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SANDAG
BOARD OF DIRECTORS
AGENDA

Friday, May 8, 2015
10 a.m. to 12 noon
SANDAG Board Room
401 B Street, 7th Floor
San Diego

Beginning in February, the parking garage elevators at Wells Fargo Plaza will undergo a six-month mechanical modernization. During this period, only one garage elevator will be in service. Please allow yourself extra time to make your way up from the garage to the SANDAG offices and Board Room. For those requiring special assistance, please call the SANDAG front desk in advance of any meetings at (619) 699-1900.

AGENDA HIGHLIGHTS

• REGIONAL TRANSIT ORIENTED DEVELOPMENT STRATEGY

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MESSAGE FROM THE CLERK

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

MISSION STATEMENT

The 18 cities and county government are SANDAG serving as the forum for regional decision-making. SANDAG builds consensus, makes strategic plans, obtains and allocates resources, plans, engineers, and builds public transit, and provides information on a broad range of topics pertinent to the region’s quality of life.

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Public comments regarding the agenda can be sent to SANDAG via comment@sandag.org. Please include the agenda item, your name, and your organization. Email comments should be received no later than 12 noon, two working days prior to the Board of Directors meeting. Any handouts, presentations, or other materials from the public intended for distribution at the Board of Directors meeting should be received by the Clerk of the Board no later than 12 noon, two working days prior to the meeting.

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ITEM NO. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

1. Public comments under this agenda item will be limited to five public speakers. Members of the public shall have the opportunity to address the Board on any issue within the jurisdiction of SANDAG that is not on this agenda. Other public comments will be heard during the items under the heading “Reports.” Anyone desiring to speak shall reserve time by completing a “Request to Speak” form and giving it to the Clerk of the Board prior to speaking. Public speakers should notify the Clerk of the Board if they have a handout for distribution to Board members. Public speakers are limited to three minutes or less per person. Board members also may provide information and announcements under this agenda item.

REPORTS

+2. REGIONAL TRANSIT ORIENTED DEVELOPMENT STRATEGY (Solana Beach Mayor Lesa Heebner, Regional Planning Committee Chair; Bill Anderson, AECOM; Dena Belzer, Strategic Economics; Susan Baldwin, Coleen Clementson)

SANDAG is preparing a Regional Transit Oriented Development (TOD) Strategy, consistent with Board of Directors action in 2011, on the 2050 Regional Transportation Plan and its Sustainable Communities Strategy. This report will provide an overview of TOD challenges and opportunities in the San Diego region. The Board of Directors is asked to discuss and provide input on potential actions that may be taken to expedite TOD in the region.

3. CONTINUED PUBLIC COMMENTS

If the five speaker limit for public comments was exceeded at the beginning of this agenda, other public comments will be taken at this time. Subjects of previous agenda items may not again be addressed under public comment.

4. UPCOMING MEETINGS

The next Board Business meeting is scheduled for Friday, May 22, 2015, at 9 a.m.

ADJOURNMENT

+ next to an agenda item indicates an attachment
Introduction

SANDAG is preparing a Regional Transit Oriented Development (TOD) Strategy1 to promote and incentivize sustainable development throughout the region. In conjunction with the adoption of the 2050 Regional Transportation Plan and its Sustainable Communities Strategy (2050 RTP/SCS) in 2011, the Board of Directors approved six commitments, as outlined in Attachment 1. The TOD Strategy is the final commitment of the six to be completed.

The Regional TOD Strategy will help implement the 2050 RTP/SCS as well as San Diego Forward: The Regional Plan (Regional Plan), by recommending actions that can be taken to assist the region in creating TOD projects and districts in association with the region’s existing and future public transit network. These TOD projects and districts can help reduce greenhouse gas (GHG) emissions; increase transit ridership, walking, and biking; and provide a greater mix of housing and employment opportunities for all the region’s residents.

Questions for Discussion

Staff seeks input from the Board of Directors regarding what strategies or actions should be taken to expedite the implementation of TOD in the San Diego region. Questions to consider at this stage include:

- Is there increasing interest and demand for TOD projects from residents, employers and/or retail businesses?
- What role should local jurisdictions, SANDAG, MTS, NCTD, and the private sector play in getting TOD projects built and in creating transit oriented districts?
- What types of public investments are necessary to make TOD work (e.g. infrastructure)?
- What are the biggest obstacles to developing successful TOD projects in the region?

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1 Funded in part by the California Strategic Growth Council Sustainable Communities Planning Grant Program.
Background

The Regional TOD Strategy will build upon the existing foundation of smart growth planning tools and projects that have been put in place by SANDAG and the region’s local jurisdictions, including the Smart Growth Concept Map and Toolbox, Designing for Smart Growth guidelines and scorecard, TransNet Smart Growth Incentive Program, and Parking Management Toolbox, among others.

