advanced from other funds of the City to pay for eligible TDA expenditures.

(5) Unavailable Revenue

Unavailable revenue in the amount of $0 and $97,533 as of June 30, 2023 and 2022, respectively for TDA Article 3 represents a receivable from SANDAG for eligible TDA expenditures which were not received within the City's availability period.

(6) Deficit Fund Balance

The TDA Fund reported a deficit fund balance of $0 and $97,533 as of June 30, 2023 and 2022, respectively. This deficit fund balance was cured during the year ending June 30, 2023, with the receipt of TDA funds as reimbursement for eligible expenditure.

(7) Budgetary Data

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America and utilizes an encumbrance system as a management control technique to assist in controlling expenditures and enforcing revenue provisions. Under this system, the current year expenditures are charged against appropriations. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items.

(8) Restrictions

Funds received pursuant to the California Public Utilities Code §99234 (TDA Article 3) may only be used for facilities provided for exclusive use by bicycle and pedestrian facilities or bicycle safety programs. Funds received pursuant to the California Public Utilities Code §99260.

(9) Contingencies

Disclosures related to contingencies, including those related to various legal actions, administrative proceedings, or claims in the ordinary course of operations, can be found in the audited financial statements of the City.

Supplemental Information

CITY OF SAN DIEGO, CALIFORNIA

Transportation Development Act
Article 3 Fund

Statement of Revenues, Expenditures and
and Change in Fund Balance - Budget and Actual

Year Ended June 30, 2023

	Budget			Variance From Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
TDA funds	$ 206,333	$ 97,534	$ 97,534	$ -
Total revenues	206,333	97,534	97,534	-
Expenditures:				
Construction and development	108,800	1	1	-
Total expenditures	108,800	1	1	-
Change in fund balance	$ 97,533	$ 97,533	$ 97,533	$ -
Fund balance (deficit) at beginning of year			(97,533)	
Fund balance (deficit) at end of year			$ -	

CITY OF SAN DIEGO, CALIFORNIA

Transportation Development Act
Article 3 Fund

Statement of Revenues, Expenditures and and Change in Fund Balance - Budget and Actual

Year Ended June 30, 2022

	Budget			Variance From Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
TDA funds	$ 357,343	$ 357,343	$ 151,010	$ (206,333)
Total revenues	357,343	357,343	151,010	(206,333)
Expenditures:				
Construction and development	300,436	300,436	191,636	108,800
Total expenditures	300,436	300,436	191,636	108,800
Change in fund balance	$ 56,907	$ 56,907	$ (40,626)	$ (97,533)
Fund balance (deficit) at beginning of year			(56,907)	
Fund balance (deficit) at end of year			$ (97,533)	

CITY OF SAN DIEGO, CALIFORNIA

Transportation Development Act
Article 3 Fund

Schedule of Status of Funds by Project

For the Fiscal Year Ended June 30, 2023

Claim Number	Project Description	Project Status at 6/30/22	Allocations Received	Interest Earned	Qualifying Project Expenditures	Project Status at 6/30/23	Notes
19011008	TDA-Streamview Dr. Phase 2	$ (97,533)	$ 97,534	$ -	$ (1)	$ -	(a)

Notes:
(a) Adjustment is for rounding of funds to close out the project.

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Transportation Development Act (TDA) Article 3 Fund (TDA Fund) of the City of San Diego, California (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's TDA Fund financial statements, and have issued our report thereon dated December 20, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Board of Directors
San Diego Association of Governments
San Diego, California

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the TDA Fund of the City are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including §6666 of Part 21 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* including §6666 of Part 21 of the California Code of Regulations.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Irvine, California
December 20, 2023

CITY OF SANTEE, CALIFORNIA

Transportation Development Act
Article 3 and Article 4 Funds

Financial Statements

For the Fiscal Year Ended June 30, 2023

CITY OF SANTEE, CALIFORNIA

Transportation Development Act
Article 3 and Article 4 Funds

Financial Statements

For the Fiscal Year Ended June 30, 2023

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Transportation Development Act ("TDA") Article 3 and Article 4 Funds ("TDA Funds") of the City of Santee, California ("City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's TDA Fund financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the TDA Funds as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the TDA Funds of the City and do not purport to, and do not, present fairly the financial position of the City, as of June 30, 2023, the changes in its financial position, for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Report on Summarized Comparative Information

The financial statements of the TDA Funds for the year ended June 30, 2022 were audited by other auditors whose report dated March 22, 2023 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Board of Directors
San Diego Association of Governments
San Diego, California

Required Supplemental Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinions are not modified with respect to this matter.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the TDA Funds of the City. The *Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual* and *Schedule of Status of Funds by Project*, listed as Supplemental Information in the Table of Contents, is presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Davis Farr LLP

Irvine, California
December 20, 2023

CITY OF SANTEE, CALIFORNIA

Transportation Development Act
Article 3 and Article 4 Funds

Balance Sheets

June 30, 2023
(with Comparative Information for the Prior Year)

	TDA Article 3		TDA Article 4	
	2023	2022	2023	2022
Assets:				
Cash and investments (Note 3)	$ -	$ -	$ 5,010	$ 4,947
Due from other governments (Note 4)	12,701	10,397	-	-
Interest receivable	-	-	32	11
Total assets	$ 12,701	$ 10,397	$ 5,042	$ 4,958
Liabilities, Deferred Inflows of Resources, and Fund Balance:				
Liabilities:				
Due to City of Santee (Note 5)	$ 12,701	$ 10,397	$ -	$ -
Unearned revenue (Note 6)	-	-	4,167	4,083
Total liabilities	12,701	10,397	4,167	4,083
Deferred inflows of resources:				
Unavailable revenue (Note 7)	12,701	10,397	-	-
Total deferred inflows of resources	12,701	10,397	-	-
Fund balance (deficit):				
Restricted	-	-	875	875
Unassigned	(12,701)	(10,397)	-	-
Total fund balance (deficit) (Note 8)	(12,701)	(10,397)	875	875
Total liabilities, deferred inflows of resources, and fund balance	$ 12,701	$ 10,397	$ 5,042	$ 4,958

See notes to financial statements

CITY OF SANTEE, CALIFORNIA

Transportation Development Act
Article 3 and Article 4 Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2023
(with Comparative Information for the Prior Year)

	TDA Article 3		TDA Article 4	
	2023	2022	2023	2022
Revenues:				
TDA funds	$ 5,788	$ 2,230	$ -	$ -
Total revenues	5,788	2,230	-	-
Expenditures:				
Construction and development	8,092	2,905	-	-
Total expenditures	8,092	2,905	-	-
Change in fund balance	(2,304)	(675)	-	-
Fund balance (deficit) at beginning of year	(10,397)	(9,722)	875	875
Fund balance (deficit) at end of year	$ (12,701)	$ (10,397)	$ 875	$ 875

See notes to financial statements

CITY OF SANTEE, CALIFORNIA

Transportation Development Act
Article 3 and Article 4 Funds

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2023

(1) General Information

The financial statements of the Transportation Development Act Article 3 and Article 4 Funds Activity are intended to present the financial position and changes in financial position of only those transactions attributable to the TDA Funds administered and disbursed by the City of Santee, California and do not purport to, and do not, present fairly the financial position of the City, the changes in its financial position in accordance with accounting principles generally accepted in the United States of America.

Pursuant to §99234 of the California Public Utilities Code, Article 3 monies may be used only for facilities provided for the exclusive use of pedestrians and bicycles, including the construction and related engineering expenditures of those facilities, the maintenance of bicycle trails (which are closed to motorized traffic) and bicycle safety education programs. Facilities that provide for the use of bicycles may include projects that serve the needs of commuting bicyclists, including, but not limited to, new trails serving major transportation corridors, secure bicycle parking at employment centers, park and ride lots, and transit terminals where other funds are unavailable. Funding for this program was authorized by the San Diego Association of Governments (SANDAG).

Pursuant to §99260 of the California Public Utilities Code, Article 4 monies may be used for the support of public transportation systems, aid to public transportation research and demonstration projects, and contributions for the construction of grade separation projects. Funding for this program was authorized by the San Diego Association of Governments (SANDAG).

(2) Summary of Significant Accounting Policies

Fund Accounting

The accounts of the City are organized on the basis of funds and account groups. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, obligations, reserves and equity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The TDA Funds are accounted for as Special Revenue Funds. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are usually required by law or administrative regulation to be accounted for in separate funds.

Measurement Focus and Basis of Accounting

Special Revenue Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred.

(2) Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants and contributions, is based on the primary characteristic from which the revenues are received by the City. For the City, funds received under TDA Article 3 and 4 possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under TDA Article 3 and 4 are recognized in the period when all eligibility requirements have been met.

Deferred Outflows and Inflows of Resources

In addition to assets, the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of fund balance that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure) until that time. The TDA Fund currently does not have any items that qualify for reporting in this category.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of fund balance that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The TDA Fund has only one type of this item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category, and is reported as unavailable revenue. The unavailable revenue arises when potential revenues do not meet both the measurable and availability criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the deferred inflow of resources is removed from the balance sheet and revenue is recognized.

Fund Equity

The components of the fund balances of governmental funds reflect the classifications described below.

- *Nonspendable Fund Balance* – this includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

- *Restricted Fund Balance* – this includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

- *Committed Fund Balance* – includes amounts that can be used only for the specific purposes determined by a formal action of the City Council.

(2) Summary of Significant Accounting Policies (Continued)

- *Assigned Fund Balance* – includes amounts that are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed.

- *Unassigned Fund Balance* – includes the remaining spendable amounts which are not included in one of the other classifications, plus any deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

It is the City's policy that restricted resources will be applied first, followed by (in order of application) committed, assigned, and unassigned resources, in the absence of a formal policy adopted by the City Council.

Use of Estimates

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then use unrestricted resources as needed. City Council Policy establishes the order of use of unrestricted fund balance. Committed amounts should be reduced first, followed by the assigned amounts, and then the unassigned amounts.

Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. The information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's prior year TDA Fund financial statements from which this selected data was derived.

(3) Cash and Investments

The City has pooled its cash and investments in order to achieve a higher return on investments while facilitating management of cash. The balance in the pool account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. The TDA Article 4 Fund's cash and investments as of June 30, 2023 and 2022 were $5,010 and $4,947, respectively.

The TDA Fund's cash is deposited in the City's internal investment pool, which is reported at fair value. Interest income is allocated on the basis of average cash balances. Investment policies and associated risk factors applicable to the TDA Program are those of the City and are included in the City's basic financial statements.

(3) Cash and Investments (Continued)

See the City's basic financial statements for disclosures related to cash and investments including those disclosures relating to interest rate risk, credit rate risk, custodial credit risk and concentration risk.

(4) Due from Other Governments

Due from other governments in the amount of $12,701 and $10,397 as of June 30, 2023 and 2022, respectively, for TDA Article 3 represent receivables from SANDAG for reimbursement of eligible TDA expenditures.

(5) Due to City of Santee

Due to City of Santee in the amount of $12,701 and $10,397 as of June 30, 2023 and 2022, respectively, represents cash advanced from other funds of the City to pay for eligible TDA 3 expenditures.

(6) Unearned Revenue

TDA Article 4 monies allocated to the City by SANDAG for specific capital improvements of trolley and bus facilities are considered earned when they are properly spent for the specific projects authorized. Allocations received but not used are reported as unearned revenue. The balance of unearned revenue as of June 30, 2023 and 2022 was $4,167 and $4,083, respectively.

(7) Unavailable Revenue

Unavailable revenue in the amount of $12,701 and $10,397 as of June 30, 2023 and 2022, respectively, for TDA Article 3 represents a receivable from SANDAG for eligible TDA expenditures which were not received within the City's availability period.

(8) Deficit Fund Balance

The TDA 3 Fund reported a deficit fund balance of $12,701 and $10,397 as of June 30, 2023 and 2022, respectively. This deficit fund balance will be cured during the year ending June 30, 2024, with the receipt of TDA 3 funds as reimbursement for eligible expenditures.

(9) Budgetary Data

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America and utilizes an encumbrance system as a management control technique to assist in controlling expenditures and enforcing revenue provisions. Under this system, the current year expenditures are charged against appropriations. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items.

(10) Restrictions

Funds received pursuant to the California Public Utilities Code §99234 (TDA Article 3) may only be used for facilities provided for exclusive use by bicycle and pedestrian facilities or bicycle safety programs. Funds received pursuant to the California Public Utilities Code §99260 (TDA Article 4) may only be used for the support of public transportation systems, aid to public transportation research and demonstration projects, and contributions for the construction of grade separation projects.

(11) Contingencies

Disclosures related to contingencies including those related to various legal actions, administrative proceedings, or claims in the ordinary course of operations, can be found in the audited financial statements of the City.

Supplemental Information

CITY OF SANTEE, CALIFORNIA

Transportation Development Act
Article 3 Fund

Statement of Revenues, Expenditures and
and Change in Fund Balance - Budget and Actual

Year Ended June 30, 2023

	Budget			Variance From Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
TDA funds	$ 225,661	$ 225,661	$ 5,788	$ (219,873)
Total revenues	225,661	225,661	5,788	(219,873)
Expenditures:				
Construction and development	214,805	214,805	8,092	206,713
Total expenditures	214,805	214,805	8,092	206,713
Change in fund balance	$ 10,856	$ 10,856	$ (2,304)	$ (13,160)
Fund balance (deficit) at beginning of year			(10,397)	
Fund balance (deficit) at end of year			$ (12,701)	

CITY OF SANTEE, CALIFORNIA

Transportation Development Act
Article 4 Fund

Statement of Revenues, Expenditures and
and Change in Fund Balance - Budget and Actual

Year Ended June 30, 2023

	Budget			Variance From Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
TDA funds	$ 4,240	$ 4,240	$ -	$ (4,240)
Total revenues	4,240	4,240	-	(4,240)
Expenditures:				
Construction and development	4,240	4,240	-	4,240
Total expenditures	4,240	4,240	-	4,240
Change in fund balance	$ -	$ -	$ -	$ -
Fund balance (deficit) at beginning of year			875	
Fund balance (deficit) at end of year			$ 875	

CITY OF SANTEE, CALIFORNIA

Transportation Development Act
Article 3 Fund

Statement of Revenues, Expenditures and
and Change in Fund Balance - Budget and Actual

Year Ended June 30, 2022

	Budget			Variance From Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
TDA funds	$ 227,891	$ 227,891	$ 2,230	$ (225,661)
Total revenues	227,891	227,891	2,230	(225,661)
Expenditures:				
Construction and development	227,891	227,891	2,905	224,986
Total expenditures	227,891	227,891	2,905	224,986
Change in fund balance	$ -	$ -	$ (675)	$ (675)
Fund balance (deficit) at beginning of year			(9,722)	
Fund balance (deficit) at end of year			$ (10,397)	

CITY OF SANTEE, CALIFORNIA

Transportation Development Act
Article 4 Fund

Statement of Revenues, Expenditures and
and Change in Fund Balance - Budget and Actual

Year Ended June 30, 2022

	Budget			Variance From Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
TDA funds	$ -	$ 2,998	$ -	$ (2,998)
Total revenues	-	2,998	-	(2,998)
Expenditures:				
Construction and development	-	-	-	-
Total expenditures	-	-	-	-
Change in fund balance	$ -	$ 2,998	$ -	$ (2,998)
Fund balance (deficit) at beginning of year			875	
Fund balance (deficit) at end of year			$ 875	

CITY OF SANTEE, CALIFORNIA

Transportation Development Act
Article 3 and Article 4 Funds

Schedule of Status of Funds by Project

For the Fiscal Year Ended June 30, 2023

Claim Number	Project Description	Project Status at 6/30/22	Allocations Received	Interest Earned	Qualifying Project Expenditures	Project Status at 6/30/23	Notes
Article 3:							
19011009	Prospect Ave & Mesa Rd Intersection Imp	$ (10,397)	$ 5,788	$ -	$ (8,092)	$ (12,701)	(a)
Article 4:							
2012-40	Clock Tower Upgrades	4,240	-	-	-	4,240	(b)
	Totals	$ (6,157)	$ 5,788	$ -	$ (8,092)	$ (8,461)	

Notes

(a) The deficit project status will be cured during the year ending June 30, 2024, with the receipt of TDA funds as reimbursement for eligible expenditures.

(b) The City is using funds for ongoing maintenance of the Trolley Clock Tower

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Transportation Development Act (TDA) Article 3 and Article 4 Funds (TDA Funds) of the City of Santee, California (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's TDA Fund financial statements, and have issued our report thereon dated December 20, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Board of Directors
San Diego Association of Governments
San Diego, California

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the TDA Funds of the City are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including §6666 of Part 21 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* including §6666 of Part 21 of the California Code of Regulations.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Davis Farr LLP

Irvine, California
December 20, 2023

CITY OF SOLANA BEACH, CALIFORNIA

Transportation Development Act
Article 3 Fund

Financial Statements

For the Fiscal Year Ended June 30, 2023

CITY OF SOLANA BEACH, CALIFORNIA

Transportation Development Act
Article 3 Fund

Financial Statements

For the Fiscal Year Ended June 30, 2023

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Transportation Development Act ("TDA") Article 3 Fund ("TDA Fund") of the Solana Beach, California ("City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's TDA Fund financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the TDA Fund as of June 30, 2023, and the change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the TDA Fund of the City and do not purport to, and do not, present fairly the financial position of the City, as of June 30, 2023, the changes in its financial position, for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Report on Summarized Comparative Information

The financial statements of the TDA Funds for the year ended June 30, 2022 were audited by other auditors whose report dated December 15, 2022 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Board of Directors
San Diego Association of Governments
San Diego, California

Required Supplemental Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinions are not modified with respect to this matter.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the TDA Fund of the City. The *Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual* and *Schedule of Status of Funds by Project*, listed as Supplemental Information in the Table of Contents, is presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Davis Farr LLP

Irvine, California
December 20, 2023

CITY OF SOLANA BEACH, CALIFORNIA

Transportation Development Act
Article 3 Fund

Balance Sheets

June 30, 2023
(with Comparative Information for the Prior Year)

	TDA Article 3	
	2023	2022
Assets:		
Total assets	$ -	$ -
Liabilities and Fund Balance:		
Liabilities:		
Total Liabilities	-	-
Fund Balance:		
Total Fund Balance	-	-
Total Liabilities and Fund Balance	$ -	$ -

See notes to financial statements

CITY OF SOLANA BEACH, CALIFORNIA

Transportation Development Act
Article 3 Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2023
(with Comparative Information for the Prior Year)

	TDA Article 3	
	2023	2022
Revenues:		
TDA funds	$ -	$ 128,191
Total revenues	-	128,191
Expenditures:		
Construction and development	-	54,822
Total expenditures	-	54,822
Change in fund balance	-	73,369
Fund balance (deficit) at beginning of year	-	(73,369)
Fund balance (deficit) at end of year	$ -	$ -

See notes to financial statements

CITY OF SOLANA BEACH, CALIFORNIA

Transportation Development Act
Article 3 Fund

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2023

(1) General Information

The financial statements of the Transportation Development Act Article 3 Fund Activity are intended to present the financial position and changes in financial position of only those transactions attributable to the TDA Funds administered and disbursed by the City of Solana Beach, California and do not purport to, and do not, present fairly the financial position of the City, the changes in its financial position in accordance with accounting principles generally accepted in the United States of America.

Pursuant to §99234 of the California Public Utilities Code, Article 3 monies may be used only for facilities provided for the exclusive use of pedestrians and bicycles, including the construction and related engineering expenditures of those facilities, the maintenance of bicycle trails (which are closed to motorized traffic) and bicycle safety education programs. Facilities that provide for the use of bicycles may include projects that serve the needs of commuting bicyclists, including, but not limited to, new trails serving major transportation corridors, secure bicycle parking at employment centers, park and ride lots, and transit terminals where other funds are unavailable. Funding for this program was authorized by the San Diego Association of Governments (SANDAG).

