



Transportation



Housing



Economy

# I-15 Interregional Partnership

## Phase III

### Final Report

February 2010

I-15

Interregional Partnership



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# **I-15 IRP JOINT POLICY COMMITTEE**

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## **MEMBERSHIP**

*The primary goal of the I-15 Interregional Partnership (IRP) Joint Policy Committee is to review and provide policy input on Phase III of the I-15 IRP Project. The two regions seek to collaborate on mutually beneficial housing, transportation, and economic planning to improve the quality of life for the region's residents through the identification and implementation of short-, medium-, and long-range policy strategies.*

*The committee will meet three times during the duration of Phase III at dates and times to be mutually determined.*

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## INTRODUCTION – THE INTERSTATE 15 INTERREGIONAL PARTNERSHIP

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The Interstate 15 Interregional Partnership (I-15 IRP) was formed in 2001 to address the imbalance of jobs and housing that has developed between the San Diego region and Southwest Riverside County in the past decade and the lengthy commute that has resulted. The I-15 IRP is a voluntary compact between local elected officials representing the San Diego Association of Governments (SANDAG), the Western Riverside Council of Governments (WRCOG), the Riverside County Transportation Commission (RCTC), and the Riverside Transit Agency (RTA). The California Department of Transportation (Caltrans) and other affected governmental agencies and private sector organizations also participate in the partnership.

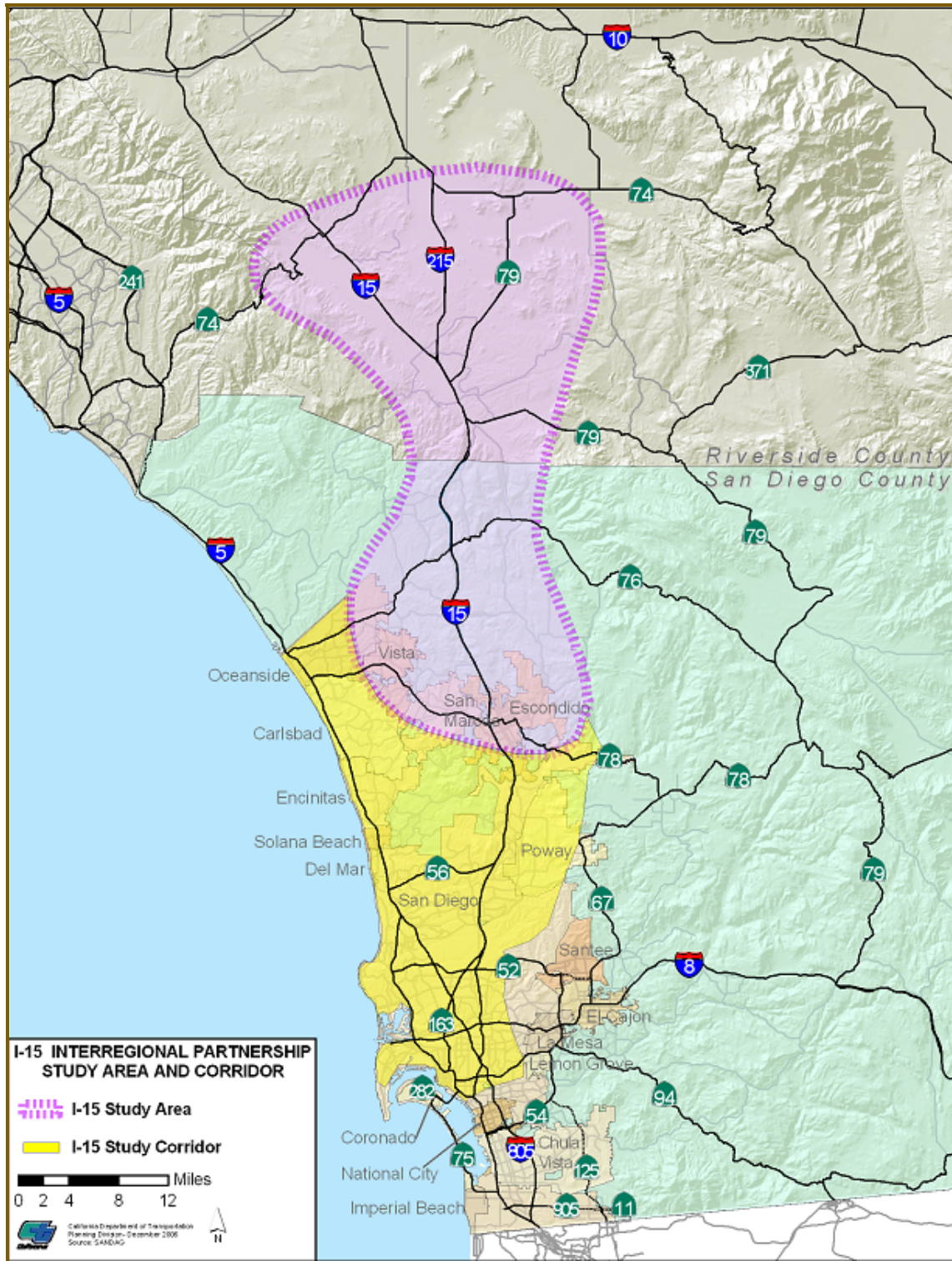
The primary goal of the I-15 IRP is to foster collaborative strategies in economic development, transportation, and housing that will improve the quality of life of residents in both counties. The partnership promotes a more sustainable land use pattern, providing appropriate employment closer to where people live and more affordable housing closer to employment in jobs-rich areas throughout the study corridor. By doing so, workers would have more opportunities to live closer to work, reducing the need for long-distance, interregional commuting. Centered on I-15, this two-county commute corridor extends from central San Diego to the cities of Lake Elsinore, Perris, and Hemet as shown in Figure 1.

Phase I of the I-15 IRP was funded by a grant from the California Department of Housing and Community Development (HCD). The focus of Phase I, based on a three-year work plan, was to: develop a policy structure and mechanism for technical support; explore existing conditions; understand the interregional commuter problem; identify current programs to resolve interregional issues; forecast commute conditions; develop strategies to better balance jobs and housing; and establish an implementation and monitoring process.

Phase II, funded by a grant from Caltrans, sought to strengthen and expand the scope of the interregional institutional arrangement between SANDAG and WRCOG. In the area of economic development, an Economic Development Working Group (EDWG) was established as a structure for pursuing cooperative economic development strategies, and a two-county Employment Cluster Study was completed, which provided recommendations for economic prosperity in both regions. The transportation component focused on a cooperative study undertaken by Caltrans to assist San Diego and Southwest Riverside to better understand the multimodal infrastructure and service needs in the I-15 corridor. The housing component provided a summary of housing and land use programs that could be implemented in the San Diego region and Southwest Riverside. At the end of Phase II, the committee approved a set of next steps for Phase III.

This report documents the results of Phase III of the I-15 IRP. The Background chapter provides an overview of Phases I and II, with particular emphasis on the policy structure, establishing existing conditions, and the development of the key strategies to be addressed in the interregional partnership. The following chapters document the advances made in the implementation of the area strategies, including economic development, transportation, and housing. The Performance Monitoring chapter updates measures for monitoring. The report concludes with recommendations for next steps to continue the I-15 IRP through Phase IV.

**Figure 1**  
**I-15 IRP Study Area and Corridor**





## BACKGROUND

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This chapter provides background information on Phases I and II of the I-15 IRP and then outlines the policy structure and objectives for Phase III.

### PHASE I - DEVELOPING THE PARTNERSHIP

The two regions sought to collaborate on mutually beneficial housing, transportation, and economic planning to improve the quality of life for the region's residents through the identification and implementation of short- and long-range policy strategies. The I-15 IRP developed a three-year work program that culminated in the identification of strategies to better balance jobs and housing in the I-15 corridor communities. Phase I of the I-15 IRP was funded primarily through a grant from the California HCD as part of the state's Jobs-Housing Balance Grant Program, with matching in-kind services from WRCOG and SANDAG.

#### Policy Structure

Working through a committee structure of elected officials from both regions, the I-15 IRP identified issues related to jobs-housing balance and traffic congestion along the I-15 corridor, recommended strategies and model approaches to address the issues, and proposed inclusion of its recommendations into existing jurisdictional and agency plans and programs.

Composed of SANDAG's Borders Committee and elected officials from WRCOG and Riverside County member agencies, the I-15 IRP Joint Policy Committee was set up as the policy advisory forum. The Joint Policy Committee met quarterly to discuss policy issues and consider recommendations from staff and the I-15 IRP Technical Working Group (I-15 IRP TWG).

During Phase I, the I-15 IRP TWG consisted of staff from SANDAG, WRCOG, the Southern California Association of Governments (SCAG), other governmental agencies, and private organizations. Agencies represented on the I-15 IRP TWG included Caltrans, transit agencies, cities, and economic development agencies. The I-15 IRP TWG reviewed and provided comments on staff reports and recommendations and provided recommendations to the Joint Policy Committee for consideration.

The Joint Policy Committee and I-15 IRP TWG played an active role in identifying and evaluating potential interregional strategies. Over a period of more than a year, the I-15 IRP considered potential strategies to better balance housing and jobs within San Diego and Southwest Riverside Counties. In addition, the I-15 IRP evaluated potential transportation strategies to mitigate the long-distance commute that has resulted from the existing imbalance of jobs and housing between the two regions.

## Commuter Survey Results

The jobs-housing imbalance between the San Diego region and Riverside County has developed in large part because an adequate supply of relatively affordable housing has not been built to match the employment growth in the San Diego region, combined with relatively low-cost and plentiful, single-family housing developments in Southwest Riverside County. The number of commuters on I-15 indicates that this trend has increased in recent years.

To better understand commuter behavior and the motivations behind increased interregional commuting, a telephone survey of 2,010 adults residing in West Riverside County was conducted in 2002. The survey was designed to profile residents and interregional commuters to gain a better understanding of the factors, rationales, and decisions of long-distance commuters that lead them to live so far from where they work. The main findings of the commuter survey which informed the development of the collaborative interregional strategies were:

1. Greater housing availability and lower housing prices in Southwest Riverside County compared to the San Diego region are key factors in the growth of interregional commuting.
2. The ability to own a single-family, detached home is very important to I-15 interregional commuters. Survey results showed that just over 90 percent would prefer owning a single-family, detached home compared to an attached home, such as a townhome or condominium.
3. There is a growing number of interregional commuters, most of whom have moved from the San Diego region. It was estimated that 29,000 residents of Southwest Riverside County commute daily into the San Diego region.
4. I-15 interregional commuters are concentrated in the Temecula/Murrieta area and are traveling to employment destinations throughout the San Diego region. Approximately 60 percent of the estimated 29,000 interregional commuters on the I-15 live in the cities of Temecula or Murrieta or the adjacent, unincorporated area.
5. I-15 interregional commuters are very satisfied living in Riverside County. When comparing the two regions, twice as many I-15 interregional commuters felt Southwest Riverside County is a better place to live than San Diego County than the reverse.
6. A high percentage of interregional commuters drive alone. At the time of the survey, approximately 85 percent of the I-15 interregional commuters regularly drove alone to work, and 13 percent carpooled. This compares to 76 percent and 12 percent for residents of the San Diego region.
7. I-15 peak-period traffic congestion is severe south of State Route 78 (SR-78). SANDAG travel forecasts show conditions worsening north of Escondido, particularly in the northbound direction. The level of Service F is shown in both directions south of the county line.
8. I-15 interregional commuters differ from other residents in several ways. They are more likely to: be employed in high-tech/computers/internet industries; be employed in occupations that require training and education; earn more annual income as a group from their jobs; and have been at their jobs longer.

This information, along with pertinent land use, transportation, and economic data, was used to develop and evaluate strategies to bring housing and jobs into better balance in both regions.

### Issues Identified

The I-15 IRP identified the following issues:

- **Commuting Patterns and Trends:** One of the major purposes of the Existing Conditions Report, which was prepared during Phase I, was to define and document the evolving commuting pattern between many employment destinations in San Diego and residential areas in Southwest Riverside County.
- **Employment Growth Policies in Both Regions:** To improve the jobs-housing balance between Southwest Riverside County and the San Diego region, additional employment opportunities need to be provided in West Riverside County.
- **Housing Growth Policies in Both Regions:** Concurrent with providing additional employment opportunities in West Riverside County to improve the jobs-housing balance, the San Diego region needs to provide additional housing opportunities.
- **Transportation Congestion:** One significant byproduct of the increasing number of persons commuting to jobs in the San Diego region from Riverside County is increased congestion along I-15.

### Strategies Developed

During Phase I, the I-15 IRP developed, refined, and evaluated various strategies designed to improve the jobs-housing balance between the San Diego and Southwest Riverside regions. The strategies in the I-15 IRP program were developed through a cooperative, multiagency, planning process. Initially, staff identified potential strategies based on a literature search and review of the existing regional transportation plans (RTPs) and other regional planning and policy documents.

These strategies were designed to accomplish two key goals:

- reduce the impacts of interregional commuting
- reduce the demand for interregional commuting by creating more jobs in housing-rich areas and more housing in jobs-rich areas

The I-15 IRP program identified a total of 21 interregional strategies for short- and long-range implementation. These strategies were organized into four categories: program, housing, economic development, and transportation as shown in Table 1. They were not prioritized, as all play a worthwhile role and are intended to work together to address the interregional commute. Potential strategies that would mitigate the current jobs-housing imbalance generally promote housing construction in the San Diego region and economic development in Southwest Riverside County. These strategies are listed on the following table as ED1, ED2, and H1 through H5.

**Table 1  
I-15 IRP Strategies Developed in Phase I**

<b>STRATEGIES BY CATEGORY</b>	<b>DESCRIPTION</b>
<b>Program</b>	
▶ P1	Support/sponsor legislation that addresses jobs-housing balance
▶ P2	Actively engage in community outreach
<b>Economic Development</b>	
▶ ED1	Facilitate greater collaboration between regional economic development entities
▶ ED2	Improve job growth through the promotion of new employment opportunities in the cluster industries that drive the biregional economies
<b>Transportation</b>	
<b>Short-Range</b>	
▶ ST1	Interregional coordination of vanpool and carpool programs
▶ ST2	Expand park-and-ride lots and improve rideshare information signage
▶ ST3	Joint outreach and marketing for transit, vanpool, and ridesharing programs
▶ ST4	Implement interregional public transit commuter services
▶ ST5	Collaboration among transit providers
▶ ST6	Advocate for employer-subsidized transit passes
▶ ST7	Encourage the adoption of alternative work schedules
▶ ST8	Encourage telework
<b>Long-Range</b>	
▶ LT9	Support high-speed rail transit service in the I-15 corridor
▶ LT10	Implement transit shuttle services to interregional transit
▶ LT11	Preserve transportation Rights-of-Way and implement priority measures through the development process
▶ LT12	Implement the I-15 high occupancy vehicle (HOV) system
<b>Housing</b>	
▶ H1	Provide a range of housing affordability and housing types in all communities
▶ H2	Support fiscal reform to encourage housing construction
▶ H3	Provide incentives for the construction of moderate-cost family housing near employment centers
▶ H4	Require the construction of moderate-cost family housing in new development near employment centers
▶ H5	Encourage infill development in older residential neighborhoods

Eight short-range transportation strategies were adopted by the Joint Policy Committee in early 2003 and are being implemented by local and regional transportation agencies. The short-range strategies primarily focus on the coordination of Transportation Demand Management (TDM) activities already being undertaken by SANDAG and RCTC. They include joint rideshare marketing, transit operator collaboration, and additional interregional transit service. In Table 1, the short-range strategies are strategies that are being undertaken now, but also may require ongoing commitment to ensure their successful implementation.

The long-range strategies are generally those that will require ongoing implementation, but for which we may not see results for several years. An example of a truly long-range strategy is the high-speed rail project. Development of Bus Rapid Transit (BRT) also is a long-range project, but is expected to occur in the next 10 to 20 years.

## PHASE II - IMPLEMENTATION

In 2004, SANDAG and WRCOG were awarded a Caltrans grant to fund a second phase of the I-15 IRP. The primary objectives of this \$240,000 grant award were to strengthen the existing government-to-government relationship between SANDAG and WRCOG; expand the focus of the interregional planning agenda into the area of economic development; and continue to implement the various short- and long-range strategies identified in Phase I. In addition, in conjunction with this Phase II planning effort, Caltrans agreed to prepare the I-15 Cooperative County Line Study, which would analyze existing and forecasted conditions on the I-15 highway corridor between Southwest Riverside County and North San Diego County, and would lay out possible actions to address existing and future congestion problems on this corridor.

### Enhanced Policy Structure

Given the objectives of Phase II, the policy and technical structure for implementation were enhanced from Phase I. The policy structure for Phase II included convening the I-15 IRP Joint Policy Committee, as well as providing regular updates to the WRCOG Executive Council and the SANDAG Borders Committee. At a technical level, several structures were created to support the Phase II work plan: the EDWG was created and staffed by WRCOG to support the pursuit of the economic development strategies; a Project Development Team was formed among key staff from all participating agencies in the partnership to support the actions related to the transportation strategies; and SANDAG utilized its existing Regional Housing Working Group to monitor and provide input for the housing strategies in North San Diego.

### Accomplishments

The focus of Phase II was to implement the short-term strategies in all of the strategic areas identified in Phase I and to lay the foundation to implement various long-term strategies.

In the area of economic development, there were two strategic areas in which the I-15 IRP advanced during Phase II. First, was the establishment of the EDWG as a structure for pursuing long-term, cooperative, economic development strategies. Second, was completion of a two-county Employment Cluster Study, which identified key clusters shared by both economies and provided recommendations on how to pursue economic prosperity in both regions.

The transportation component focused on a cooperative study undertaken by Caltrans to assist San Diego and Southwest Riverside to better understand the infrastructure needs for improvements to the I-15 at the county line. The I-15 County Line Study identified potential, multimodal transportation improvements based on traffic projections and known programmed- and measure-funded projects. In addition, progress was made on interregional cooperation on various short-term strategies, including TDM; expanding park-and-ride facilities; and joint outreach and marketing for transit, vanpools, and ridesharing. In addition, longer-term options such as high-speed rail service in



the I-15 corridor were discussed. RCTC conducted feasibility studies to evaluate the potential for commuter rail service from Temecula to San Diego, from Riverside to Temecula along Interstate 215 (I-215), and from Corona to Temecula along the I-15 corridor. The study concluded that only commuter rail service from Riverside to Temecula was feasible at this time. The two other commuter lines were determined to be cost prohibitive when the total cost of construction was compared to the potential ridership.

The focus of the housing strategy in Phase II was to provide a summary of housing and land use programs that could be implemented in the San Diego region and Southwest Riverside. SANDAG and WRCOG identified specific opportunities for workforce housing in North San Diego County along the SPRINTER commuter rail line and held discussions with two major employers, Cal State San Marcos and Palomar Pomerado Health, about their workforce housing needs. The two agencies and the city of Temecula also discussed opportunities for transit-oriented development (TOD) along I-15 in Southwest Riverside County and the potential to prepare a map similar to SANDAG's Smart Growth Concept Map.

In addition to the three focus area strategies, baseline data was established for implementation and performance measures that were developed during Phase I in collaboration with all responsible agencies and approved by the I-15 IRP Policy Committee. As the partnership gains monitoring experience, targets will likely be established to further encourage action toward achieving partnership goals.

At the end of Phase II, the committee identified a set of next steps for Phase III, which were approved by the Joint Policy Committee and the participating agencies.

## PHASE III - STRATEGIC ACTION PLANS

For Phase III, WRCOG, RCTC, and SANDAG were awarded two additional Caltrans grants to pursue the activities identified in the next steps from Phase II. The first grant in the amount of \$450,000 allowed WRCOG and SANDAG to continue with activities in all three of the focus areas: economic development, transportation, and housing. The second grant in the amount of \$125,000 allowed SANDAG and RCTC to improve the vanpool programs that the two agencies administer and look at how vanpool/carpool ridership can be shifted into transit options such as express bus or BRT. As the lead agency, WRCOG oversaw the work on the \$450,000 grant coordinating with SANDAG and the other partner agencies. In addition, WRCOG sought additional funding to leverage this grant through a request made to SCAG to support smart growth planning in Southwest Riverside County. The \$125,000 transit planning grant was managed by SANDAG in partnership with RCTC. Phase III activities were coordinated through an overall, multiagency work program, which incorporated the objectives of the two grants.

### I-15 Joint Policy Committee

At a policy level, the I-15 IRP Joint Policy Committee was convened. The Joint Policy Committee included three elected officials from the San Diego region and three from the Southwest Riverside County region, designated by the boards of the four participating agencies in the I-15 IRP: SANDAG, WRCOG, RCTC, and RTA.

The responsibilities of the committee included reviewing and providing policy-level feedback on all areas of the project, including the Strategic Implementation Plan (SIP), the economic development action plan, Smart Growth Opportunities Area Map, and workforce housing study. The committee met four times to receive reports and provide input to staff on the development of each area of the grant activities and the overall direction of the partnership.

## Scope of Work - Deliverables

### *Economic Development Strategy*

Through the I-15 IRP, opportunities exist to improve the economy of both the Riverside and San Diego Counties. Based on information obtained from the cluster analysis in Phase II, it was recommended that cooperative initiatives be undertaken in the following areas:

- Provide employment opportunities that would ensure a rising standard of living
- Identify ways to develop, shape, and expand traded clusters
- Develop and support shared infrastructure investments
- Develop workforce training and education programs targeting the labor force requirements of selected traded clusters

The focus of economic development activities in Phase III was to facilitate the development of a collaborative strategic action plan between regional economic entities to encourage greater cooperation between corresponding industry clusters. The Economic Development chapter summarizes efforts made to strengthen the membership in the EDWG to include key organizations from San Diego, as well as Riverside. With the assistance of a consultant, the EDWG developed a strategic action plan through a series of workshops with cluster industries. A Web portal tool was incorporated into the strategic action plan. Business data from Riverside industries gathered in the employment cluster study was added to a regional Web portal for cluster industries to encourage business-to-business communication and collaboration.<sup>1</sup>

### *Transportation Strategy*

The focus of the transportation component for Phase III was to develop a SIP to improve the transportation system in a 5- to 15-year time horizon.<sup>2</sup> The Transportation chapter documents existing plans and studies and developed, preferred, transportation strategies for the county line area, including an overall cost effectiveness evaluation and funding strategy. It details how and when various transportation projects within the county line area could be implemented on an interregional basis to improve the functioning of the system. Other tasks that were incorporated into this overall SIP were an analysis of transit priority treatments and transit lane infrastructure

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<sup>1</sup> The full Economic Development Strategic Action Plan is Appendix A of this document and is available in electronic format on the I-15 IRP Web site ([www.i15irp.org](http://www.i15irp.org)).