Scope of Work

The scope of work for the Regional TOD Strategy includes reviewing work on TOD and smart growth that has been accomplished throughout the region to date (by local jurisdictions, SANDAG, the transit agencies, and the private sector), reviewing best practices from other regions, analyzing the economic context and factors associated with TOD, identifying the challenges to TOD and ways to address those challenges, and preparing a Regional TOD Strategy that focuses on implementation.

Working Papers

Six Working Papers on TOD issue areas (described briefly below) and two reports that provide background for the project have been prepared to help inform the preparation of the Regional TOD Strategy (Transit Oriented Communities in the San Diego Region Context Report and Economic Context Report). In addition to identifying and describing the challenges and opportunities, the Working Papers discuss examples of how other metropolitan areas around the country are addressing these challenges and conclude by suggesting ideas for consideration in the Regional TOD Strategy. These reports can be found on the Regional Transit Oriented Development web page.

- **Urban Form, Density, and Land Use Regulation** – Planning policies, particularly those related to land use, mobility, and urban form and design, and the associated zoning, engineering, and design regulations to implement those policies, influence TOD. They can enable or constrain the market. There is no single formula and different approaches are used based on an area’s characteristics.

- **Connections: Travel Options, Mobility Management and Access Enhancements** – The overall goal of TODs is to provide transportation choices for individuals that prefer mobility options, not to change transportation patterns for all. This Working Paper concentrates on how design changes at a district level can expand transit and other mobility options. TODs can provide benefits associated with healthy active transportation, fewer vehicle miles traveled (VMT), energy savings, and reduced GHG emissions.

- **Housing Choices and Affordability** – By providing affordable housing within walking distance of high-quality transit that connects to employment and other daily needs, communities can help households reduce their transportation costs, access jobs, and achieve upward mobility. Providing a range of housing options in transit oriented districts also is key to meeting regional goals for reducing GHG emissions and increasing transit ridership. Ensuring that TODs are affordable to a range of households requires a variety of different strategies depending on the context.
• **Financing Infrastructure and Community Facilities** – The success of transit oriented districts, as with all communities, depends on adequate infrastructure and public facilities. Successful TODs are not just a collection of developments. They are neighborhoods and communities that are accessible to and served by transit. One of the major challenges for TOD projects is the ability to fund public infrastructure, facilities and amenities needed to support new development. TODs may require significant investments in infrastructure and community facilities to support new development.

• **CEQA Streamlining and Travel Forecasting** – Recently adopted statewide legislation, including Senate Bills 375 (Steinberg, 2008), 743 (Steinberg, 2013), and 226 (Simitian, 2011), substantially build upon the linkage between land use and transportation planning by requiring the integration of regional housing, land use, and transportation plans. Aspects of these laws also have the potential to streamline the environmental review process for projects in transit oriented districts by changing the methodology for assessing transportation impacts from automobile traffic congestion to criteria that focus on a broad suite of factors including VMTs, GHG emissions, safety, and alternative modes of travel.

• **Readiness Criteria: Metrics for Transit Oriented Districts** – The purpose of this Working Paper is to advance the development of readiness criteria. The role of such metrics is to help policymakers and private investors evaluate and prioritize TOD opportunities. The high-readiness/high-benefit areas that are TOD ready today—in terms of transit connectivity, market strength, available land, and local support—may need little more than visibility and marketing to attract private investment. Places that generally are TOD-ready, but lack a key ingredient or two, are targets for gap-filling public investment that can help overcome the remaining barriers to TOD.

**Public Engagement**

A number of public engagement activities have been held in association with the development of the Regional TOD Strategy as described in Attachment 2. These have included a Regional Transit Oriented Development Implementation Forum held in January, meetings with SANDAG working groups, meetings with the transit agencies, and a series of focus group meetings with stakeholders including private and nonprofit developers, real estate professionals, and organizations such as Circulate San Diego, the Environmental Health Coalition, and the San Diego Housing Federation.

**Transit Oriented Development Themes**

A number of TOD related themes emerged during the meetings held to inform the Regional TOD Strategy. Many of these themes are discussed in Attachment 3 and are listed below. The Regional TOD Strategy will propose actions that should be taken to address the issues identified and facilitate more TOD in the region.

1. Community opposition can pose a major challenge for TOD implementation.
2. There is a growing recognition that changing demographics and shifts in market preferences support denser development and vibrant city and town centers.
3. Connecting housing to jobs is important to both employers and residents.
4. TOD projects can provide more low to moderate income housing opportunities, but there are continued obstacles to delivering affordable housing.

5. The region has promising areas for TOD projects.

6. Successful TOD is about the thoughtful design and planning of the broader setting and transportation network.

7. The state regulatory environment (e.g. California Environmental Quality Act) can create barriers.

8. The market economics for TOD remain challenging but flexibility and predictability can help reduce barriers.

9. It is important for the regional strategy to set priorities and focus.

Next Steps

Based on input from the Board of Directors, the draft Regional TOD Strategy will be prepared and presented to the Regional Planning Technical Working Group and Transportation and Regional Planning Committees. The final strategy is scheduled to be presented to the Board of Directors in July for acceptance, and will be included as an appendix of the Regional Plan.