(2) Summary of Significant Accounting Policies

Fund Accounting

The accounts of the City are organized on the basis of funds and account groups. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, obligations, reserves and equity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The TDA Fund is accounted for as Special Revenue Funds. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are usually required by law or administrative regulation to be accounted for in separate funds.

Measurement Focus and Basis of Accounting

Special Revenue Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred.

(2) Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants and contributions, is based on the primary characteristic from which the revenues are received by the City. For the City, funds received under TDA Article 3 possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under TDA Article 3 are recognized in the period when all eligibility requirements have been met.

Fund Equity

The components of the fund balances of governmental funds reflect the classifications described below.

- *Nonspendable Fund Balance* – this includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

- *Restricted Fund Balance* – this includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

- *Committed Fund Balance* – includes amounts that can be used only for the specific purposes determined by a formal action of the City Council.

- *Assigned Fund Balance* – includes amounts that are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed.

- *Unassigned Fund Balance* – includes the remaining spendable amounts which are not included in one of the other classifications, plus any deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

It is the City's policy that restricted resources will be applied first, followed by (in order of application) committed, assigned, and unassigned resources, in the absence of a formal policy adopted by the City Council.

Use of Estimates

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then use unrestricted resources as needed. City Council Policy establishes the order of use of unrestricted fund balance. Committed amounts should be reduced first, followed by the assigned amounts, and then the unassigned amounts.

(2) Summary of Significant Accounting Policies (Continued)

Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. The information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's prior year TDA Fund financial statements from which this selected data was derived.

(3) Budgetary Data

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America and utilizes an encumbrance system as a management control technique to assist in controlling expenditures and enforcing revenue provisions. Under this system, the current year expenditures are charged against appropriations. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items.

(4) Restrictions

Funds received pursuant to the California Public Utilities Code §99234 (TDA Article 3) may only be used for facilities provided for exclusive use by bicycle and pedestrian facilities or bicycle safety programs. Funds received pursuant to the California Public Utilities Code §99260 (TDA Article 4) may only be used for the support of public transportation systems, aid to public transportation research and demonstration projects, and contributions for the construction of grade separation projects.

(5) Contingencies

Disclosures related to contingencies including those related to various legal actions, administrative proceedings, or claims in the ordinary course of operations, can be found in the audited financial statements of the City.

Supplemental Information

CITY OF SOLANA BEACH, CALIFORNIA

Transportation Development Act
Article 3 Fund

Statement of Revenues, Expenditures and
and Change in Fund Balance - Budget and Actual

Year Ended June 30, 2023

	Budget			Variance From Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
TDA funds	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
Expenditures:				
Construction and development	-	-	-	-
Total expenditures	-	-	-	-
Chagne in fund balance	$ -	$ -	$ -	$ -
Fund balance (deficit) at beginning of year			-	
Fund balance (deficit) at end of year			$ -	

CITY OF SOLANA BEACH, CALIFORNIA

Transportation Development Act
Article 3 Fund

Statement of Revenues, Expenditures and
and Change in Fund Balance - Budget and Actual

Year Ended June 30, 2022

	Budget			Variance From Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
TDA funds	$ -	$ 73,369	$ 128,191	$ 54,822
Total revenues	-	73,369	128,191	54,822
Expenditures:				
Construction and development	-	73,369	54,822	18,547
Total expenditures	-	73,369	54,822	18,547
Chagne in fund balance	$ -	$ -	$ 73,369	$ 73,369
Fund balance (deficit) at beginning of year			(73,369)	
Fund balance (deficit) at end of year			$ -	

CITY OF SOLANA BEACH, CALIFORNIA

Transportation Development Act
Article 3 Fund

Schedule of Status of Funds by Project

For the Fiscal Year Ended June 30, 2023

Claim Number	Project Description	Project Status at 6/30/22	Allocations Received	Interest Earned	Qualifying Project Expenditures	Project Status at 6/30/23
19011010	Lomas Santa Fe Corridor	$ -	$ -	$ -	$ -	$ -
	Totals	$ -	$ -	$ -	$ -	$ -

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Transportation Development Act (TDA) Article 3 Fund (TDA Fund) of the City of Solana Beach, California (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's TDA Fund financial statements, and have issued our report thereon dated December 20, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Board of Directors
San Diego Association of Governments
San Diego, California

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the TDA Funds of the City are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including §6666 of Part 21 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* including §6666 of Part 21 of the California Code of Regulations.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Davis Farr LLP

Irvine, California
December 20, 2023

FULL ACCESS & COORDINATED TRANSPORTATION, INC.

Transportation Development Act
Article 4.5 Fund

Financial Statements

For the Fiscal Year Ended June 30, 2023

FULL ACCESS & COORDINATED TRANSPORTATION, INC.

Transportation Development Act
Article 4.5 Fund

Financial Statements

For the Fiscal Year Ended June 30, 2023

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Transportation Development Act ("TDA") Article 4.5 Funds ("TDA Fund") of the Consolidated Transportation Services Agency ("CTSA") Program of Full Access & Coordinated Transportation, Inc. ("FACT"), which comprise the statements of financial position as of and for the year ended June 30, 2023, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise FACT's TDA Fund financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the TDA Fund as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of FACT and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the TDA Fund of FACT and do not purport to, and do not, present fairly the financial position of FACT, as of June 30, 2023, the changes in its financial position, or its cash flows for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

FACT's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant

to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about FACT's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of FACT's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about FACT's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Report on Summarized Comparative Information

The financial statements of the TDA Fund for the year ended June 30, 2022 were audited by other auditors whose report dated April 26, 2023 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Board of Directors
San Diego Association of Governments
San Diego, California

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024 on our consideration of FACT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering FACT's internal control over financial reporting and compliance.

Irvine, California
March 25, 2024

FULL ACCESS & COORDINATED TRANSPORTATION, INC.

Transportation Development Act
Article 4.5 Fund

Statement of Financial Position

June 30, 2023
(with Comparative Information for the Prior Year)

	2023	2022
Assets:		
Cash and Cash Equivalents (Note 3)	$ 272,993	$ 160,877
Due from other governments	-	51,015
Total assets	$ 272,993	$ 211,892
Liabilities and Net Assets		
Liabilities:		
Accounts payable	$ 8,220	$ 9,354
Net assets:		
With donor restrictions	264,773	202,538
Total liabilities and net assets	$ 272,993	$ 211,892

See accompanying notes to financial statements

FULL ACCESS & COORDINATED TRANSPORTATION, INC.

Transportation Development Act
Article 4.5 Fund

Statements of Activities and Changes in Net Assets

For the Fiscal Year Ended June 30, 2023
(with Comparative Information for the Prior Year)

	2023	2022
Changes in Net Assets without Donor Restrictions		
Net assets released from donor restriction	$ 126,563	$ 217,564
Expenses		
Program expenses (Note 5)	126,563	217,564
Change in Unrestricted Net Assets	-	-
Changes in Net Assets with Donor Restrictions		
TDA Article 4.5 allocation	188,798	179,519
Restrictions satisfied by payments	(126,563)	(217,564)
Change in Net Assets with donor restrictions	62,235	(38,045)
Change in Net Assets	62,235	(38,045)
Net Assets at beginning of year	202,538	240,583
Net Assets at end of year	$ 264,773	$ 202,538

See accompanying notes to financial statements

FULL ACCESS & COORDINATED TRANSPORTATION, INC.

Transportation Development Act
Article 4.5 Fund

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2023
(with Comparative Information for the Prior Year)

	2023	2022
Cash flows from operating activities:		
Change in net assets	$ 62,235	$ (38,045)
Adjustments to reconcile change in net assets to net cash from operating activities		
Due from other government	51,015	59,231
Accounts payable	(1,134)	4,568
Net cash used in operating activities	112,116	25,754
Cash at beginning of year	160,877	135,123
Cash at end of year	$ 272,993	$ 160,877

There were no noncash capital, investing and financing activities for fiscal year ending June 30, 2023 and 2022.

See accompanying notes to financial statements

FULL ACCESS & COORDINATED TRANSPORTATION, INC.

Transportation Development Act Article 4.5 Fund

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2023

(1) General Information

The financial statements are intended to present the financial position and changes in financial position for the Transportation Development Act ("TDA") Article 4.5 Fund ("TDA Fund") of the Consolidated Transportation Services Agency ("CTSA") program of Full Access & Coordinated Transportation, Inc. ("FACT") only. The financial statements do not purport to, and do not, present fairly the financial position of FACT, the changes in its financial position in accordance with accounting principles generally accepted in the United States of America.

FACT, a California not-for-profit organization, was organized and incorporated in February 2006 under the Nonprofit Public Benefit Corporation Law, for the purpose of coordinating transportation services in the North San Diego County area. FACT is recognized by both the Internal Revenue Service (IRS) and the California Franchise Tax Board as an organization exempt from income taxes. FACT is governed by a Board of Directors of nine members.

Pursuant to §99275 of the California Public Utilities Code, Article 4.5 monies may be used only for community transit services, including such services for those, such as the disabled, who cannot use conventional transit services. Community transit services is defined as transportation services which link intracommunity origins and destinations.

(2) Summary of Significant Accounting Policies

Fund Accounting

CTSA is a state-mandated program to coordinate social service agency transportation programs and is funded by Article 4.5 of the TDA. The financial statements of the TDA Article 4.5 funding for the CTSA Program of FACT are intended to present the financial position and changes in financial position of only those transactions attributable to TDA funds distributed by the San Diego Association of Governments (SANDAG). The financial statements of the CTSA Program are included in the financial statements of FACT.

The financial statements of the CTSA Program have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to not-for-profit organizations. The Financial Accounting Standards Board (FASB) is the accepted standards setting body for establishing accounting and financial reporting principles.

