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September 4, 2013

Councilmember Lori Zapf
Honorable Land Use and Housing Committee
City of San Diego
202 C St. MS 10 A
San Diego, CA 92101

RE: SANDAG Transit Oriented Development Incentive Policy
Development

Honorable Chairwoman Zapf and members of the Land Use and
Housing Committee,

Move San Diego (MoveSD) envisions a region where San Diegans
can live in healthy, sustainable communities where transportation
choices are abundant, not limited. Move SD proposes LU&H and the
City Council take strategic action in the development of SANDAG's
proposed Regional Transit Oriented Development (TOD) strategy
and incentive policy.

In Fall 2011, [the SANDAG Board of Directors voted to create a
Regional TOD incentive policy](#) in order to better connect
transportation choices with smart growth. In 2015, SANDAG is
poised to adopt a Regional Comprehensive Plan (policy based)
merged with the Regional Transportation Plan (project based) to
create a Sustainable Community Strategy to reduce Vehicle Miles
Traveled, and reduce Green House Gas emissions from
transportation.

SANDAG Regional "Smart Growth Opportunity Areas" (SGOAs) are
areas where higher density residential, employment, and mixed use
development (transit oriented development) are likely to occur in
conjunction with high quality regional transit service (e.g. commuter
rail, light rail, bus rapid transit, rapid bus, and high frequency local
bus service). The focus of the Regional TOD Strategy should be on
how and what actions are needed to facilitate the development of
these areas.

Of the 200+ SGOA's near transit, community centers and
employment, 105 are in the City of San Diego. San Diego will add
almost half a million people to its existing population of 1.3 million in
less than 40 years. 145,000 new multifamily units are planned to be
developed in San Diego's SGOAs in the existing urban fabric,

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providing many opportunities to positively impact public health, economic development and environmental quality.

Accommodating new growth means building differently than in the past, and changing how we plan for people's travel needs from work/school and play. Less single family with two car garages will be developed, more higher density projects with walkable access to transit. San Diego adopted TOD guidelines in 1992 which were incorporated into the General Plan. However, now is the time to find ways to ease the implementation of development near transit in order to promote the multi-modal future embraced in the City's General Plan and Mobility element. No longer can mobility be solely dependent on individual car ownership - millennials are demanding options, low income families simply can't afford it, and our quality of life depends on reducing traffic and vehicular air pollution. The San Diego of the future will need innovative, strategic and more efficient development to create sustainable land uses with complete communities that encourage multi-modal transportation in order to accommodate our growth.

Series 13 Regional Growth Forecast: Smart Growth Opportunity Areas and Growth
City of San Diego

	San Diego City			Within SGOAs			Growth Within SGOAs Total
	2012	2050	Growth	2012	2050	Growth	
Population	1,321,381	1,766,700	445,319	373,738	689,589	315,851	70.9%
Housing Units	518,161	691,629	173,468	167,789	304,677	136,888	78.9%
Single Family	279,919	278,047	-1,872	35,128	27,400	-7,728	N/A
Multi Family	232,950	411,702	178,752	131,325	277,131	145,806	81.6%
Mobile Homes	5,292	1,880	-3,412	1,336	146	-1,190	N/A
Employment	780,252	1,009,177	228,925	341,605	464,295	122,690	53.6%

To take advantage of this opportunity to bring *fiscal and policy incentives* for TOD implementation to the region's largest City, Move SD proposes the City of San Diego take a strong leadership role in the development of the Regional TOD incentive strategy as it takes shape at SANDAG over the course of the next 10-12 months. SANDAG will hire outside experts (in the next 30 days) who will spend the next 10-12 months developing the TOD incentive policy, identifying key corridors for TOD investment, reviewing best practices from other regions and making recommendations for further actions to support these complex, infill land development public/private partnerships.

In order to be effective, the City of San Diego should organize to carry out a transparent stakeholder process with an engaged citizenry to create a meaningful, inclusive input process on how to develop the region's TOD corridors. As the City with the the most at stake, San Diego should lead, and use this opportunity to create regional partnerships

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to develop transit corridors where parking and other factors can be dealt with at a larger scale.

