



**Urban Land  
Institute**

**San Diego/Tijuana**

**IDENTIFYING FINANCIALLY FEASIBLE  
COMMUNITY ORIENTED  
DEVELOPMENT OPPORTUNITIES  
AT MID-CITY TRANSIT HUBS**

APRIL 2016 TECHNICAL ASSISTANCE PANEL REPORT

# TABLE OF CONTENTS

1. The ULI Mission.....	3	9. Stakeholder Input.....	16
2. A Message from the TAP Chair.....	4	10. Opportunities and Constraints.....	17
3. About Technical Assistance Panels.....	5	11. Recommendations.....	20
4. Introduction.....	6	• Adopt a Specific Plan.....	21
5. Reason for the TAP.....	7	• Reclaim Excess Right of Way.....	36
6. Scope of Work.....	11	• Activate Bridge Decks & Interim Use.....	39
7. Existing Conditions.....	12	12. Panelists.....	39
8. Summary of the TAP.....	15	13. Panelist Biographies.....	44

# THE ULI MISSION

The Urban Land Institute provides leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.

# A MESSAGE FROM THE TAP CHAIR

In January of 2016, a group of dedicated volunteers from the Urban Land Institute (“ULI”) San Diego-Tijuana District Council were given the opportunity to participate in a Technical Assistance Panel (“TAP”) to provide advice and land use recommendations for the six remnant parcels adjacent to the I-15 corridor in the Mid-City Community. The group participated in a two-day, intensive charrette at the new Copley Family YMCA and in an extensive walking tour of the area. The experience was enlightening, educational and exhilarating. The TAP members included experts in architecture, urban design, transportation planning, land use economics, affordable housing, real estate development, event management and land use law. These highly professional, experienced members of the TAP took on the assignment of evaluating and generating ideas to develop the area around freeway corridor with enthusiasm and a tremendous camaraderie. I was fortunate to work with such a distinguished group and pleased to have participated in such an important effort. My appreciation and admiration for their valuable time and insightful contributions is boundless.

ULI is committed to making a positive difference in the quality of life throughout our entire region. Coming together with land use professionals from many disciplines allowed a unique forum for looking at problems and potential solutions. The TAP members brought passion, knowledge and commitment to the experience. The results are a series of recommendations to provide civic and business leaders, and land owners, with direction and guidance for the initiation of a comprehensive planning and development effort. Many individuals contributed to the success of the TAP. The support from our sponsors in the Mid-City Community including the El Cajon Business Improvement District and the City Heights Community Development Corporation provided an invaluable foundation for our work and were integral to the recommendations contained in this report.

Our work could not have been completed without the careful planning and determination Mary Lydon, Executive Director, ULI San Diego-Tijuana District Council. This report represents the countless combined hours of the TAP. I hope you find the contents informative and I look forward to the future transformation of the I-15 corridor through the Mid-City Community.

# ABOUT TECHNICAL ASSISTANCE PANELS

The Urban Land Institute (ULI) was founded in 1936 as a non-profit institute to conduct research and provide information on all aspects of real estate development and land use policy. ULI has more than 34,000 public and private sector members comprised of professionals in all aspects of real estate development, policy, and regulation. The ULI has 65 district councils in The Americas, Europe, the Middle East and Asia, a worldwide staff of 155, and a \$50 million annual operating budget in FY2012. The ULI has been a leader in smart growth, mixed use development, urban redevelopment, transportation, and affordable housing. The ULI San Diego-Tijuana District Council was established in 1997 and has over 800 members that represent a vast spectrum of real estate disciplines. They include architects, engineers, developers, builders, planners, lenders, brokers, accountants, attorneys, academics and students.

Since 1947, ULI's Advisory Services program has been assisting communities by bringing together panels of seasoned real estate, planning, financing, marketing, and development experts to provide unbiased pragmatic advice on complex land use and development issues. Often these panels meet with the sponsoring government or non-profit entity for five days at a fee of about \$110,00, and typically address issues of a broad and long-range scope.

The ULI District Councils provide panel services of one to two days, depending on the complexity of the scope of work day. A fee is charged for the advisory service, but the panel members are not compensated for their time. To ensure objectivity, panel members cannot be involved in matters pending before or be working for the sponsor and cannot solicit work from the sponsor during the panel's assignment period.

Sponsors request technical assistance services on complex land use issues. The District Council assists the sponsor in refining the scope of the assignment and in organizing the panel efforts. Panels are then formed to provide the expertise to address those issues. At the conclusion of the work period, the panel issues a report

# INTRODUCTION

Members from the Urban Land Institute San Diego-Tijuana District Council conducted a two-day Technical Assistance Panel (TAP) in March 2016 for the City Heights Community Development Corporation (City Heights CDC) and the El Cajon Boulevard Business Improvement Association (The Boulevard)(collectively, the Sponsors). The TAP program provides public agencies, private firms, and nonprofit organizations with findings and recommendations that can be used to solve real estate and land use issues in a uniquely objective way. At the same time, the TAP process provides ULI members with a means to give back to their communities, while helping to promote ULI's mission of providing leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.