Measurement Focus and Basis of Accounting

The financial activities of the CTSA Program are maintained on the accrual basis of accounting. Revenues are recognized in the period in which they are earned, and expenses are recognized in the period in which they are incurred.

(2) Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The timing of revenue recognition for grants received from governments by not-for-profit organizations is dependent upon whether the grant is received in the form of an exchange transaction or a contribution. TDA funds received from SANDAG are classified as contributions. TDA funds represent contributions if the resource provider receives no value in exchange for the assets transferred, or if the value received is incidental to the potential benefit to be provided by using the assets. Contributions are recognized as revenues once they are available and unconditional.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Net assets with donor restrictions consist of funds received pursuant to the provisions of TDA Article 4.5, which may only be used for technical assistance for coordination of transportation services for health and human services.

Income Taxes

FACT has been recognized by the IRS as a not-for-profit corporation as described in §501(c)(3) of the IRC and is exempt from federal and state income taxes on related income pursuant to §501(a) of the IRC and California Revenue and Taxation Code §23701d.

(2) Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. The information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with FACT's prior year TDA Fund financial statements from which this selected data was derived.

(3) Cash and Cash Equivalents

The CTSA Program's cash is pooled with FACT and is accounted for in a business checking account which is Federal Depository Insurance Commission (FDIC) insured. As of June 30, 2023 and 2022, the CTSA Program's total cash balance was $272,993 and $160,877, respectively. For the purpose of the Statement of Cash Flows, FACT considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

(4) Liquidity and Availability of Funds

Financial assets available for expenditure within one year of the balance sheet date, are estimated to be the following:

	2023	2022
Cash and cash equivalents	$272,993	$160,877
Due from other governments	-	51,015
Total	$272,993	$211,892

FACT does not have a formal liquidity management policy in place.

(5) Functional Expenses

Functional expenses for FACT include only program expenses of the TDA fund, as included on the Statement of Activities and Changes in Net Assets.

(5) Functional Expenses (Continued)

Natural expense classification for the years ended June 30, are as follows:

	2023	2022
Payroll services	$6,555	$1,119
Contracted services	8,226	4,031
Operations	85,126	181,596
Travel and meetings	20,444	17,017
Other	6,212	13,801
Total program expenses	$126,563	$ 217,564

(6) Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to June 30, 2023 to determine the need for any adjustments to and/or disclosures within the consolidated financial statements. Management has performed their analysis through March 25, 2024, the date the financial statements were available to be issued.

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Transportation Development Act ("TDA") Article 4.5 Fund ("TDA Fund") of Full Access & Coordinated Transportation, Inc. ("FACT"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise FACT's TDA Fund financial statements, and have issued our report thereon dated March 25, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered FACT's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of FACT's internal control. Accordingly, we do not express an opinion on the effectiveness of FACT's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Board of Directors
San Diego Association of Governments
San Diego, California

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the TDA Fund of FACT are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including §6667 of Part 21 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* including §6667 of Part 21 of the California Code of Regulations.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Davis Farr LLP

Irvine, California
March 25, 2024

SAN DIEGO ASSOCIATION OF GOVERNMENTS
SAN DIEGO, CALIFORNIA

Report on Agreed Upon Procedures
Applied to the Transportation Development Act
Year Ended June 30, 2023

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

INDEPENDENT AUDITOR'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below, in reviewing the San Diego Association of Governments' (SANDAG's) compliance with applicable laws, rules, and regulations pursuant to Articles 3 and 4 of the Transportation Development Act (TDA), and California Government Code §8879.50 for the year ended June 30, 2023. SANDAG's management is responsible for maintenance of the accounting records and for the compliance with the applicable laws, rules, and regulations pursuant to Articles 3 and 4 of the TDA and California Government Code §8879.50.

SANDAG has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance with applicable laws, rules, and regulations pursuant to Articles 3 and 4 of the Transportation Development Act (TDA), and California Government Code §8879.50 for the year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Our procedures and the results of those procedures were as follows:

1. We read Article 3, §99233.2 and §99233.5, Article 4 §99262 and Senate Bill (SB) 1703 to determine whether, as the Regional Transportation Planning Agency (RTPA) and the Consolidated Agency for planning and programming functions of the San Diego Metropolitan Transit System (MTS) and the North County Transit District (NCTD), SANDAG's functions are consistent with functions required for funding eligibility. Specifically, we determined that SANDAG's organizational structure meets the following criteria:
    a. Article 3- 29532 – SANDAG is a council of governments, and an election has not been made pursuant to Section 29536 to form a local transportation commission.
    b. PUC Section 99233.5 – SANDAG carries out administrative and planning powers, duties, and functions and construction and acquisition programs in accordance with Article 4 (commencing with Section 132353) of Chapter 3 of Division 12.7.
    c. PUC Section 99262 - Claims for public transportation systems may include claims for money for all purposes necessary and convenient to the development and operation of the system, including planning and contributions to the transportation planning process, acquisition of real property, construction of facilities and buildings, purchase and replacement of vehicles (including those usable by disabled persons), and system operation, maintenance, and repair, payment for any of which purposes may take the form of direct expenditures or payment of principal and interest on equipment trust certificates, bonded or

other indebtedness, or any amounts in accomplishment of a defeasance of any outstanding revenue bond indenture.

Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG the Schedule of Status of Funds by Project ("Schedule") for the TDA program for the year ended June 30, 2023, and a listing of underlying invoices, and agreed the listing of invoices to the Schedule.

   Results: No exceptions were noted as a result of our procedures. See Schedule A for the Schedule of Status of Funds by Project.

3. We judgmentally selected a sample of expenditures representing at least 25% of funds spent from the listing of expenditures provided and determined whether the expenditures per the selected invoices were eligible costs as per Article 3 (§99233.2 and §99233.5), Article 4 (§99262), and California Government Code §8879.50 for the year ended June 30, 2023.

   Results: No exceptions were noted as a result of our procedures.

4. We determined that SANDAG, as a TDA claimant, submitted a fiscal and compliance audit report within 180 days after the end of the fiscal year or within the extension period (if applicable) of up to an additional 90 days, per §6664 of part 21 of the California Code of Regulations.

   Results: No exceptions were noted as a result of our procedures.

We were engaged by SANDAG to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on SANDAG's accounting records. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of SANDAG and is not intended to be and should not be used by anyone other than those specified parties.

Davis Farr LLP

Irvine, California
March 25, 2024

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TRANSPORTATION DEVELOPMENT ACT

Schedule of Findings and Recommendations

Year Ended June 30, 2023

A. Current Year Findings and Recommendations

No findings or recommendations were noted for the year ended June 30, 2023.

B. Prior Year Findings and Recommendations

There was one finding in the prior year report related to invoices found within the ledger detail provided for catering and refreshments which are not eligible costs per TDA 3 and TDA 4 guidelines. Management indicated within the report that the expenses were coded to the incorrect project, and they planned to make a correcting entry in fiscal year 2023.

Based on Journal entry support provided, we were able to confirm the ineligible expenditures from fiscal year 2022 were reversed in fiscal year 2023. As such, this finding has been considered resolved.

SAN DIEGO ASSOCIATION OF GOVERNMENTS
Transportation Development Act
Schedule of Status of Funds by Project
Fiscal Year Ended June 30, 2023

Claim Number	Project Description	Project Status at 6/30/22	Allocations Received	Interest Received	Qualifying Project Expenditures	Agency Adjustments	Project Status at 6/30/23	Notes
	Transportation Development Act:							
	Administration:							
23051000	Administration	$ -	560,963	-	(560,963)	-	-	
	Total Adminstration	-	560,963	-	(560,963)	-	-	
	Article 3:							
16011000	North Park/Mid-City Bikeways: Robinson Bikeway	487,558	-	-	(35,277)	-	452,281	
21011000	Bayshore Bikeway- Barrio Logan	-	2,663,644	-	(2,663,644)	-	-	
23011000	Pershing Drive Bikeway	-	2,853,016	-	(2,853,016)	-	-	
	Total Article 3	487,558	5,516,660	-	(5,551,937)	-	452,281	
	Article 4:							
	Capital Transfer from MTS:							
250/2002	Article 4 (Transfer from MTS)	258,439	-	-	-	-	258,439	
253/2003	Article 4 (Transfer from MTS)	11,993	-	-	-	-	11,993	
256/2004	Article 4 (Transfer from MTS)	52,509	-	-	-	-	52,509	
06031005	Article 4 (Transfer from MTS)	50,503	-	-	-	-	50,503	
08031005	Article 4 (Transfer from MTS)	5,000	-	-	-	-	5,000	
09031004	Article 4 (Transfer from MTS)	19,972	-	-	-	-	19,972	
10031004	Article 4 (Transfer from MTS)	18,126	-	-	(7,578)	-	10,548	
17031004	Article 4 (Transfer from MTS)	92,948	-	-	-	-	92,948	
18031004	Article 4 (Transfer from MTS)	170,080	-	-	(36,716)	-	133,364	
21031004	Article 4 (Transfer from MTS)	264,600	-	-	(28,124)	-	236,476	
22031004	Article 4 (Transfer from MTS)	357,000	-	-	(1,547)	-	355,453	
23031004	Article 4 (Transfer from MTS)	-	212,957	-	(212,957)	-	-	
	Total Capital Transfer from MTS	1,301,170	212,957	-	(286,922)	-	1,227,205	
	Subtotal Article 4	1,301,170	212,957	-	(286,922)	-	1,227,205	

SAN DIEGO ASSOCIATION OF GOVERNMENTS
Transportation Development Act
Schedule of Status of Funds by Project
Fiscal Year Ended June 30, 2023
(Continued)