GARY L. GALLEGOS
Executive Director

Attachments: 1. 2050 Regional Transportation Plan and its Sustainable Communities Strategy Commitments Progress Report – April 2015
2. Summary of Public Engagement Activities for Regional Transit Oriented Development Strategy
3. Preliminary Focus Group Theme Summary

Key Staff Contacts: Susan Baldwin, (619) 699-1943, susan.baldwin@sandag.org
Coleen Clementson, (619) 699-1944, coleen.clementson.org
On October 28, 2011, the SANDAG Board of Directors approved the 2050 Regional Transportation Plan and its Sustainable Communities Strategy (2050 RTP/SCS) for the San Diego region, becoming the first large region in California to prepare an RTP under Senate Bill 375 (SB 375) (Steinberg, 2008). In accordance with SB 375, the 2050 RTP/SCS demonstrates how development patterns and the transportation network, policies, and programs will work together to achieve the greenhouse gas (GHG) emission reduction targets set by the California Air Resources Board for cars and light trucks, and provide a more sustainable future for the region.

In response to public comment on its final action on the 2050 RTP/SCS, the SANDAG Board of Directors committed to undertaking six specific actions prior to approval of the next RTP/SCS. These six commitments have been an integral part of the work program for San Diego Forward: The Regional Plan (Regional Plan), which is scheduled to be considered for approval by the SANDAG Board of Directors this fall.

The six actions and progress to date are described below.

1. Develop Alternative Land Use Scenarios

✓ SANDAG has evaluated alternative land use scenarios to attempt to address the so-called “backsliding” of GHG levels between years 2035-2050.

Three land use scenarios were developed and analyzed for their potential to further reduce GHG emissions beyond what is projected in the Regional Growth Forecast, which is the forecast used in the 2050 RTP/SCS. The scenarios also were compared to the Series 9 Regional Growth Forecast, which is the forecast that preceded the 2004 Regional Comprehensive Plan and regional policies to implement smart growth and sustainable planning principles. The Regional Planning and Transportation Committees, various working groups, and the public provided input to help shape the scenarios. The SANDAG Board of Directors discussed the scenarios at its meeting on December 6, 2013.

The analysis determined that projected GHG emissions decreased most significantly between the Regional Growth Forecast prepared in 1999 (Series 9) and the Regional Growth Forecast prepared in 2013 (Series 13) (between 25 and 30%). The significant decrease largely is due to the changes in local land use plans that focus growth and development in the most urbanized areas of the region near existing and planning public transit. GHG emissions have the potential to continue to decrease in comparison to Series 13 under the three scenarios, although at a slower pace, between 1 and 3 percent.

Key Staff Contact: Carolina Gregor, (619) 699-1989, carolina.gregor@sandag.org

2. Develop a Regional Bicycle Plan Early Action Program

✓ An early action program for projects included in the Regional Bicycle Plan has been developed.

To make biking safer, easier, and more attractive for San Diegans throughout the region, on September 27, 2013, the SANDAG Board of Directors approved the Regional Bike Plan Early Action Program
(Bike EAP) – a $200 million initiative to expand the bike network regionwide and finish high-priority projects within a decade.

The Bike EAP comprises 42 projects totaling about 77 miles of new bikeways that would make it much easier for people to ride their bikes to school, work, transit stations, and other major destinations.

The Bike EAP is funded by TransNet, the regional half-cent sales tax for transportation approved by San Diego County voters. TransNet funding will be leveraged with other local, state and federal dollars so the region can complete more bike projects and reap even greater economic, health, and mobility benefits.

Key Staff Contact: Chris Kluth, (619) 699-1952, chris.kluth@sandag.org

3. Prepare an Active Transportation Implementation Strategy

✓ SANDAG has planned for an even broader Active Transportation program, including Safe Routes to School and Safe Routes to Transit.

On April 19, 2013, the SANDAG Transportation Committee set the framework for an Active Transportation Implementation Strategy (Strategy) to be incorporated into the Regional Plan. The three primary objectives of the Strategy are to enhance bicycle and pedestrian access to public transit, improve bicycle and pedestrian safety at highway interchanges, and connect regional transportation investments to schools. The Strategy includes the following specific approaches:

1. New transit projects include bicycle and pedestrian access improvements at stations and the station area, as well as improved access to nearby schools and commercial and residential areas
2. New highway interchange projects include bicycle and pedestrian improvements
3. Inclusion of all Regional Bike Plan projects in the regional transportation network
4. Identification of bicycle and pedestrian improvement needs at existing transit station areas and highway interchanges

Key Staff Contact: Christine Eary, (619) 699-6928, christine.eary@sandag.org

4. Develop a Regional Transit Oriented Development Strategy

✓ Development of a regional transit-oriented development policy to promote and incentivize sustainable development is scheduled for completion in July 2015.