In the fall of 2015, ULI San Diego-Tijuana began looking for an organization with complex land use and real estate needs. Several applications were received, as part of the solicitation process to conduct a TAP. The Sponsors were selected as their land use and real estate issues and questions presented a unique and challenging project that would require the objective analysis of Panelists from a variety of real estate disciplines.

The Report that follows is a response to the Sponsors' Scope of Work and both addresses key real estate and land use questions and makes recommendations that are intended not only to help the Sponsors reach their development objectives.

## **CITY HEIGHTS COMMUNITY DEVELOPMENT CORPORATION**

The City Heights CDC's mission is to enhance the quality of life in City Heights by working with our community to create and sustain quality affordable housing & livable neighborhoods & foster economic self-sufficiency. Its programs include community safety, resident services, active transportation, workforce development, economic development and affordable housing.

## **EL CAJON BOULEVARD BUSINESS IMPROVEMENT ASSOCIATION**

The El Cajon Boulevard Business Improvement Association is an association of local businesses committed to improving the physical and economic conditions along the El Cajon Boulevard corridor and its surrounding neighborhoods in Mid-City San Diego.

The 900 member businesses reflect the diversity of the population, and provide a wide range of goods and services. 90 restaurants of a multitude of ethnicities provide a variety of dining experiences. 80 auto-related businesses, 70 business service establishments and 60 medical facilities along with a variety of home furnishing and apparel stores serve the adjacent resident population and attract destination shoppers as well.