Claim Number	Project Description	Project Status at 6/30/22	Allocations Received	Interest Received	Qualifying Project Expenditures	Agency Adjustments	Project Status at 6/30/23	Notes
	Balance carried forward	1,301,170	212,957	-	(286,922)	-	1,227,205	
	Transfer from MTS/NCTD:							
261/2005	Article 4 (Transfer from MTS/NCTD)	105,661	-	-	-	-	105,661	
	Total Transfer from MTS/NCTD	105,661	-	-	-	-	105,661	
	Capital Transfer from NCTD:							
14041002	Article 4 (Transfer from NCTD)	176,872	-	-	-	-	176,872	
15041002	Article 4 (Transfer from NCTD)	25,773	-	-	-	-	25,773	
19041002	Article 4 (Transfer from NCTD)	336,730	-	-	(48,302)	-	288,428	
	Total Capital Transfer from NCTD	539,375	-	-	(48,302)	-	491,073	
	Administrative/Planning Transfers:							
23031004	Article 4 (Transfer from MTS)	-	2,570,203	-	(2,570,203)	-	-	
23041002	Article 4 (Transfer from NCTD)	-	866,423	-	(866,423)	-	-	
	Total Administrative/Planning Transfers	-	3,436,626	-	(3,436,626)	-	-	
	Total Article 4	1,946,206	3,649,583	-	(3,771,850)	-	1,823,939	
	SANDAG 3% Planning:							
19051001	SANDAG 3% Planning	2,391,104	-	-	(2,391,104)	-	-	
20051001	SANDAG 3% Planning	4,566,760	-	-	(2,716,967)	-	1,849,793	
21051001	SANDAG 3% Planning	4,456,514	-	-	-	-	4,456,514	
22051001	SANDAG 3% Planning	5,665,429	-	-	-	-	5,665,429	
23051001	SANDAG 3% Planning	-	5,958,273	-	-	-	5,958,273	
	Total SANDAG 3% Planning	17,079,807	5,958,273	-	(5,108,071)	-	17,930,009	
	Total Transportation Development Act	$ 19,513,571	$ 15,685,479	$ -	$ (14,992,821)	$ -	$ 20,206,229	

Local Transportation Fund

A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund By the County of San Diego

Financial Statements

For the Fiscal Year Ended June 30, 2023

Local Transportation Fund

A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund By the County of San Diego

Financial Statements

For the Fiscal Year Ended June 30, 2023

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Local Transportation Fund (LTF) – A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund by the County of San Diego ("County") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the LTF financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the LTF of the County, as of June 30, 2023, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the LTF of the County and do not purport to, and do not, present fairly the financial position of the County, as of June 30, 2023, the changes in its financial position, for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The County's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Report on Summarized Comparative Information

The financial statements of LTF for the year ended June 30, 2022 were audited by other auditors whose report dated December 19, 2022 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Board of Directors
San Diego Association of Governments
San Diego, California

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements of LTF of the County. The *Schedule of Disbursements by Purpose* and *Schedule of Claims and Disbursements by Purpose*, listed as Supplemental Information in the Table of Contents, is presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Davis Farr LLP

Irvine, California
December 21, 2023

Local Transportation Fund

A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund by the County of San Diego

Statement of Fiduciary Net Position

June 30, 2023
(with Comparative Information for the Prior Year)

	2023	2022
Assets		
Cash and investments	$ 24,991,012	$ 23,727,942
Sales tax receivable	35,008,349	35,269,334
Interest receivable	118,369	95,936
Total assets	$ 60,117,730	$ 59,093,212
Net Position		
Held in trust for Local Transportation Fund claimants	$ 60,117,730	$ 59,093,212
Total net position	$ 60,117,730	$ 59,093,212

See notes to financial statements

Local Transportation Fund

A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund by the County of San Diego

Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended June 30, 2023
(with Comparative Information for the Prior Year)

	2023	2022
Additions		
Sales tax	$ 202,421,834	$ 195,465,535
Interest	384,300	213,911
Total Additions	202,806,134	195,679,446
Deductions		
Administration and planning	6,569,236	6,548,034
Pedestrian and bicycle	6,414,578	487,393
Public transportation	178,145,163	170,459,790
Community transit service	9,439,890	7,822,581
Multi-modal	1,212,749	1,236,200
Total Deductions	201,781,616	186,553,998
Change in net position	1,024,518	9,125,448
Net position at the beginning of the year	59,093,212	49,967,764
Net position at the end of the year	$ 60,117,730	$ 59,093,212

See notes to financial statements .

Local Transportation Fund

A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund By the County of San Diego

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2023

(1) General Information

The Local Transportation Fund (LTF) – A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund by the County of San Diego (County) was created pursuant to §29530, Article 11 of Chapter 2 of Division 3 of Title 3 of the Government Code. As such, the LTF receives monies allocated pursuant to the Transportation Development Act (TDA). The funds are disbursed in accordance with allocation instructions received from the San Diego Association of Governments (SANDAG). The County acts as the trustee of the LTF.

Reporting Entity

Only the accounts of the LTF are included in these financial statements. Consequently, these financial statements do not represent the financial position, change in financial position or cash flows of the County. The accounts of the LTF have been presented in the County's Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position within the Investment Trust Funds.

(2) Summary of Significant Accounting Policies

The accounting policies of the LTF are in conformity with generally accepted accounting principles applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

Basis of Accounting

The LTF financial statements include the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position and are reported using the economic resources measurement focus and the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. The information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the County's prior year LTF financial statements from which this selected data was derived.

(3) Cash and Investments

The County has pooled its cash and investments. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. The LTF's cash and investments as of June 30, 2023 was $24,991,012.

The LTF's cash is held in the County's external investment pool, which is reported at fair value. Interest income is allocated on the basis of average daily cash balances. Investment policies and associated risk factors applicable to the LTF are those of the County and are included in the County's basic financial statements.

Governmental Accounting Standards Board Statement No. 72 (GASB 72) Fair Value Measurement and Application establishes a hierarchy of inputs to valuation techniques used to measure fair value and requires disclosures to be made about investment fair value measurements, the level of fair value hierarchy, and valuation techniques.

According to GASB 72, an investment is defined as a security or other asset that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash.

Investments not measured at fair value continue to include, for example, money market mutual funds which are valued at net asset value - $1 dollar per share (amortized cost).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement.

The LTF categorizes its fair value measurements within the fair value hierarchy established by GASB 72. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and
- Level 3: Investments reflect prices based upon unobservable sources.

Deposits and withdrawals in the County's cash and investment pool are made on the basis of $1 and not fair value. Accordingly, the LTF's proportionate share of investments in the pool at June 30, 2023, of $24,991,012 is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input on the GASB Statement No. 72 fair value hierarchy.

(4) Policy

When both restricted and unrestricted resources are available for use, the policy is to use restricted resources first, then unrestricted resources as they are needed.

SUPPLEMENTAL INFORMATION

Local Transportation Fund

A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund by the County of San Diego

Schedule of Disbursements by Purpose

For the Fiscal Year Ended June 30, 2023

Agency	Administration and Planning	Article 3 Pedestrian and Bicycle	Article 4 Public Transportation	Article 4.5 Community Transit Services	Article 8 Multi-Modal	Total
City of Carlsbad	$ -	$ -	$ -	$ -	$ -	$ -
City of Chula Vista	-	-	-	-	-	-
City of Coronado	-	-	-	-	-	-
City of Del Mar	-	-	-	-	-	-
City of El Cajon	-	-	-	-	-	-
City of Encinitas	-	-	-	-	-	-
City of Escondido	-	-	-	-	-	-
City of Imperial Beach	-	-	-	-	-	-
City of La Mesa	-	454,259	-	-	-	454,259
City of Lemon Grove	-	-	-	-	-	-
City of National City	-	340,336	-	-	-	340,336
City of Oceanside	-	-	-	-	-	-
City of Poway	-	-	-	-	-	-
City of San Diego	-	97,534	-	-	-	97,534
City of San Marcos	-	-	-	-	-	-
City of Santee	-	5,788	-	-	-	5,788
City of Solana Beach	-	-	-	-	-	-
City of Vista	-	-	-	-	-	-
Consolidated Transportation Service Agency (CTSA)	-	-	-	188,798	-	188,798
County of San Diego (COSD)	50,000	-	-	-	-	50,000
Metropolitan Transit System (MTS)	-	-	123,635,281	6,583,082	1,212,749	131,431,112
North County Transit District (NCTD)	-	-	50,860,299	2,668,010	-	53,528,309
San Diego Association of Governments (SANDAG)	6,519,236	5,516,661	3,649,583	-	-	15,685,480
Total Disbursements	$ 6,569,236	$ 6,414,578	$ 178,145,163	$ 9,439,890	$ 1,212,749	$ 201,781,616

Local Transportation Fund

A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund by the County of San Diego

Schedule of Claims and Disbursements by Purpose

For the Fiscal Year Ended June 30, 2023

Claimant	Claim Year	Claim No.	Allocation Balance 6/30/2022	Current Year Claims	Adjustments Authorized	Disbursements	Allocation Balance 6/30/2023
Administration:							
County of San Diego	2023	23021000	$ -	$ 50,000	$ -	$ 50,000	$ -
San Diego Association of Governments	2023	23051000	-	560,963	-	560,963	-
San Diego Association of Governments	2023	23051001	-	5,958,273	-	5,958,273	-
Total Administration			$ -	$ 6,569,236	$ -	$ 6,569,236	$ -
Article 3:							
Various	2008	8011012	$ 151,221	$ -	$ -	$ -	$ 151,221
San Diego Association Of Governments	2010	10011012	50,000	-	-	-	50,000
City Of Escondido	2016	16011005	300,408	-	-	-	300,408
City Of Santee	2016	16011007	43	-	-	-	43
City Of Chula Vista	2017	17011001	36,383	-	-	-	36,383
City Of Lemon Grove	2017	17011002	20,744	-	-	-	20,744
City Of El Cajon	2019	19011001	67,740	-	-	-	67,740
City Of El Cajon	2019	19011002	33,796	-	-	-	33,796
City Of La Mesa	2019	19011003	467,717	-	-	427,255	40,462
City Of La Mesa	2019	19011004	27,004	-	-	27,004	-
City Of National City	2019	19011005	1	-	-	1	-
City Of National City	2019	19011006	340,335	-	-	340,335	-
City Of Oceanside	2019	19011007	892	-	-	-	892
City Of San Diego	2019	19011008	206,333	-	-	97,534	108,799
City Of Santee	2019	19011009	217,281	-	-	5,788	211,493
City Of Solana Beach	2019	19011010	18,944	-	-	-	18,944
San Diego Association Of Governments	2022	22011000	2,663,644	-	-	2,663,644	-
SANDAG -- (Pershing Drive Bikeway)	2023	23011000	-	2,853,017	-	2,853,017	-
Total Article 3			$ 4,602,486	$ 2,853,017	$ -	$ 6,414,578	$ 1,040,925