The Regional Transit Oriented Development (TOD) Strategy will include recommended actions that can be taken to assist the region in creating TOD projects and neighborhoods in association with the region’s existing and future network of public transit. These developments can help reduce GHG emissions; increase transit ridership, walking, and biking; and provide a greater mix of housing and employment opportunities for all residents of the region.
The SANDAG Board of Directors will discuss the elements of the proposed Regional TOD Strategy at its meeting on May 8, 2015. It is anticipated that the Board of Directors will be asked to accept the Regional TOD Strategy in July 2015.

Key Staff Contact: Susan Baldwin, (619) 699-1943, susan.baldwin@sandag.org

5. Enhance Travel Demand Models

Enhancements to the SANDAG travel demand models, including use of an activity-based model that is “open source” and available to the public, have been made for the Regional Plan.

SANDAG continues to enhance its suite of modeling tools that support the regional planning process. In December 2013, SANDAG released the initial version of an “open source” Activity Based Model (ABM). The ABM was used for the Regional Plan to rank transportation projects. In July 2014, SANDAG finished development of an Active Transportation Model enhancement to the ABM to address the impact of bicycle and pedestrian projects. The enhanced ABM was used for the Regional Plan, to assist in evaluating alternative transportation networks, selecting a preferred network, and analyzing project and phasing alternatives in the Environmental Impact Report.

Key Staff Contact: Clint Daniels, (619) 699-6946, clint.daniels@sandag.org

6. Develop a Regional Complete Streets Policy

SANDAG has developed a Regional Complete Streets Policy.

On December 19, 2014, the SANDAG Board of Directors adopted a Regional Complete Streets Policy (Policy). The Policy defines complete streets as the term will be used by SANDAG in its role as an implementer of regional transportation projects and as the regional transportation planning agency that programs transportation funds, sets long-range regional transportation policy, and provides technical assistance and support to local agencies. Implementation actions, such as a project development checklist to ensure all projects implemented by SANDAG consider local mobility plans and accommodate the needs of all travel modes, currently are under development.

Key staff contact: Dan Gallagher, (619) 595-5354, dan.gallagher@sandag.org
Summary of Public Engagement Activities for Regional Transit Oriented Development Strategy

A number of public engagement activities have been held in association with and to help inform the preparation of the Regional Transit Oriented Development (TOD) Strategy as described below.

Regional Transit Oriented Development Implementation Forum

On January 27 and 28, 2015, SANDAG held a Regional Transit Oriented Development Implementation Forum that brought together 150 people from around the region. Attendees represented many stakeholders with an interest in TOD, including community group members, developers, local jurisdiction staff, elected officials, non-governmental organizations (such as the San Diego Housing Federation, Circulate San Diego, Environmental Health Coalition, Urban Land Institute, and Lambda Alpha), and the Community-based Organizations (CBOs) that have been working with SANDAG on San Diego Forward: The Regional Plan.

Working Groups, Community-based Organizations and Transit Agencies

A number of workshops and meetings have been held with the Regional Planning Technical Working Group, Cities/County Transportation Advisory Committee, Active Transportation Working Group, and the CBOs. Individual meetings with Metropolitan Transit System and North County Transit District staff also were conducted.

Focus Group Meetings

A series of focus group interviews were held with stakeholders, representing non-profit and non-governmental organizations, local governments, private sector interests such as developers and real estate representatives, and design professionals. Attachment 3 of the Board Policy report is a summary of the themes that arose during these meetings.

Regional TOD Strategy Web Page

Staff has created a TOD Strategy web page that includes the six Working Papers, two context reports, and panelist presentations from the TOD forum. The web page also will provide a way for stakeholders and the public to provide comments on the draft Regional TOD Strategy.
Preliminary Focus Group Theme Summary
July-September 2014 Interviews

As part of the development of the Regional Transit Oriented Development (TOD), SANDAG and AECOM are conducting a series of focus group interviews with stakeholders, representing non-profit organizations, local governments, public agencies, and the private sector.

Groups engaged to date include:

- Real estate developers
- Affordable housing advocates and developers
- Community-based organizations
- Design professionals

The planning team will be scheduling additional focus group sessions in September and October with local governments, other SANDAG Working Groups, transit agencies and transportation stakeholders, major employers, the development finance sector, and economic development interests.

The purpose of the sessions is to gather targeted, specific feedback on TOD challenges and opportunities in the region and build an understanding of diverse agency, professional, and community perspectives on TOD implementation and user experiences.

Though participants noted specific challenges to TOD implementation, they also saw positive opportunities to develop transit-oriented projects and neighborhoods in the region. Comments also generally reflected an understanding that increased density and improved transit system connectivity will play an important role in accommodating the region’s growth and maintaining its future economic competitiveness. The purpose of this summary is to provide a preliminary overview of the themes that emerged from these discussions.