<sup>2</sup> The full SIP is Appendix B of this document and available in electronic format on the I-15 IRP Web site ([www.i15irp.org](http://www.i15irp.org)).

development and an evaluation of existing and potential park-and-ride facilities, including an analysis of maintenance issues. An analysis of specific transportation issues related to goods movement also was conducted as a part of the STIP.

An interregional transit, vanpool, and buspool operations analysis was conducted to improve interregional transportation alternatives and increase transit ridership. This was under a separate grant, but the findings were incorporated into the SIP. SANDAG, the Metropolitan Transit System (MTS), and the North County Transit District (NCTD) have developed an I-15 BRT Operations Plan that identified a significant transit demand between Riverside and San Diego Counties. This study built upon this work and designed effective alternatives to single-occupant driving patterns by recommending vanpool, buspool, and BRT, or other rideshare options for the interregional fleet. The study also identified how best to serve other commute markets such as military installations or business parks, with vanpools and buspools.<sup>3</sup>

### *Housing Strategy*

The Phase III Housing Strategy built upon existing programs and other identified sources of funding, giving San Diego and Riverside the opportunity to make substantial progress in facilitating smart growth development along transit corridors in both regions. The goals were to: (a) partner with regional stakeholders and local jurisdictions to develop pilot workforce housing project(s) in North San Diego County and (b) work to develop a preliminary Smart Growth Concept Map for select Southwest Riverside County cities. The Housing Strategy chapter outlines the activities and accomplishments in these two subfocus areas of housing.

One major task of Phase III is to establish a process and financing strategy to develop workforce housing projects in North San Diego County. Earlier phases of the IRP showed that employers are having difficulty recruiting employees because of the lack of affordable housing in North San Diego County. This results in more people moving to Riverside and making the commute south, putting strain on the transportation link between the two counties. In an effort to mitigate issues associated with the jobs/housing imbalance, Phase III sought to develop a partnership among selected agencies/stakeholders outlining an agreement to develop workforce housing project(s) and complete a grant proposal(s) with the stakeholders for funding for a pilot workforce housing project(s).

The second focus area was on tailoring SANDAG's Smart Growth Concept Map methodology to Riverside County to facilitate the creation of a preliminary Smart Growth Opportunities Area Map for select Riverside cities. The map would identify place types, target land uses, and potential locations along transportation corridors, particularly along I-15. Workshops were held to gather input and identify transit-supportive land uses and development opportunities. A preliminary Smart Growth Opportunities Area Map was created through a partnership between WRCOG and several cities in Southwest Riverside in the I-15 corridor with the technical support from SANDAG staff. This exercise will serve as a foundation for future work planned through SCAG as they prepare to work with local Riverside jurisdictions on the preparation of their Sustainable Communities Strategy (SCS) as required by Senate Bill 375 (SB 375).<sup>4</sup>

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<sup>3</sup> This report can be found on the I-15 IRP Web site, [www.i15irp.com](http://www.i15irp.com).

<sup>4</sup> The full report on the development of the Smart Growth Opportunities Area Map is Appendix D of this document.

### ***Performance Measures and Monitoring***

Implementation and performance measures were developed during Phase I in collaboration with all responsible agencies and approved by the I-15 IRP Joint Policy Committee. The Performance Monitoring chapter provides updated data for selected indicators, based on the baseline data produced for Phase II. This chapter monitors the progress made from Phase II. As the partnership gains monitoring experience, targets will likely be established to further encourage action toward achieving partnership goals.

### **Conclusion and Next Steps**

The Conclusion chapter draws on the findings and recommendations outlined for each subcomponent of the project and outlines next steps for the I-15 IRP, as approved by the I-15 IRP Joint Policy Committee and the respective agencies who have partnered in this effort.

# ECONOMIC DEVELOPMENT STRATEGY

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## INTRODUCTION

Regions like Riverside and San Diego face increasing domestic and global competition. While globalization has become increasingly popular, few understand that regionalization is the other side of the coin. Some have observed that it is really regions that are impacted by the forces of globalization and that only regions have the necessary scale and diversity to compete in the global marketplace. Regions have an asset profile more capable of competing globally than do individual counties or cities, which may lack essential infrastructure or a sufficiently large pool of skilled labor.

How “regions” define themselves becomes the basis for identifying their competitive assets. From an economic point of view, Riverside and San Diego are directly related to the greater Los Angeles area as a way to access both domestic and international marketplaces. Currently, San Diego is becoming increasingly dependent on both Riverside and Baja California to supply important parts of its labor pool. These regional relationships should be taken into consideration when the Riverside-San Diego region attempts to define itself. These relationships provide the scale and diversity to compete in an increasingly competitive and global marketplace.

For this reason, one of the strategic areas of the I-15 IRP is developing a cooperative economic development strategy for the San Diego-Riverside region. In Phase I, the following strategies were developed:

- ▶ **Strategy ED1: Facilitate greater collaboration between regional economic development entities**
- ▶ **Strategy ED2: Improve job growth through the promotion of new employment opportunities in the cluster industries that drive the biregional economies**

During Phase II, a two-county Employment Cluster Study was undertaken to identify the employment clusters of Riverside, and a biregional approach was used to analyze the relationships between the clusters in the two counties. In addition, a working group was formed of economic development organizations in the two counties to serve as the major driver of strategic initiatives.

In Phase III, the I-15 IRP moved forward on the Economic Development component of the project—an industry, cluster-focused approach to interregional economic development.<sup>1</sup> This initiative is specifically focused on improving job growth through the promotion of new employment opportunities in industry clusters that complement existing industries or look to foster new industries that can drive economic growth in Riverside and San Diego counties.

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<sup>1</sup> For more background on the industry cluster approach and its role in economic development, please see the IRP Phase II - Final Report by SANDAG, March 2007 - Appendix A Riverside and San Diego Counties: Cluster Analysis and Opportunities for Cooperative Economic Development.



## TASKS

The primary tasks for the economic development component of the I-15 IRP consisted of:

- Convening a series of workshops to develop strategies for a select two- to three-industry clusters that were identified in the Employment Cluster Study done for Phase II
- Selecting a core group of economic development representatives to oversee the selection of the industry clusters
- Bringing together stakeholders that represent businesses that are associated with the selected industry clusters
- Developing a strategic action plan that will provide the foundation for the further development of the selected industry clusters
- Developing an outreach approach to promote the selected industry clusters and allow for future expansion as the initiative expands to other industries
- Establishing a Web portal for businesses located in the Southwest Riverside County area

## KEY FINDINGS AND ISSUES IDENTIFIED

### Overview of Industry Cluster Initiative

Early on, stakeholders from the initiative identified the key outcomes that would determine the strategies to be developed as part of the initiative. To follow are the key outcomes that the stakeholders will be working to accomplish:

- Increase the number of high-quality jobs in the region with opportunities for continuing career pathways. Provide job opportunities that will allow people to live closer to their home and reduce the number of long-distance commuters
- Expand regional employment opportunities in an effort to reduce commute congestion on I-15
- Strengthen regional economic diversity to improve resiliency to economic challenges and downturns

From these shared outcomes, the interregional economic development stakeholders discussed and considered 16 industry clusters and ultimately agreed upon the three below that would be the focus of the initiative:

1. Alternative and renewable power generation.
2. Biotechnology and medical devices manufacturing.
3. Travel, tourism, entertainment, and wineries.

This chapter summarizes the process of planning and developing an interregional economic development initiative for the three industry clusters identified as key economic drivers for the Riverside and San Diego regions. The interregional economic development action plan is the first step in creating a more vibrant, robust, and integrated economic environment.

This chapter consists of two of the three parts that describe the interregional economic development initiative and what has been developed through this process:

1. A description of the core themes that provided the foundation for the initiative and some of the research and information that helped guide it along the way.
2. The second part of the report introduces the interregional action plan developed for each of the three industry clusters. The interregional action plan for each cluster includes the strategies and ideas that were considered, as well as those that are recommended in the next steps.
3. A final section describes the process for the interregional economic development initiative and is included in the full report (Appendix A).

## PART 1 - THE FOUNDATION FOR THE INTERREGIONAL ECONOMIC DEVELOPMENT INITIATIVE

The current economic environment in Riverside and San Diego Counties has changed substantially over the last 18 months. Despite these substantial changes, the fundamental objectives of the IRP, more specifically the goals of the interregional economic development initiative, remain unchanged. The objectives include a continued and long-range commitment to increasing the number of high-quality jobs in the two regions, retaining jobs that already exist, improving local employment opportunities that reduce commute congestion, and strengthening economic diversity in each region. These goals are consistent with the I-15 IRP's strategies to develop an economic base that can reduce congestion and job loss and increase collaboration between regional economic development entities.

Employment and productivity are at the heart of this interregional economic development initiative. The strategies that were developed and agreed upon by the stakeholders shared some key outcomes, including:

1. **Expanding interregional *connectivity* through increased communication, collaboration, and additional infrastructure.** The importance of greater interregional connectivity can be found in many of the strategies. Examples include strategies focused on improving transportation infrastructure for the travel, tourism, entertainment, and wineries industry cluster and developing stronger relationships between the biotechnology, research-focused, and device manufacturers.
2. **Increasing current and future *productivity* through improved workforce development and education.** Each industry cluster identified the importance of improving and expanding the pipeline for a skilled workforce while also providing opportunities to develop the workers already in each industry. A skilled and productive workforce is one of, if not THE most important determinant of success for any industry cluster or individual organization.
3. **Creating and collaborating on more effective *communications* strategies to expand the number of current and potential customers for the greater region.** Effective communication strategies are a critical component of any export-oriented organization. The travel, tourism, entertainment, and wineries industry cluster is focused on developing coordinated, complimentary messages that increase the destination appeal of North San Diego and Southwest Riverside.

## Core Objectives of the Interregional Economic Development Initiative

The interregional economic development initiative is built on several core objectives that can be traced back to the common outcomes agreed upon by stakeholders, as well as the research completed by SANDAG in 2007. The SANDAG research made the case for a collaborative economic development initiative based on the promotion and advancement of specific industry clusters. The core themes for the project include:

1. **Targeted promotion and advancement of key export-oriented or traded industry clusters can have a significant overall impact upon the economy and the employment picture.**

Export-oriented clusters have the ability to tap into larger markets beyond those that serve our local population. These industry clusters not only drive wealth creation in a region, they also often have relatively large multiplier effects on employment. By focusing limited economic development resources on these key clusters, the region can be more effective in assisting regional economic growth and providing stronger employment opportunities.

2. **Industry clusters face varying market conditions and require specific strategies to maximize their opportunity for growth.**

Every industry faces different challenges and opportunities. The one-size-fits-all approach to economic development is typically not very effective, especially with emerging industries that have very specific needs and requirements. The initiative is focused on understanding and responding to the critical needs and opportunities that can be found by closely examining specific industry clusters.

3. **Identify and build upon the resources that are available within the greater region.**

Riverside and San Diego have a rich and diverse tapestry of organizations and institutions that lead and support different aspects of economic development. One of the key objectives of this initiative has been to identify and work directly with as many of these organizations as possible.

4. **Focus on strategies and programs that are best developed and implemented interregionally and respect those programs that are best maintained at the local level.**

Stakeholders agreed that several aspects of economic development should be evaluated and developed interregionally. Stakeholders were concerned that strategies requiring significant upfront coordination or those that focused on detailing “how” industries and employers should work were less likely to be successful.

5. **Support the creation and development of an interregional structure that will improve planning and coordination of economic development strategies and potentially provide additional resources.**

Through the process of this initiative, key economic development stakeholders in San Diego and Riverside have begun to explore the creation of an interregional economic development district. This district would include members from North San Diego County and Southwest Riverside County.

The five core themes provide a foundation for the planning that was developed during the interregional economic development initiative. The next section of the report describes the industry clusters and their specific economic development plans.

## PART 2 - INDUSTRY CLUSTERS: AN INTERREGIONAL APPROACH TO ECONOMIC DEVELOPMENT

The role of location has been long overlooked, despite striking evidence that innovation and competitive success in so many fields are geographically concentrated.<sup>2</sup>

The three industry clusters at the focus of this initiative share several key characteristics:

1. Each cluster has uniquely positive attributes in either Riverside or San Diego or in the greater region (both Riverside and San Diego Counties).
2. They are export-oriented clusters that currently or potentially have a considerable impact upon the interregional economy.
3. Each cluster has industry leaders that are willing to work collaboratively to develop a stronger infrastructure and environment for industry growth and development.

### Alternative and Renewable Power Generation

The alternative and renewable power generation industry cluster includes those firms that are involved in the design, building, and operations of wind, solar, hydroelectric, and geothermal power generation facilities. It also includes those firms engaged in the research, development, and initial operations associated with biomass and biofuels.

#### Industry Cluster Profile<sup>3</sup>

In 2005, about 75 percent of regional employment in this cluster was located in San Diego County and 25 percent in Riverside County. Total employment between the two counties was 5,800 persons at this time, with an average wage of \$70,600 per year, or 178 percent of the two-county average of wages in all industries. This cluster's growth is largely attributed to:

- A. **Legislative requirements** such as those found in Assembly Bill 32 (AB 32) that require increased use of cleaner sources of energy for the state's overall energy portfolio. More recent opportunities like Assembly Bill 811 (AB 811) and Assembly Bill 1106 (AB 1106) provide more recent examples of legislation that will be the focus of economic development strategies in the near future.
- B. **Increased volatility in the price of traditional fossil fuels and foreign dependence** encourages development of new alternative energy sources.

<sup>2</sup> Michael E. Porter, "Clusters and the new economics of competition" Harvard Business Review; Volume 76, Issue 6. Boston; Nov/Dec 1998. <http://polaris.umuc.edu/~fbetz/references/Porter.html>

<sup>3</sup> All data for each of the Industry Cluster Profiles are taken from SANDAG, March 2007, Riverside and San Diego Counties: Cluster Analysis and Opportunities for Cooperative Economic Development. IRP Phase II - Final Report: Appendix A.

- C. **Increased demand from consumers** for alternative energy sources that have a reduced impact upon global warming/climate change and our environment in general.

### *Industry and Stakeholder Feedback*

Stakeholders indicated three immediate priorities for this industry cluster:

- Legislation, both pending and approved, like AB 811, AB 32, SB 375, and AB 1106, can potentially have a significant impact on the development of this industry. Stakeholders indicated from the outset that a coordinated, interregional effort focused on relevant legislation and discretionary funding opportunities (i.e., grants) could play a valuable role in the advancement and development of this emerging energy industry cluster.
- Stakeholders expressed a coordinated communication effort to educate people about the opportunities in alternative and renewable power generation.
- As an industry that has changed dramatically over the last two years, there are several questions about the size and make up of employers and employment opportunities connected to alternative and renewable energy generation.

Stakeholders identified numerous strategies that were discussed and considered as part of this initiative. These strategies include:

1. **Education and Workforce Development:** This strategy should look to address workforce gaps and maximize the use of funding for individuals.
2. **Manufacturing:** Develop a strategy that identifies ways to increase the number of renewable energy manufacturing employers and jobs in the greater region.
3. **Engaging Current Employers and Growing New Ones:** Develop a strategy that looks to communicate and understand the needs of current employers and develop resources to support the growth of new businesses.
4. **Communication and Outreach:** Develop a strategy to effectively communicate the benefits associated with a stronger alternative power generation cluster in the greater region.
5. **Inventory of Resources:** This resource could provide a clear assessment of where gaps may exist.
6. **Incentive Program:** Develop a package of incentives for businesses to locate into the region.
7. **Communicate With Labor/Apprenticeship Providers:** Develop training and certification for technicians in manufacturing and installation of alternative energy products.
8. **Public/Private Partnership:** Consider strategic targets for employment and potential public/private partnerships.



## *Interregional Strategies for Alternative and Renewable Power Generation*

The strategy development group for alternative and renewable power generation developed a plan that focuses on four key components. These components include the creation of a comprehensive interregional assessment for renewable power generation and the development of three industry cluster strategies that would be based on and guided by this assessment.

### *Comprehensive Interregional Assessment*

Riverside and San Diego Counties need to create a combined strategic assessment and plan for alternative and renewable power generation. This plan would detail the alternative and renewable energy resources currently in place, those that need to be developed, and identify resources available.

The most immediate strategies for growing alternative power generation in the greater region should focus on the following three areas:

1. **Education and Training:** Workforce development remains a key issue for this industry cluster. The challenge is developing and implementing programs that are up-to-date and that change with the industry. The education and workforce planning needs to be based on the industry assessment of what we expect to develop moving forward.
2. **Legislative and Grant Opportunities:** Legislation and grant funding play a vital role in developing this emerging industry cluster. The stakeholders talked about the importance of actively understanding and advocating for legislation to help grow alternative power generation in the region.
3. **Marketing and Branding:** This strategy places great emphasis on making the industry and residents aware of the renewable energy resources that exist in San Diego and Riverside and what will be coming online in the near future. The place branding strategy should communicate to both the renewable energy industry and potential customers.

### *Issues to Overcome*

A comprehensive interregional assessment on alternative and renewable power generation will require resources to complete. Once it is completed, a working group will need to evaluate and finalize the assessment results and organize an interregional response around the committee structure focused on legislation and grant opportunities; outreach and branding; and education training and workforce development.

### *Next Steps*

1. **Develop a comprehensive interregional assessment for renewable and alternative power generation.** The interregional assessment would include a technical evaluation of the current and expected renewable energy facilities and their capacity to produce power within Riverside and San Diego. The assessment also would develop a strategic plan for increasing renewable energy capacity to meet the long-term, statewide, legislative mandates for clean

energy production. Lastly, the assessment would identify the obstacles for increasing renewable energy production while examining the most cost-effective and sustainable methods for increasing renewable energy production.

2. **Identify the resources and individuals that will participate in interregional planning** and coordinating for the three focus areas:
  - a. **Legislation and Grant Opportunities:** This committee would identify legislation in both Sacramento and Washington, D.C., that could have a positive or negative impact on renewable energy production and organize an interregional response. This group also would be responsible for identifying and responding to grant opportunities that would support the renewable energy industry in Riverside and San Diego.
  - b. **Outreach and Branding:** This committee would develop and implement a place branding strategy that would communicate the economic and environmental benefits associated with renewable energy. The communication strategies would focus on both regional and interregional decision makers, as well as residents and potential customers.
  - c. **Education, Training, and Workforce Development:** This committee would be composed of renewable energy employers and educators. They would be focused on evaluating current training and educational programs to ensure that employers have a qualified workforce. This group would evaluate current capacity for training and educational programs, as well as provide feedback on the skill sets that should be developed at colleges and through regional training programs.

### Biotechnology and Medical Devices Manufacturing

This combined industry cluster includes firms that are engaged in the life sciences with biotechnology research and the manufacturing of pharmaceuticals, as well as those firms manufacturing biomedical products and surgical and medical devices.

#### *Industry Cluster Profile<sup>4</sup>*

In 2005, biotechnology and pharmaceuticals (biotechnology) in the region was located primarily (93 percent) in San Diego County, with the remainder (7 percent) in Riverside County. It is dominated by physical, engineering, and biological research (73 percent). It is complemented by manufacturers of in-vivo diagnostic substances (8 percent) and pharmaceutical preparations (7 percent). The cluster employed 31,800 persons in 2005, with an average wage of \$81,000 per year, or 204 percent of the average for the two-county region.

In 2005, surgical and medical instruments and supplies (medical devices) had two-thirds of employment located in San Diego County. The largest industry is surgical and medical instrument manufacturing (53 percent) followed by surgical appliance and supplies manufacturing (18 percent) and ophthalmic goods manufacturing and optical instrument and lens manufacturing (16 percent).

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<sup>4</sup> All data for each of the Industry Cluster Profiles are taken from SANDAG, March 2007, Riverside and San Diego Counties: Cluster Analysis and Opportunities for Cooperative Economic Development. IRP Phase II - Final Report: Appendix A.

Total employment in the cluster was 8,600 persons, with an average wage of \$54,700 per year, or 138 percent of the two-county average. More recent data show increases in employment in medical devices.

This is a high-wage cluster with relatively large economic multipliers. Economic forecasts for this industry are generally more robust than other advanced manufacturing industries. This cluster includes some of the strongest industries for job growth in manufacturing. Pharmaceuticals, in particular, were noted as a manufacturing industry expected to grow and see significant increases in employment.<sup>5</sup>

### *Industry and Stakeholder Feedback*

Stakeholders indicated that even in the current labor market of high unemployment, finding and/or recruiting of qualified applicants remains a challenge. There was a strong consensus that biotechnology and medical devices manufacturing remains a critical component in the regional economy and one in which planners and decision makers must remain committed to support.

Stakeholders identified several strategies that should be considered moving forward. In no particular order or priority, the strategies include:

1. **Education and Workforce Development:** Work with local educational institutions to develop basic and technician-level skills for opportunities in manufacturing of medical devices, primarily in Southwest Riverside, that can support the research and development firms in the region. San Diego is focused on research and development and creating higher skills and more educated applicants within the region.
2. **Connecting Clusters and New Technology:** Look at the opportunities in renewable energy (e.g., algae, biofuels, etc.) and those associated with nanotechnology as potential drivers of industry cluster growth.
3. **Inventory of Resources:** Develop an inventory of the employers, education, training resources, and support services that are connected to biotechnology and medical devices. This resource could provide a clear assessment of where gaps may exist. Identifying strategies to ensure the availability of process water as a resource is very important to the continued growth of biotechnology and life sciences research.
4. **Legislation and Local Policies That Support Expansion and Growth of Current Firms:** This strategy is focused on identifying key legislative and policy issues that both regions can more effectively champion together than individually.
5. **Effective Communication and Outreach to Applicants and New Employers:** This is an area that will require strong collaboration between the private and public sector for continued growth in this industry cluster. Both regions face challenges in recruiting the right employees for this industry cluster and a regional communication and outreach effort should be developed.

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<sup>5</sup> Source: July 2009: Executive Office of the President Council of Economic Advisors, Preparing the Workers of Today for the Jobs of Tomorrow.

