

# Appendix U4

## SANDAG Regional Transit Oriented Development Strategy

### **Appendix U4 Contents**

SANDAG Regional Transit Oriented Development Strategy  
Regional Transit Oriented Development Strategy Staff Report  
(SANDAG Regional Planning Committee, May 2, 2014)

# SANDAG Regional Transit Oriented Development Strategy

The San Diego Association of Governments (SANDAG) prepared a Regional Transit Oriented Development (TOD) Strategy as part of San Diego Forward: The 2015 Regional Plan to promote and incentivize sustainable development throughout the region based on a commitment made at the time of the adoption of the 2050 Regional Transportation Plan and its Sustainable Communities Strategy on October 28, 2011.

The overarching strategy set forth in the Regional Transportation Plan is to:

- focus housing and job growth in the urbanized areas where there is existing and planned infrastructure
- protect sensitive habitat and open space
- invest in a network that gives residents and workers transportation options that reduce greenhouse gas emissions
- promote equity for all
- implement the plan through incentives and collaboration

The Regional TOD Strategy will help implement this strategy and the Regional Transportation Plan.

The Regional TOD Strategy recommends actions to assist the region in creating TOD in association with the region's existing and future network of public transit that will reduce greenhouse gas emissions; increase transit ridership, walking, and biking; and provide a greater mix of housing and employment opportunities for all residents of the region. The strategy builds upon and recognizes 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 Smart Growth Toolbox, the Designing for Smart Growth guidelines and scorecard, the Smart Growth Incentive Program (SGIP), and Parking Management Toolbox, among others.



## **Transit Oriented Development (TOD) Strategy for the San Diego Region**

### **FACT SHEET**

#### ***Project Overview***

The San Diego Association of Governments (SANDAG) is preparing a Regional Transit Oriented Development (TOD) Strategy to assist communities in developing TOD projects and neighborhoods. Transit Oriented Development refers to compact, walkable areas that have easy access to public transit and offer a mix of uses, including housing, retail, offices, and community facilities and gathering spaces. This type of development can help to make the region healthier by reducing greenhouse gas emissions, making it easier to get around by transit, walking or biking, and providing housing and employment opportunities.

The goal of the Regional TOD Strategy is to build on other planning efforts by gathering input and implementation ideas from diverse stakeholders, as well as local and national TOD experts. Their feedback about lessons learned and best practices will inform recommendations on ways that the region, local governments, transit agencies, and the private and non-profit sectors can partner to build successful TOD projects. The project will also gather feedback from the public to encourage development that meets the needs of residents and employees.

Communities in the region have embraced TOD as an important framework for organizing future growth. In 2004, SANDAG adopted the Regional Comprehensive Plan based on the principles of smart growth and later developed the Smart Growth Concept Map, which shows "smart growth opportunity areas" (SGOAs). All 19 local jurisdictions in the region have at least one SGOA. The Regional TOD Strategy will update this earlier work and create prioritized action steps for local agencies and stakeholders. Recommendations will relate to topics such as design, parking, land use policy and zoning, infrastructure, financing, and affordable housing.

#### ***Why TOD?***

According to growth forecasts, the San Diego region will add nearly one million people, 330,000 homes, and 500,000 jobs by 2050. Organizing future housing and jobs around transit is a critical strategy in preparing for such dramatic change. SANDAG is already emphasizing the link between land use and transportation through its ongoing regional planning effort, San Diego Forward: The Regional Plan. The TOD Strategy will develop an important set of tools to realize the vision of sustainable communities that offer high quality of life for current and future residents.

#### ***Project Schedule***

The Regional TOD Strategy is a year-long effort that is scheduled to conclude in March of 2015. During 2014, the planning team will develop concepts and strategies and collect input on best practices and lessons learned. A Draft TOD Strategy and Implementation Plan is expected to be released in the winter for public comment. The SANDAG Board is expected to consider adoption of the Draft TOD Strategy and Implementation Plan in spring 2015.



### ***Opportunities to Participate***

In developing the TOD strategy, the planning team will reach out to a wide array of stakeholders. As part of planned focus groups, individuals from varied backgrounds, including transportation, design, community development, housing, and financing will share their perspectives on TOD opportunities and challenges. In the TOD Implementation Forum, experts will highlight project successes and obstacles from other parts of the country and offer potential solutions that can be applied to the San Diego region. Feedback from focus groups and Forum participants will be essential in developing practical TOD recommendations that address local needs and issues. The project also includes coordination with SANDAG committees and working groups, as well as local transit agencies. The Forum, which is expected to be held in the fall of 2014, will be open to the public. The Draft TOD Strategy and Implementation Plan will also be available for public review and comment. Please visit [sandag.org/](http://sandag.org/) for updates on project outreach events.