Local Transportation Fund

A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund by the County of San Diego

Schedule of Claims and Disbursements by Purpose

For the Fiscal Year Ended June 30, 2023

(Continued)

Claimant	Claim Year	Claim No.	Allocation Balance 6/30/2022	Current Year Claims	Adjustments Authorized	Disbursements	Allocation Balance 6/30/2023
Article 4:							
Metropolitan Transit System	2003	253	$ 36,639	$ -	$ -	$ -	$ 36,639
Metropolitan Transit System	2023	23031000	-	123,635,281	-	123,635,281	-
North County Transit District	2023	23041000	-	50,860,299	-	50,860,299	-
San Diego Association of Governments	2023	23031004	-	2,783,160	-	2,783,160	-
San Diego Association of Governments	2023	23041002	-	866,423	-	866,423	-
San Diego Association of Governments	2023	22041002	-	-	-	-	-
Total Article 4			$ 36,639	$ 178,145,163	$ -	$ 178,145,163	$ 36,639
Article 4.5:							
Metropolitan Transit System	2023	23031001	$ -	$ 6,583,082	$ -	$ 6,583,082	$ -
North County Transit District	2023	23041001	-	2,668,010	-	2,668,010	-
Consolidated Transportation Service Agency	2023	23061000	-	188,798	-	188,798	-
Total Article 4.5			$ -	$ 9,439,890	$ -	$ 9,439,890	$ -
Article 8:							
Metropolitan Transit System	2023	23031002	$ -	$ 899,314	$ -	$ 899,314	$ -
Metropolitan Transit System	2023	23031003	-	313,435	-	313,435	-
Total Article 8			$ -	$ 1,212,749	$ -	$ 1,212,749	$ -
Total Local Transportation Fund			$ 4,639,125	$ 198,220,055	$ -	$ 201,781,616	$ 1,077,564

Local Transportation Fund

A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund By the County of San Diego

Note to Supplemental Information

For the Fiscal Year Ended June 30, 2023

(1) Supplemental Information

The balance of net position at June 30, 2023, in the amount of $60,117,730 as indicated in the Statement of Fiduciary Net Position differs from the allocation balance at June 30, 2023, in the amount of $1,077,564 as indicated in the Schedule of Claims and Disbursements by Purpose (Schedule) by $59,040,166. Annual "Current Year Claims" reflected in the Schedule are derived based on the previous year's unallocated net position and the proposed use of estimated sales tax revenues to be derived for that fiscal year. The balance of any remaining "Current Year Claims" (plus or minus authorized adjustments and actual disbursements) plus any remaining allocation balances are carried forward to become the next fiscal year's beginning allocation balance on the Schedule. However, in the Statement of Changes in Fiduciary Net Position, the Net Position balance is only affected by actual additions (sales tax derived and interest earned) and deductions (disbursements) incurred by the fund during the year.

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Local Transportation Fund (LTF) – A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund by the County of San Diego ("County") for Transportation Development Act (TDA) funds maintained and disbursed by the County as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's LTF financial statements, and have issued our report thereon dated December 21, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Board of Directors
San Diego Association of Governments
San Diego, California

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the County's LTF are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including §6661 of Part 21 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* including §6661 of Part 21 of the California Code of Regulations.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Davis Farr LLP

Irvine, California
December 21, 2023

State Transit Assistance Fund

A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund By the County of San Diego

Financial Statements

For the Fiscal Year Ended June 30, 2023

State Transit Assistance Fund

A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund By the County of San Diego

Financial Statements

For the Fiscal Year Ended June 30, 2023

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the State Transit Assistance Fund (STAF) – A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund by the County of San Diego ("County") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the STAF financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the STAF of the County, as of June 30, 2023, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the STAF of the County and do not purport to, and do not, present fairly the financial position of the County, as of June 30, 2023, the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The County's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Report on Summarized Comparative Information

The financial statements of STAF for the year ended June 30, 2022 were audited by other auditors whose report dated December 19, 2022 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Board of Directors
San Diego Association of Governments
San Diego, California

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Irvine, California
December 21, 2023

State Transit Assistance Fund

A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund by the County of San Diego

Statement of Fiduciary Net Position

June 30, 2023
(with Comparative Information for the Prior Year)

	2023	2022
Assets		
Cash and Investments	$ 72,920	$ 51,007
Interest Receivable	6,211	777
Sales Tax Receivable	4,342,085	3,349,345
Total Assets	4,421,216	3,401,129
Liabilities		
Accounts Payable - North County Transit District	4,342,085	3,349,345
Total Liabilities	4,342,085	3,349,345
Net Position		
Held in Trust for State Transit Assistance Claimants	79,131	51,784
Total Net Position	$ 79,131	$ 51,784

See notes to financial statements

State Transit Assistance Fund

A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund by the County of San Diego

Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended June 30, 2023
(with Comparative Information for the Prior Year)

	2023	2022
Additions:		
Sales Tax	$ 17,344,635	$ 12,508,047
Interest	27,347	3,282
Total Additions	17,371,982	12,511,329
Deductions		
Operating Costs	17,344,635	12,508,047
Total Deductions	17,344,635	12,508,047
Change in Net Position	27,347	3,282
Net Position at the Beginning of the Year	51,784	48,502
Net Position at the End of the Year	$ 79,131	$ 51,784

See notes to financial statements

State Transit Assistance Fund

A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund By the County of San Diego

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2023

(1) General Information

The State Transit Assistance Fund (STAF) – A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund by the County of San Diego (County) was created pursuant to §99313.6, Article 6.5 of the Public Utilities Code. This fund receives monies allocated for the purposes of state transit assistance and are disbursed in accordance with allocation instructions received from the San Diego Association of Governments (SANDAG). The County acts as the trustee of the STAF.

Reporting Entity

Only the accounts of the STAF are included in these financial statements. Consequently, these financial statements do not represent the financial position, change in financial position or cash flows of the County. The accounts of the STAF have been presented in the County's Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position within the Investment Trust Funds.

(2) Summary of Significant Accounting Policies

The accounting policies of the STAF are in conformity with generally accepted accounting principles applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

Basis of Accounting

The STAF financial statements include the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position and are reported using the economic resources measurement focus and the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. The information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the County's prior year STAF financial statements from which this selected data was derived.

(3) Cash and Investments

The County has pooled its cash and investments. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. The STAF's cash and investments as of June 30, 2023 was $72,920.

The STAF's cash is held in the County's external investment pool, which is reported at fair value. Interest income is allocated on the basis of average daily cash balances. Investment policies and associated risk factors applicable to the STAF are those of the County and are included in the County's basic financial statements.

Governmental Accounting Standards Board Statement No. 72 (GASB 72) Fair Value Measurement and Application establishes a hierarchy of inputs to valuation techniques used to measure fair value and requires disclosures to be made about investment fair value measurements, the level of fair value hierarchy, and valuation techniques.

According to GASB 72, an investment is defined as a security or other asset that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash.

Investments not measured at fair value continue to include, for example, money market mutual funds which are valued at net asset value - $1 dollar per share (amortized cost).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement.

The STAF categorizes its fair value measurements within the fair value hierarchy established by GASB 72. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and
- Level 3: Investments reflect prices based upon unobservable sources.

Deposits and withdrawals in the County's cash and investment pool are made on the basis of $1 and not fair value. Accordingly, the STAF's proportionate share of investments in the pool at June 30, 2023, of $72,920 is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input on the GASB Statement No. 72 fair value hierarchy.

(4) State of Good Repair

Total State of Good Repair (SGR) funds received for the year totals $1,819,764 consisting of $1,459,102 for PUC Section 99313 and $360,662 for PUC Section 99314. Total expenditures and transfers out are $1,459,102 and $360,662 for PUC Sections 99313 and 99314 respectively.

(5) Policy

When both restricted and unrestricted resources are available for use, the policy is to use restricted resources first, then unrestricted resources as they are needed.