### *Interregional Strategies for Biotechnology and Medical Devices Manufacturing*

The strategy development group for biotechnology and medical devices manufacturing was focused on developing the connectivity between current biotechnology firms that are largely concentrated in San Diego County and generally focused on research and development with the contract and device manufacturing firms that are well represented in Southwest Riverside County.

#### *Issues to Overcome*

Overall connectivity between San Diego and Riverside Counties in the biotechnology industry is relatively low. Riverside County employers are primarily focused on contract manufacturing and the medical devices industry, while San Diego employers are more focused on research and development in the biotechnology industry. Employers and industry leaders from the two counties have indicated different challenges as they relate to economic and workforce development, and there is little to no agreement on what the interregional strategies should be moving forward. In general, San Diego biotechnology firms showed little interest in developing interregional strategies focused on cluster-specific economic development.

#### *Next Steps*

1. **Develop and expand public and private partnerships** between biotechnology and medical devices employers and interregional educators to provide industry-specific training and educational opportunities. This strategy would look to develop and implement new approaches for educating and training interregional residents for the employment opportunities in biotechnology and medical devices manufacturing by working with interregional employers to develop programs that are relevant to the skills that are needed today by employers.
2. **Create and support opportunities to connect** the research and development firms in San Diego (biotechnology) to the production and manufacturing employers (medical devices manufacturing) in Riverside. This strategy requires interregional employers in biotechnology and medical devices to become more aware of the partnership opportunities that exist between employers. In general, employer awareness of partnership opportunities does not currently extend beyond county borders.

### *Travel, Tourism, Entertainment, and Wineries*

This combined industry cluster includes those firms that are focused on serving tourists in the region, including transportation and lodging services, as well as firms that provide recreation, leisure, and entertainment services.

### *Industry Cluster Profile<sup>6</sup>*

In 2005, travel and hospitality in the region saw nearly two-thirds (63 percent) of employment located in San Diego County. Primarily, hotels and motels represent the cluster (both with and without casinos; 89 percent of employment). The cluster also includes travel agencies and other travel arrangement services (6 percent). The cluster employed 49,000 persons in 2005, with an average wage of \$25,000 per year, or 63 percent of the two-county average.

For the same year, entertainment and recreation had about two-thirds (68 percent) of employment located in San Diego County and the remainder (32 percent) in Riverside County. The largest industries are casinos (39 percent of employment), golf courses and country clubs (16 percent), amusement and theme parks (10 percent), and zoos and botanical gardens (4 percent). Total employment in entertainment and recreation was 51,800 in 2005, with an average wage of \$27,500 per year, or 69 percent of the two-county average.

Wineries and grape vineyards also are grouped in this cluster. The average wage of wineries and grape vineyards is \$17,800 per year, or about one-half of the county average in Riverside.

According to the 2005 data, this combined industry cluster employs more than 100,000 people and based on preliminary analysis, it was more than 110,000 in 2008. The two counties also have several unique and world-class resources related to tourism, entertainment, and wineries.

This is generally a low-wage industry with relatively low economic multipliers. While this industry has some career pathways, they tend to be somewhat limited in terms of overall opportunities.

### *Industry and Stakeholder Feedback*

Stakeholders indicated they were concerned with the low, relative wages in the industry and the ability to recruit more educated applicants. Several stakeholders also indicated that the two counties could become more appealing to potential visitors if they could communicate the strengths of each county and bundle the unique attributes as a single destination. There also was additional input that the two regions (Southwest Riverside and North San Diego along the I-15) should focus on incorporating the opportunities associated with outdoor recreation and the open spaces that define the region.

Stakeholders identified several strategies that should be considered for moving forward. The following strategies are not in any particular order or priority, and the strategies include:

1. **Workforce and Education Development:** Create a coordinated, biregional approach to understanding what employers are looking for, what skills and certificates are needed, and what career pathways should be communicated to workers.
2. **Transition to Higher Paying Opportunities:** Evaluate programs that move entry-level hospitality workers into higher paying, more sustainable jobs while developing greater skills and abilities.

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<sup>6</sup> All data for each of the Industry Cluster Profiles are taken from SANDAG, March 2007, Riverside and San Diego Counties: Cluster Analysis and Opportunities for Cooperative Economic Development. IRP Phase II - Final Report: Appendix A

3. **Entrepreneurial Strategies and Self-Employment:** Develop a strategy that identifies ways of increasing the number of tourism, wineries, and entertainment employers and jobs in the greater region.
4. **Communication and Outreach:** Develop strategies to market the region and bundle the activities together that will draw tourists to Riverside and San Diego.
5. **Inventory of Resources:** Develop an inventory of the employers, education, training resources, and support services that are connected to tourism, wineries, and entertainment.
6. **Use of Waste Products for Biomass Energy Production:** Explore opportunities for biomass energy to be developed at interregional wineries.
7. **University Partnerships for Industry Research and Job Training:** Identify and determine universities' willingness to take an active role in industry research (viticulture), as well as identify higher-level training programs.
8. **Transportation Assessment:** Evaluate the transportation infrastructure needed to connect tourists to all the attractions (particularly in Riverside) and identify opportunities for funding and developing needed transportation infrastructure.

### *Interregional Strategies for Travel, Tourism, Entertainment, and Wineries*

The strategy development group for travel, tourism, entertainment, and wineries proposed three key components that would drive the interregional response to economic development for this industry cluster. The group was supportive of most, if not all, of the strategies identified earlier, but felt the following three were the most relevant for the initiative:

1. **Coordinate Consistent Communication and Outreach That Strengthens Destination Appeal:** This strategy would look to build upon the work that has already been done and identify opportunities to consistently brand the greater region and/or develop complimentary messaging.
2. **Entrepreneurial Strategies and Self-Employment:** This strategy is focused on training and developing entrepreneurs and individuals looking for self-employment within this industry. The focus from this item would be on providing traditional entrepreneurial training and education to individuals who want to focus on new businesses within this industry cluster.
3. **Transportation Improvements:** Transportation infrastructure is an important component to developing better opportunities for visitors who are coming to the two regions. Developing and/or expanding the use of airports, bike paths, and improved public transportation options would serve residents and visitors while reinforcing the outdoor and recreational appeal of the region.

### *Issues to Overcome*

Industry cluster stakeholders agreed on the importance of increasing the destination appeal for tourism interregionally, but there was less agreement on how these key messages could be connected and implemented to strengthen the appeal beyond current communication strategies.



There remains also a generally competitive environment between regional organizations and employers in the tourism industry, as funding for message development and communications is typically tied to specific cities and counties and creates competition between neighboring counties.

### Next Steps

1. **Develop an interregional online portal that highlights the destination appeal of the tourism opportunities in Southwest Riverside and Northeast San Diego.** This online portal would connect and reinforce the key messages that have been developed in branding both regions while also communicating the variety of entertainment activities that exist at regional wineries, casinos, outdoor recreational activities, and natural open spaces. This online portal not only would serve as a way to communicate with potential visitors, but also provide a valuable resource for industry employers who are looking to collaborate other leisure and recreational partners looking to serve the tourist industry.
2. **Examine potential partnerships between regional universities and wineries to develop a research institution in viticulture.** This potential partnership could follow a model like the one between Mondavi and University of California at Davis. There also should be consideration given to potential partnerships at regional colleges and universities to evaluate expanding entrepreneurial training and education for the travel, tourism, entertainment, and wineries industry cluster.
3. **Develop an interregional transportation strategic plan for the tourism and visitor industry.** This plan would evaluate cost-effective strategies to expand transportation options for visitors who are coming to Southwest Riverside and Northeast San Diego. The plan would examine interregional walking and bike paths, access to public transportation, as well as access to airports in or near the focus area of the study. Ultimately, the study would be used to begin developing the infrastructure improvements that will increase visitors' ability to move around interregionally.

### Communication Strategies

Along with the recommendations and next steps from each of the industry clusters, communication strategies were being developed for the initiative.

A marketing and communications strategy has been developed for targeted audiences, stakeholders, and key influencers that need to be engaged to bring the economic development strategies to fruition. The two-pronged approach includes:

1. Broad-based communication strategies to inform the community about the initiatives.
2. Individual outreach tools for each of the three identified industry clusters.

To date, items that have been developed include the following:

- Redesign of the I-15 Web site to include the economic development strategies
- Process to drive traffic to the Web site and engage target audiences with the strategies

- Press release to announce the project and garner input from an online survey
- Templates for developing an outreach plan for each industry cluster, including target audience identification, goals/objectives, outreach tools needed, and return on investment metrics

Ultimately, the recommendations for the industry cluster communication strategies are based on the belief that messaging should be targeted and segmented to the appropriate audiences. Any outreach tools designed (virtual and/or written) should be clearly focused with the central consideration of to whom we are talking.

### Development of Business Portal

Another area that the I-15 IRP has been working on is the establishment of a business portal for the Southwest Riverside County area. This was included as part of the stakeholder group's work, but they were informed of this additional effort by staff. Working with the Economic Development Corporation (EDC) of Southwest California and the Connectory.com™ Network located in El Cajon, a business-to-business Web portal is being established. The Connectory.com™ focuses on primary industry/technology companies and their suppliers of goods and services. It combines the unparalleled speed and navigation capability of the Internet with a high-quality company database that focuses on company capabilities and capacities at every level of the supply chain.

The goal for the I-15 IRP is to create a site that businesses and the government can access to locate businesses located in the southwest area of Riverside County that can supply companies from San Diego and around the world with goods and services. A number of businesses in San Diego have benefited from similar portals to attract business opportunities.

The Web portal will consist of a Home Page that will link to a Search page, Stakeholders page, Links page, and a Success Story page. The Search page will allow users to search for businesses based on the zip codes for Southwest Riverside County. The stakeholders are those defined by the Southwest Riverside County area. The San Diego East County EDC, which oversees Connectory.com™, will manage the pages internally and update the stakeholder data on a quarterly basis as new ones are added to the site.

### Next Steps

Identify funding sources (federal, state, and local) for continued updating of database and expansion of Web site product options and opportunities. One potential funding source could be the development of the Regional Economic District for the Southwest Riverside and North San Diego Counties.

# TRANSPORTATION STRATEGY

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## INTRODUCTION

Despite the downturn in the economy, interregional commuting continues to be a major source of congestion in the I-15 corridor. Indeed, in a recent commuter survey conducted by WRCOG, the number of Riverside residents commuting to San Diego to work has increased from 29,000 to 37,000.<sup>1</sup> Riverside and San Diego need to collaborate on interregional strategies for increasing the performance of the overall transportation system.

In Phase II, a County Line Cooperative Study was conducted by Caltrans Districts 8 and 11 to assist San Diego and Riverside to better understand the infrastructure needs for improvements to the I-15 corridor at the county line. The study demonstrated that without improvements, congested conditions would begin to occur some time between the years 2010 and 2015. As large, capacity-improving projects typically require longer lead time and a larger amount of time, money, and staff resources, it was recommended that short-term tactics also be considered such as operational, Intelligent Transportation System, and certain types of transit projects.

The I-15 IRP Transportation Strategies developed in Phase I addressed in Phase III were:

- ▶ **STRATEGY ST1: Interregional coordination of vanpool and carpool programs**
- ▶ **STRATEGY ST5: Collaboration among transit providers**
- ▶ **STRATEGY LT11: Preserve transportation Rights-of-Way and implement priority measures through the development process**
- ▶ **STRATEGY LT12: Implement the I-15 HOV/Managed Lanes System**

## TASKS - SCOPE OF WORK

Building upon the County Line Cooperative Study, the transportation emphasis for Phase III activities focused on the development of a SIP for short-term improvements. The SIP consisted of the following required deliverables:

- Compile and document existing Project Study Reports (PSRs) in the study corridor
- Inclusion of goods movement data summary
- Analysis of transit priority treatments and transit lane infrastructure development
- Cost effectiveness analysis and overall funding strategy

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<sup>1</sup> "The Choices We Make: Commuting, Housing, and Employment: Final Report," conducted for WRCOG by True North Research, August 11, 2008 (dated collected in 2007). PDF available from WRCOG Web site ([www.wrcog.gov](http://www.wrcog.gov)) and I-15 IRP Web site ([www.i15irp.org](http://www.i15irp.org)).

In addition, the transportation report includes an overview of extensive work planned for the I-15 and State Route 91 (SR-91) corridors, an inventory of park-and-ride lot facilities serving the I-15 corridor, and an overview of SB 375 (Steinberg), the state legislation requiring the reduction of greenhouse gas emissions (GHG) and also highlights the varied planning and agency responsibilities between RCTC and SANDAG.

In partnership with WRCOG and SANDAG, RCTC served as the lead agency for the transportation component of Phase III activities. To assist with the work effort, RCTC retained the consulting firm Wilbur Smith Associates (WSA). The full report is available in Appendix B. Following is an overview of the transportation report.

### EXISTING PROJECT STUDY REPORTS

This task compiled and documented existing PSRs in the study corridor (Figure 2). The seven PSRs assembled in the report span from Lake Elsinore in Riverside County down to State Route 52 (SR-52) on the northern border of the city of San Diego. The PSRs reviewed consisted of the following:

#### Riverside County

- PSR for I-15 between State Route 79 (SR-79) to north of the I-15/I-215 junction, April 2002
- PSR for interchange improvements on I-15 at Railroad Canyon Road, September 2002
- PSR for the I-15/SR-79 South interchange, February 2004
- PSR to modify existing interchange at I-15/State Route 74 (SR-74) junction, January 2005
- PSR to widen roadbeds and HOV lanes on I-15 between the I-15/I-215 split and Riverside county line, October 2007

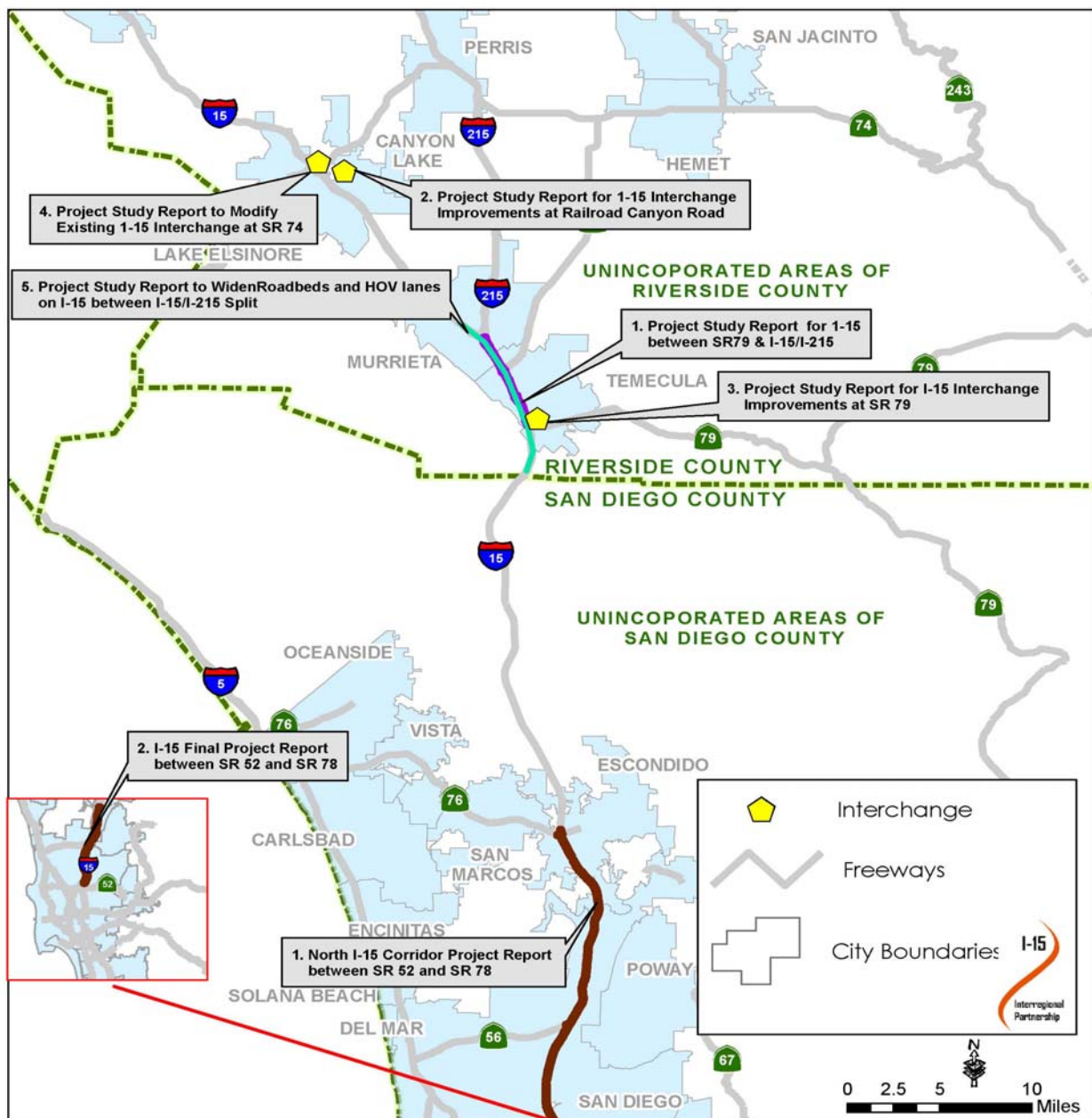
#### San Diego County

- North I-15 Corridor PSR between SR-52 and SR-78, San Diego County, September 1998
- I-15 Final Project Report between SR-52 and SR-78, San Diego County, February 2003

Focusing on only PSRs highlights a potential shortcoming in the project analysis. For example, RCTC has launched a comprehensive effort to widen 43.5 miles of the I-15 from the San Bernardino County line all the way to the confluence of the I-15/I-215 interchange. The overall effort will include new toll lanes between State Route 60 and SR-74 and additional lane widening throughout the entire length of the facility. Along with the I-15 Improvement Project, RCTC is pursuing improvements to SR-91, which also includes an additional, general purpose lane, new toll lanes, improved access to the freeway, and a significant upgrade to the SR-91/I-15 interchange. The planned SR-91/I-15 improvements are so significant that it will include major investments on approximately six miles of the I-15 from the Hidden Valley Parkway interchange in Norco all the way to the Cajalco interchange in Corona. Both of these projects have entered into the environmental analysis stage. An environmental document is expected to be approved for SR-91 in

2011 and in 2012 for the I-15 project. Construction on the SR-91 project will begin in 2011; construction on the I-15 project is scheduled for 2015. In both projects there is a large toll component, which has added a level of information that far surpasses what is available in a PSR. For example, traffic modeling has been completed to a much higher level on these projects as part of traffic and revenue analyses. Also, improvements on the I-15 have been made due to legislation approved in 2008 (Assembly Bill 1954 Jeffries) authorizing RCTC to develop a high occupancy toll (HOT) facility. Furthermore, SB X4 (Cogdill), which was approved in 2009 as part of a state budget amendment, creates a pilot program for design-build, public/private partnerships. In Riverside County, the I-15 is a potential candidate for this pilot program.

**Figure 2**  
**Compilation of PSRs on I-15 Corridor for Riverside and San Diego Counties**



## Other Project-Related Analysis

Because PSRs provide a limited snapshot of projects planned for the I-15 corridor, the following Long-Range Transportation Plans (LRTPs) and RTPs also were reviewed for the adjacent counties and metropolitan areas:

- Orange County Transportation Authority 2006 LRTP
- San Bernardino Associated Governments 2005 I-15 Comprehensive Corridor Study RTP
- SCAG 2008 RTP
- SANDAG 2030 RTP (adopted in 2007)

## Conclusions - PSRs

- There is a lack of planned improvement, or gap, in the middle of the corridor between the I-15/I-215 interchange in Riverside County south to Escondido in San Diego County
- If traffic increases at the rate projected in the PSRs, this area would see a continued reduction in level of service performance
- PSRs are an incomplete source of information regarding project planning that has been well underway on projects along the I-15 in Riverside County

## GOODS MOVEMENT DATA SUMMARY

The Goods Movement Data Summary task analyzed the importance of goods movement in planning for future transportation enhancements in the I-15 corridor. The Multi-County Goods Movement Action Plan, which was part of a regional framework for goods movement initiatives, was used as a key resource for this work. This seven-county study looked at goods movement on Southern California's regional infrastructure network through San Bernardino, Riverside, Orange, Los Angeles, San Diego, Ventura, and Imperial Counties.

Riverside County's freight corridors mostly run in an east/west orientation, while San Diego's major corridors run more north/south. This creates two completely different outlooks when trying to compare freight movements in the study area. Riverside County has two major rail lines, expected to more than double in volume by 2035; however, the rail lines are not located in the I-15 corridor. Traffic on San Diego's Burlington Northern Santa Fe (BNSF) rail line also is expected to double by 2030, showing strong growth in the rail industry. In addition to BNSF, there are two shortline freight railroads in San Diego County; however, their annual haul is minimal. I-15 is a significant truck freight corridor. The daily average truck count on the I-15 corridor is 11,060 in San Diego County and 11,960 in Riverside County.



## Riverside County - Rail Volume

Riverside County has three rail mainlines owned by BNSF and Union Pacific (UP). These include the BNSF Transcon, the UP Los Angeles Subdivision (UP LA Sub), and the UP El Paso Line. The BNSF Transcon is the artery linking the Los Angeles basin to all Midwestern, Southwestern, and Eastern markets on the BNSF rail system. UP LA Sub connects to the UP Sunset Corridor at Colton in the Los Angeles basin. The UP El Paso Line is part of the UP Sunset Corridor, which extends to El Paso. This route is designated as the primary, intermodal line between the Los Angeles basin and Eastern markets traversing through Riverside County. Freight traffic is projected to double in Riverside County by 2035. Rail freight passing through Riverside County is substantial and has implications on traffic congestion and safety issues at at-grade railroad crossings. Riverside County recently published the *RCTC Grade Separation Funding Strategy: A Blueprint for Advancing Projects* in 2008 identifying key issues with goods movement and the critical need for additional funding to grade separate crossings. The movement of goods by rail in Riverside County is mostly in the east-west direction and does not overlap with goods movement along the I-15 corridor, and therefore, at-grade crossings are less of an issue for this corridor.

## Riverside County - Truck Volume

Riverside County is a key freight corridor in Southern California. According to the 2006 goods movement study conducted by Cambridge Systematics<sup>2</sup>, in 2003 104 million tons of goods were shipped through Riverside County with 35 percent (36 million tons) shipped via truck and 65 percent (68 million tons) handled by rail passing through Riverside County. The percentage of trucks on I-15 through the county varies from 5.6 percent to 11.5 percent, with a general lowering of the number of trucks toward the San Diego County border. According to estimates using Federal Highway Administration (FHWA) Freight Analysis Framework data (2002 FAF2), approximately 19 percent of Riverside County's Average Annual Daily Truck Traffic (AADTT) travels on the I-15 corridor.