# REASON FOR THE TAP

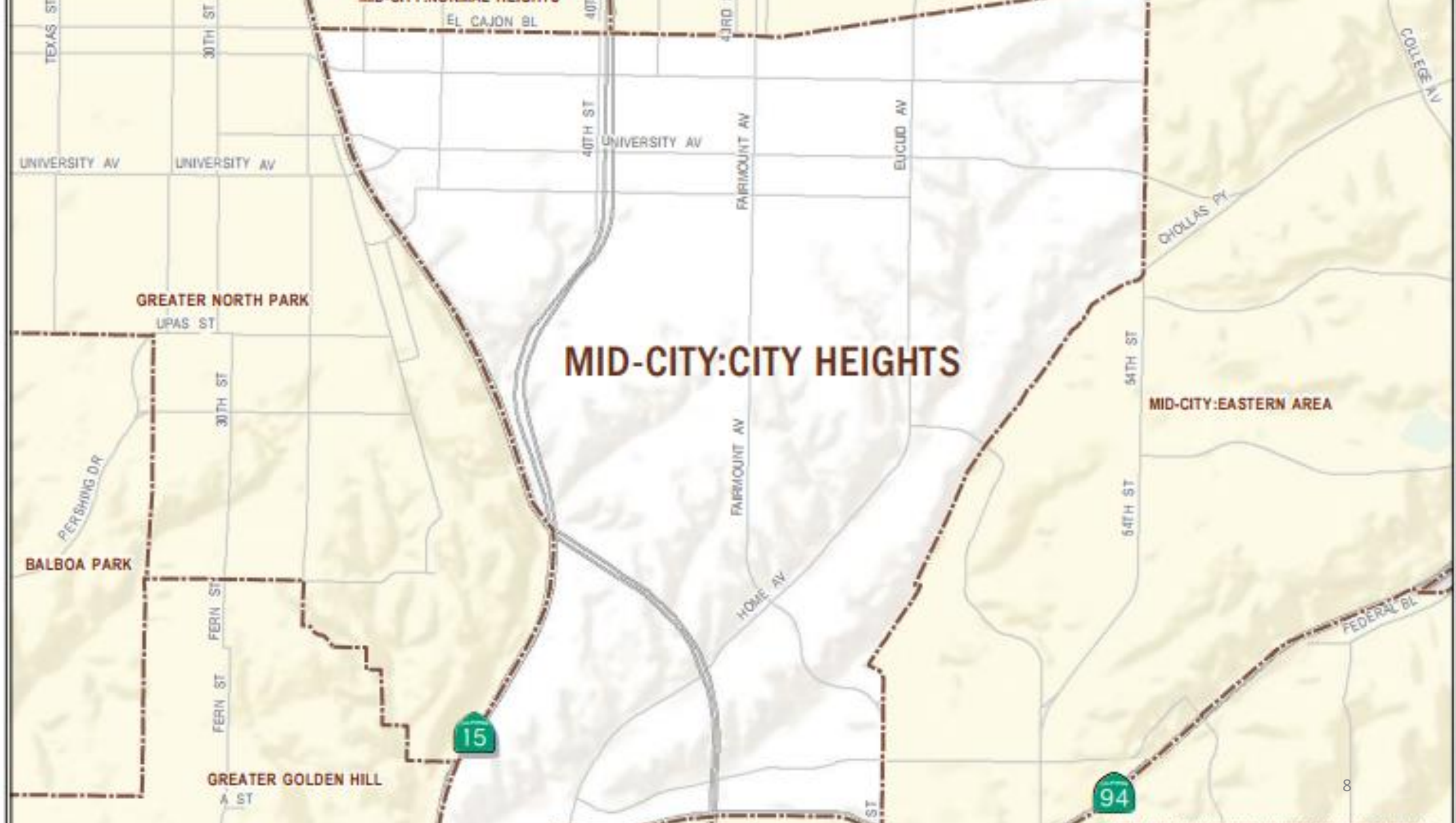
## STIFLED DEVELOPMENT IN MID-CITY

Mid-City, and more specifically the City Heights neighborhood, is one the most diverse and dense neighborhood in San Diego, both in terms of demographics as well as land use designations.

However, significant Transit Oriented Development (TOD) projects have yet to materialize in City Heights despite recent infrastructure investments in a new Bus Rapid Transit which connects the neighborhood to downtown and SDSU and a growing demand for dense development along the two main commercial corridors, El Cajon Boulevard and University Avenue.

Both of these corridors have among the highest rates of pedestrian and bicycle collisions and fatalities, as well as some of the highest rates of transit ridership. Given these facts, as well as the movement toward smart growth and infill development, City Heights is well positioned for TOD. Yet, historical legacies of disinvestment in these corridors and the demise of redevelopment have contributed to stifled growth of City Heights.





## MID-CITY: CITY HEIGHTS

MID-CITY: EASTERN AREA



# REASON FOR THE TAP

The Voice of San Diego reports that over 27 different studies have been conducted within the City Heights Community Plan area since 1998 at a cost of over \$60 million. The TAP did not set out to conduct another study but made use of many of them in the preparation of this report. The panelists were tasked with coming up with specific recommendations that would be actionable in the short term yet offer long term benefits to the residents and business owners in the community. But it's important to understand who lives, works and plays in the greater City Heights community.