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the State Transit Assistance Fund (STAF) – A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund by the County of San Diego ("County"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's STAF financial statements, and have issued our report thereon dated December 21, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Board of Directors
San Diego Association of Governments
San Diego, California

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the County's STAF are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including §6750 and §6751 of Part 21 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* including §6750 and §6751 of Part 21 of the California Code of Regulations.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Davis Farr LLP

Irvine, California
December 21, 2023

San Diego Metropolitan Transit System
State Transit Assistance Fund

A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund By the County of San Diego

Financial Statements

For the Fiscal Year Ended June 30, 2023

San Diego Metropolitan Transit System
State Transit Assistance Fund

A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund By the County of San Diego

Financial Statements

For the Fiscal Year Ended June 30, 2023

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the San Diego Metropolitan Transit System (MTS) State Transit Assistance Fund (STAF) – A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund by the County of San Diego ("County") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the MTS STAF financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the MTS STAF of the County, as of June 30, 2023, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the MTS STAF of the County and do not purport to, and do not, present fairly the financial position of the County, as of June 30, 2023, the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The County's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Report on Summarized Comparative Information

The financial statements of MTS STAF for the year ended June 30, 2022 were audited by other auditors whose report dated December 19, 2022 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Board of Directors
San Diego Association of Governments
San Diego, California

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Irvine, California
December 21, 2023

San Diego Metropolitan Transit System
State Transit Assistance Fund

A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund by the County of San Diego

Statement of Fiduciary Net Position

June 30, 2023
(with Comparative Information for the Prior Year)

	2023	2022
Assets		
Cash and Investments	$ 91,244	$ 6,512
Interest Receivable	16,383	3,484
Sales Tax Receivable	12,128,897	9,354,685
Total Assets	12,236,524	9,364,681
Liabilities		
Accounts Payable - Metropolitan Transit System	12,128,898	9,354,685
Total Liabilities	12,128,898	9,354,685
Net Position		
Held in Trust for State Transit Assistance Claimants	107,626	9,996
Total Net Position	$ 107,626	$ 9,996

See notes to financial statements

San Diego Metropolitan Transit System
State Transit Assistance Fund

A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund by the County of San Diego

Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended June 30, 2023
(with Comparative Information for the Prior Year)

	2023	2022
Additions:		
Sales Tax	$ 48,449,974	$ 34,935,476
Interest	97,630	9,996
Total Additions	48,547,604	34,945,472
Deductions:		
Operating Costs	48,449,974	34,987,424
Total Deductions	48,449,974	34,987,424
Change in Net Position	97,630	(41,952)
Net Position at the Beginning of the Year	9,996	51,948
Net Position at the End of the Year	$ 107,626	$ 9,996

See notes to financial statements

San Diego Metropolitan Transit System
State Transit Assistance Fund

A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund By the County of San Diego

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2023

(1) General Information

The San Diego Metropolitan Transit System (MTS) State Transit Assistance Fund (STAF) – A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund by the County of San Diego (County) was created pursuant to §99313.6, Article 6.5 of the Public Utilities Code. This fund receives monies allocated for the purposes of state transit assistance and are disbursed in accordance with allocation instructions MTS. The County acts as the trustee of the MTS STAF.

Reporting Entity

Only the accounts of the MTS STAF are included in these financial statements. Consequently, these financial statements do not represent the financial position, change in financial position or cash flows of the County. The accounts of the MTS STAF have been presented in the County's Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position within the Investment Trust Funds.

(2) Summary of Significant Accounting Policies

The accounting policies of the MTS STAF are in conformity with generally accepted accounting principles applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

Basis of Accounting

The MTS STAF financial statements include the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position and are reported using the economic resources measurement focus and the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. The information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the County's prior year MTS STAF financial statements from which this selected data was derived.

(3) Cash and Investments

The County has pooled its cash and investments. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. The MTS STAF's cash and investments as of June 30, 2023 was $91,244.

The MTS STAF's cash is held in the County's external investment pool, which is reported at fair value. Interest income is allocated on the basis of average daily cash balances. Investment policies and associated risk factors applicable to the MTS STAF are those of the County and are included in the County's basic financial statements.

Governmental Accounting Standards Board Statement No. 72 (GASB 72) Fair Value Measurement and Application establishes a hierarchy of inputs to valuation techniques used to measure fair value and requires disclosures to be made about investment fair value measurements, the level of fair value hierarchy, and valuation techniques.

According to GASB 72, an investment is defined as a security or other asset that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash.

Investments not measured at fair value continue to include, for example, money market mutual funds which are valued at net asset value - $1 dollar per share (amortized cost).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement.

The MTS STAF categorizes its fair value measurements within the fair value hierarchy established by GASB 72. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and
- Level 3: Investments reflect prices based upon unobservable sources.

Deposits and withdrawals in the County's cash and investment pool are made on the basis of $1 and not fair value. Accordingly, the MTS STAF's proportionate share of investments in the pool at June 30, 2023, of $91,244 is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input on the GASB Statement No. 72 fair value hierarchy.

(4) State of Good Repair

Total State of Good Repair (SGR) funds received for the year totals $ 5,084,971 consisting of $3,600,059 for PUC Section 99313 and $1,484,912 for PUC Section 99314. Total expenditures and transfers out are $3,600,059 and $1,484,912 for PUC Sections 99313 and 99314 respectively.

(5) Policy

When both restricted and unrestricted resources are available for use, the policy is to use restricted resources first, then unrestricted resources as they are needed.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Diego Association of Governments
San Diego, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the San Diego Metropolitan Transit System (MTS) State Transit Assistance Fund (STAF) – A Fiduciary Fund Held in a Trustee Capacity as an Investment Trust Fund by the County of San Diego ("County"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's MTS STAF financial statements, and have issued our report thereon dated December 21, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Board of Directors
San Diego Association of Governments
San Diego, California

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the County's MTS STAF are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including §6750 and §6751 of Part 21 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* including §6750 and §6751 of Part 21 of the California Code of Regulations.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Davis Farr LLP

Irvine, California
December 21, 2023

SANDAG

401 B Street, Suite 800
San Diego, CA 921014231

(619) 699-1900
Fax (619) 699-1905

sandag.org

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Regional Airport Authority
California Department of Transportation
Metropolitan Transit System
North County Transit District
United States Department of Defense
Port of San Diego
San Diego County Water Authority
Southern California Tribal Chairmen's Association
Mexico

Corrective Action Plan

Finding: 2023-003
Agency: San Diego Association of Governments
Classification of Finding: Internal control over major programs (Material Weakness)

Criteria

2 CFR 200.508 requires that proper internal controls are in place for the preparation of the Schedule of Expenditures of Federal Awards (SEFA) which must include the total federal awards expended and the Assistance Listing Number for each individual federal program. The auditors are required to determine whether the SEFA is stated fairly in all material respects in relation to the auditee's financial statements as a whole. The auditors also utilize the SEFA for the determination of the major federal programs that will be audited.

Condition

During our audit, we became aware of a material misstatement in the SEFA due to an excluded federal program: the Transportation Infrastructure Finance and Innovation Act (TIFIA) Program with federal expenditures of $537,484,439 for the fiscal year ended June 30, 2023.

Cause

The TIFIA program expenditures were new in the fiscal year ended June 30, 2023, and SANDAG's system of internal controls did not identify the program as federal expenditures subject to the single audit requirements.

Effect

As a result of correcting the error in the SEFA, the TIFIA program was assessed for testing as a major program and met the criteria to require the program to be tested. Additionally, another major program that had already been selected and tested no longer was required to be tested as a major program.

Recommendation

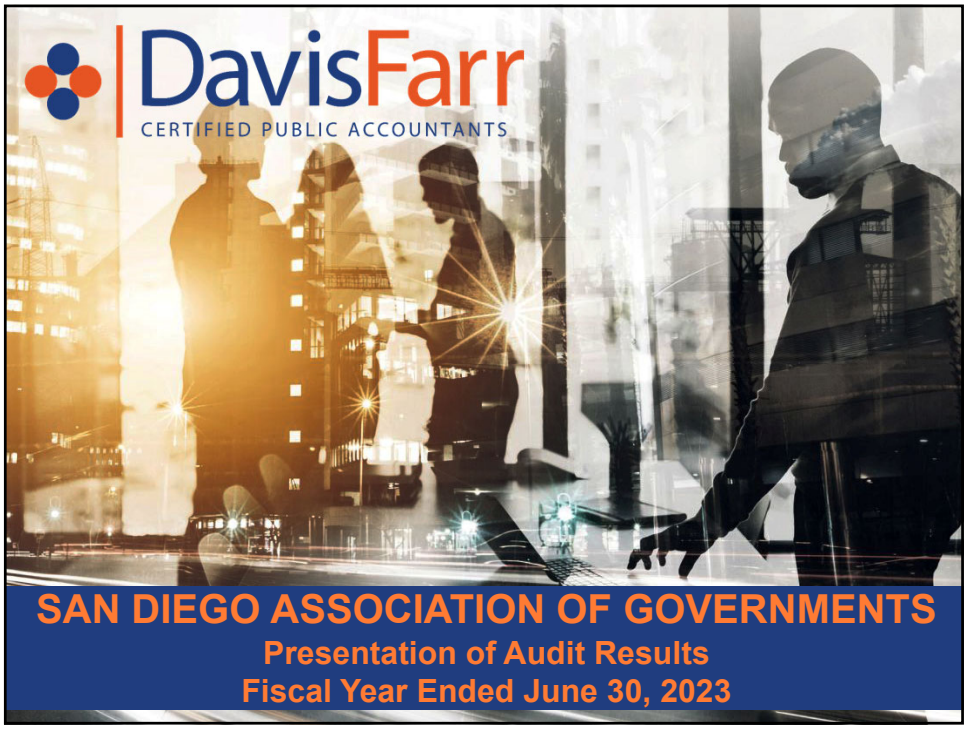
We recommend SANDAG enhance the system of internal controls for identification of federal awards subject to the single audit requirements and the preparation and review of the SEFA for accuracy and completeness.

Corrective Action Plan:

Finding: 2023-003
Agency: San Diego Association of Governments
Name of contact person and title: S. Craig, Finance Manager
Anticipated completion date: 6/30/2024
Agency's response: Concur

The Agency agrees with this finding and will implement the following:

We concur with the issue, and accept the recommendation provided by the auditor. We will strengthen the system of internal controls for identifying federal awards and expenditures, including TIFIA funds and the associated reporting requirements which are subject to single audit inclusion.