Move SD suggests a 10 month process for the City to consider that includes:

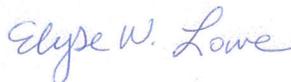
- 1) Requesting a staff report to LU&H to clarify and outline existing municipal strategies (Many TOD incentives currently exist within the City- the 1992 Guidelines, TOD overlay zone, reduced parking for affordable homes near transit, streamlined permitting for sustainable development to support TOD, etc.); and to provide LU&H with options and recommendations for the SANDAG Regional TOD strategy by December 2013;
- 2) A public comment process from November 2013- January 2014 with a stakeholder hearing in late January 2014. (Stakeholders would include CPC, development, business, housing, community and social justice organizations, environmental and transportation advocacy groups)
- 3) A staff presentation to LU&H in February 2014 describing: the items where there is consensus on desired TOD outcomes and incentives, and areas where consensus has not been achieved.
- 4) City staff recommendation to LU&H in spring 2014 for an official City Council position on what must be included in the SANDAG Regional TOD policy in order for San Diego to stand behind it and push for its adoption in fall 2014.

Move SD is committed to working with our strategic alliances to help propose the best TOD policy that we can for our region. We have convened an ad hoc TOD Committee, our partners, our Policy Committee and Board in order to develop the attached set of Regional TOD Guiding Principles with which to start the conversation and that we would like to present to you today.

Thank you for the opportunity to bring for this important proposal to you today. We are pleased to answer any questions and look forward to your thoughts and feedback.

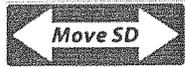
I can be reached at (858) 204-6545 or elowe@movesandiego.org. Thank you for your public service. We respect and value your leadership, your opinions and insight, and hope to collaborate with you on action items in the near future.

Sincerely,



Elyse Lowe
Executive Director

Cc: Interim Mayor Todd Gloria
Bill Fulton, Planning Department Director
Nancy Bragado, Planning Department Deputy Director



REGIONAL TRANSIT ORIENTED DEVELOPMENT (TOD)
GUIDING PRINCIPLES
EXECUTIVE SUMMARY

In fall 2011, the SANDAG Board committed to *“Implementing an action to develop a regional transit-oriented development policy in the 2050 RTP Sustainable Communities Strategy to promote and incentivize sustainable development.”*

SANDAG’s 2013 Growth Forecast for 2050 Projects:

- 973,446 new residents in our region, bringing our regional population to over 4 million
- 333,153 additional housing units, expanding the regional total to 1,491,189 housing units
- 489,464 new jobs to be created, totaling 1.9 million jobs in the region

The 2011 RTP estimated 80% of new units will be constructed within ½ mile of transit that comes every 15 min. (Transit Priority Areas). 89 % (approx. 200,000+ units) will be attached multi-family units. We recommend the TOD policy foster this development to occur in “High-Quality Transit Areas.” HQTA are defined by SCAG as “generally a walkable transit village or corridor, consistent with the adopted RTP/SCS, minimum density of 20 dwelling units/acre, within a ½ mile of a well-serviced transit stop with 15-minute or less service frequency during peak commute hours.” HQTA, a term not currently used by SANDAG, are at the intersection of existing Smart Growth Opportunity Areas and currently identified Transit Priority Areas.