### ***For More Information***

To learn more about the Regional TOD Strategy and how to get involved, visit [sandag.org](http://sandag.org) or contact SANDAG Communications Manager David Hicks at [david.hicks@sandag.org](mailto:david.hicks@sandag.org) or (619) 699-6939.



**REGIONAL TRANSIT ORIENTED DEVELOPMENT  
STRATEGY**

File Number 3300400

**Introduction**

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 California climate change legislation [Senate Bill 375 (Steinberg, 2008)]. In accordance with Senate Bill 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.

The strategy set forth in the 2050 RTP/SCS is to: focus housing and job growth in the urbanized areas where there is existing and planned infrastructure; protect sensitive habitat and open space; invest in a network that gives residents and workers transportation options that reduce GHG emissions; promote equity for all; and implement the plan through incentives and collaboration.

The preparation of a Regional Transit Oriented Development (TOD) Strategy/Policy is a commitment per the 2050 RTP/SCS resolution:

*“Implementing an action to develop a regional transit oriented development policy in the 2050 RTP Sustainable Communities Strategy to promote and incentivize sustainable development.”*

**Discussion**

SANDAG is preparing a Regional TOD Strategy to promote and incentivize sustainable development. More specifically, the strategy will assist the region in creating TOD projects and neighborhoods that will 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. This project will include a review and potential update of the Smart Growth Concept Map and Smart Growth Incentive Program, and other strategies/policies to facilitate development associated with the region’s network of public transit.

SANDAG has hired a consultant to assist with this project and has developed a scope of work and schedule (Attachment 1). The scope of work for the project includes reviewing the work on TOD and smart growth that has been accomplished throughout the region to date, 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 and Implementation Plan. This work is scheduled to be completed in the spring of 2015. The TOD Strategy will be an implementation element of San Diego Forward: The Regional Plan.

CHARLES "MUGGS" STOLL

Director of Land Use and Transportation Planning

Attachment: 1. Scope of Work and Schedule for Regional Transit Oriented Development Strategy

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## **Scope of Work and Schedule For Regional Transit Oriented Development Strategy**

### **Task 1.0: Project Management and Administration**

### **Task 2.0: Establishing Context: Related Efforts, Best Practices, and Preliminary Concepts**

Task 2.A: Existing and Local Efforts. A significant amount of work has already been undertaken regarding Transit Oriented Development (TOD) planning and implementation in the region, particularly in the cities where existing transit service is provided and new transit facilities are planned in the San Diego Association of Governments (SANDAG) 2050 Regional Transportation Plan and its Sustainable Communities Strategy. SANDAG has already developed smart growth place types with land use and transit targets, which will be reviewed and may be subject to modification. The Regional Comprehensive Plan, San Diego Forward: The Regional Plan (San Diego Forward) concepts, and the General Plan and land use strategies of most of the region's jurisdictions are focused on infill and transit-oriented development to accommodate future growth. The San Diego Housing Commission also has developed a Three Year TOD Strategic Plan. AECOM and its staff have worked on a number of these plans. In addition, the two transit agencies in the region (MTS and NCTD) have worked on TOD projects and plans. AECOM will assemble, summarize, and analyze this information, recommending how to build upon and incorporate these previous efforts into the current work program and TOD Strategy. In addition to supportive land use policies, we will also identify California Environmental Quality Act (CEQA) thresholds used for evaluating TOD development, relevant design regulations (such as FAR and height), parking regulations, and Housing Element references to TODs for the jurisdictions in the region.

Task 2.B: TOD Network Orientation Tour. An orientation tour will be held to see on the ground conditions of the existing TOD network and selected planned TODs that will result in the implementation of the Regional Transportation Plan and San Diego Forward. The tour will include SANDAG/MTS/NCTD and San Diego Housing Commission staff, with invited staff from the relevant local jurisdictions, to see a variety of TOD locations and understand the issues.

Task 2.C: Economic Context. In addition, the market context for TOD development will be reviewed and understood. While this has been reviewed in the past, the Great Recession delayed implementation of several TOD plans. The near, mid, and long-term market will be reviewed in a post-Great Recession context to provide guidance for phasing and priorities. Key outcomes of this analysis is market strength by place-type and general TOD location as suggested by rents and sales prices for units at densities identified by Smart Growth Place Type, and general market orientation for TOD-supportive residential, employment space, and commercial retail space. Institutional uses related to existing or planned TODs will also be identified. We will obtain this information through SANDAG's Technical Working Group, providing them with an electronic form to populate. As mentioned earlier, a key strategy is to evaluate the transit system and TODs as reinforcing locations that support each other along the transit line (i.e. transit corridors), and thereby enhance market demand for TOD development. The market context analysis will be designed to assist in the development of this strategy. This approach will build off of Strategic Economics' two national studies of TOD development activity and feasibility including RAILS to Real Estate (Downtowns to Greenfields and Places in Between: Promoting Development Near Transit).