1. Community opposition can pose a major challenge for TOD implementation.

Concerns over change in the community can trigger specific opposition over project-related issues such as traffic, spillover parking, density, and building height. This challenge highlights the need for continued education and outreach, political support, and partnership building.

- Opposition lengthens the approval process and can cause developers to miss market opportunities
- Put emphasis on community education; it is extremely important to identify successes and failures
- Build a constituency for TOD by focusing earlier on transit
- We have to find a way to tell the story of where the region is going and how we will remain competitive; need to help communities to come along
- Communities need to get the land use regulations in place first and stick with it
2. There is growing recognition that changing demographics and shifts in market preferences support denser development and vibrant city and town centers.

Younger residents have different preferences and tend to like density and greater mobility associated with TODs. Employers also see dynamic environments and transit access as selling points for the region.

- Seeing more two-person households with one car
- There is a major transition to multi-family units
- People are staying longer in urban environments
- Suburban downtowns are appealing and people are drawn to them
- The competitive environment of the future is different; to recruit and solicit talent we need to deliver 24-hour amenities
- Transit is a regional infrastructure for recruiting

3. Connecting housing to jobs is important to both employers and residents.

Commute patterns and transportation needs have changed in response to shifts in employment. Job access remains a challenge for many workers, especially low to moderate-income workers.

- Need to connect housing to jobs
- More employees are open to locating near transit to attract talent
- System connectivity is important; getting people to job-rich areas in Downtown, Mission Valley and North County
- Service industry workers in some communities currently face long travel times to jobs
- Focus on certain corridors that link to jobs not just transit

4. TOD projects can provide more low to moderate-income housing opportunities, but there are continued obstacles to delivering affordable housing.

There is a recognized need for more low to moderate-income housing in the region. Along with housing, TOD can play a role in improving transportation access and increasing disposable income. Affordable housing projects, however, face challenges related to a lack of reliable funding sources, increasing land costs, and community resistance.

- Project financing for affordable housing is complex, difficult to get, and uncertain
- Tax credits only fund a small number of projects and are not meeting regional need
- Local regulations that require the same proportional mix for affordable and market rate units can create a mismatch between need and what developers can do
- Need to get access to sites along feeders and rapid transit corridors; the window is closing
- Acquisition costs for infill development are rising
5. **The region has promising areas for TOD projects.**

The region has areas with underutilized land that could anchor TOD projects. However, the availability of appropriately zoned land is limited and it is difficult to redevelop existing properties with less intense uses due to issues such as assembling and configuring parcels or the low property tax base, which discourages the selling of land. Opportunity areas in the region include:

- Mission Valley
- Carmel Valley
- University Towne Centre
- Grantville
- E Street Station and L Street
- Morena District
- Kearny Mesa
- The City Yards
- El Cajon Boulevard
- University Avenue
- La Mesa
- Carlsbad
- Western Chula Vista
- San Ysidro/Otay Mesa

6. **Successful TOD is about the thoughtful design and planning of the broader setting and transportation network.**

Supporting amenities, community-serving uses, a robust transportation network, and an engaging public realm all contribute to the appeal and viability of TOD projects.

- Need a network of walkability to attract people to multi-family units
- Need uses like shopping and goods and services along transit corridors
- Public realm is most important, even more than the design of individual buildings
- We need to get down to the details of connectivity, including the ability of pedestrians to get to transit
- Building location and orientation is important
- Parks are very desirable; helps to address density concerns and build a sense of neighborhood
- Last mile connections to and from transit are important; car sharing arrangements like Car2Go can be helpful in addressing connectivity gaps
- There is good support for active transportation as a part of the overall transportation system
- There is some concern that the current transit network is not robust enough yet to make TOD appealing and workable; need to focus on improving the efficiency, frequency, and reach of the existing system
7. **The state regulatory environment can create barriers.**

The California Environmental Quality Act (CEQA) process can deter development and opponents can use mitigation requirements to block TOD projects.

- Traffic forecasting methods with a focus on Level of Service have been a big barrier
- Trip generation rates have not been updated in a long time and don’t reflect differing geographic contexts
- Trip generation should be tied to product type, and unit type
- On-site drainage is also a major challenge
- Cities need to update their CEQA thresholds

8. **The market economics for TOD remain challenging but flexibility and predictability can help to reduce barriers.**

The viability of TOD projects relies on a balance of land and project costs, market rents, and the type and density of product permissible. Local requirements for project elements such as parking, on-site infrastructure, and building height affect project feasibility.

- Even with rental increases, it is difficult to get the financing
- Parking ratios are a problem for market rate units; reducing parking ratios for affordable housing in City of San Diego was great; need to extend for market rate
- Height limit combined with parking ratio can make projects not work
- Lenders and underwriters often want more parking, regardless of codes
- The market is starting to accept some parking within walking distance, not just at the project
- Don’t get to proscriptive on style; give an envelope to work within
- Big infrastructure issue is storm drain and storm water
- The challenge is infrastructure; impact fees are high and there are infrastructure deficits
- Impact fees are being driven up by applying suburban standards to urban contexts
- Having master planning ground rules in place first to get to a ministerial, rather than a discretionary approval process will help

9. **It is important for the regional strategy to set priorities and focus.**

Advancing TOD implementation planning through large-scale master planning is challenging. A more targeted, prioritized approach may be necessary to support successful implementation.