CHALLENGES FACING TOD IMPLEMENTATION

- Regulatory Environment
 - Traffic and Parking Significance Thresholds
 - Storm Water permitting requirements
 - Parking Requirements
- Infrastructure capacity issues in older communities
- Rise of land costs when transit is planned or built nearby
- Subsequent gentrification and displacement of low income residents and transit riders
- Lack of amenities near transit
- Lack of high frequency transit
- High Development Risk due to low certainty

SOLUTIONS

In order to implement and work toward creating TOD, SANDAG must first have a thorough understanding of the real estate market, future growth, major employment centers, and travel patterns. This can be done through creating land use scenarios, performing market feasibility analyses of potential sites, implementation timelines and using station area typologies to designate HQTA. Our recommendations include:

1. Near term transit investments must be spent in places with plans and zoning to allow for the immediate implementation of HQTA.
2. Incentivize HQTA with \$2 million grants for the top 10 stations.
3. Identify where future multi-family units are most likely to support the regional transit system in HQTA.
4. Encourage jurisdictions to create station-area specific plans and programmatic EIRs to create more certainty and streamlined CEQA analysis in development approval process.
5. Generate meaningful community involvement through education.
6. Create affordable housing and mixed-income communities that relieve gentrification and displacement pressures.
7. Capture the value of transit and create stable sources of funding. Incentivize local TOD initiatives.
8. Public land identified for equitable TOD should not be held to market based standard.
9. Cooperate with local jurisdictions to proactively acquire land prior to land values going up.
10. Establish minimum land use objectives.

[The most effective way to deliver TOD is to establish the necessary foundation for the physical, regulatory, financial and political environments to react to and absorb TOD opportunities when they occur.]



REGIONAL TRANSIT ORIENTED DEVELOPMENT (TOD) GUIDING PRINCIPLES

Move SD has prepared the following Guiding Principles for SANDAG policy makers to consider and use during the preparation of the Region's first TOD Strategy.

To realize the benefits of TOD, we must all work together on a strategy that rewards urban planning and conservation. There is no single policy solution that will bring about more vibrant and high-performing transit oriented development across the San Diego region; rather, it will take many actions at all levels to create the regulatory and funding framework to allow more desirable transit oriented *communities* to emerge. It will take understanding and support of these issues by a broad array of interests, including real estate developers, neighbors, businesses, planning staff, elected officials, and the advocacy community.

Cooperation among regional partners and also within the many departments of local government can be a challenge to coordinate. However, a consistent policy presents a message of certainty to the private development community. Certainty is the most valuable tool that the public sector can use to promote private development. Reducing approval times and increasing certainty of approvals reduces the risk premium for investment in real estate development.

TOD planning should be supported through a regional vision and planned at the municipal level. For transit improvements and/or additions to occur, we recommend SANDAG urge all agencies to follow these guidelines closely. It is essential for San Diego County's success that all jurisdictions recognize and use these guidelines so development around our regional transit system is more efficient, accessible, and sustainable.

The Regional TOD Strategy should provide ample opportunities to accommodate projected population and employment growth in a manner that will support walkability and transit use, encourage economic development and social equity, promote a healthful urban environment, support businesses and amenities within the station areas while not cannibalizing from existing business districts, and reduce the environmental impacts of growth.

The 2013 Growth Forecast for 2050 projects a total regional population increase of 973,446 people; a total regional increase of 333,153 housing units; and a total regional increase of 489,464 jobs. The last RTP (2011) estimated 80 percent of the new units will go in Transit Priority Areas (TPA), which SB375 defines as areas within ½ mile either of rail stations or bus service with 15-minute headways in peak period. Of the 80 percent, 89 percent (or 200,000 plus units) are designated as multi-family units that need to be built in "High-Quality Transit Areas." High-Quality Transit Areas (HQTA) are defined by the Southern California Association of Governments (SCAG) as, "generally a walkable transit village or corridor, consistent with the adopted RTP/SCS, that has a minimum density of 20 dwelling units per acre and is within a ½ mile of a well-served transit stop with 15-minute or less service frequency during peak commute hours." HQTA, a term not currently used by SANDAG are at the intersection of Smart Growth Opportunity Areas and Transit Priority Areas.

