

Smart Growth Incentive Program Cycle 6 Capital Project Funding Recommendations

Overview

The Smart Growth Incentive Program (SGIP) is a grant program funded through the [TransNet Extension Ordinance and Expenditure Plan](#). SGIP supports the development of communities that are compact, transit-accessible, pedestrian-friendly, and environmentally responsible.

The SGIP has held five funding cycles, previously awarding over \$59 million for transportation-related infrastructure and planning initiatives across the San Diego region.

The Board of Directors approved evaluation criteria and released the SGIP cycle 6 call for projects on [December 13, 2024 \(Item 11\)](#), which included geographic distribution of the funding. A summary of the SGIP Cycle 6 call for projects process is outlined in Attachment 1 (Discussion Memo). The detailed scores for Capital projects are included in Attachment 2.

The SGIP Cycle 6 call for projects had three eligible project categories: Capital projects, Planning projects, and Climate Action Planning (CAP) projects. On [December 12, 2025 \(Item 3.8\)](#), the Board approved awards for fourteen Planning projects and seven CAP projects totaling \$10.8 million.

Key Considerations

In 2024, staff initially estimated that \$45 million of TransNet revenue would be available for SGIP Cycle 6. However, since then, an additional \$12 million in TransNet SGIP revenue has been received. Factoring in the award of \$10.8 million to Planning and Climate Action Planning projects on December 12, 2025, that leaves \$46.2 million remaining for Capital project awards.

On [January 9, 2026](#), the Executive Committee (EC) reviewed several funding scenarios detailed in the Discussion Memo (Attachment 1). The EC favored exhausting all available funds to allow every agency that submitted a Capital project to receive at least one award for its highest-scoring project, consistent with geographic distribution. This option as presented would have included 16 projects, which featured two full awards and one partial award for National City. However, during the EC meeting, National City declined its partial award of \$1,670,201 for its Highland Avenue Mobility Mini-Hubs due to limited matching funds to complete the project. Consequently, the final EC recommendation is to approve \$44.56 million in SGIP Cycle 6 Capital project awards across 15 projects, as shown in Table 1 of Attachment 1. A FY 2026 budget amendment to pass through the funding to awardees is included in Attachment 3.

Action: **Approve**

The Executive Committee recommends that the Board of Directors approve the funding recommendations and FY 2026 Smart Growth Incentive Program (SGIP) budget amendment for the SGIP Cycle 6 Capital Projects as detailed in the report.

Fiscal Impact:

Pending Board of Directors approval, approximately \$44.56 million in TransNet Smart Growth Incentive Program (SGIP) funding will be awarded to local jurisdictions for capital projects through Overall Work Program Project No 3300100.

Schedule/Scope Impact:

TransNet SGIP Capital project awardees will have 42 months to complete projects after notices to proceed are issued.

Next Steps

The awarded SGIP Capital projects will be incorporated into the Regional Transportation Improvement Program, and staff will begin executing grant agreements upon Board approval.

Once the grant agreements are executed, SGIP Capital project work can begin, and projects have 42 months to be completed. Quarterly progress reporting and invoices will be required during the project performance period, and SANDAG staff will provide regular grant status reports to Policy Advisory Committees and the Independent Taxpayer Oversight Committee. SANDAG anticipates that the next SGIP Call for Projects will be released in approximately 2-3 years.

Antoinette Meier, Senior Director of Regional Planning

Attachments:

1. Discussion Memo
2. Capital Project Scoring Workbook
3. Smart Growth Incentive Program Budget Amendment