- Focus on the micro scale to advance implementation
- Focus on the most ready area and demonstrate success, then build from there incrementally, rather than all of the station areas at once
- Strategy needs to speak to jobs and economic development on logical corridors; there are good urban spines; work on getting density along these corridors
Regional Transit Oriented Development Strategy
Board of Directors Policy Meeting, May 8, 2015

Questions for Discussion

• Is there increasing interest and demand for TOD projects from residents, employers, and/or retail businesses?
• What role should local jurisdictions, SANDAG, MTS, NCTD, and the private sector play in getting TOD projects built and in creating TOD districts?
• What types of public investments are necessary to make TOD work (e.g. infrastructure)?
• What are the biggest obstacles to developing TOD projects in the region?
Smart Growth Concept Map

The Region's Evolution

Comparing Growth Projected in 1999 and 2013
2050 Transit Network

- I-15 Rapid routes
- Mid-City Rapid
- South Bay Rapid
- Mid-Coast
- Four new trolley lines
- Arterial Rapid network
- High frequency local bus network

Smart Growth Incentive Program

$280 million for local jurisdictions

Capital Improvements
- Sidewalks and plazas
- Streetscape enhancements
- Improvements to transit stations
- Other community initiatives

Planning Grants
- General plan updates
- Specific plans
- Zoning regulations
TOD Examples
TOD Examples

TOD Themes

- Changing demographics and shifts in market preferences
- Connecting housing to jobs
- Housing affordable to low and moderate income families
- Importance of design of TOD projects and districts
- Local and state regulatory barriers
- Community opposition to infill development
Trends Influencing TOD Demand

• Regional demand for TOD
  – Demographic and employment trends
  – Household and business location preferences
• Transit connectivity to major employment centers
• Station area market strength – not just about transit
• Local land use context and local government support
Changing Demographics are Driving Regional Demand for TOD

- Millennial and Baby Boomer Generations are driving housing market
- Surveys show both groups have a preference for transit- and amenity-rich neighborhoods, shorter commutes

Employment Destinations are Essential to Transit Because Commuters Ride Transit

- By a wide margin, the largest group of transit trips are commute trips
- Commuters are key to transit’s productivity

Source: Pisarski, Commuting in America
More Businesses are Relocating to Be Near Transit

“I think it’s essential we be accessible to Metro and that limits the options. I think as with many other things our younger folks are more inclined to be Metro-accessible and more urban.” - Arne M. Sorenson, Chief Executive, Marriott International.

Washington Post, March 2015

“While Microsoft and Nintendo have stayed in the suburbs, Amazon is building a futuristic new inner-city home.” – The Guardian, May 22, 2014

“State Farm exec: Transit helped Tempe get $600M hub” – Parker Leavitt, The Republic, February 20, 2015

Market Strength is Also Critical for TOD Implementation

• Development feasibility is tied to unit value
• Strongest markets (highest prices, lowest vacancy rates) are concentrated along the North Coast and in Downtown
• However, research has shown that San Diego properties near rail transit experience a significant premium
  – 16 percent premium for condominiums located within ¼ mile of Trolley station
  – 6 percent premium for single-family homes located within ¼ mile of Trolley station

Source: Duncan, 2008 and 2011
Mismatch between Market Conditions and Local Land Use Policies Can Affect Feasibility in Many Ways

For example:
• Policy restrictions can inhibit new development
• High intensity development is envisioned, but not supported by market conditions
• Zoning for ground floor retail exceeds demand
• On-site parking requirements drive up development costs

Local Land Use Context Matters, but Not Always in the Ways We Might Expect
Market Findings

• Future transit investments to major employment centers will help
  – Support growth and mitigate traffic congestion
  – Increase the value of the overall transit system
  – Build value for TOD over the long term
• TOD will continue to occur unevenly, reflecting differences in market strength, availability and quality of transit service, and local land use policies
• Local governments have to be proactive, strategic, and nimble over time
• Consider market strength and specific barriers to development in targeting regional investments (planning, infrastructure, place-making)
Climate Change Response – Defining Challenge of the 21st Century

Transit’s Benefit to Roads in a Complete Transportation Network
### Percent of Commuters Who Take Transit