CHALLENGES

The challenges facing TOD implementation include:

- Regulatory Environment
 - Traffic and Parking Significance Thresholds
 - Storm Water permitting requirements
 - Parking Requirements
- Infrastructure capacity issues in older communities
- Existing land uses not conducive to transit oriented development
- Tendency of land costs to rise when transit is planned or built nearby
- Subsequent gentrification and displacement of low income residents
- Lack of amenities near transit such as grocery stores, childcare, public restrooms, sidewalk cafes, etc.
- Lack of high frequency transit (many routes have limited service on weekends)
- High Development Risk due to low certainty

GOALS FOR THE REGIONAL PLAN AND TOD STRATEGY:

The overarching goal of “High-Performing Transit Oriented Development” is to provide housing and transportation choices that give residents access to homes, jobs, recreation opportunities, and stores and community services to meet their daily needs, without relying on a personal vehicle.

Integrated land uses should allow people to attempt to live, work, and play in close proximity. Residents living in well-designed TOD can walk, bike, car share, carpool, or take transit on a regular basis instead of driving solo.

Shorter, multi-modal trips can produce high quality of life for residents and a sustainable economic environment for local businesses; and can help address larger regional goals, including

- Reducing Vehicle Miles Traveled
- Reducing GHG emissions
- Easing vehicular traffic congestion
- Improving public health
 - reducing time commuting where people can instead work, read, listen to music, interact with other people, and be active
 - increasing physical activity
- Creating places that encourage social interaction
- Providing more affordable housing options within a quarter mile walking distance of high performing transit;
- Provide housing affordable to a broad range of incomes to accommodate and encourage diverse, mixed- income communities.

DELIVERING TOD - KEY ACTIONS

The most effective way to deliver TOD is to establish the necessary foundation for the physical, regulatory, financial and political environments to react to and absorb Transit Oriented Development opportunities when they occur. Today, many of the necessary ingredients exist; however, these ingredients have not been successfully integrated to produce an environment conducive to guide and motivate the private development industry to deliver TOD at a regional scale.

To foster advancements in TOD, we recommend SANDAG work with municipalities, following key actions:

- Actively support the Regional Vision for Smart Growth by strategically incentivizing and investing in SGOA's that are prime for investment and smart growth implementation.
- Use transit project delivery to influence land use decisions by:
 - Establishing minimum land use objectives
 - Understanding regional transit's ability to deliver catalytic opportunities
 - Developing and financially sponsoring an integrated transit and land use framework sub regional for corridor planning, CEQA streamlining, and preliminary engineering.
- Sponsor and adopt Station Area Plans
- Commit necessary capital improvement projects to position station areas to meet the needs of High Performing TOD.
- Develop internal consistency between regional transit and local municipalities on TOD policies, such as parking and TDM.

RECOMMENDATIONS

Coordination, Economic Development, and Implementation

- 1) New Transit project investments must be spent only in those jurisdictions that have plans and zoning to allow for the immediate implementation of HQTAs.
- 2) Require jurisdictions create station-area specific plans that satisfy CEQA requirements and significantly streamline community processes in order to create certainty of approval for developers.
- 3) To ensure adequate ridership and financial success of transit systems, TOD investments must include areas with affordable housing developments and low income residents, primary users of public transportation.
- 4) Perform a market feasibility analysis of potential sites to accommodate for future growth, then identify and designate which sites fall into 5 year, 10 year and 20 year development phasing. Use the market feasibility analysis and land use scenarios to inform decisions about development phasing of HQTAs.
- 5) New funding sources for HQTAs should be created. HQTAs locations should be incentivized with \$2 million per location to help offset costs related to developing equitable TOD.
- 6) In TOD areas identify and implement financing mechanisms such as density bonuses for affordable housing, aggregating inclusionary and density bonus obligations into buildings of 60 – 120 units which are more cost-effective than building affordable housing requirements 5 – 10 units at a time, value capture, zoning some land near transit stops for only affordable housing, and land banking to preserve land for equitable TOD to secure land for affordable housing before land values rise when transit is built.
- 7) TOD also requires the region identify and ensure stable sources of operational funding to ensure sustainable levels of high-performing transit service.
- 8) Include a set of incentives and regulatory recommendations to encourage development that supports high transit usage.
- 9) Ensure that the land use impacts of transit routes and station locations are considered throughout all steps in the transit planning process. In order minimize gentrification and displacement; develop value capture tools to ensure sufficient property near TOD investments are dedicated to affordable housing and mixed-income housing.
- 10) Recognize that each TOD is different, and each development is located within its own unique context and serves a defined purpose in the context of the corridor and the regional system.