For the basic TOD building types associated with the minimum residential and employment target densities associated with five of the seven smart growth place types we will estimate simple residual land value parameters given anticipated market-supported prices, densities, and construction types for a standard parcel configuration and alternative parking policy strategies. While construction costs will remain constant, sales prices and/or rents will vary by location. Impact fees will also vary by location. The variable impact fee system is an important component of several jurisdictions' growth management programs and, in some cases, provides incentives for TOD or infill development relative to greenfield development. In order to incorporate these fees into the analysis, we will work through the Technical Working Group. Finally, we will review the Parking Management Tool Box project data to identify parking ratios in select TOD locations and place types, and any discounts local agencies provide for mixed-use or Transit Oriented Development. These very basic land residual analyses will be compared against local land values to indicate where projects might be feasible in today's market, or with reasonable increases in value that would represent improving market values, and where projects representing the target density thresholds for existing place types may be infeasible without public investment and/or other policy interventions. This will assist in the evaluation of place-type readiness for TOD development.

While this residual value analysis will help evaluate the feasibility of market rate, affordable housing, we will also document the primary criterion for deed-restricted affordable housing, including the competitive tax credit allocation criterion. We will assess the potential for value capture approaches to obtain more affordable housing, or other amenities, by estimating the value enhancement potential range for the five smart growth place types at different entitlement enhancement assumptions through sensitivity analyses.

Task 2.D: Focus Groups: Finally, several factors are influential in the success of TOD implementation. In addition to the outreach tasks described in Task 3 below, we propose focus group interviews with selected representatives of particular stakeholder groups. This will augment the input that SANDAG has already received in its listening sessions, as well as input prepared to date by SANDAG and NGOs, such as Move San Diego, Walk San Diego, San Diego Bicycle Coalition, C-3, ULI, etc. The focus group discussions and input will be designed to answer specific questions related to TOD implementation. Our initial proposal is to hold focus groups with representatives of the following: 1) Real estate development, 2) Development finance, 3) Design and Architecture, 4) Community organizations, 5) Local government agencies, 6) Major employers, 7) Selected NGOs.

Task 2.E: Best Practices Literature Review. As part of the Context Analysis, AECOM will conduct a literature review of best practices for TOD systems to specific TOD development from academic, foundations, and professional resources, and our team's own prior research. The focus of the literature review will be on implementation and performance topics, such as market, financial, sustainability, and place-making.

Task 2.F: Draft Context Report: AECOM will prepare a draft summary report of the Context analysis completed in Tasks 2A through 2F.



### **Task 3.0: Concepts & Strategies**

Based on SANDAG's and member agencies' prior experience, and the AECOM team's experience, there are several factors that influence the success of TOD development. AECOM will prepare Concepts & Strategies white papers on each of these factors, including the following (or a number of similar topics as agreed to with SANDAG):

- CEQA application and streamlining opportunities
- Travel forecasting methodology, TDM strategies, and parking policy assumptions used by other agencies
- Land use policy and zoning, including the Smart Growth Map and Toolbox;
- Affordable housing provision
- Infrastructure and public facilities capacity gaps and financing mechanisms
- Economic readiness, financial feasibility, funding, and incentives
- Last mile service, active transportation & master planning to facilitate successful "mobility hubs" and transit-oriented districts
- Local agency communications/marketing and public/decision maker support for TODs
- Implementation roles and responsibilities of SANDAG and other agencies

These papers will focus on the issues as they apply to the SANDAG region, and while examples from other places will be cited, they are meant to begin informing the San Diego region's TOD strategy rather than be papers solely about practices elsewhere, which are already addressed in Task 2.0.

Based on these papers and their analysis, the Core Strategy Team will prepare draft TOD Readiness criteria to review with SANDAG staff. Upon acceptance of the TOD Readiness criteria, AECOM will work with SANDAG GIS staff on the preparation of a TOD Readiness Map that compares the criteria with the existing SANDAG place types and overlays them to potential TOD locations (existing and proposed). A key criterion is accessibility to employment, both within a TOD or along each transit corridor.