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percent Drive Alone</td>
</tr>
<tr>
<td>New York ¹</td>
<td>50.4%</td>
</tr>
<tr>
<td>Boston ²</td>
<td>68.5%</td>
</tr>
<tr>
<td>Seattle</td>
<td>69.7%</td>
</tr>
<tr>
<td>Vancouver, BC ²</td>
<td>65.9%</td>
</tr>
<tr>
<td>Portland, OR ³</td>
<td>71.6%</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>74.1%</td>
</tr>
<tr>
<td>Minneapolis/St. Paul</td>
<td>78.4%</td>
</tr>
<tr>
<td>Denver</td>
<td>75.4%</td>
</tr>
<tr>
<td>San Jose</td>
<td>75.9%</td>
</tr>
<tr>
<td>Atlanta ²</td>
<td>77.2%</td>
</tr>
<tr>
<td>Salt Lake City</td>
<td>75.0%</td>
</tr>
<tr>
<td><strong>San Diego</strong></td>
<td><strong>75.8%</strong></td>
</tr>
</tbody>
</table>

| Phoenix                      | 76.5%               | 2.3%                   | 2.6%            |
| San Antonio                  | 79.2%               | 1.9%                   | 2.5%            |
| Austin                       | 77.1%               | 2.5%                   | 2.4%            |

Source: U.S. Census Bureau, 2009 and 2013 American Community Survey; National Household Survey, 2011

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**San Diego Central Area**

- Total Resident Workforce = 92,694
- % Transit Commuters = 5.7%

**Portland Central Area**

- Total Resident Workforce = 96,206
- % Transit Commuters = 13.9%

Source: U.S. Census Bureau, 2013 ACS 5-year estimates, Means of Transportation to Work by Age (DOB102); AECOM
Total Resident Workforce = 100,428
% Transit Commuters = 8.0%

Total Resident Workforce = 120,473
% Transit Commuters = 22.3%

Source: U.S. Census Bureau, 2013 ACS 5-year estimates, Means of Transportation to Work by Age (S08101); AECOM

2050 Regional Transportation Plan / Sustainable Communities Strategy

Smart Growth Areas

Existing/Planned Potential
- Metropolitan Center
- Urban Center
- Town Center
- Community Center
- Rural Village
- Special Use Center
- Mixed Use Transit Corridor

Habitat Planning Preserve Areas
Existing Major Employment Areas
Urban Area Transit Strategy Boundary
By 2050, most people will live within a 5 minute access of a transit stop, almost half by biking.

Source: SANDAG and AECOM. Note: Drive time distance based on 25 mph.
By 2050, most people will work within a 5 minute access of a transit stop, over half by biking, and a quarter by walking.

Source: SANDAG and AECOM. Note: Drive time distance based on 25 mph.

TODs + Transit: The Jobs Housing Connection
TODs + Transit: The Jobs Housing Connection

Mixed-use/ Institutional Emphasis
Mixed-use/ Commercial Emphasis
Mixed-use/ Industrial & Service Emphasis
Mixed-use/ Housing Emphasis
Mixed-use/ Major Center
Warehouse
Plan TODs for Market Choices

- Mobility
- Housing
- Workplaces
- Community

AT WHAT SCALES, WITH WHAT PUBLIC FACILITIES, AND WHO PAYS FOR IT?

Placemaking for Transit
Whether New Suburbs
Orenco Station, OR

Existing Centers
Brisbane BRT, AUS
Historic Context
Strasbourg, FR

or, Our Own
San Diego Region
Working Papers

- Connections: Access Enhancements, Mobility Management & Travel Options
- Housing Choices & Affordability
- Urban Form, Density, & Land Use
- Financing Infrastructure and Community Facilities
- CEQA Streamlining and Travel Forecasting
- Readiness Criteria: Metrics for Transit-Oriented Districts

Readiness Criteria Dashboard

- Metrics Categories
  - Location on network: connectivity & ridership
  - Local market readiness
  - Land resources & capacity
  - Governmental & regulatory support
- Level of Benefit
  - Place typology
  - Multi-modalism
  - Planned housing & employment density
  - Developable area and capacity
**Summary – The Big Ideas**

- Plan TODs as mutually supporting employment-residential networks on a line, including affordable housing
- Think of TODs as Districts – 5 minute access by mode
- Place investment priority on facilitating 5 minute access connections combined with quality service
- With willing local jurisdictions, create TOD specific plans with facility financing districts, tiered CEQA framework, TOD form context overlay code templates, and Mobility Management Districts
- Establish database to inform private financing
- Form a not-for-profit regional Urban Design Studio
- Evaluate a regional TOD/affordable housing public/private investment fund
- Prepare a Web-based Readiness Criteria Dashboard tool for jurisdictions, potential investors, and the public

**Questions for Discussion**

- Is there increasing interest and demand for TOD projects from residents, employers, and/or retail businesses?
- What role should local jurisdictions, SANDAG, MTS, NCTD, and the private sector play in getting TOD projects built and in creating TOD districts?
- What types of public investments are necessary to make TOD work (e.g. infrastructure)?
- What are the biggest obstacles to developing TOD projects in the region?
May 7, 2015

SANDAG
Board of Directors, Chair Jack Dale
Transportation Committee, Chair Todd Gloria
Regional Planning Committee, Chair Lesa Heebner
401 B St. Ste. 800
San Diego, CA 92101

RE: SANDAG’s Regional Transit Oriented Development Strategy

Honorable Jack Dale and SANDAG Board and Committee members:

On behalf of Circulate San Diego, I would like to thank SANDAG for continuing effort to develop a Transit Oriented Development (“TOD”) policy.