## San Diego County - Rail Volume

BNSF is the major carrier in San Diego County, and its mainline extends from the border with Orange County down the coast to National City. BNSF trains operate on the Los Angeles-San Diego-San Luis Obispo corridor parallel to the I-5 freeway. This 62-mile mainline is the only viable rail link between San Diego and the rest of the nation, with freight volumes exceeding 30,000 carloads annually. By 2030, the volume is estimated to be more than 60,000 carloads per year.<sup>3</sup>

The San Diego and Imperial Valley Railroad (SDIV) is a shortline operator on the San Diego and Arizona Eastern Railway track in the United States. The SDIV has been owned and operated by RailAmerica (now Fortress Holdings) since 2000. At one time, the SDIV operated on two rail lines, but today operates on only one (the San Diego to El Cajon Line), which interchanges with the BNSF railway operations in San Diego. On this 15-mile long route, over 7,000 railcars were transported in 2007.<sup>4</sup> This line is operated by the Carrizo Gorge Railway (CZRY), which is the San Diego and Arizona Eastern Railway's operator in Mexico and Imperial Valley. The CZRY estimates between 5,000 and 6,000 railcars traveled into Mexico on the SDIV line in 2008.<sup>5</sup>

<sup>2</sup> Critical Goods Movement Issues for Riverside County, RCTC, September 2006

<sup>3</sup> LOSSAN Rail Corridor Intermodal Improvements Fact Sheet, March 2009

<sup>4</sup> Rail America, [www.railamerica.com/shippingservices/railservices/SDIY.aspx](http://www.railamerica.com/shippingservices/railservices/SDIY.aspx)

<sup>5</sup> Carrizo Gorge Railway Phone Interview with Maria Martinez, Head of U.S. Rail Traffic, May 22, 2009

## San Diego County - Truck Volume

San Diego County truck routes tend to be more north/south in orientation and are centered in the downtown San Diego area. The percentage of trucks on I-15 through San Diego County varies from 3.59 percent to 13.20 percent, with a general lowering of the number of trucks toward the Mexico border. According to estimates using FHWA's 2002 FAF2 data, approximately 14 percent of San Diego County's AADTT travels on the I-15 corridor.

## Conclusions - Goods Movement Data Analysis

Due to the economic slump in California, and nationwide, truck volumes and rail traffic are on the short-term decline and may continue to slide for another year or more indicating ongoing economic fluctuations dictating future freight traffic. However, as the state and national economy regain their health, an eventual increase in demand for goods will ensue, leading to an increase in truck and rail traffic in the region. Riverside and San Diego Counties will be impacted by this long-term trend of goods movement-related traffic. It is recommended that future freight movement estimates be carried out periodically to address potential changes to freight demand as a result of changes in economic conditions.

## PARK-AND-RIDE FACILITIES

RCTC provides funding to support park-and-ride facilities in Western Riverside County through a provision in Measure A, the county's half-cent sales tax measure. These facilities are leased by RCTC and used by Riverside County residents for their home to work commute. RCTC's commitment to the lease approach enables the agency to assess park-and-ride needs and facilities and establish locations quickly. Currently, RCTC leases spaces from five locations in Menifee and Temecula, providing over 270 park-and-ride spaces.

Caltrans District 11's Planning Division oversees numerous park-and-ride facilities throughout San Diego County. Many of these facilities are located near transit centers providing a vital link to the commuting public. The Planning Division has established formal agreements with a number of cities, the county, and various private organizations to create the 67 active park-and-ride facilities. Of the 67 facilities, 33 are owned by the State of California, and 34 are owned by either a city, the county, or private organizations.

In partnership with RCTC's Commuter Assistance Program, WRCOG developed Attachments 1 and 2, the 2008 Park-and-Ride Inventory for San Diego County and the 2009 Park-and-Ride Inventory for Southwest Riverside County.

## ANALYSIS OF TRANSIT PRIORITY TREATMENTS AND TRANSIT LANE INFRASTRUCTURE DEVELOPMENT

The Analysis of Transit Priority Treatments and Transit Lane Infrastructure focused on potential transit improvements, including the review and refinement of future BRT and/or commuter express transit plans in the I-15 and I-215 corridors. The review incorporated the results from WRCOG's TOD Study and the Interregional Transit, Buspool, and Vanpool Study, which was conducted by SANDAG.

Additionally, the work was coordinated with the smart growth land use planning efforts underway in the I-15 and I-215 corridors, which looks to coordinate land use and transit planning. The analysis also included the development of preliminary phasing options for express bus and BRT services given existing and proposed infrastructure.

As illustrated in Table 2, Riverside and San Diego Counties are very different in some critical ways that will make integrating and sustaining intercounty transit service a challenge. First and foremost is the difference in planning responsibilities between the two counties. In San Diego County, the focus is led by SANDAG, which is a metropolitan planning organization (MPO), a council of governments (COG), a regional transportation planning agency (RTPA), and is also responsible for LRTP. The focus in San Diego County on the I-15 has been on the managed lanes concept with transit as a core component of future plans from Escondido to the south. In San Diego, expanded BRT operations will soon be a reality in the I-15 corridor, and bus on shoulder plans are being discussed. To a degree, making improvements to the I-15 freeway infrastructure in North San Diego County has been to improve transit operations. Transit works well on the southern portion of I-15 in San Diego County for many reasons:

- A relatively dense spine of communities with many commuters headed from Escondido and points south to downtown San Diego
- A well-established, eight-mile HOT lane stretch on the I-15 utilized by buses, especially during peak hours
- A dedicated funding source in *TransNet* with transit as an important focus
- A willingness, as evidenced by the passage of *TransNet*, to improve transit and look at options such as bus on shoulder

In short, SANDAG has partly focused on transit in the I-15 corridor because transit has been a successful, well used mode. As an example, the farebox recovery ratio on the MTS's commuter services is approximately 46 percent. In comparison, in Riverside County, the regional transit provider for Western Riverside has a low farebox recovery ratio (*less than 17 percent for blended rural/urban service*) making it more difficult to establish new and expanded transit services such as intracounty BRT service.

RCTC is the RTPA for Riverside County; in addition, RCTC has transit oversight responsibility, however, it does not plan or operate transit services. There are seven public bus operators in Riverside County with each operator having a separate planning authority and governing board. For Western Riverside, RTA (a joint powers authority) has responsibility for transit planning and operation; RTA's service area includes the I-15 corridor. Compared to the County of San Diego, Riverside County has a relatively low land use density with a more spread out pattern of development which is not easily served by transit.

In 1988 and again in 2002, more than two-thirds of Riverside County residents approved a half-cent sales tax initiative called Measure A to fund transportation projects. The Measure A Expenditure Plan is primarily a freeway/highway funding mechanism with some dedicated funding for transit and the Metrolink commuter rail system. As a result, the focus on the I-15 corridor in Riverside County has been centered on freeway improvements, including improving interchanges and constructing/expanding HOV lanes (which, when built, can be utilized by transit buses). RCTC also has plans to implement the use of HOT lanes on the I-15 and SR-91. Without a large amount of

dedicated funding for transit, it is difficult to increase services and gain transit mode share while meeting the state-mandated farebox recovery ratio. These issues, dedicated funding for transit and low land use density, are fundamental differences between the two counties in the provision of transit services. In addition, as illustrated under the Smart Growth section of this report, SANDAG and RCTC have different planning responsibilities related to reducing GHG.

### Smart Growth - SB 375 (Steinberg) - California State Legislation

SB 375 is California state legislation that became law effective January 1, 2009. It requires the reduction of GHG emissions from light trucks and automobiles through land use and transportation efforts that will reduce vehicle miles traveled. SB 375's goal is to reduce GHGs by improving the connection between land use and transportation planning, resulting in more walkable, compact communities served by good, reliable transit, thus reducing the need to drive. SB 375 requires "California's Air Resources Board ... to develop regional reduction targets for GHG emissions, and prompts the creation of regional plans to reduce emissions from vehicle use throughout the state. Under SB 375, California's 18 MPOs have been tasked with creating ... SCS[s]. The MPOs are required to develop the SCS through integrated land use and transportation planning and demonstrate an ability to attain the proposed reduction targets by 2020 and 2035."<sup>6</sup> The SCS is a required, new element of the RTP.

### SB 375 - Riverside County

SCAG is the nation's largest MPO, representing six counties (Riverside, San Bernardino, Orange, Los Angeles, Imperial, and Ventura) and is responsible for a variety of planning and policy initiatives, including SB 375. Unique to the SCAG region, SB 375 affords the opportunity for a COG along with the county transportation commission, to develop a *subregional* SCS for incorporation into the *regional* SCS. In Riverside County, there are two COGs: the Coachella Valley Association of Governments (CVAG), which serves the eastern portion of the county, and WRCOG serving the western portion of Riverside County.

To assist the COGs in defining their role in the SB 375 process, SCAG identified the following three variations/options of involvement for subregionals to consider:

1. **Full Delegation.** For Riverside County, this option would require that CVAG and WRCOG, in collaboration with RCTC, complete a comprehensive analysis of planned and programmed transit and planning projects throughout the two subregions. The jurisdictions would then be required to review and refine growth patterns to recommend areas for densification and identify future transportation projects and policies required to reduce GHG emissions to 1990 levels. The COGs and the California Transportation Commission (CTC) would be required to hold a series of scenario planning workshops together with a number of public hearings. In addition to the development of the SCS, the subregions also would be responsible for delegation of the Regional Housing Needs Assessment (RHNA).
2. **Partial Delegation.** This would require CVAG, WRCOG, and RCTC to undertake the aforementioned planning and transit review and recommendation without accepting delegation of the RHNA.

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<sup>6</sup> SCAG's SB 375 Regional Implementation Plan. [www.scag.ca.gov/sb375/index.htm](http://www.scag.ca.gov/sb375/index.htm)

- 3. Collaborative Planning Process.** This planning process provides a flexible range of options in developing a SCS. Specifically, SCAG would oversee the process relying heavily on input from the subregions, local jurisdictions, and CTC to identify planned and new transit projects, transportation plans, and policies that will reduce GHG emissions, provide assistance with workshops and outreach programs, review and refine local data, and provide input into the development of additional regional policies to reduce GHG emissions.

In December 2009, both CVAG and WRCOG's policy boards selected the Collaborative Planning Process for Riverside County's involvement in SB 375. RCTC's policy board has not taken any action related to SB 375 implementation.

### SB 375 - San Diego County

In the San Diego region, SANDAG is undertaking implementation of SB 375 and preparation of the SCS. Although the SCS is a new requirement, its origin lies in the regional planning processes already underway at SANDAG and other MPOs/COGs in the state, which set forth plans for future growth that integrate the transportation, land use, housing, environmental, and economic needs of each region. The SCS also is a continuation of the state's Regional Blueprint Planning Program that has been funded with state grants using federal transportation planning funds since the program was initiated in 2005. The development of SANDAG's Regional Comprehensive Plan (RCP) and Smart Growth Concept Map were partially funded from those grants and will assist the region in its preparation of a SCS for the 2050 RTP.

SANDAG is the first major MPO in the state that is subject to SB 375. A SCS will be prepared as part of the region's next RTP (2050 RTP), which is scheduled to be adopted in July 2011. The RHNA for the next housing element cycle is required to be consistent with the SCS and also will be adopted by July 2011. Another major component of this work is the 2050 Regional Growth Forecast (Series 12), which will be used in the development of the RTP, SCS, and RHNA. (Reports about the relationship of SANDAG's Overall Work Program (OWP) to SB 375, the RTP schedule, and the Series 12 growth forecast have been prepared and can be found on SANDAG's Web site.<sup>7</sup>)

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<sup>7</sup> [www.sandag.org/index.asp?projectid=360&fuseaction=projects.detail](http://www.sandag.org/index.asp?projectid=360&fuseaction=projects.detail)

**Table 2  
Varied Planning Approaches and Agency Responsibilities**

SANDAG	RCTC
MPO, RTPA, and LRTP Responsibility	RTPA
High density - many commuters traveling to downtown San Diego	Low density - more spread out pattern of development
SB 375 - 1st major MPO subject to SB 375/SCS will be part of RTP process	SB 375 WRCOG and CVAG: selected “collaborative” process
<i>TransNet</i> - \$14 billion/40 years (transit, highway, local roads, etc.)	Measure A - \$4.6 billion/30 years \$390 million available in Western Riverside County for commuter assistance, rail, bus and specialized transit services
Managed lane concept with transit as a core component (BRT, bus on shoulder)	HOV/HOT lanes (transit enhancement)

**Conclusions - Analysis of Transit Priority Treatments and Transit Lane Infrastructure Development**

From a transit operator perspective, the two transit systems (RTA in Riverside County and MTS<sup>8</sup> in San Diego County) have different operating costs, different metrics for measuring service, vastly different service areas, and serve different population densities. For example, San Diego County’s density along the I-15 corridor makes it an ideal candidate for BRT and express bus service, while Riverside County’s lower densities and dispersed activity centers make BRT and express bus service more difficult. It is understandable that Riverside County might view expanding vanpools as a key component for the solution to intracounty travel, while San Diego County views BRT and express bus as the critical component. Each county’s perspective is logical and reasonable. The challenge will be to find the middle ground that makes sense financially, operationally, institutionally, and politically.

**COST EFFECTIVENESS ANALYSIS AND OVERALL FUNDING STRATEGY**

To complete the Cost Effectiveness Analysis and Overall Funding Strategy task, a series of multimodal alternatives were developed. As illustrated in Table 3, each alternative was subsequently reviewed in terms of cost effectiveness and funding potential. A No Build alternative was developed to identify those projects which are currently slated for implementation and to represent the baseline against which the other alternatives would be compared. The alternatives represent a range of costs and implementation timeframes, with low-cost, relatively easily implemented projects grouped in the Transportation System Management (TSM)/TDM alternative, with the more cost intensive and complex projects grouped under the Express Bus and BRT alternatives.

<sup>8</sup> Note that in addition to MTS, NCTD also is a transit operator in San Diego County. MTS, however, has taken the lead in terms of interregional transit.



**Table 3  
Summary of Multimodal Alternatives for the I-15 Corridor**

ALTERNATIVES	PROJECT COST COMPARED TO EFFECTIVENESS	HIGHWAY PROJECTS	TRANSIT PROJECTS
No Build - Planned/Funded Projects and Programs	Highway Projects - Significant expense serving high demand.  Transit Projects - Perform well given cost, but involve relatively small ridership or usage numbers.	I-15 widening and HOV/HOT lanes from San Bernardino county line to Murrieta (Riverside)	Vanpool Program (Riverside/San Diego)  RTA’s Route 217 (Riverside)
		I-15 widening and HOV/HOT lanes to Centre City Parkway (San Diego)	Escondido Rapid Bus (San Diego)
		I-15 widening and HOV/HOT lanes to county line (San Diego)	Escondido to Downtown San Diego via SR-94 (San Diego)
TSM/TDM	Low cost, easy to implement. Projects perform well in terms of effectiveness.	Park-and-ride lots (Riverside/San Diego)	Buspool Program (Riverside/San Diego)
		Bus on shoulder (San Diego)	Transit Route Expansion - 206/208 (Riverside) and 810 (San Diego)
Express Bus	Significant cost yielding significant mobility and environmental benefits.	HOV lanes from Murrieta to county line (Riverside)	New Route - Riverside to downtown San Diego (Riverside/San Diego)
BRT	Most expensive option of the three “build alternatives.” BRT provides for higher usage and mobility compared to Express Bus alternative.	HOV/HOT lanes plus widening from Murrieta to county line (Riverside)	BRT Expanded Into Riverside County (Riverside/San Diego)

Following is an explanation of the multimodal alternatives:

- **No Build Alternative**

This alternative consists of those projects which are currently in the RTPs for the two counties on the I-15 corridor. In terms of highway projects, it includes the completion of the I-15 widening and HOV/HOT lanes in Riverside County as far south as Murrieta and in San Diego County as far north as the Riverside county line.

Transit improvements include the continued operation of the vanpool programs by both counties and continued operation of the new RTA 217 route from Temecula to Escondido. In San Diego County, MTS would initiate BRT service on I-15 from Escondido south.

- **TSM/TDM Alternative**

The TSM/TDM alternative consists of relatively low-cost and easily implementable improvements which enhance TSM and TDM. These types of projects typically involve measures which make better use of existing transportation resources by improving utilization or enhancing the performance. The investment required is usually small, and these projects do not involve major new construction. As a result, they are generally easy to implement and can be put into service in the short-term time frame. In terms of highway improvements, this alternative includes an expanded park-and-ride program in both counties (800 spaces) and bus on shoulder improvements on I-15 in San Diego County between Escondido and the county line. The transit projects under consideration include a buspool program as identified in the interregional transit study (13 buses to replace about 25–30 vanpools), transit route expansion (RTA routes 206/208 based on the successful performance of Route 217 and MTS Route 810—two buses and two stops) between the counties, and an expanded customer information program that includes improvements to the 511 programs that would allow cross-linking between counties. This would allow users in one county to access information in the other county with a single access to 511.

- **Express Bus Alternative**

This alternative focuses on express bus linkages between the two counties requiring the completion of HOV lanes on I-15 to close the gap between the county line and Murrieta. These services would include new linkages between Riverside County and downtown San Diego (eight buses and seven new stops).

- **BRT Alternative**

The BRT alternative involves extending the widening of I-15 to include four general purpose lanes plus two HOV/HOT lanes in each direction to close the existing gap between Escondido and Murrieta. This would provide a continuous HOV/HOT system along the I-15 corridor. BRT services from San Diego County would be extended and expanded to include Riverside County (eight buses and two new stations). This would provide direct service without transfers linking Murrieta and Temecula with the I-15 corridor stations in San Diego County, as well as downtown San Diego and the University City/University of California San Diego area.

## Project Costs and Evaluation of Multimodal Alternatives

The capital and operating costs of each of the projects included in the multimodal alternatives are identified on Attachment 3 to this report. The cost information for the highway projects consist of the projects identified in the PSRs on the I-15 corridor, as well as the current projects in the RTPs. In some cases where the information was not available, WSA prepared estimates. For example, the cost of closing the HOV/HOT lane gap from Murrieta to the San Diego County line was estimated by determining the per mile cost of the two similar projects in Riverside and San Diego Counties located both north and south of the gap. The average per mile cost of these projects was about \$40 million. The cost of the transit projects was drawn from the *San Diego/Riverside Interregional Transit, Vanpool, and Buspool Study* and the *I-15 Bus Rapid Transit Operations Plan Detailed Analysis* report prepared by SANDAG.

The results for each of the multimodal options are discussed below:

- **No Build**

The No Build option involves significant expense for the highway projects which are currently in the RTP. However, these projects serve significant demand and because they include HOV/HOT lanes, they provide true, multimodal mobility benefits. The transit projects in the No Build option, including the vanpool program and the express bus improvements perform well, but involve relatively small ridership or usage numbers.

- **TSM/TDM Alternative**

The projects included in the TSM/TDM are, by definition, low cost. Given the small investments involved, these measures perform well in terms of usage and cost effectiveness. However, because the amount of usage is relatively small, the gains in mobility, environmental benefits, and operating efficiencies also are small, and there are no long-term elements that would support positive, transit-oriented, land use development.

- **Express Bus Alternative**

This alternative performs well overall, but does involve significant costs. However, having completed HOV lanes linking the two counties with an integrated express bus program would yield significant mobility and environmental benefits.

- **BRT Alternative**

Of the three build alternatives, the BRT option involves the greatest costs. It also involves somewhat higher usage and mobility enhancement as compared with the Express Bus alternative. The fact that it involves the construction of dedicated BRT stations reflecting a long-term commitment to transit means that it is more likely to stimulate transit-supportive development along the I-15 corridor.

## CONCLUSIONS AND NEXT STEPS

There are certain challenges and constraints to the implementation of any of the multimodal alternatives identified. These include:

- **Funding**

The most significant obstacle to implementing any of the alternatives is funding. The current economic crisis has stressed the available funding mechanisms to the extent where all existing federal, state, and county revenues are in serious jeopardy. The ability to fund the projects in the No Build alternative is in itself a major challenge for the counties. Projects which require major new funds are not likely to be implemented in the near or intermediate term. Transit operating funds are particularly difficult to come by, so major, new, transit services will be difficult to implement within the corridor. Phasing and incremental development of projects is probably the only way to implement larger projects.

- **Land Use and Economic Characteristics**

Along the southern portion of the I-15 study corridor (from Escondido south to downtown San Diego), there are marked differences in the densities and the mix of land uses. In San Diego County, most of the I-15 corridor from Escondido south is heavily developed with a mix of residential, commercial retail, and employment sites. While the densities are below that typically considered necessary to sustain rail transit, they are sufficient to support express bus or

BRT type services. In Riverside County, the land uses are generally less dense and in some places interspersed with agricultural uses. While there are significant retail developments, there are fewer employment centers compared to San Diego County. Residential development in Riverside County provides a lower-cost housing resource for many who find jobs in San Diego County. The densities and mix of uses along I-15 in Southwest Riverside County are not clearly sufficient to sustain a significant investment in bus transit, although there is clearly a need to provide an alternative to auto travel.

▪ **Institutional Barriers**

There are various issues related to the provision of truly integrated transit services between the two counties. The two transit operators, MTS and RTA, have different cost structures and work rules making shared operation of services very difficult. If one agency or the other operates the services, then a cost-sharing agreement is necessary. There also are differing philosophies regarding the acceptability of various transportation improvements. For example, the bus on shoulder lanes that have been successfully implemented in San Diego County are not considered as an option in Riverside County due to the extensive improvements planned on I-15 and SR-91.

▪ **Transportation Needs and Priorities**

Both counties have pressing transportation infrastructure needs of their own which do not involve interregional concerns. This makes it difficult to place a high priority on interregional projects which may provide benefit to the adjacent county without potential for reimbursement.

