Preliminary Focus Group Theme Summary
July-September 2014 Interviews

As part of the Transit Oriented Development (TOD) Strategy for the San Diego Region, 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
- UTC
- 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 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