1

Scope of the Audit

2

Audit of Financial Statements:

- SANDAG
- Regional Transportation Commission
- South Bay Expressway
- SourcePoint
- ARJIS

Compliance and Agreed Upon Procedures:

- TDA
- TransNet
- Single Audit of Federal Awards
- FTA National Transit Database AUP
- Coronado Bridge AUP

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2

Timing of the Audit

3

- Began interim audit procedures in June 2023
- Received trial balance to start final audit on October 30, 2023
- Audit was delayed due to the following:
  1. Audit request items were not provided by the agreed upon deadlines
  2. Errors in the accounting records resulted in 26 correcting journal entries
  3. Pending investigations of SR-125 toll system issues

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3

Impact of SR 125 issues on Audit Opinion

4

- Issued a qualified audit opinion
  - Unable to determine whether or not there was a material misstatement in toll revenues and customer account balances
  - Qualification includes $38,768,057 of SR 125 toll road revenue, $4,395,752 of accounts receivable, and $2,138,678 of unearned revenue (customer account balance)

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4

Audit Risk Assessment

5

- Communicated audit risk areas to audit committee in a letter dated Sept 11, 2023
  1. Implementation of new subscription based IT arrangement standard (GASB 96)
  2. Compliance with purchasing policies
  3. Controls over information systems
  4. Federal grant noncompliance
- Additional audit risk area added during audit
  5. SR 125 toll revenues

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5

GASB 96: SBITA Implementation

6

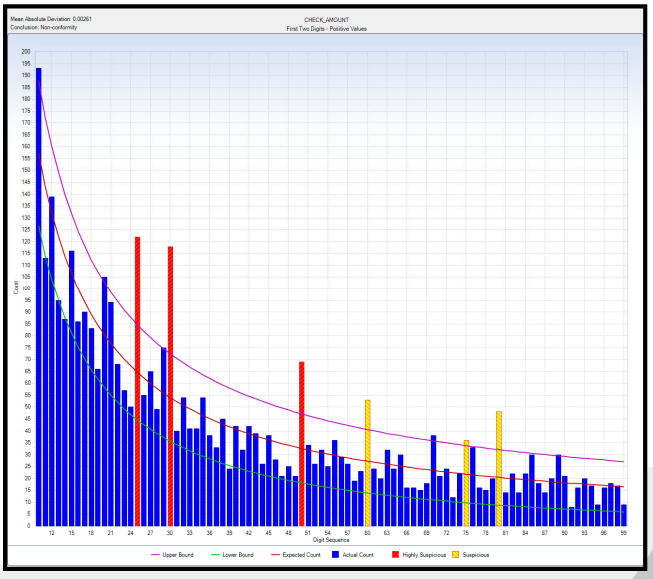
- Requires recording a capital asset and long-term liability for certain subscription based IT arrangements
- 12 subscription based IT arrangements were subject to accounting under the new standard

L. Subscription-Based Information Technology Arrangements (SBITA)

SANDAG entered noncancellable SBITAs with various vendors for the intangible right-to-use SBITA assets. The SBITA terms include the noncancellable period per the contract plus/minus any extension options or termination options SANDAG is reasonably certain to exercise. Please refer to the table in note II.J for the SBITA increases and decreases during the fiscal year. SANDAG recognized an initial right-to-use SBITA assets of $909,149, less accumulated amortization of $195,006, for a right-to-use assets of $714,143 for governmental activities at June 30, 2023. SANDAG recognized an initial right-to-use SBITA assets of $43,350, less accumulated amortization of $8,712, for a right-to-use assets of $34,638 for business-type activities at June 30, 2023.The discount rate applied to SBITAs is 4% to 5% during the fiscal year. Using this discount rate, SANDAG recognized an initial SBITA liability of $909,149 and $43,350, and principal SBITA payments of $176,963 and $7,974, for governmental and business-type activities respectively. The principal SBITA payments reduced the SBITA liability to $732,186 and $35,376 for governmental and business-type activities respectively at June 30,2023.

6

Purchasing Compliance: Benford's Law Testing



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Purchasing Compliance Testing

8

- 30 Transactions selected through Benford's Law Analysis
- 10 Transactions selected based on total paid to each vendor during the year (excluding utilities, debt payments, payments to other government agencies)
- Obtained invoices and contracts, evidence of approval in accordance with policies, bidding, and sole source justification if applicable
- No exceptions noted

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Controls over Information Systems

9

- Certified Information Systems Auditor worked with SANDAG IT team to evaluate controls over Information Systems
  - SunGard One Solution
  - Quickbooks for SR 125
  - Automated toll payment machines
- Best practice recommendation to implement stronger password controls for One Solution software

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9

Single Audit of Federal Awards

10

- Total Federal Awards of $784,810,290
- Three major programs were tested:
  - Highway Planning & Construction - $39.3M
  - Metropolitan Transportation Planning & State and Non-Metropolitan Planning & Research - $3.2M
  - Transportation Infrastructure Finance and Innovation Act Program (TIFIA) - $537M
- Single Audit Finding:
  - TIFIA was not originally identified as a federal program subject to single audit on the Schedule of Expenditures of Federal Awards

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Summary of Internal Control Weaknesses

11

- Two material weaknesses in internal controls over financial reporting
  - 2023-001 Adjustments detected during the audit
  - 2023-002 Toll Road back-office system errors
- One material weakness in internal controls over federal awards
  - 2023-003 Preparation of Schedule of Expenditures of Federal Awards

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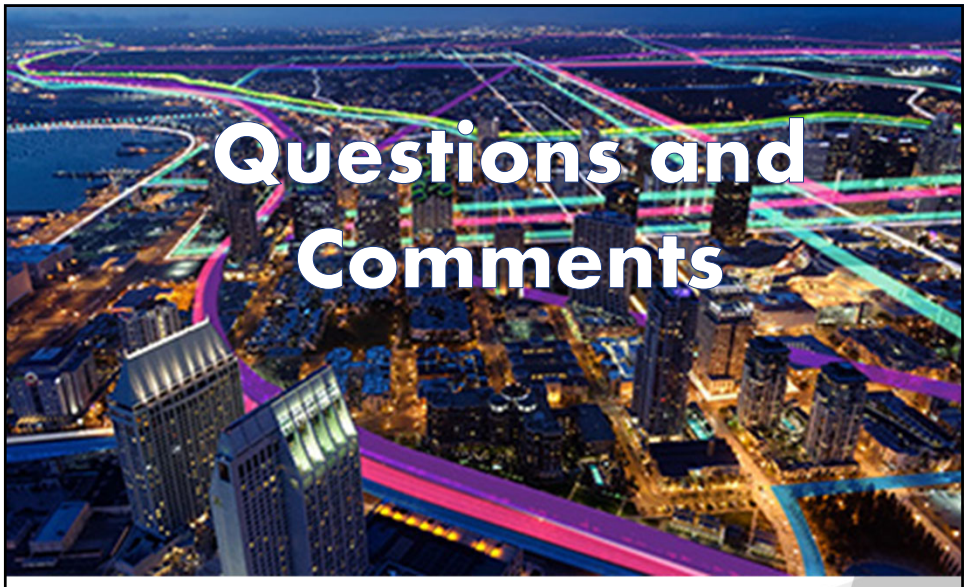

Jennifer Farr, CPA | Partner
Davis Farr LLP | 18201 Von Karman Ave, Suite 1100 | Irvine, CA 92612
Phone: 949.474.2020 | Email:jfarr@davisfarr.com

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FY 2023 Annual Comprehensive Financial Report and Other Financial and Compliance Matters

Management's Comments Regarding Corrective Actions

Board of Directors| Item 15
Kimberly Trammel, Director, Accounting and Finance
July 26, 2024

Report on Internal Controls Over Financial Reporting

Finding 2023-001: Adjustments Detected During the Audit

Recommendation	Management's Comments Regarding Corrective Actions
1. Auditing standards indicate that material adjustments identified through the audit process are evidence of a weakness in SANDAG's internal control structure. Efforts should be made to enhance SANDAG's year-end closing procedures to include areas that resulted in audit adjustments.	• The year-end close in 2023 was impacted by staff turnover and competing strategic projects. The subsequent correcting journal entries, identified by either our auditors or SANDAG staff, were to properly report transactions in our financial statements. • Complex and unusual interest rate swap terminations (related to the refinancing of existing variable rate debt) required additional time and resources to be recorded appropriately. • Two important accounting staff positions have been filled since the audit period last year. These resources are leading the finance team in developing timelines that will allow for adequate review of the accounting entries before they are provided to the auditors. This proactive approach should reduce adjustments detected during the audit.

Report on Internal Controls Over Financial Reporting

Finding 2023-002 Toll Road Back-Office System Errors

Recommendation	Management's Comments Regarding Corrective Actions
1. SANDAG should continue to evaluate the back-office system to verify the accuracy of toll transactions, billing to customer accounts, and related accounting transactions recorded in the SR 125 fund. SANDAG should develop additional controls to regularly monitor the transactions recorded by the back-office system for timely detection of errors.	• SANDAG continues to work with our back-office software provider and external consultants to build out reporting items and to troubleshoot and resolve issues timely. Our teams meet weekly to review toll transactions, billings to customers and resolve accounting related items. Progress-to-date has reduced variances between the current back-office system and the accounting records. A replacement of the back-office system is underway, and the steps identified in the Toll Operations Action Plan are underway. • This item is the basis for the qualified opinion. The other funds and component units were presented fairly in all material respects in accordance with accounting principles generally accepted in the United States of America.

Report on Internal Controls Over Financial Reporting

Finding 2023-003 Schedule of Expenditures of Federal Awards

Recommendation	Management's Comments Regarding Corrective Actions
1. We recommend SANDAG enhance the system of internal controls for identification of federal awards subject to the single audit requirements and the preparation and review of the SEFA for accuracy and completeness.	• We concur with the issue, and accept the recommendation provided by the auditor. The material weakness related to the TIFIA funding is a one-time, highly unusual situation of federal dollars being used to pay off a short-term borrowing rather than going directly to project expenses. SANDAG will work on strengthening communication and methods for identifying federal awards including utilizing functions in the new ERP financial system.

Report on Internal Controls Over Financial Reporting

Best Practice Recommendation to Enhance Internal Controls

Recommendation	Management's Comments Regarding Corrective Actions
1. As a best practice, we recommend SANDAG implement an increase in the password length requirement to be greater than 8 alphanumeric characters and consider increasing the password change frequency to decrease the risk of an account being compromised.	• This testing was limited to the One Solution system which was recently replaced by a new financial system. • The new system uses the standard network password which has stronger password controls including requiring more than 8 characters and multi-factor authentication.