The suggested next steps for consideration are:

- Initiate bus on shoulder assessment and analysis for the I-15 corridor in San Diego County
- Implement, if warranted and feasible, bus on shoulder operation in San Diego County
- Develop an agreement, in principle, for operating plans, including vanpools and buspools and other planning studies (e.g., TOD and other managed growth planning)
- Monitor ridership and demand for current RTA and MTS services
- Consider phasing of a demonstration express bus line from Temecula to downtown San Diego
- Develop operating plans for capacity enhancement freeway projects
- Implement expanded intercounty services
- Construct additional HOV lanes
- Continue to aggressively plan and build park-and-ride lots
- As resources become available and ridership warrants, continue to expand operations and connections to the regional system and the local communities

# HOUSING STRATEGY

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## INTRODUCTION

During Phase I of the I-15 IRP, a Commuter Survey was conducted to gain a better understanding of the factors and motivations behind increased I-15 interregional commuting, particularly for residents of Southwest Riverside County who commute daily into the San Diego region for Employment. The survey found that many of these commuters were very satisfied with living in Southwest Riverside County and had accepted commuting as a “way of life,” particularly if it meant they could afford a single-family, detached home. The survey indicated that many existing I-15 commuters were largely unlikely to want to change residences to be closer to their place of employment, even if it meant a shorter commute time. Thus, these results suggested that I-15 IRP strategies should focus not only on existing commuters, but also on those who may consider moving to Southwest Riverside County in the future with similar views on home ownership and a willingness to commute.

As a result, the Phase III Housing Strategy contains two components that focus on both existing and potential future I-15 commuters based on the following strategy identified at the end of Phase II:

► **Housing Strategy H3: Provide incentives for the construction of moderate-cost family housing near employment centers**

*Actions:*

- SANDAG will pursue implementation of a pilot workforce housing project(s) in North San Diego County
- WRCOG/SANDAG will continue to collaborate on smart growth development near transit applicable to both regions

The Workforce Housing Project sought to encourage construction of moderate-cost family housing near employment centers in North San Diego County in order to provide more housing choices for those who might otherwise make the move to Southwest Riverside County. The Western Riverside Smart Growth Opportunity Area Map project identified areas where higher-density residential and employment development could be located in major activity centers and integrated with transit service to provide existing southbound I-15 commuters and future residents of the area with more housing, employment, and transportation choices.

## WORKFORCE HOUSING

A key goal of Phase III of the I-15 IRP Housing Strategy was to develop a proposal for a workforce housing project that will help reduce the strain on the interregional transportation system by providing more affordable housing opportunities for employees who work in the San Diego region, particularly those who work in the North County area. The project goals were to:

1. Identify potential sites for moderate-income/workforce housing projects in North San Diego County in Smart Growth Opportunity Areas along the SPRINTER line targeting households with income levels between 80 to 120 percent Area Median Income (AMI).
2. Foster the involvement of one or more large regional employers toward a proposal for a workforce housing project at one or more of the identified sites.
3. Identify specific development and financing components for a successful project.
4. Generate needed support from regional and local partners to facilitate a successful project.
5. Advance the project as much as possible toward achieving the actual construction of a workforce housing project.
6. Build a foundation for a workforce housing project that could be emulated elsewhere along the SPRINTER line and in other areas of the region.

Keyser Marston Associates (KMA) was hired in May 2009 to provide consultant assistance for the I-15 IRP Workforce Housing Project.

### Tasks

The tasks for the Workforce Housing Project are described below. Appendix C (available at [www.i15irp.com](http://www.i15irp.com)) includes background information regarding site selection, developer interviews, project descriptions, financial feasibility tables, and sample Requests for Proposals (RFPs).

#### *Initiation and Identification of Potential Sites*

- An e-mail questionnaire was developed and forwarded to the cities of Oceanside, Vista, San Marcos, Escondido, the County of San Diego planning and redevelopment officials, California State University San Marcos, the NCTD, and Palomar Pomerado Health regarding potential sites for workforce housing (Appendix C)
- An independent review of available land for sale using third-party data sources was conducted

Based on the responses to the questionnaire, ten sites were initially identified (Appendix C)—two in San Marcos, four in Vista, three in Escondido, and one in the unincorporated area of the county. From the ten sites, five were chosen for further evaluation based on ownership, zoning, site readiness, and whether replacement parking was needed. These included three in Vista, one in Escondido, and one in the county unincorporated area.

#### *Site Analysis*

Further study/analysis of the five sites was conducted as described below:

1. **Site Analysis:** An evaluation matrix (Figure 3) of the five candidate sites (Figure 4) selected during Task 1 was created, which included:
  - a. Ownership, size (square feet [SF]), existing uses, surrounding uses, land use and zoning
  - b. Whether the site is located in a Redevelopment Project Area and/or Smart Growth Opportunity Area on the Smart Growth Concept Map

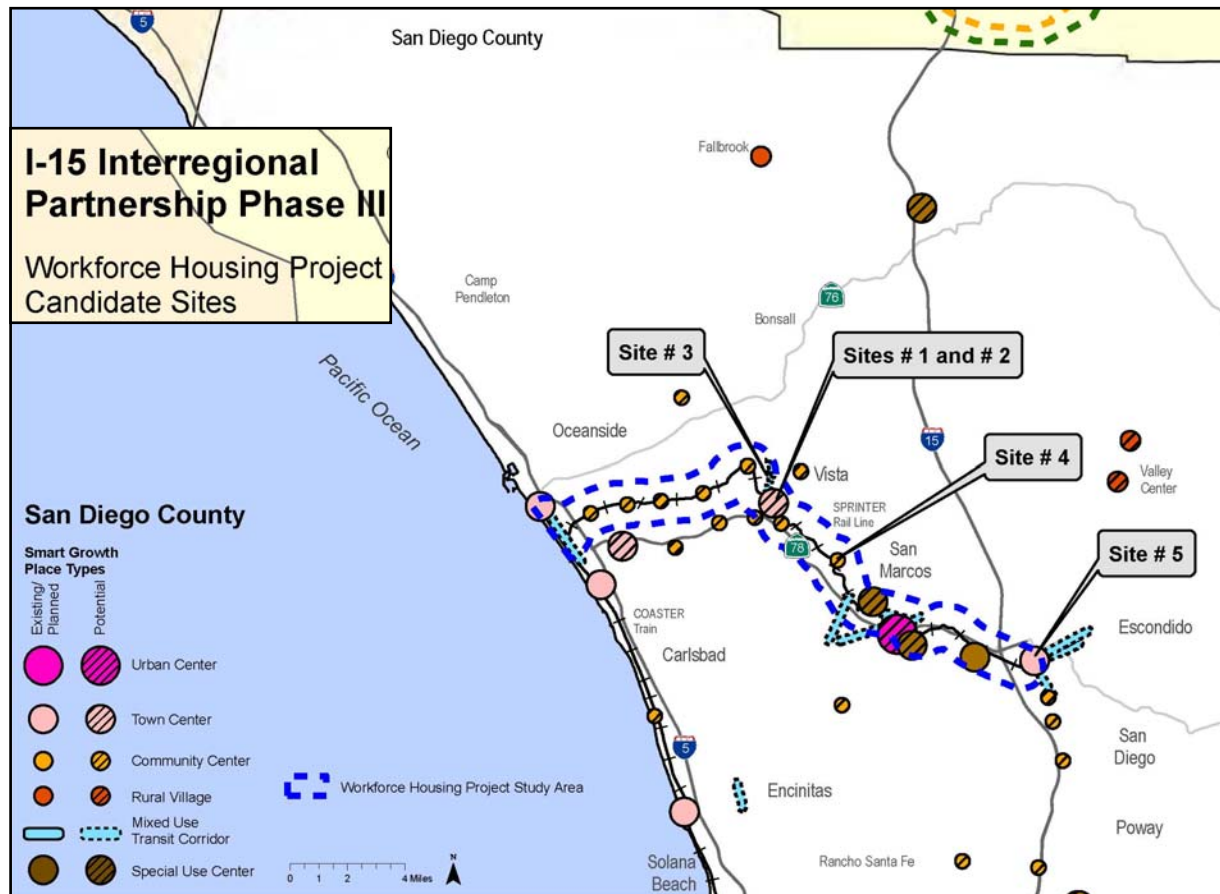


**Figure 3  
Evaluation of Candidate Sites Table**

	#1 SEC S. Santa Fe Ave. and Vista Village Dr.	#2 N. Santa Fe Ave. from Washington to Orange St.	#3 NEC Santa Fe Ave. and Cananea	#4 2102 Victory Drive	#5 Escondido Transit Center
<b>A. Community</b>	Vista	Vista	Vista	Unincorporated County	Escondido
<b>B. Site Size</b>	1.50 acres	1.66 acres	11.00 acres	18.18 acres	5.03 acres
<b>C. Smart Growth Opportunity Area</b>	VS-1 Potential Town Center	VS-1 Potential Town Center	VS-5 Existing/Planned Mixed Use Transit Corridor	CN-4 Potential Community Center	ES-1 Existing/Planned Town Center
<b>D. Ownership</b>	City of Vista Community Development Commission; existing Disposition and Development Agreement (DDA) with G8 Development Inc. (Developer) approved June 2008	City of Vista Community Development Commission	Developer: 73% / Other Private Owners: 24% / City/CDC: 3%	Private owner	North San Diego County Transit
<b>E. Existing Uses</b>	Vacant	Vacant	Vacant	Vacant / agricultural uses	Vacant
<b>F. Location Characteristics</b>	<ul style="list-style-type: none"> <li>Located in Vista Redevelopment Project Area</li> <li>Adjacent to Vista Transit Center</li> <li>Adjacent to Vista Village shopping center</li> <li>Within 1 mile of Vista City Hall and Vista Unified School District</li> </ul>	<ul style="list-style-type: none"> <li>Located in Vista Redevelopment Project Area</li> <li>Adjacent to Vista Transit Center</li> <li>Adjacent to Vista Village shopping center</li> <li>Within 1 mile of Vista City Hall and Vista Unified School District</li> </ul>	<ul style="list-style-type: none"> <li>Located in Vista Redevelopment Project Area</li> <li>Approximately 1 mile to Vista Transit Center</li> </ul>	<ul style="list-style-type: none"> <li>In proximity to Buena Creek Sprinter Station</li> <li>Approximately 3 miles from Palomar College and 5 miles from CSUSM</li> <li>In proximity to North County Square shopping center</li> </ul>	<ul style="list-style-type: none"> <li>Terminus of Sprinter line near downtown Escondido</li> <li>Located in Escondido Redevelopment Project Area</li> <li>In proximity to Palomar Pomerado Hospital, City Hall, and California Center for the Arts, Escondido</li> <li>10 shopping centers within 1 mile of site</li> </ul>
<b>G. Zoning/Density</b>	Undergoing revised Specific Plan proposed to allow for 55 units/acre	Undergoing revised Specific Plan to permit mixed-use project through proposed overlay process for 40 units/acre	General Plan Update in progress proposed to allow for 30+ units/acre	<ul style="list-style-type: none"> <li>Existing zoned allows for single-family residential</li> <li>General Plan Update proposed to re-zone to allow 30 units/acre; anticipated adoption Fall 2010 or later</li> </ul>	Existing zoning allows for single-family residences
<b>H. Inclusionary Requirements</b>	Six percent (6%) of all new multi-family units be reserved for lower income households at 80% of AMI	Six percent (6%) of all new multi-family units be reserved for lower income households at 80% of AMI	Six percent (6%) of all new multi-family units be reserved for lower income households at 80% of AMI	None	None
<b>I. Key Constraints</b>	<ul style="list-style-type: none"> <li>Significant ground-floor commercial</li> <li>Requires structured parking</li> </ul>	Narrow elongated site	Requires structured parking	<ul style="list-style-type: none"> <li>Private ownership has not expressed development interest</li> <li>Site will require rezoning and annexation</li> <li>Site will require sewer extension</li> </ul>	<ul style="list-style-type: none"> <li>Zoning does not permit residential uses on ground floor</li> <li>NCTD policy is to ground-lease, thereby limiting potential for for-sale housing</li> </ul>
<b>J. Local Support/Policy</b>	<ul style="list-style-type: none"> <li>CDC interested in moderate/mixed-income developments</li> <li>City has Vista Home Ownership Program (VHOP) which serves qualifying first-time home buyers with down payment assistance loans to purchase homes (\$60,000 per home)</li> </ul>	<ul style="list-style-type: none"> <li>CDC interested in moderate/mixed-income developments</li> <li>City has Vista Home Ownership Program (VHOP) which serves qualifying first-time home buyers with down payment assistance loans to purchase homes (\$60,000 per home)</li> </ul>	<ul style="list-style-type: none"> <li>CDC interested in moderate/mixed-income developments</li> <li>City has Vista Home Ownership Program (VHOP) which serves qualifying first-time home buyers with down payment assistance loans to purchase homes (\$60,000 per home)</li> </ul>	County targeting site and surrounding area to be 30 units/acre residential density	<ul style="list-style-type: none"> <li>City targeting increased homeownership opportunities and preservation/rehabilitation of existing housing stock as a source of low- and moderate income housing</li> <li>City has Homebuyer Entry Loan Program (HELP) which serves qualifying first-time home buyers with down payment/closing cost assistance loans to purchase homes (lesser of 5% of purchase price of \$25,000 per home)</li> </ul>
<b>K. Conceptual Preliminary Development Program (KMA Assumptions)</b>	<ul style="list-style-type: none"> <li>Proposed project per DDA</li> <li>80 for-sale units</li> <li>27,000 SF retail</li> <li>14,000 SF office</li> <li>At-grade encapsulated and below-grade parking</li> </ul>	<ul style="list-style-type: none"> <li>66 rental apartments</li> <li>At-grade encapsulated parking</li> </ul>	<ul style="list-style-type: none"> <li>Proposed project based on discussions City staff</li> <li>305 for-sale condominiums and 42 townhome units</li> <li>Mixed-income (50 moderate units)</li> <li>Surface lots, one level below-grade, and attached garages</li> </ul>	<ul style="list-style-type: none"> <li>70 for-sale attached three bedroom units on 40% of the site (zero lot line)</li> <li>Attached garages</li> </ul>	<ul style="list-style-type: none"> <li>200 rental apartments</li> <li>Mixed-income (20% to 25% moderate)</li> <li>Limited commercial space on ground floor</li> <li>Surface lots and at-grade encapsulated parking</li> </ul>

Prepared by: Keyser Marston Associates, Inc.  
Filename: SANDAG\Table 1 - Eval of Candidate Sites\3/4/2010, ems

**Figure 4<sup>1</sup>**  
**Workforce Housing Candidate Sites Map**



- c. City policies and/or inclusionary requirements
  - d. Potential local support and/or opposition to moderate/workforce housing development
2. **Stakeholder Interviews:** Three developers were interviewed regarding approaches to development of workforce housing and opportunities to partner with public agencies and/or institutional employers.
  3. **Project Description(s):** Project descriptions were prepared for possible development scenarios for the five candidate sites that were consistent with site conditions and land use/zoning, including a range of land uses, densities, parking solutions, etc.
  4. **Preferred Site/Development:** SANDAG staff provided direction regarding the preferred site and the preferred development scenarios.

<sup>1</sup> The full Figure 4 Workforce Housing Candidate Sites Map can be found in Attachment 4 to this report.

### *Financial Feasibility, Implementation Strategy, and Request for Proposal (RFP) Approach*

Following review and input from SANDAG staff, three alternative development scenarios for workforce housing projects at two sites identified in the City of Vista during Task 2 were prepared. The three are broadly representative of near-term development opportunities within the City of Vista and include the following components:

1. **Financial Feasibility:** Financial pro formas to test the viability of the development economics for each development scenario (three for each of the two sites). Each financial pro forma includes estimates of development costs, sales prices for households making between 80 to 120 percent of AMI, developer return, and supportable land value. The consultant used order-of-magnitude industry standards and their own experience with other developments to estimate these costs.

The relative financial feasibility of each development scenario was determined based on a comparison of the supportable land value derived from the pro forma analyses and the potential acquisition costs determined during Task 1.

2. **Implementation Strategy:** Methods of implementation appropriate for the preferred alternative were researched, and a menu of potential funding sources and/or mechanisms available to help implement the workforce housing project was developed that identifies specific methods or programs, provides a brief definition, and assesses the potential use and funding magnitude of each approach.
3. **RFP Approach:** An approach to the developer selection process was developed, which includes a checklist of the key components and submittal requirements of a developer solicitation document such as an RFP.

### *Final Proposal*

SANDAG will create a Final Proposal for a workforce housing project at the preferred site identified in Task 2 based on review and input from stakeholders involved in the project.

### **Key Findings**

#### *Development Sites and Mixed-Use Development Prototypes*

The consultant undertook financial feasibility analyses for potential development of mixed-income, mixed-use development in downtown Vista near the Vista Village SPRINTER station, analyzing a one-block development site and a three-block site as follows:

- Block 1: Block bounded by Orange Street, North Santa Fe Avenue, Washington Street, and Indiana Avenue.
- Blocks 1, 2, and 3: Block 2 is directly south of Block 1, bounded by Washington Street, North Santa Fe Avenue, Vista Village Drive, and Indiana Avenue. Block 3 is directly east of Block 2, bounded by Washington Street, Indiana Avenue, Vista Village Drive, and Michigan Avenue

Portions of all three blocks are owned by the City of Vista or its redevelopment agency, the Community Development Commission (CDC), with the balance owned by private parties. Current uses include residential and commercial improvements, public facilities, and vacant land. The city has targeted the Santa Fe Avenue corridor and Vista Village areas for higher-density, mixed-use development through a specific plan that allows up to 40 dwelling units per acre.

For each development site, the consultant tested three development scenarios at low, medium, and high densities. Detailed project descriptions are presented in Appendix C.<sup>2</sup> The development prototypes range from 20 to 40 units per acre, and 10,000 to 25,000 SF of leasable commercial space per block. Residential uses range from townhomes over private garages to stacked flat condominiums over commercial uses. Parking is assumed to be provided as follows:

- Low-Density Scenario: surface parking (or, in the case of Block 2, at-grade, encapsulated parking)
- Medium-Density Scenario: at-grade encapsulated podium parking (one level of structured parking, at-grade, and enclosed with residential or other uses above)
- High-Density Scenario: two levels of structured parking, one at-grade, and one below-grade

### *Economic Feasibility of Market-Rate Housing*

Financial pro formas (included in Appendix C) were prepared to determine the residual land value for each development prototype assuming all residential units at market-rate sales prices. Residual land value is defined as the maximum land payment that a private developer could afford to pay for a specified development opportunity based on a comparison of market value of the project upon completion and total development costs inclusive of an industry standard developer return requirement (developer profit). Out of the six scenarios, only Block 1–Low-Density Scenario supports a positive land value, approximately \$25 per SF land. In other words, the total market value of the project minus the project development costs would result in a land value of approximately \$25 per SF making the Low-Density Scenario for Block 1 financially feasible. (Note that actual land assembly costs for Block 1 may be significantly higher than \$25 per SF because of the value of existing improvements.)

All of the other prototypes/sites yield negative land values, ranging from \$3 to \$38 per SF land. In other words, these scenarios are not economically feasible, even if all of the residential units were sold at market-rate prices. Developers cannot afford to make a land payment under these scenarios, and would in fact require financial assistance to close the financing gap. The principal reasons for this economic gap are as follows:

- The Medium-Density and High-Density Scenarios (and Block 2–Low-Density Scenario) include structured or subterranean parking, which is significantly more expensive than surface parking. This factor is exacerbated by the parking needed to support the scale of commercial uses that the city is seeking in this location

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<sup>2</sup> Appendix C is available on the I-15 IRP Web site at [www.i15irp.com](http://www.i15irp.com).

- The more intensive scenarios incorporate stacked flat units over commercial and parking uses. This construction type is more expensive than nonstacked units (e.g., townhomes). Stacked, flat configuration also includes a typical 15 percent building inefficiency factor for circulation and common areas
- Current market prices are depressed as a result of the national recession and local housing market downturn

### *Impact of Moderate-Income Restrictions*

All six prototypes also were tested (Appendix C) with 25 percent of the units restricted to moderate-income sales prices. City staff indicated a preference for mixed-income, rather than 100 percent affordable, housing developments in the Vista Village/Santa Fe Avenue areas. Moderate income is defined as 80 percent to 120 percent of AMI, or approximately \$66,101 to \$89,900 for a four-person household (HCD, 2009). Since the Vista CDC would most likely implement the proposed development through an agreement with a private developer, the consultant determined the calculation of moderate income price restrictions based on California redevelopment law standards. The following presents a comparison of market-rate price assumptions and moderate-income restrictions:

**Figure 5**  
**Moderate-Income Restrictions**

Unit Type	Estimated Market Price	Moderate Income Restriction	Difference (Affordability Gap)
One Bedroom Flat	\$260,000	\$227,000	(\$33,000)
Two Bedroom Flat	\$303,000	\$252,000	(\$51,000)
Two Bedroom Townhome	\$338,000	\$275,000	(\$63,000)
Three Bedroom Townhome	\$396,000	\$303,000	(\$93,000)

As shown above, prices affordable to moderate income households are currently \$33,000 to \$93,000 lower than estimated market prices. This affordability gap is relatively small, compared to just a few years ago, when market prices were substantially higher. On the one hand, depressed market prices result in more affordable housing opportunities. On the other hand, depressed market prices make medium- and higher-density housing less economically feasible, as discussed above. Therefore, in order to implement any of the mixed-income development scenarios, it is necessary to close the total financing gap, i.e., the combination of both the economic gap and affordability gap. These figures range as follows:

**Figure 6  
Total Economic and Affordability Gap**

<b>Total Financing Gap <sup>(1)</sup></b>	<b>Block 1</b>	<b>Blocks 1, 2, and 3 Combined</b>
Low Density Per Total Unit	(\$1,002,000) <sup>(2)</sup> (\$18,000) <sup>(2)</sup>	(\$11,920,000) (\$79,000)
Medium Density Per Total Unit	(\$4,478,000) (\$64,000)	(\$17,702,000) (\$96,000)
High Density Per Total Unit	(\$9,136,000) (\$82,000)	(\$22,873,000) (\$82,000)
(1) Assuming 25% of total units restricted as moderate-income. (2) Represents affordability gap only.		

**Implementation Strategy - Potential Funding Mechanisms**

A number of funding mechanisms could be used to bridge the economic and financial gaps identified in the section above. These include redevelopment tax increment revenues, density bonuses, inclusionary housing, reductions in permit/fee charges, reductions in development and parking standards, the *TransNet* Smart Growth Incentive Program, state funds, and the contribution of land or funding from a large employer or institution. These funding mechanisms are described in more detail in Attachment 5.