Therefore, TOD must be integrated into the existing neighborhood fabric to mitigate for adverse effects.

- 11) Coordinate with the community and elected officials about the benefits of Smart Growth and TOD. This empowers community members to provide input and see TOD proposals as solving local problems, creating a sense of ownership, thereby increasing the chances for the TOD plan's implementation, success and long term relevance.
- 12) TOD traffic and parking impacts for infill TOD projects are mostly calculated in the same manner as suburban and green field developments, running counter to state and local policies to address climate change and air pollution through the reductions of GHG emissions caused by transportation and land use. No credit is given where trips can be made by walking and biking, and in areas where low income people have low vehicle ownership and high transit propensity. The outdated auto-centric vehicular Level of Service (LOS) metric need to be replaced with one that evaluates multiple modes to improve transportation performance standards.

Land Use Recommendations for SANDAG

- 1) Public land, such as land held by the transit agencies, should not be held to a market based standard for sales and leases where equitable TOD has been identified as a way to improve quality of life in underserved communities.
- 2) SANDAG should act as the agency to identify equitable TOD to provide for and be a catalyst for equitable access to food, affordable housing, employment, healthcare, education, childcare etc. by improving walkability and expanding transit oriented land uses.
- 3) Identify where density increases can be supported by high-performing transit and where the future multi-family units are most likely to support the regional transit system in HQTAs. This also discourages leapfrog development.
- 4) Identify station area types that address transit technology, community character, density/intensity and mix of land uses, housing mix, and building heights.
- 5) Consider the different kinds of transit scales and how to integrate them at the neighborhood/community scale, the local jurisdictions, regional plans and the types of transit used in each.
- 6) In the Smart Growth Opportunity areas, discourage leapfrog development and promote coordinated corridor development. In underdeveloped areas consider using development transfer to focus new development in transit corridors

Local Land Use Recommendations

- 7) Create compact development areas within a ½-mile walk of public transit and with sufficient density and/or intensity to support ridership.
- 8) Create easy to implement development zones with greater flexibility for mixing uses and higher density/intensity that are easier to implement than traditional requirements, and are able to respond to changing conditions.
- 9) Provide a variety of housing types for a wide range of ages and incomes.
- 10) Encourage local jurisdictions to commit to integrate land use, transportation, and housing policies in the context of balancing community needs and market conditions with the regional vision. Make recommendations for zoning appropriate for TOD where current zoning does not support it. Consider the use of floor-area-ratio versus density as a metric used around TOD.
- 11) Encourage the redevelopment of auto-oriented development located along principal public transit corridors to transit-oriented land uses. This may require incentives to landowners to remove existing income-producing uses. Discourage old uses which are non-conforming and yet continue to exist indefinitely. Station area zoning should be updated to incorporate transit supportive uses and standards.

- 12) Recommend to eliminate parking minimums to encourage development and increase housing affordability. Revise off-street parking requirements and policies that minimize surface parking especially in TOD areas.
- 13) Investigate Transferable Development Rights in order to preserve open space and historic buildings, or to make TOD density work.

Mobility

- 1) Prioritize future transit projects in High-Quality Transit Areas (HQTA's) based on ridership need, immediate development potential, and underserved areas where ridership would be high.
- 2) Transit Corridors should be planned at the regional level to increase efficiency and connectivity between modes, creating a cohesive system.
- 3) Evaluate how value capture can be a way to increase funding for multi modal transit options.
- 4) Focus on creation of a transit system not a commuter system.
- 5) Work with transit providers to provide long term transit passes in exchange for parking spaces.
- 6) Create continuous, direct, convenient access to transit stations for all modes including pedestrians and bicyclists for residents and employees outside of the TOD. Walk improvements should be assessed at a minimum of ½ miles consistent with SANDAG's Active Transportation Scoring criteria.
- 7) Priorities funded through the Active Transportation Implementation Framework should complement TOD priority areas.

