

December 5, 2025

TransNet Smart Growth Incentive Program: Cycle 6 Funding Recommendations

Overview

The Smart Growth Incentive Program (SGIP) is a grant program funded through the [TransNet Extension Ordinance and Expenditure Plan](#). SGIP supports projects that align with smart growth principles. The program encourages the development of communities that are compact, transit-accessible, pedestrian-friendly, and environmentally responsible. By providing financial incentives, the SGIP aims to stimulate sustainable growth, reduce traffic congestion, and improve transit options within the San Diego region.

The SGIP has successfully held five funding cycles, previously awarding over \$59 million for transportation-related infrastructure and planning initiatives across the San Diego region. On [December 13, 2024 \(Item 11\)](#), the SANDAG Board of Directors approved the evaluation criteria and release of the sixth SGIP cycle. Cycle 6 eligible project categories include:

- Capital Projects
- Planning Projects
- Climate Action Planning Projects

This report specifically focuses on the evaluation process and funding recommendations for the Planning and Climate Action Planning categories only.

Evaluation and Recommendations

Attachment 1 provides an overview of the SGIP Cycle 6 call for projects, evaluation process, and the projects recommended for funding at this time. For this report, twenty-two projects are recommended for funding:

- 15 Planning Projects
- 7 Climate Action Planning Projects

Detailed scores and evaluation metrics for projects in these two categories are provided in Attachments 2 and 3.

Scoring Discrepancy and Re-Evaluation

The funding recommendations (for all three categories) were scheduled for presentation to the Regional Planning Committee (RPC) on October 3, 2025. However, the item was pulled from the agenda due to the identification of a scoring discrepancy within the Capital Project category. As a result, SANDAG staff conducted a comprehensive re-evaluation of all applications to identify and resolve any inconsistencies. A full description of the re-evaluation procedures and the corrective actions identified can be found in the Discussion Memo (Attachment 1).

Action: Recommend

The Transportation Committee is asked to recommend that the Board of Directors approve the funding recommendations for the Smart Growth Incentive Program Cycle 6 Planning and Climate Action Planning Projects.

Fiscal Impact:

Approximately \$11.1 million of TransNet Smart SGIP funds will be awarded to local jurisdictions for planning and climate action planning projects.

Schedule/Scope Impact:

Pending Board of Directors' approval, SGIP Cycle 6 planning and climate action planning project grantees will be issued Notices to Proceed (NTP) by spring 2026. All project funding must be expended by 36 months after the NTP is issued.

Key Considerations

On [September 10, 2025 \(Item 4\)](#), the TransNet Independent Taxpayer Oversight Committee (ITOC) was asked to review the proposed projects recommended for funding to ensure consistency with the TransNet Ordinance. ITOC was asked to specifically review the eligibility of one recommended planning project - the City of Escondido's (City) Affordable Housing Trust Fund. While ITOC lauded the project, they cited its lack of a transportation component, which is a requirement of the TransNet Extension Ordinance. ITOC deemed the project ineligible and recommended that the Board of Directors reject the City of Escondido's Affordable Housing Trust Fund project application.

The Transportation Committee should consider ITOC's comments and make a funding recommendation for SGIP Cycle 6 to the Board of Directors. If Escondido's project is not approved, its funding will be redirected to the Capital Project category.

At the same meeting, the ITOC discussed utilizing geographic distribution for funding allocation. The ITOC questioned whether this approach aligns with the TransNet Extension Ordinance, which mandates that grant funds be awarded on a "competitive" basis. SANDAG's General Counsel clarified that while the ordinance requires a competitive process, the SANDAG Board, advised by the ITOC and Policy Advisory Committees (PACs), defines the specific parameters of that process.

Next Steps

This item will be presented to the Board of Directors at their December 12, 2025, meeting. The Planning and Climate Action Planning projects recommended for funding will be incorporated into the Regional Transportation Improvement Program, and staff will begin executing grant agreements upon the Board of Directors' approval.

Recommendations for the Capital Project category will be presented separately to the Executive Committee in February 2026 for review and discussion.

Antoinette Meier, Senior Director of Regional Planning

Attachments: 1. Discussion Memo
2. Planning Projects Evaluation Workbook
3. Climate Action Planning Projects Evaluation Workbook