**Developer Interviews**

Three developers were interviewed to determine interest in and feasibility of building new workforce housing in North County. The interviews covered the following topics: Market Potential and Achievable Density; Perspective on the RFP Process, Thoughts on a Demonstration Project; and Willingness of Employer Participation.

A summary of the interviews is included in Appendix C; some key observations are listed below:

1. Developers can build 20–30 units per acre with tuck under (nonpodium) parking.
2. The best place to develop is in a redevelopment project area with a master Environmental Impact Report and tax increment funds. (The sites analyzed in this study are both in a redevelopment area.)
3. Jurisdictions need to be proactive to get things done.
4. A mixture of low- and high-density housing and mixed uses will be key development products in the future.



5. Redevelopment agencies and local jurisdictions can provide free land and/or subsidies.
6. SANDAG and Vista (or other jurisdictions) should meet with developers before drafting an RFP.
7. Local jurisdictions can help lower costs by changing regulations

### **Request for Qualifications/Proposals**

A checklist of key components for a Request for Qualifications/Proposals (RFQs/Ps) is included in Attachment 6. This checklist could be used to develop an RFQ/P for a workforce housing project in Vista or another jurisdiction. Sample RFPs from four jurisdictions are included in Appendix C as examples.

### **Results**

As a result of the Workforce Housing Project, the region is more informed about the financial feasibility of building workforce/moderate income housing for those whose incomes are between 80 to 120 percent of AMI, the types of home construction that could provide workforce housing opportunities, and the financial and regulatory mechanisms that could be used to make these types of homes financially feasible.

### **Next Steps**

SANDAG will present the results of this project to the Regional Housing Working Group, the Regional Planning Technical Working Group, and the SPRINTER Smart Growth Working Group. We also will continue to work with the City of Vista and other jurisdictions on implementation of one or more workforce housing projects within a Smart Growth Opportunity Area(s) using an RFP that will be developed in partnership with the City of Vista and/or other local jurisdictions.

## **WESTERN RIVERSIDE SMART GROWTH OPPORTUNITY AREA MAP**

The Phase III Housing Strategy also called for development of a “Smart Growth Opportunity Area Map” for selected western Riverside cities, using the SANDAG Smart Growth Concept Map for the San Diego region as a template. Like the Smart Growth Concept Map, this project sought to identify areas where higher-density residential and employment development could be located as major activity centers and integrated with transit service. This chapter focuses on key findings and issues identified during Phase III.<sup>3</sup>

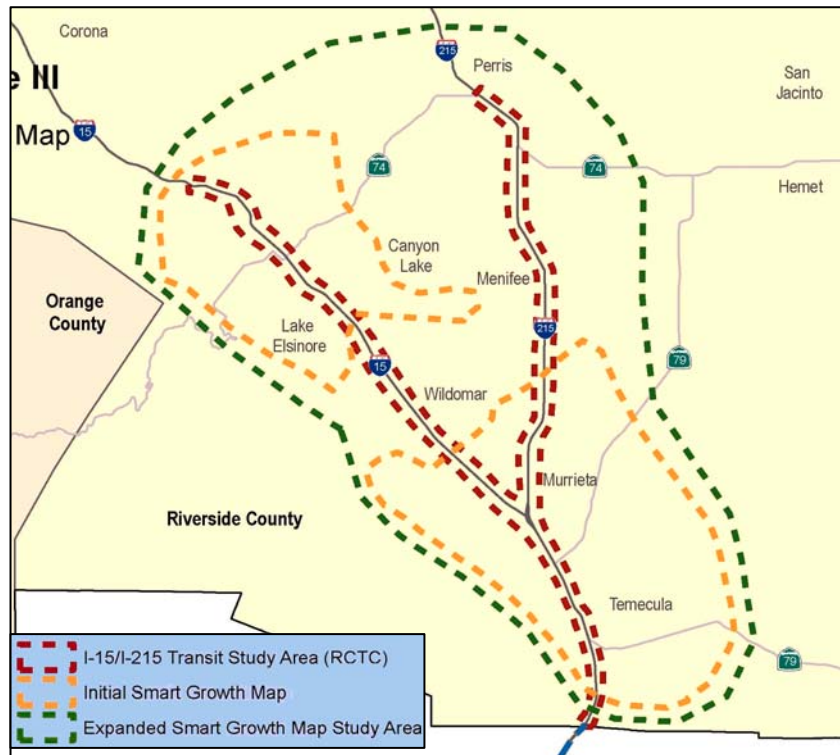
This smart growth planning effort focused on three pilot cities in Southwest Riverside: Lake Elsinore, Murrieta, and Temecula. Development of the map included both land use and transit planning components focused on identifying smart growth opportunities centered on the I-15 and I-215 freeway corridors (Figure 7).<sup>4</sup>

<sup>3</sup> More detailed information on the project, including copies of all products produced, is available in the I-15 IRP Western Riverside Smart Growth Opportunity Area Map Final Report, which is included as Appendix D of this report. [www.i15irp.com](http://www.i15irp.com)

<sup>4</sup> Please see Attachment 7 to this report for the full I-15 IRP Phase III Smart Growth and Transportation Priority Area Map.



**Figure 7**  
**I-15 IRP Phase III Smart Growth and Transportation Priority Area Map**



The map was developed in conjunction with transportation and transit network planning completed for the Phase III Transportation Strategy, including components of the Transportation SIP developed by RCTC and consultant firm, WSA.

Future work expanding the map to include additional jurisdictions will be funded by the SCAG Compass Blueprint Demonstration Project program following the end of Phase III and is anticipated to serve as the foundation for developing a subregional SCS for the next update of the SCAG RTP, as required by Senate Bill 375 (2008).

### Tasks

The work plan for this phase included:

- Identification of smart growth place type categories applicable to the cities of Temecula, Murrieta, and Lake Elsinore
- Identification of smart growth opportunity areas exemplifying characteristics of the smart growth place type categories
- Creation of GIS base maps and shape files illustrating smart growth opportunity areas
- Quantitative analysis of existing/planned capacity for residential and employment density and transit service
- Qualitative description of local planning efforts and progress toward meeting smart growth place type intensities

To facilitate this process, SANDAG and WRCOG engaged community development, planning, and public works department staff from each of the jurisdictions, as well as representatives from the other I-15 IRP regional partner agencies, to form the Western Riverside Smart Growth Map Working Group. This group met regularly throughout Phase III to guide development of the map.

The Western Riverside Smart Growth Opportunity Area Map is intended to be used as a long-term planning and coordination tool as local jurisdictions update their General and/or Specific Plans and as local and regional transportation and transit planning efforts advance. The map is a planning document with unconstrained financial considerations. As development and progress moves forward for each smart growth area, further coordination between local and regional agencies will be needed to evaluate financial conditions and to determine the most effective transit services within the broader regional context.

### Key Findings/Issues Identified

#### Smart Growth Opportunity Areas

The working group identified six categories of smart growth place types for the map: Regional Center, Town Center, Community Center, Mixed-Use Transit Corridor, Special Use Center, and Employment Center. Each smart growth place type is associated with certain general land use type and intensity characteristics, housing and employment density targets, and transit service thresholds (for more information, see Appendix D<sup>5</sup>, page 16, Table 3).

A key finding of this identification process was that the group identified with many of the smart growth place types developed for the Smart Growth Concept Map for the San Diego region, as shown in Table 4, which lists the place type categories for both the West Riverside and San Diego regions.

**Table 4**  
**Smart Growth Place Types for Western Riverside and San Diego**

WESTERN RIVERSIDE	SAN DIEGO
-----	Metropolitan Center
Regional Center	Urban Center
Town Center	Town Center
Community Center	Community Center
Rural Village <sup>6</sup>	Rural Village
Mixed-Use Transit Corridor	Mixed-Use Transit Corridor
Special Use Center	Special Use Center
Employment Center	-----

<sup>5</sup> Appendix D can be found at the I-15 IRP Web site at [www.i15irp.com](http://www.i15irp.com).

<sup>6</sup> The working group also identified a seventh place type, Rural Village, which will be further defined in partnership with the County of Riverside as part of the Expanded Western Riverside Smart Growth Opportunity Area Map and Transit Development Plan.

In tailoring place type categories to the context of the three communities, the group also recognized some differences between the two regions. For example, group members felt that the West Riverside region was not likely to develop an area as intense as the Metropolitan Center (characterized by downtown San Diego). The group identified with characteristics of the Urban Center, but felt that the term Regional Center was more appropriate. The group also identified a new place type, the Employment Center, as one drawing from throughout the region and dominated by nonresidential land uses, but ideally well connected to major arterial corridors and transit routes.

After defining smart growth place types applicable to the study area, each jurisdiction identified local places that currently exemplify the characteristics of the place types, or could in the future if local plans are updated and regional transit service designations are met. Collectively, 13 smart growth opportunity areas were identified, including 3 Regional Centers, 3 Town Centers, 4 Special Use Centers, 1 Community Center, and 2 Employment Centers. (Note: Two Mixed-Use Transit Corridors were designated as portions of one Regional Center.)

Working group members prepared a “site description” for each smart growth opportunity area consisting of both land use information prepared by the planning staffs of local jurisdictions and a transit service description based on RTA transit service plans. Transit service designations were used to distinguish between existing and planned services, as well as those that are not included in current plans, but could be implemented contingent upon certain conditions.

Through this process, the working group identified regional transit services in the West Riverside region in various stages of planning, design, and construction. Likewise, local transit routes are flexible and subject to change as often as every three to six months through the short-range transit planning process. To reflect this variability, all of the maps produced for this phase of work depicted transit service as either corridors or overlays. Areas where regional transit services such as BRT could be prioritized were shown as “Future Transit Corridors.” These priority corridors are the I-15 and I-215. Areas where investments in high-frequency, local, transit service could be prioritized to complement the regional transit network were shown as a “Transit Priority Area” overlay (see Appendix D, page 24, Figure 7).

### ***Land Use and Transportation Planning Coordination***

A key issue identified throughout this process was the gap between planning horizons for the land use and transportation plans that informed the development of the smart growth place types and the smart growth opportunity areas. Land use information such as projected growth, land use intensity, and residential and employment density was determined from both the current WRCOG growth forecast, which extends from the present to 2035, and from each jurisdiction’s current General and/or Specific Plans, whose horizon years vary. Transportation information, such as local transit routes was based on RTA’s Comprehensive Operational Analysis, whose planning period extends from the present to 2018. Information on long-term plans for future regional transit facilities was limited, and the current SCAG RTP does not identify specific transit infrastructure to be built over the longer-term horizon of the plan.

These differing horizon years prompted discussion on how best to coordinate information for the ongoing update of the growth forecast being facilitated by WRCOG and points to the importance of continuing development of a longer-term transit planning mechanism to complement the land use growth forecast. Gathering and updating this data could be a focus of the next phase of work funded by SCAG.

## Results

This planning effort ultimately produced:

- Six smart growth place type categories applicable to the cities of Temecula, Murrieta, and Lake Elsinore, each including general land use type and intensity characteristics, housing and employment density targets, and transit service thresholds
- Identification of at least two smart growth opportunity areas per city corresponding to these place types
- A “site description” for each smart growth opportunity area describing:
  - General land use characteristics and progress toward meeting these density targets through development of plans or other local efforts
  - Description of existing, planned, and possible future transit services in the area
- A series of maps, including:
  - Subregional maps for each of the cities illustrating these areas
  - A regional scale map showing all identified West Riverside smart growth opportunity areas along with existing transportation and transit infrastructure, habitat and Regional Conservation Act areas, parks, and Native American tribal lands
  - An interregional map showing the smart growth opportunity areas and transportation/transit infrastructure in West Riverside and North San Diego Counties

In addition to these products, this effort enhanced collaboration among the existing I-15 IRP agencies and engaged new local and regional partners. The West Riverside jurisdictions and transportation agencies demonstrated commitment to the smart growth planning process and for driving the ground-up approach to developing these concepts at the local level.

## Next Steps

During the course of planning for this effort, SCAG, as the MPO that receives subregional input from WRCOG, agreed to provide additional funding through its Compass Blueprint Demonstration Project grant program to expand work to additional geographic areas in West Riverside County (see Appendix D, page 15, Figure 3). Final boundaries will be determined by WRCOG and its partner agencies. The initial work funded by the I-15 IRP provides a basis for the expanded project, which will develop an expanded Smart Growth Opportunity Area Map and Transit Development Plan for a larger subregional study area. It is anticipated that this work could be used as a model for SCAG and its subregions to develop the SCS for the next update of the SCAG RTP, as required by SB 375 (2008). It is anticipated that WRCOG and RCTC will lead this next phase of work.

SB 375 is a California state law that requires the reduction of GHG emissions from light trucks and automobiles through land use and transportation efforts that will reduce vehicle miles traveled. The goal of the legislation is to reduce GHG emissions by improving the connection between land use and transportation planning, resulting in more walkable, compact communities served by high-quality transit, thus offering more transportation choices and reducing the need to drive. The law requires the California Air Resources Board to develop regional GHG emissions reduction targets and tasks each of California's 18 MPOs with creating a SCS, a new element of the RTP. Each SCS is required to demonstrate an ability to attain the proposed reduction targets by 2020 and 2035. For additional detail on how the next phase of work connects to SCAG efforts related to SB 375 implementation, see Appendix D, page 12).

As a starting point, the Western Riverside Smart Growth Opportunity Area Map can initially inform updates of the SCAG RTP and other subregional plans, particularly to help prioritize transportation infrastructure investments and deployment of transit services to support smart growth development consistent with the SCAG Compass Blueprint 2 Percent Strategy and other regional goals. The RTP development process, in turn, can help to identify needed refinements to the map, creating an iterative process where transportation and land use planning adjust to each other over time. Ultimately, the map provides a means for connecting local, subregional, and regional decision-making processes, enabling policymakers and agencies to collaborate on investment decisions that will help the region to achieve land use, transportation, and quality of life goals.

# PERFORMANCE MONITORING

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## INTRODUCTION

The Phase I I-15 IRP included a monitoring plan designed to measure progress toward achievement of key goals. The plan called for the production of a baseline monitoring report, followed by periodic updates. This chapter serves as an update between Phase II and Phase III.

The I-15 IRP performance indicators are organized into the three main strategy areas: economic development, housing, and transportation. Updated data for selected indicators are presented. As the partnership gains monitoring experience, targets will likely be established to further encourage action toward achieving partnership goals.

It is important that the data be updated regularly and be easily accessible and understandable. Recommended changes are noted in the discussion below.

The baseline results from Phase II suggested:

- The majority of cluster employment in Riverside County is concentrated in low-wage jobs
- The San Diego region continues to experience a serious housing affordability problem
- Peak-period traffic into the San Diego region from Riverside County has increased significantly over the last five years, but the growth in traffic is slowing
- Vanpool use from Riverside County into the San Diego region is increasing, but interregional transit and carpools are underutilized

## INDICATORS - I-15 IRP PERFORMANCE MEASURES

This chapter provides an overview of how the San Diego-Riverside region is performing with regard to economic development, housing, and transportation. In Phase II, staff recommended that the original list of indicators identified in Phase I be streamlined to no more than three indicators per issue area. The focus is on indicators that form part of a broader, ongoing process and that are more easily associated with specific, measurable initiatives. Those for which data are not available on an annual basis have been excluded from this chapter.

### Economic Development

Economic development performance is measured by the following indicators:

- High-Wage Cluster Employment in Southwest Riverside County
- Average Wage in Southwest Riverside County

As of 2005, only 25 percent (4,354 employees out of a total of 17,187 employees) of cluster employment in Southwest Riverside County is considered to be in high-wage jobs. High-wage jobs are defined as those paying over the average for all cluster employment, \$33,625 annually.

The average cluster wage in Southwest Riverside County in 2005 was \$35,200. This wage is slightly higher than the average cluster wage for Riverside County as a whole (\$33,625).

### Transportation

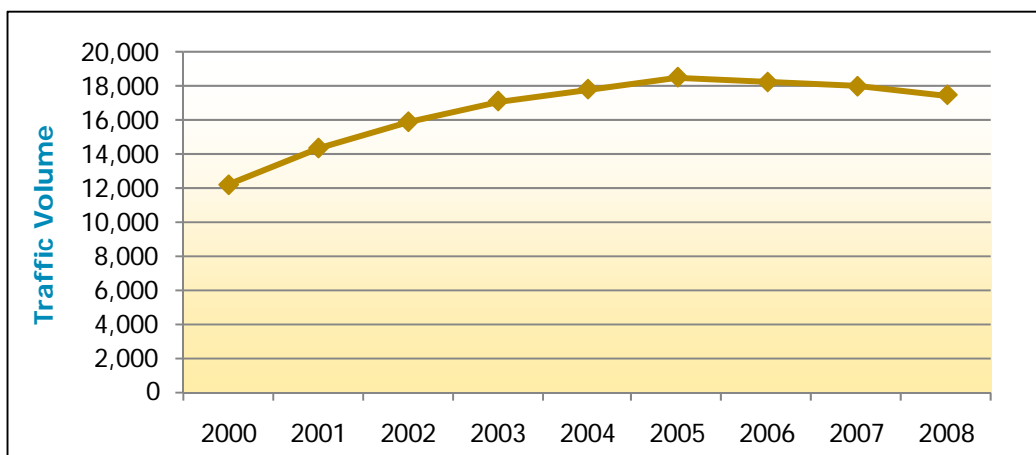
Transportation performance is measured by the following indicators:

- Average Weekday Peak-Period Traffic at the county line
- Number of Interregional Vanpools
- Daily Interregional Transit Ridership
- Peak-Period Vehicle Occupancy at the county line

#### Average Weekday Peak-Period Traffic at the County Line

Peak-period traffic into the San Diego region from Riverside County has leveled off over the last several years, as indicated in Figure 8. The actual growth in traffic on a year-to-year basis peaked in 2005 and, in 2008, actually has begun to decrease. The current volume of 17,517 is for weekday, southbound traffic during the morning peak period from 5 until 8 a.m. This could be attributed in large part to the skyrocketing gas prices that began in 2007, coupled with the economic crisis, which began in 2008. In addition, if taken together with Figure 9 indicates that some commuters may be shifting to vanpools.

**Figure 8**  
**Peak-Period County Line Traffic**



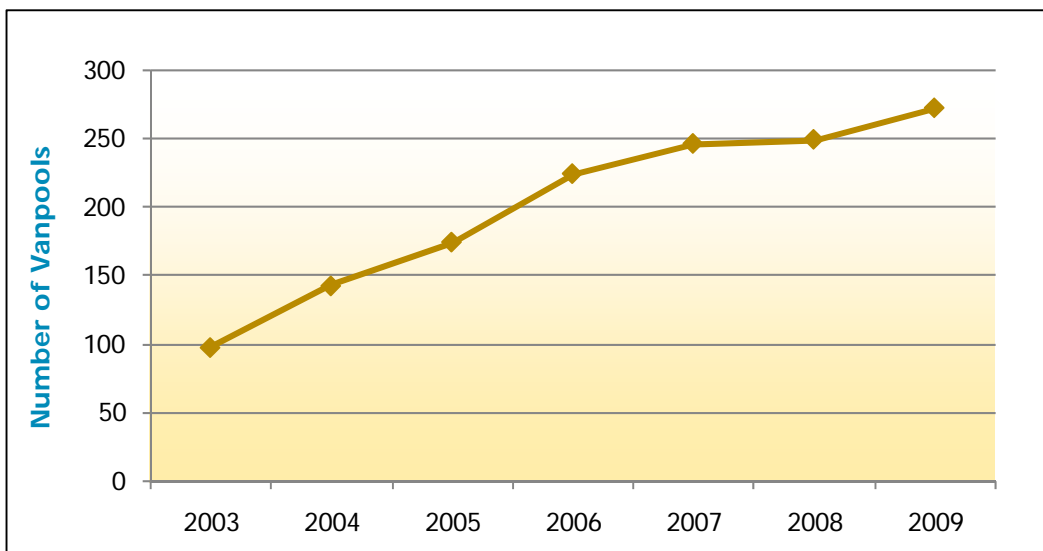
Source: Caltrans



### Number of Interregional Vanpools

The number of SANDAG-sponsored vanpools operating from Riverside County to employment destinations within the San Diego region continues to increase. It rose dramatically between 2003 and 2007, increasing by 152 percent, as shown in Figure 9. While the usage of vanpools has continued to grow since then, the growth has slowed down. Vanpools increased by 11 percent between 2007 and 2009. This number of vanpools equates to approximately 1,900 individuals. Currently, the San Diego Regional Vanpool Program offers a \$400, continual, monthly subsidy for qualifying vanpools. The figures presented here reflect only SANDAG-sponsored vanpools and do not include any private vanpool programs currently operating from Riverside County.

**Figure 9**  
**Interregional Vanpools**

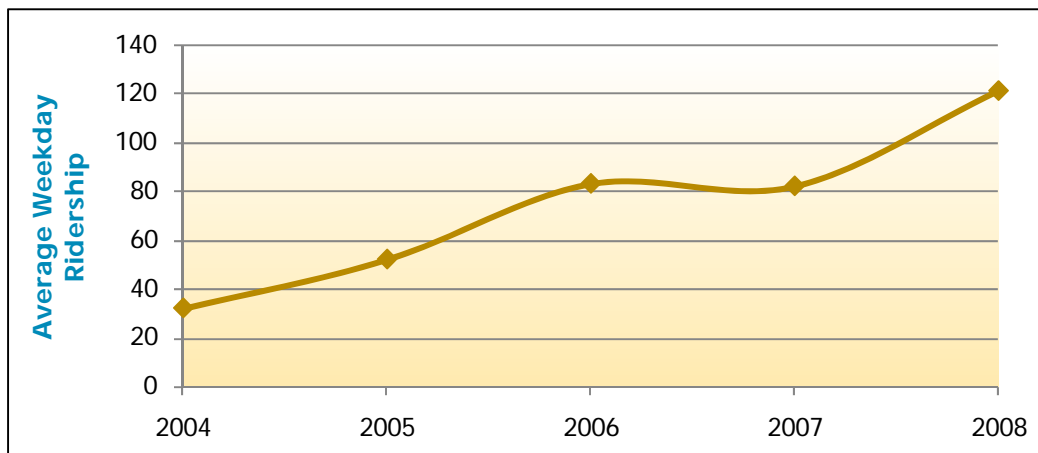


Source: SANDAG

### Daily Interregional Transit Ridership

Beginning in September of 2004, RTA began operating commuter bus service from Murrieta/Temecula in Riverside County to the Oceanside Transit Center. Seven trips are operated each way in the morning and evening peak periods. In June 2006, average daily ridership was 82 passengers. Figure 10 shows that in 2008, it has climbed to 120 passengers demonstrating the popularity of this bus line for commuters.