With urging from Circulate San Diego’s predecessor organizations, the SANDAG Board committed in the Fall of 2011 to “Implementing an action to develop a regional transit-oriented development policy in the 2050 RTP Sustainable Communities Strategy to promote and incentivize sustainable development.”

1. **It is more important than ever for SANDAG to create a meaningful TOD policy.**

   Local governments in San Diego have made great strides focusing land uses near where our region’s transit investments.

   However, more work is needed. In 1990, SANDAG projected multi-family housing to make up 52 percent of new development. In 2013, after local governments made different land use decisions, 82 percent of future development is projected to be multi-family. This change demonstrates the vital need for a useful TOD policy.

2. **The San Diego region must focus on TOD to remain competitive for Federal and State transportation funding.**

   Federal and state sources of funding are increasingly shifting toward large competitive grant structures. The State Cap-and-Trade funds, and Federal TIGER Grants are two significant examples.

   These programs require applicants to show that transportation investments will serve adequate population densities, and will provide sufficient return on investments. For the San Diego region to remain competitive for these types of funding, SANDAG must help localities prepare for TOD.
3. Land use changes are not enough. Building regulations also limit TOD.

While local jurisdictions have created adequate land use rules through housing elements and other programs, barriers still exist to developing near transit investments.

A variety of local rules and regulations can make developing near transit financially infeasible. Policies like setback requirements, lot size minimums, and parking and height rules all can prevent even well-intended TOD goals. To accomplish TOD, building regulations must change.

4. A meaningful TOD policy is consistent with the existing role SANDAG plays in helping local governments meet their land use goals.

SANDAG already helps local governments with their land use goals by providing planning and infrastructure grants. SANDAG also manages the housing element process in the region. SANDAG’s role can and should be to help local governments achieve their TOD goals.

5. SANDAG’s TOD policy should create a grant program that awards funds to local governments that are ready for TOD.

SANDAG should establish a grant program that awards jurisdictions based on how applicants score on their readiness for TOD. This would encourage local jurisdictions—with a carrot, not a stick—to update local regulations to facilitate development near transit.

a. The TOD grant program can coexist with existing grant programs.

The TOD grant fund would not need to replace the existing other grant programs. Jurisdictions that do not score well for their TOD readiness could still apply for grants as they always have under the existing grant programs.

This TOD grant program could be funded from flexible federal sources. Some of the funds could also be drawn from the TransNet funds that currently fund the existing grant programs.

b. SANDAG’s consultants AECOM created a useful framework for evaluating TOD readiness.


SANDAG could use the metrics in the AECOM white paper to develop a scoring mechanism for their new TOD grant program.

c. A TOD grant program could see large gains with little cost.

Making grant funding available can be a useful, and politically palatable “carrot” to encourage, not require, local governments to update their development rules.
This is a similar model to the Federal Department of Education’s recent “Race to the Top” funding for education. The Department of Education made a relatively small pool of funds available nationally, and scored applications based on how much education reform states adopted. This resulted in a wide range of meaningful changes by states choosing to compete for a limited pool of funds.

6. A TOD policy should include mechanisms to encourage affordable housing near transit.

Most transit riders are low income. The TOD policy must build in mechanisms to ensure that low income people are able to afford to live near the region’s transit investments.

Fortunately, there are a variety of options for SANDAG to incorporate affordable homes in TOD:

- **Land for Homes:** SANDAG should fund a study for how MTS and NCTD can make land available for development into affordable homes. The Los Angeles Metro system recently committed to making 35 percent of its land holdings available for affordable homes. San Diego should examine the same.

  For example, while many park-and-ride lots in San Diego are well-utilized, many are not. Land that is underutilized could be repurposed for affordable TOD.

- **TOD Readiness:** When SANDAG creates a TOD grant program, it can include affordable housing tools as one measure of a jurisdiction’s TOD readiness. If a jurisdiction hasn’t planned for how affordable homes will factor into their TOD, they would be scored as less ready.

- **Contributions to Blended Funds:** Civic San Diego and the San Diego Housing Commission are both examining a blended fund to finance affordable home construction. Relatively small contributions by public entities can leverage huge private investments in blended affordable investment funds.

  The Association of Bay Area Governments contributed to a similar blended transit oriented affordable housing fund. SANDAG can make similar funds available in San Diego.

Circulate San Diego is committed to engaging in SANDAG’s ongoing TOD policy planning. We look forward to engaging in a productive dialogue over how SANDAG can both innovate and adopt policies that have proven to work in other regions.

Sincerely,

Colin Parent
Policy Counsel, Circulate San Diego