Community Design

- 1) Public policy should encourage the highest level of performance in social and environmental measures for all station area types.
- 2) Local jurisdictions should identify gaps in amenities, fund needed public facilities and improve infrastructure within TOD/High-Quality Transit Areas (HQTA's), especially in areas where low income communities are disproportionately impacted by poor walking conditions.
- 3) TOD areas must be served by Complete Streets, providing local safe routes to transit. Streets need to be designed with the pedestrian and cyclist in mind where safety and connectivity are priorities.
- 4) Encourage active transportation through way-faring signage.
- 5) Design TOD to integrate and blend into the existing urban and community fabric.

DEFINITIONS

Transit Oriented Development (TOD) is a type of community development that includes a mixture of housing, office, retail and/or other amenities integrated into a walkable neighborhood and located within a half-mile of quality public transportation. TOD creates better access to jobs, housing and opportunity for people of all ages and incomes.

Transit Priority Areas (TPA) are areas within ½ mile either of rail stations or bus service with 15-minute headways in peak period. (from <http://www.sacog.org/sustainable/faq/>)

High-Quality Transit Areas (HQTA) are generally a walkable transit villages or corridors, consistent with the adopted RTP/SCS, that have a minimum density of 20 dwelling units per acre and are within a ½ mile of a well-served transit stop with 15-minute or less service frequency during peak commute hours. (from http://rtpscs.scag.ca.gov/Documents/2012/draft/2012dRTP_04_SCS.pdf)

Near term refers to investments spent within the next decade.

Equitable Transit Oriented Development (Equitable TOD) prioritizes social equity as a key component of TOD implementation. It aims to ensure that all people along a transit corridor, including those who are low income, have the opportunity to reap the benefits of easy access to employment opportunities offering living wages, health clinics, fresh food markets, human services, schools and childcare centers. By developing or preserving affordable housing and encouraging locating jobs near transit, equitable TOD can minimize the burden of housing and transportation costs for low income residents and generate healthier residents, vibrant neighborhoods and strong regional economies.

Transfer of Development Rights (TDR) <http://www.sdcounty.ca.gov/pds/gpupdate/tdr.html>
[http://civicsd.com/images/stories/downloads/planning/dcp/Downtown Community Plan All.pdf](http://civicsd.com/images/stories/downloads/planning/dcp/Downtown_Community_Plan_All.pdf)

California Environment Quality Act (CEQA) is a statute that requires state and local agencies to identify the significant environmental impacts of their actions and to avoid or mitigate those impacts, if feasible.

Complete Streets are uniquely designed and operated to enable safe access for all users, including pedestrians, bicyclists, motorists and transit riders of all ages and abilities. They allow buses to run on time and make it safe for people to walk. <http://www.walksandiego.org/about-walking/complete-streets/>

Transportation Demand Management (TDM) refers to programs and strategies that manage and reduce traffic congestion by encouraging the use of transportation alternatives. http://www.icommutesd.com/documents/tdmstudy_may2012_webversion_000.pdf

Leapfrog Development refers to the lack of relationship and connectivity between developed areas. These areas are sometimes separated by vacant land or green belts where developers find cheaper land to develop. These developments often do not include amenities found in other parts of the city, creating a need for the automobile.
<http://www.sandiego.gov/planning/community/profiles/ncfua/pdf/02implementation.pdf>

Floor Area Ratio (FAR) is the total square feet of a building divided by the total square feet of the lot the building is located on. FAR is used by local governments in zoning codes. Higher FARs tend to indicate more urban (dense) construction. FAR of 1.0-2.0 is considered ideal for creating transportation choices.

Regional Transit Oriented Development Guiding Principles
Move San Diego, July 2013
<http://www.movesandiego.org/>