**Figure 10**  
**Interregional Transit Ridership**



Source: Riverside Transit Agency

### Peak-Period Vehicle Occupancy at the County Line

Periodically, SANDAG in collaboration with Caltrans, conducts vehicle occupancy counts and records vehicle classification information at strategically identified points along the region's roadways. Prior to 2006, the last study was conducted in 2000. However, the 2006 study was the first to record vehicle occupancy at the Riverside county line. Based on the results of this effort, it is estimated that there is an average of 1.16 persons per vehicle traveling into the San Diego region from Riverside County during the morning peak period, in contrast to 1.22 persons during the morning off-peak period.

### Housing

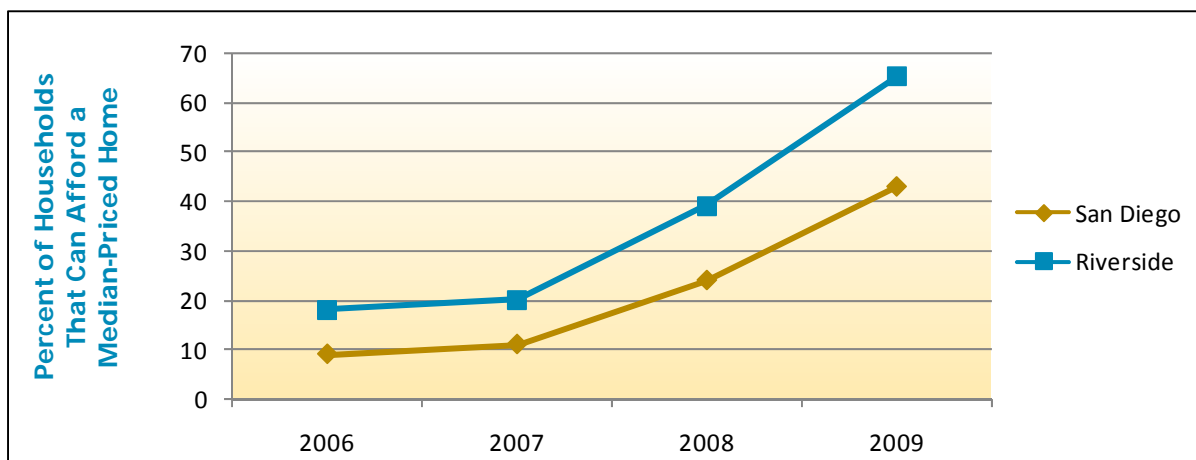
The *Housing Affordability Index* published by the California Association of Realtors is a reliable indicator of housing affordability (Figure 11). The index compares local median home prices (including mortgage payments, interest rates, taxes, and insurance) with local household incomes to determine overall affordability. These figures, therefore, reflect not only the increase in home prices, but the relative flatness of household incomes.

Between 1995 and 2005, housing affordability decreased significantly in San Diego. In 2005, only 9 percent of households could afford a median-priced home, as compared to 38 percent in 1995. Affordability also decreased significantly in the Riverside/San Bernardino region (from 51 percent in 1995 to 18 percent in 2005), though home prices in that area continued to be lower than the San Diego region.

With the economic crisis and the housing bubble burst in 2007, the affordability index rose for both San Diego and Riverside. Affordability in Riverside increased much more quickly than in San Diego as the prices of housing stock plummeted. The Riverside index went from 18 percent in 2006 to 65 percent in 2009, while San Diego rose from an unsustainable 9 percent to 43 percent in the same period. The national average is 50 percent.

Future monitoring should compare home prices and commuting costs to better reflect how the cost of transportation affects the actual cost of living in Riverside while working in the San Diego region.

**Figure 11**  
**Riverside-San Diego Region Housing Affordability Index**



Source: California Association of Realtors

## CONCLUSION AND NEXT STEPS

The updated data in this chapter demonstrate that collaboration is crucial in the areas of economic development and housing. Continued interregional collaboration on transportation strategies, in particular, will likely yield positive results based on recent data. Further investments in interregional transit, vanpools, and the promotion of carpooling have the potential to positively impact the interregional commute.

In Phase III of the I-15 IRP, the partnership efforts continued to implement the following strategies outlined in Phase I:

- ▶ **ED1: Facilitate greater economic development agency collaboration**
- ▶ **ED2: Improve job growth through employment cluster job production**
- ▶ **T4: Implement interregional transit services**
- ▶ **T13: Coordinate highway facility planning along the I-15 corridor**
- ▶ **T14: Expand interregional bus service to include BRT services**
- ▶ **H1: Provide a range of housing**

In the future, SANDAG and Riverside planning agencies, including WRCOG, RCTC, and RTA, will continue to pursue the strategies identified in Phase I. Emphasis will be placed on the strategies pursued in Phase III, building on progress made.

Staff will continue to collect performance indicator data and present the results at future I-15 IRP Joint Policy Committee meetings. Most indicators will be monitored through each agency's programmatic performance monitoring process.

## CONCLUSION AND NEXT STEPS

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### CONCLUSION

Significant advances have been made during Phase III of the I-15 IRP that address issues of mutual concern between San Diego and Southwest Riverside Counties. Phase III focused on developing strategic action plans in all three areas, as well as tangible activities on the ground. The hallmark of the I-15 IRP is to address these issues in a comprehensive way and to simultaneously make progress on long-term strategies while pursuing short-term, strategic tactics.

SANDAG, WRCOG, RCTC, and RTA have made institutional commitments to maintain an interregional planning structure to pursue collaborative goals through various mechanisms.

First, all partner agencies have incorporated the interregional partnership into their OWPs to ensure that resources, however limited, are dedicated to the continuation of the partnership. The elected officials from both regions agree that the Joint Policy Committee should remain in place and convene at least twice a year to receive reports on advances made on the IRP strategies. This will ensure that progress is made within existing programs and projects, as well as provide the policy structure should specific initiatives receive funding.

Second, agency staff will continue to coordinate efforts in existing programs that are relevant to the objectives of the I-15 IRP program. It will be important to continue to meet periodically at a staff level to clarify areas in which SANDAG and agencies in Southwest Riverside can collaborate on mutually beneficial programs already underway.

Third, SANDAG and WRCOG will continue to pursue additional funding through grant applications to support various aspects of the I-15 IRP, including developing an interregional transit service plan, economic development coordination, and promotion of smart growth and workforce housing initiatives.

Finally, SANDAG is committed to providing ongoing performance monitoring through its existing program with data that has been identified relevant to IRP strategies. Staff will report to the I-15 IRP Joint Policy Committee periodically on the status of those indicators.

### NEXT STEPS

Through the established I-15 IRP policy and technical structure, the interregional partnership will continue to pursue strategies in economic development, transportation, and housing. Table 5 summarizes the next steps for consideration by the I-15 IRP Joint Policy Committee at its March 9, 2010, meeting.

**Table 5  
Possible Next Steps\***

STRATEGY	ACTION
<b>Overall Coordination</b>	
<p>Maintain an interregional planning structure to pursue collaborative goals</p>	<ul style="list-style-type: none"> <li>▶ SANDAG and WRCOG will convene the I-15 IRP Joint Policy Committee at least once per year to review collaborative work efforts within existing programs and receive updates on performance monitoring</li> <li>▶ SANDAG and WRCOG will convene executive staff from I-15 IRP agencies twice a year, or as needed, to review coordination efforts in all three strategic areas</li> <li>▶ SANDAG will continue to monitor selected performance measures as identified in Phase I through its regular performance monitoring process, bringing updates to the Joint Policy Committee once a year or as requested</li> <li>▶ WRCOG and SANDAG will continue to pursue additional funding to support I-15 IRP activities</li> </ul>
<b>Economic Development</b>	
<p>Facilitate greater collaboration between regional economic development entities</p>	<ul style="list-style-type: none"> <li>▶ WRCOG and SANDAG will support cooperative economic development initiatives between Riverside and San Diego regions, such as the creation of an economic development district which covers Southwest Riverside and North San Diego Counties</li> <li>▶ WRCOG/SANDAG will identify potential funding opportunities for updating the Employment Cluster Study in light of changes to the local economies and monitor the development of existing and new industry clusters in both regions that can strengthen the bioregional economy</li> </ul>
<b>Transportation</b>	
<p>Interregional coordination of vanpool and carpool programs</p>	<ul style="list-style-type: none"> <li>▶ SANDAG and RCTC will convene transportation staff from participating agencies, as needed, to review ongoing, coordinated efforts and refine actions, including the identification and pursuit of funding opportunities for interregional transit, vanpool, and buspool services</li> </ul>
<p>Collaborate among transit providers</p>	<ul style="list-style-type: none"> <li>▶ Agencies will continue to plan, lease, and/or build park-and-ride lots, as needed</li> </ul>
<p>Support high-speed rail transit service in the I-15 corridor</p>	<ul style="list-style-type: none"> <li>▶ Partner agencies (SANDAG, MTS, NCTD, RCTC, and RTA) will continue to coordinate transit service on the I-15 corridor</li> </ul>
<p>Preserve transportation Rights-of-Way and implement priority measures through the Caltrans development process</p>	<ul style="list-style-type: none"> <li>▶ SANDAG/RCTC will continue to coordinate and monitor rail planning efforts in the I-15 corridor, including preservation of Right-of-Way</li> </ul>
<p>Implement the I-15 HOV/Managed Lanes System</p>	<ul style="list-style-type: none"> <li>▶ Partner agencies (Caltrans, RCTC, RTA, and SANDAG) will work to implement the recommendations of the SIP</li> </ul>
<p></p>	<ul style="list-style-type: none"> <li>▶ SANDAG and RCTC will incorporate interregional transportation projects into their respective RTPs, as deemed appropriate</li> </ul>
<p></p>	<ul style="list-style-type: none"> <li>▶ SANDAG/RCTC will continue to implement the HOV/Managed Lanes Systems with the goal of closing the gap at the county line</li> </ul>
<b>Housing</b>	
<p>Provide incentives for the construction of moderate-cost family housing near employment centers</p>	<ul style="list-style-type: none"> <li>▶ SANDAG will collaborate with local jurisdictions on the implementation of pilot workforce housing project(s) in North San Diego County, sharing the information with other cities and regions</li> </ul>
<p></p>	<ul style="list-style-type: none"> <li>▶ WRCOG/RTA/SANDAG will continue to collaborate on smart growth development near transit applicable to both regions</li> </ul>

\*following acceptance of Phase III report by SANDAG, and WRCOG, RCTC, and RTA

## Economic Development

WRCOG will take the lead in facilitating a greater collaboration between regional economic development entities. First, WRCOG and SANDAG will continue to support an open dialogue between Riverside and San Diego entities to investigate collaborative regional economic development strategies. Second, WRCOG and SANDAG will pursue funding opportunities for updating the Employment Cluster Study in light of changes to the local economies and monitor the development of existing and new industry clusters in both regions that can strengthen the biregional economy.

## Transportation

SANDAG and RCTC will coordinate ongoing efforts and refine actions in the areas of transit, rail, and infrastructure improvements. First, the transit operators will continue to coordinate transit service on the I-15 corridor, refining the I-15 BRT program for inclusion in SANDAG's 2050 RTP. Second, the two agencies will continue to coordinate and monitor rail planning efforts in the I-15 corridor. Third, the two agencies, in collaboration with Caltrans, will work to preserve transportation Rights-of-Way and implement priority measures through the Caltrans development process. The two agencies will pursue the recommended actions outlined in the SIP, further developing selected short- and long-term transportation projects on an interregional basis. SANDAG and RCTC will incorporate interregional transportation projects into their respective RTPs, as deemed appropriate. Finally, the two agencies will continue to implement the HOV/Managed Lanes System with the goal of closing the gap at the county line.

## Housing

In the area of housing strategies, SANDAG will continue to explore ways to create moderate-cost family housing near employment centers. First, SANDAG will collaborate with local jurisdictions on the implementation of workforce housing project(s) in northern San Diego County. Second, SANDAG will share the information developed through the Workforce Housing Project with local jurisdictions to encourage the development of workforce housing along the SPRINTER line and in other smart growth areas throughout the region. WRCOG, RTA, and SANDAG will continue to collaborate on smart growth development near transit applicable to both regions. SANDAG and WRCOG will continue to develop linkages between the two regions for smart growth development.

The initial motivation for the development of an interregional partnership between San Diego and Southwest Riverside was to address the congestion on the I-15 caused by commuters from Southwest Riverside going to jobs in San Diego. Today, the I-15 IRP is a forum for coordinated interregional planning in which the two regions collaborate on major projects affecting both in an effort to find more sustainable solutions to housing, transportation, and economic development that will benefit the quality of life in both Riverside and San Diego in what can be considered a broader region.



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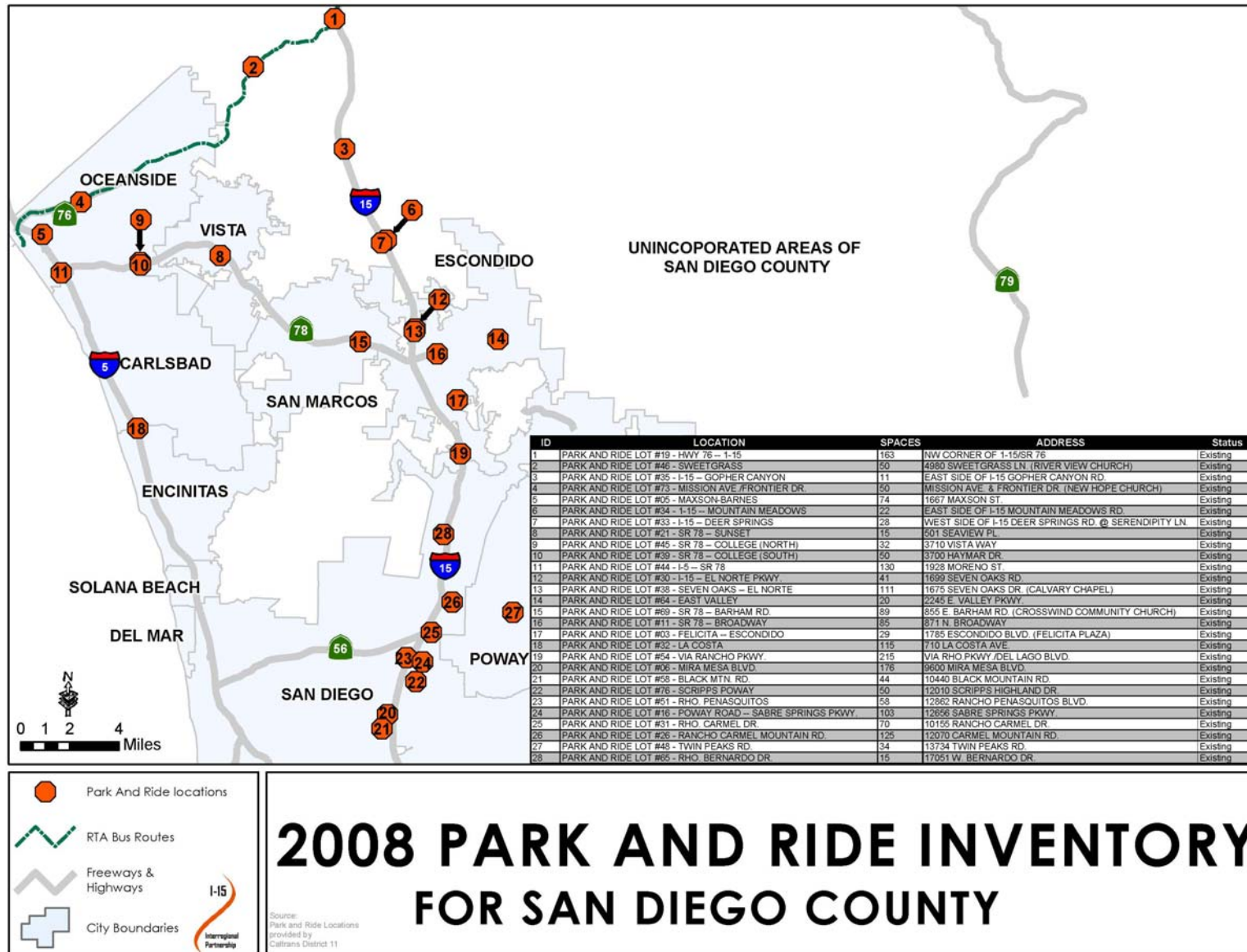
## ATTACHMENTS

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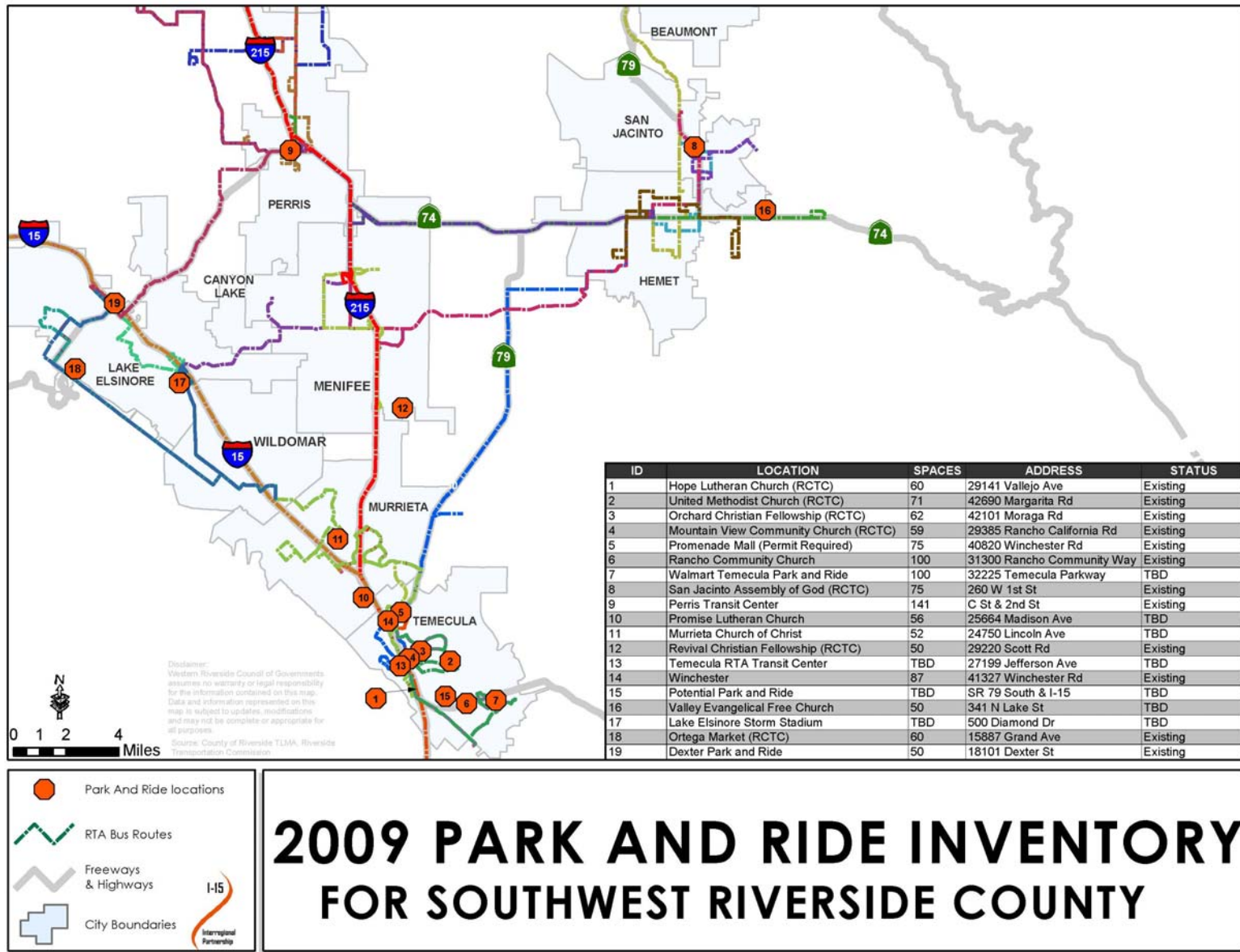
1. 2008 Park-and-Ride Inventory for San Diego County
2. 2009 Park-and-Ride Inventory for Southwest Riverside County
3. Cost Effectiveness Index - Multimodal Alternatives for the I-15 Corridor Table
4. Workforce Housing Candidate Sites Map
5. Workforce Housing Implementation Strategy Table
6. Checklist of Key Components for Request for Qualifications/Proposals
7. I-15 IRP Phase III Smart Growth and Transportation Priority Area Map
8. I-15 IRP Economic Development Working Group Membership
9. I-15 IRP Western Riverside Smart Growth Map Working Group Membership