### **Task 4.0: TOD Implementation Forum**

The purpose of the TOD Implementation Forum (Forum) is to draw from the experience of other cities and regions in North America that have undertaken and implemented successful TOD programs - such as Denver, Puget Sound, Minneapolis, Boston, Portland, the San Francisco Bay Area, and Vancouver British Columbia. As part of the Consultant team, we have a combination of land use and planning policy, transit planning, and real estate and public finance expertise, from regional transit agencies, cities with local land use authority, and consultants who will participate in the interactive Forum. The people selected have experience not just in the planning or study of TODs, but in the implementation of TODs as well from both private and public sectors. They will be directed to not only describe their system's experience, but also discuss their lessons learned, what worked and what didn't, how TODs were financed, how public support was generated, what were the unique circumstances that led to their success, mistakes made, and potential lessons for the San Diego region.

Following these discussions, the Forum participants, including members of Consultant's Core Strategy Team, will undertake a discussion as to how implementation lessons can be applied to the San Diego region and the different TOD contexts, looking at the TOD system as an integrated network of land uses and place types that reinforce each other, as well as how they integrate into the communities where they are located. The focused discussion may be organized along the Concepts and Strategies White Paper topics prepared in Task 3.0.

The Forum will be held in a public venue and presented as a webinar that allows the public to question participants either directly in person or by webinar participation. It also will be recorded so that it can be shown on the SANDAG website after the event with additional comments and questions collected for a set period of time.

### **Task 5.0: TOD Strategy and Implementation Plan**

The Core Strategy Team will prepare the draft TOD Strategy and Implementation Plan. The strategy will build upon the research, analysis, and input from the previous tasks, building upon SANDAG and member jurisdictions' work to date, best practices from comparable regions, and input from the Peer Review Committee and the public. The strategy will look at TODs and the various place types not only as stand-alone neighborhoods within their communities, but also as integral parts of the transit networks and lines where they are located. All will be mixed-use, but some may have a greater emphasis as residential TODs, some as employment TODs, some as commercial TODs, and some as special use TODs.

The strategy will be a written report that identifies the vision and goals for successful TOD implementation in the San Diego region. The Strategy will identify prioritized recommended implementation activities for both SANDAG and local agencies for each of the white paper issues related to CEQA positioning, travel forecasting methodologies, parking policies, land use policy, zoning, infrastructure and public facilities provision, economic readiness and financing (including affordable housing), last mile linkages, active transportation leveraging, strategies for public engagement, and others that may come up in the process. This information may be presented in table form with prioritized action items, responsible parties, suggested timeframes, and additional resources. The strategy will be supplemented by tools such as the final TOD Readiness Criterion and TOD Readiness Map. It is envisioned that the strategy and maps will be developed in concert with SANDAG in a manner that allows for interactive web-based links to the criterion and to the "prime" opportunity sites. As a sample implementation action, the Strategy may include changes to smart growth place types, the Smart Growth Concept Map, and the Smart Growth Tool Kit to reflect the vision and goals of the regional TOD strategy.

The draft TOD Strategy and Implementation Plan will be presented to SANDAG staff and the Peer Review Team, and posted on the SANDAG website for public comments. After receiving input, the draft Regional TOD Strategy and Implementation Plan shall be presented to stakeholders and SANDAG working groups and policy advisory committees prior to being accepted for distribution and comment by the SANDAG Board of Directors. Comments shall be reviewed, responses drafted, and revisions made prior to the preparation of the proposed final Regional TOD Strategy and Implementation Plan with early-, mid-, and long-term actions, which shall be presented to the same groups listed above prior to approval by the Board of Directors.

### **Task 6.0: Adoption**

Based on the input received, AECOM will prepare the final Regional TOD Strategy and Implementation Plan and presentation materials for SANDAG committee review and Board action.

The final TOD Strategy will be presented to the SANDAG committees for review, questions, and comment. Based on their input, final edits will be made to present to the SANDAG Board for adoption.

### **Summary of Major Deliverables and Schedule**

<b>DELIVERABLE</b>	<b>SCHEDULE</b>
Kick-off Meeting	After Notice to Proceed (NTP) issued February 2014
Project Management Plan	March 2014
TOD Orientation Tour	April 2014
Draft Context Report	May 2014
Draft Concepts and Strategies/TOD Readiness Map	July 2014
Peer Review No. 1	September 2014
TOD Implementation Forum	October 2014
Draft TOD Strategy and Implementation Plan	December 2014
Peer Review No. 2	January 2015
Final TOD Strategy and Implementation Plan	February 2015
Adoption	March 2015