Attachment 1



Attachment 2

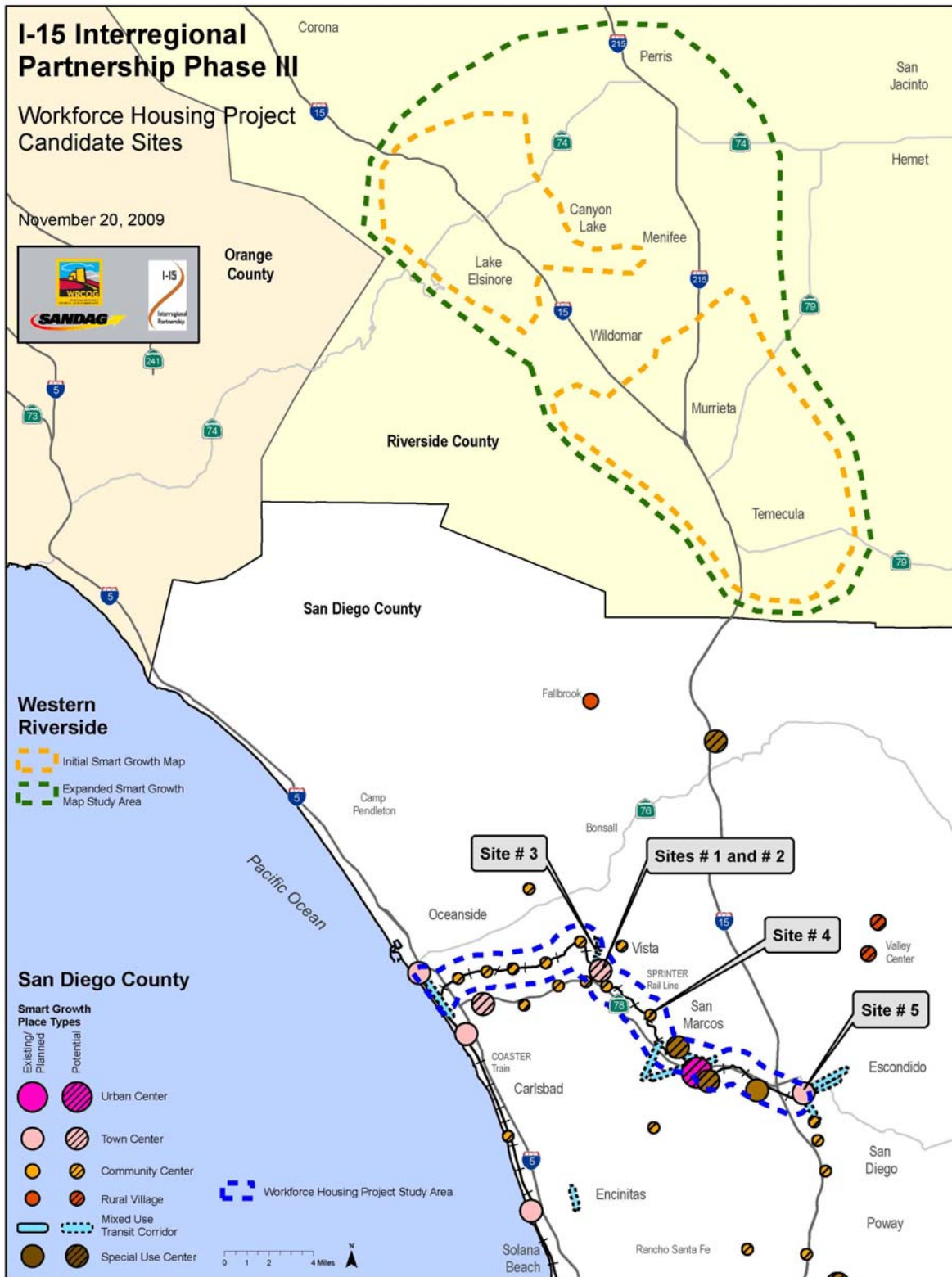


Attachment 3

COST EFFECTIVENESS INDEX - MULTIMODAL ALTERNATIVES FOR THE I-15 CORRIDOR						
Highway Projects				Transit Projects		
Alternative	Project	Annualized Cost/Daily Usage <sup>1</sup>	Annual Cost per Vehicle <sup>2</sup>	Project	Annualized Cost/Daily Usage <sup>1</sup>	Annual Cost per Rider <sup>2</sup>
No Build	I-15 widening and HOV/HOT lanes - San Bernardino County Line and Murrieta (Riverside)	\$228	\$6.81	Continued Vanpool Program (Riverside/San Diego)	\$2.4	\$6.00
		111,500		Continued RTA Route 217 (Riverside)	1600	\$1.68
	I-15 Widening and HOV/HOT Lanes to Centre City Parkway (San Diego)	\$40	\$1.05	Escondido Rapid Bus (San Diego)	\$0.1	\$2.54
	I-15 Widening and HOV/HOT Lanes to County Line (Riverside)	\$112	\$3.35	Escondido Rapid Bus (San Diego)	\$0.2	\$3.82
		111,540		Escondido Rapid Bus (San Diego)	\$5.9	
TSM/TDM	Park-and-Ride (Riverside/San Diego)	\$1.5	\$7.81	Bus Pool Program (Riverside/San Diego)	\$0.2	\$2.50
		600		Transit Route Expansion	\$0.5	\$4.20
	Bus on Shoulder (San Diego)	\$0.4	\$1.04	Expanded 511 Programs With Cross-Link Between Counties. (Riverside/San Diego)	\$0.1	NA
		1200		New Route Riverside to Downtown San Diego (Riverside/San Diego)	NA	
Express Bus	HOV Lanes From Murrieta to County Line (Riverside)	\$16	\$1.25	BRT Expanded Into Riverside County (Riverside/San Diego)	\$1.6	\$4.50
		40,000			1440	
BRT	HOV/HOT Lanes Plus Widening From Murrieta to County Line (Riverside)	\$48	\$1.82		\$2.0	\$3.40
		82,500			2400	

1. Costs are in millions of \$, usage represents average daily traffic using the new facilities during the initial start up, NA = not applicable  
 2. Costs are in millions of \$, usage represents average daily transit riders using the new facilities during the initial start up, NA = not applicable

Attachment 4





Attachment 5

TABLE 1

IMPLEMENTATION STRATEGY - POTENTIAL FUNDING MECHANISMS  
I-15 INTERREGIONAL PARTNERSHIP WORKFORCE HOUSING PROJECT  
SAN DIEGO ASSOCIATION OF GOVERNMENTS

I. LOCALLY CONTROLLED INCENTIVES			
A. Funding Mechanism	Redevelopment Tax Increment	Density Bonus Law	Down Payment Assistance Loan
B. Description	<ul style="list-style-type: none"> <li>The housing set-aside portion is designated for development of affordable housing</li> <li>The non-housing portion of tax increment revenues generated in the Project Area can be used to fund infrastructure improvements</li> </ul>	<ul style="list-style-type: none"> <li>A voluntary inclusionary housing ordinance providing incentives to developers providing affordable housing in their projects</li> <li>State legislation requires cities and counties to grant both density bonuses and concessions</li> </ul>	<ul style="list-style-type: none"> <li>Cities or housing authorities provide down payment assistance to low- and moderate-income homebuyers</li> </ul>
C. Eligible Uses	<ul style="list-style-type: none"> <li>Public improvements such as infrastructure and parking</li> <li>Land assembly and disposition</li> <li>Direct property acquisition and land cost write-down</li> <li>Payment of permits and fees</li> <li>Affordable housing</li> </ul>	<ul style="list-style-type: none"> <li>Affordable housing projects that include at least 5 units or unimproved lots and remain affordable for a specified period of time</li> <li>Senior housing developments with at least 35 units (units do not need to be affordable)</li> <li>Land donations if the parcel is large enough to accommodate at least 10% of the market-rate units at densities suitable for very low income housing</li> </ul>	<ul style="list-style-type: none"> <li>Vista Home Ownership Program:                             <ul style="list-style-type: none"> <li>- Lender must be from approved City of Vista Approved Lender List</li> <li>- First-time homebuyers who have not owned property within past 3 years</li> <li>- Homebuyer must contribute a minimum of \$3,000 towards purchase price</li> <li>- Homebuyer's household assets should not exceed \$100,000 prior to purchase and cannot exceed \$10,000 at close of escrow</li> </ul> </li> </ul>
D. Funding Parameters	<ul style="list-style-type: none"> <li>Redevelopment agencies invest funds directly; provide subsidies to developers; and/or provide assistance to homebuyers</li> </ul>	<ul style="list-style-type: none"> <li>Density bonuses differ based on the type of development and affordability levels but generally range between 15% and 35%</li> <li>Concessions and incentives may include:                             <ul style="list-style-type: none"> <li>- Reduction in site development standards and modifications of zoning and architectural design</li> <li>- Waivers and modifications of development standards</li> <li>- Reduction in parking standards</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Down payment and/or non-recurring closing costs up to \$40,000 for mobile homes and \$60,000 for single-family/condominiums/townhomes</li> <li>No monthly payments; loans are repaid upon sale, transfer, refinance, or if the homebuyer no longer resides in the home</li> </ul>
E. Magnitude of Funding	Potentially large	Varies, based on base density limits in zoning code	Large, up to \$60,000 per unit
F. Potential Uses	<ul style="list-style-type: none"> <li>Land write-downs</li> <li>Off-site infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Allows developers to achieve additional market-rate units with no increase in land costs</li> </ul>	<ul style="list-style-type: none"> <li>Direct assistance to homebuyers</li> </ul>

Prepared by: Keyser Marston Associates, Inc.  
Filename: SANDAG\Implementation Strategy\2/26/2010; ema

TABLE 1 (CONT'D.)

**IMPLEMENTATION STRATEGY - POTENTIAL FUNDING MECHANISMS  
I-15 INTERREGIONAL PARTNERSHIP WORKFORCE HOUSING PROJECT  
SAN DIEGO ASSOCIATION OF GOVERNMENTS**

<b>I. LOCALLY CONTROLLED INCENTIVES (CONT'D)</b>			
<b>A. Funding Mechanism</b>	<b>Reduction/Deferral of Permits/Fees</b>	<b>Reduction in Development and Parking Standards</b>	<b>TransNet Smart Growth Incentive Program</b>
<b>B. Description</b>	<ul style="list-style-type: none"> <li>Reduction or deferral of select permits and fees that results in upfront development cost reductions</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in site development standards or modification of zoning code requirements or design requirements such as a reduction in setback and square footage requirements and in the required parking ratio</li> </ul>	<ul style="list-style-type: none"> <li>Provides grants to transportation-related infrastructure improvements and planning efforts that support smart growth development</li> <li>Projects funded under this program should support mixed-use development in proximity to transit</li> </ul>
<b>C. Eligible Uses</b>	<ul style="list-style-type: none"> <li>Permit and fee charges payable to city</li> </ul>	<ul style="list-style-type: none"> <li>Modifications to design standards and/or parking requirements</li> <li>Modified comparability for affordable units, i.e., reduced unit size, interior features, and/or parking ratio</li> </ul>	<ul style="list-style-type: none"> <li>Planning activities such as:                             <ul style="list-style-type: none"> <li>- Specific area or community plans</li> <li>- Amendments to general plans or specific plans</li> <li>- Traffic calming or mobility plans</li> <li>- Feasibility studies for future capital improvements</li> <li>- Parking management plans/districts</li> <li>- Form-based codes or design guidelines</li> </ul> </li> <li>Capital projects such as pedestrian improvements, bicycle and transit facilities, and other smart growth-supporting infrastructure</li> </ul>
<b>D. Funding Parameters</b>	<ul style="list-style-type: none"> <li>Varies by city; some cities are deferring fees until Certificate of Occupancy due to current economic climate</li> </ul>	<ul style="list-style-type: none"> <li>Cost savings to developer</li> </ul>	<ul style="list-style-type: none"> <li>Grants are awarded on a competitive basis</li> <li>For fiscal year 2009-2010, approximately \$9.7 million is available as follows:                             <ul style="list-style-type: none"> <li>- Planning projects: 20% of funds</li> <li>- Capital projects: 80% of funds</li> </ul> </li> </ul>
<b>E. Magnitude of Funding</b>	Small, typically limited to interest savings during construction	Moderate	Moderate
<b>F. Potential Uses</b>	<ul style="list-style-type: none"> <li>Reduces development costs</li> </ul>	<ul style="list-style-type: none"> <li>Reduces development costs</li> </ul>	<ul style="list-style-type: none"> <li>Off-site infrastructure</li> </ul>

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Filename: SANDAG\Implementation Strategy\2/26/2010; ema

TABLE 1 (CONT'D.)

**IMPLEMENTATION STRATEGY - POTENTIAL FUNDING MECHANISMS  
I-15 INTERREGIONAL PARTNERSHIP WORKFORCE HOUSING PROJECT  
SAN DIEGO ASSOCIATION OF GOVERNMENTS**

<b>II. LOCALLY CONTROLLED MANDATES</b>		
<b>A. Funding Mechanism</b>	<b>Inclusionary Housing Program</b>	<b>Development Impact Fees</b>
<b>B. Description</b>	<ul style="list-style-type: none"> <li>Mandatory requirement to reserve a certain percentage of housing units for very-low, low, and/or moderate income households in new residential developments</li> <li>The affordable units may be required to be dispersed throughout the development in an effort to include a mix of income levels</li> </ul>	<ul style="list-style-type: none"> <li>Fees paid by developers to pay all or a portion of the costs of any public facility that benefits their development</li> </ul>
<b>C. Eligible Uses</b>	<ul style="list-style-type: none"> <li>City of Vista Inclusionary Housing Program requires apartment or condominium developments to reserve 6% of units for low-income households</li> </ul>	<ul style="list-style-type: none"> <li>Capital facilities or ongoing services, such as:                             <ul style="list-style-type: none"> <li>- school impact fee</li> <li>- mitigation fee (police, fire, park, etc.)</li> <li>- water meter installation</li> <li>- sanitation capacity charge</li> <li>- water system facility/backup facility charge</li> </ul> </li> </ul>
<b>D. Funding Parameters</b>	<ul style="list-style-type: none"> <li>Imposes exaction on developer</li> </ul>	<ul style="list-style-type: none"> <li>Fees are paid in the form of a specified amount as a condition to the issuance of building permits, an occupancy permit, or subdivision map approval</li> </ul>
<b>E. Magnitude of Funding</b>	No contribution from public agency; cost of exaction should impact land value	No contribution from public agency; cost of exaction should impact land value
<b>F. Potential Uses</b>	N/A	<ul style="list-style-type: none"> <li>Off-site infrastructure</li> </ul>

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TABLE 1 (CONT'D.)

IMPLEMENTATION STRATEGY - POTENTIAL FUNDING MECHANISMS  
 I-15 INTERREGIONAL PARTNERSHIP WORKFORCE HOUSING PROJECT  
 SAN DIEGO ASSOCIATION OF GOVERNMENTS

III. STATE / FEDERAL INCENTIVES				
A. Funding Mechanism	Workforce Initiative Subsidy for Homeownership (WISH)	CalHome	Building Equity and Growth in Neighborhoods (BEGIN)	Community Development Block Grants / Section 108 Loans
B. Description	<ul style="list-style-type: none"> <li>State program designed to help people living in high cost areas to purchase homes near their place of work</li> </ul>	<ul style="list-style-type: none"> <li>State program providing grants to local public agencies and non-profit developers to assist individual households through deferred payment loans</li> </ul>	<ul style="list-style-type: none"> <li>State program providing down payment assistance loans to qualifying first-time low- and moderate-income homebuyers</li> </ul>	<ul style="list-style-type: none"> <li>Annual grants for use towards economic development, public facilities, and housing rehabilitation</li> <li>Section 108 loans provide front-end financing for large-scale community and economic development projects that cannot be financed from annual grants</li> </ul>
C. Eligible Uses	<ul style="list-style-type: none"> <li>Homebuyer must contribute at least 1% of the purchase price</li> <li>Homebuyer must meet stability and capacity requirements</li> <li>Homebuyer must complete approved homebuyer education course</li> <li>Homebuyer must be member of Federal Home Loan Bank (FHLB)</li> </ul>	<ul style="list-style-type: none"> <li>Must be a first-time homebuyer</li> </ul>	<ul style="list-style-type: none"> <li>Must be a first-time homebuyer</li> <li>Homebuyers must be very low or low income</li> </ul>	<ul style="list-style-type: none"> <li>Acquisition and disposition of property</li> <li>Clearance and demolition</li> <li>Public facilities and site work</li> <li>Funds must be targeted to specific areas benefiting low- and moderate-income persons or to eliminate blight</li> </ul>
D. Funding Parameters	Lower of: \$15,000 per unit -or- Match up to \$3 for each \$1 contributed by the homebuyer	N/A	Lower of: \$30,000 per unit -or- 20% of purchase price	<ul style="list-style-type: none"> <li>Varies, funds are provided by HUD and administered by cities</li> </ul>
E. Magnitude of Funding	Small	N/A	Small/moderate	Varies
F. Potential Uses	<ul style="list-style-type: none"> <li>Direct assistance to homebuyers</li> </ul>	<ul style="list-style-type: none"> <li>Direct assistance to homebuyers</li> </ul>	<ul style="list-style-type: none"> <li>Direct assistance to homebuyers</li> </ul>	<ul style="list-style-type: none"> <li>Land assembly and writedown</li> <li>Off-site infrastructure</li> </ul>

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 Filename: SANDAG\Implementation Strategy\2/26/2010; ema

TABLE 1 (CONT'D.)

**IMPLEMENTATION STRATEGY - POTENTIAL FUNDING MECHANISMS  
I-15 INTERREGIONAL PARTNERSHIP WORKFORCE HOUSING PROJECT  
SAN DIEGO ASSOCIATION OF GOVERNMENTS**

IV. OTHER FORMS OF FUNDING	
A. Funding Mechanism	Land or Financial Contribution from Large Employer
B. Description	<ul style="list-style-type: none"> <li>• Dedication of land or financial contribution from large employer or institution</li> </ul>
C. Eligible Uses	<ul style="list-style-type: none"> <li>• Development site</li> <li>• Construction subsidies</li> <li>• Construction financing</li> <li>• Direct assistance to homebuyers</li> </ul>
D. Funding Parameters	<ul style="list-style-type: none"> <li>• Varies; example includes Paradise Walk development by The Olson Company in conjunction with Paradise Valley Hospital</li> </ul>
E. Magnitude of Funding	Varies; more prevalent in extremely high cost regions with large employers such as corporations and school districts
F. Potential Uses	<ul style="list-style-type: none"> <li>• Land donation</li> <li>• Homebuyer assistance</li> </ul>

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## Attachment 6

### Checklist of Key Components for RFQ/P I-15 Interregional Partnership Workforce Housing Project San Diego Association of Governments

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- I. **Introduction:** provides an introduction and explains the purpose of the RFP.
  - Goals and objectives
  - Roles of SANDAG, City of Vista, and Community Development Commission
  - Due date
  
- II. **Development Opportunity:** provides details of the site, relevant background information and permitted uses, zoning, development guidelines, and ownership.
  - A. The Site
    - Location
    - Site area
    - Ownership
    - Map
  
  - B. Background Information
    - Description of surrounding area
    - Any useful readily available demographic and/or market information
  
  - C. Permitted Uses and Development Guidelines
    - State zoning and allowable uses
    - Refer to documents that govern development of site
  
- III. **Proposed Development Program:** provides an indication of the desired development program and lists specific requirements, e.g., affordability level(s), tenure (own/rent), design, commercial component(s), amenities, etc.
  
- IV. **Responsibility of the Developer:** describes the developer's responsibilities, e.g., predevelopment, site acquisition, financing commitments, construction, marketing/sales, etc.
  
- V. **Financial Proposal for the Site:** requests developer's proposal for purchase price for the site and/or any public financial assistance.
  
- VI. **Method of Conveyance:** describes how the land will be conveyed to the developer.



VII. **Submission Requirements:** provides the details for developer's responses to the RFP, including time and place for submission of proposals and required proposal contents. Proposal contents may include:

- *Development Entity:* Identification of the developer or development entity that would undertake development, including all joint venture partners, limited partners and the respective percentage of ownership interests.
- *Principal-in-Charge and Project Manager:* Identification of the individual who will execute documents for the development entity and basis of authority.
- *Role of Development Partners:* An explanation of the intended role of each development entity or partner and the responsible party in each entity.
- *Development Team:* Identification of key members of the development team, including consultants, their role in the implementation process, and their experience relevant to this specific project.
- *Resumes:* Resumes of key individuals proposed to be involved in the development process.
- *Financial Capacity:* Public financial documentation such as annual reports or other public financial data.
- *Description of the Development Program:* Narrative and visual description of the proposed project, which may include: site plan, basic concept drawings, and pro forma analysis.
- *Financial Proposal:* Developer's proposal for purchase price for the site and/or any public financial assistance.
- *Deposit:* A deposit with the submission of the proposal to provide security that the selected developer is willing to negotiate in good faith.
- *Schedule:* An estimated schedule for the proposed development from developer selection to completion including predevelopment, entitlements, financing, design and development activities.
- *Experience:* A list of recent experience (last 5 years) in developing comparable projects detailing the predevelopment activities, financing approaches, dates, and an explanation of any public sector involvement.
- *Litigation History:* A summary of all litigation, judgements, claims, or disputed amounts over a certain dollar amount.



- *References:* References including name, title, company or agency, and telephone numbers.

VIII. **Exclusive Negotiating Agreement (ENA):** Provide a draft ENA as part of the RFP Attachments and request that two copies of the completed ENA, fully executed by all appropriate parties of the development team, must be submitted as part of the proposal. By executing the ENA, the developer indicates its awareness and agreement to comply with the terms of the RFP.

IX. **RFP Process:** provide details regarding a pre-submission/informational meeting and RFP schedule.

A. **Pre-Submission/Informational Meeting and Registration of Interest:** provide details such as whether the meeting is mandatory or voluntary, whether RSVP's are required, and location and time of meeting.

B. **Preliminary RFP Schedule:** provide key tentative dates for the following items:

- Issuance of RFP
- Pre-submission/informational meeting
- Deadline for submission of proposals
- Review of proposals
- Interviews
- Notification of selected developer
- Execution of ENA

X. **Selection Process and Criteria:** describe the selection process and criteria that will be used to select a developer and/or points system to rank the shortlist of developers to interview.

XI. **General Conditions:** defines the rights, responsibilities, and limitations of authority of the RFP issuer.

XII. **Questions in Response to RFP:** provide the contact person, allowable forms of contact, and deadline for submission of questions.

XIII. **Potential Attachments to the RFP**

- Boundary map of site
- Parcel map and ownership information
- Calculation of Affordable Sales Prices
- Zoning and land use regulations
- Draft Exclusive Negotiating Agreement



**Attachment 8**

***I-15 IRP ECONOMIC DEVELOPMENT WORKING GROUP***

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**MEMBERSHIP**

*The primary goal of the I-15 Interregional Partnership (IRP) Economic Development Working Group is to bring together regional economic development agencies, chambers, and other stakeholders to develop a joint strategic action plan for selected employment cluster industries in San Diego and Riverside to strengthen interregional connections and be more competitive on a global scale.*

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**Linda Wunderlich**  
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**SANDAG** Carolyn Alkire

Monika Clark

Marney Cox

As of April 21, 2010

**Attachment 9**

***I-15 IRP WESTERN RIVERSIDE SMART GROWTH MAP WORKING GROUP***

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**MEMBERSHIP**

*The purpose of the Western Riverside Smart Growth Map Working Group is to provide input and direction on the development of a working methodology for the creation of a Smart Growth Opportunities Area Map for Southwest Riverside. SANDAG staff provided technical support in the development of the map. The membership included various cities in Southwest Riverside, including Lake Elsinore, Murrieta, and Temecula, as well as the Riverside and San Diego Counties.*

**MEMBERS**

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As of April 21, 2010