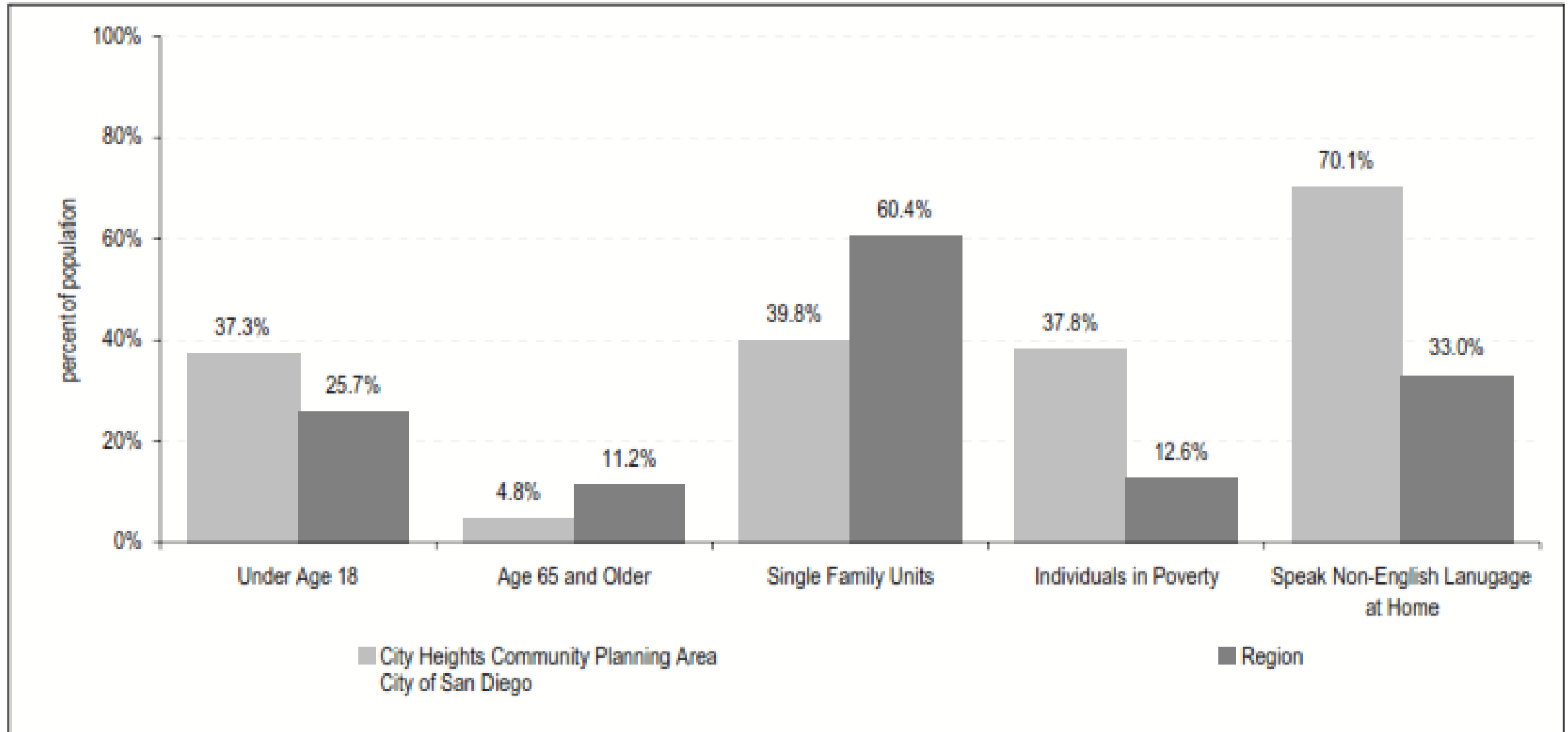
## COMMUNITY DEMOGRAPHICS

The City Heights community is a multiethnic, predominantly lower income area of approximately 70,000 residents in 22,283 households. Close to 40% of its population consists of immigrants from numerous South American, Asian, and East African countries. Much of the remaining resident population is below standard income levels for self-subsistence. The community is located several miles east of downtown San Diego and, as one of the city's oldest neighborhoods, it also suffers from aging infrastructure.

City Heights is a dense neighborhood of 70,000 people in 22,383 households. Household size in City Heights is much bigger compared to the city of San Diego overall (3.3 persons compared to 2.6 persons). Compared to neighboring Planning Areas in San Diego, City Heights has the highest family household density. Density was calculated by dividing the number of households by the total acres in the block group.

Furthermore, over three-quarters of the households (78%) are renters. In 2011, the median family income in City Heights was \$34,439 compared to \$74,900 for the county. Of the 42 census blocks in City Heights, 95% (40) are identified as low or moderate income. Corresponding to the significant number of low-income households, 8% of City Heights residents utilize public transportation to commute to work compared to 3.6% citywide and 80% of the low-income residents in City Heights use public transportation.

## Demographic and Economic Characteristics



# SCOPE OF WORK

In its application to ULI San Diego-Tijuana, the Sponsors asked for assistance in developing implementation strategies to catalyze transit-oriented development projects on several vacant or underutilized parcels, which were left over from the construction of the Interstate 15 through the Mid-City communities of San Diego. According to the Sponsors, the ideal development plan would reconnect the east and west sides of the freeway, serve as a catalyst for new development in the I-15 corridor, support existing businesses and provide an interesting place for commuters. The redeveloped parcels would offer a synergistic mix of public and private uses that would enliven the greater community day and night and ensure long-term sustainability while mitigating displacement of existing residents.

The combined efforts of many government entities, nonprofits and charitable organizations have produced an ever-growing number of studies and plans to address and implement economic development programs to spur growth and private investment through a number of public and private ventures. At last count, twenty-seven studies have been conducted since 1998. In that vein, the Sponsors asked the TAP not to produce yet another study, but to recommend concrete solutions that are actionable in the near term and lay the groundwork for future development.

## STUDY QUESTIONS

Specifically, the TAP was asked to address the following questions:

- What are the barriers to TOD in City Heights and what are ways to overcome these barriers to private development and public investment?
- What are some strategic incubator approaches to attract development, and leverage temporary strategies as a template for long-term development?
- How can we have these developments be achieved without displacing existing residents?
- What types of short-term suitable development projects can be built at the vacant sites?

As part of its analysis, the TAP evaluated six publicly-owned sites including straddling either side of Interstate 15 along University Avenue and El Cajon Boulevard as well as the bridge docks located on top of the respective Interstate 15 overpasses. The location of the site are shown on Figure 1.

# EXISTING CONDITIONS

The scope of the TAP study incorporates six separate undeveloped or underutilized parcels of land. The sites are located along the I-15 corridor throughout the communities of City Heights, Normal Heights and Kensington. There are parcels located in each of the community planning areas. The bridge deck parcels house retail kiosk structures and street furnishings including planter boxes and shade structures. The three vacant land sites have been cleared and are ready for development. The final site is the current home of Central Elementary School. It is the TAP's understanding that the school district intends to relocate Central Elementary to another site, leaving its current location vacant.

Two major east west roadways provide access to and from both the I-15 and the new BRT stations located in the median of the Interstate. El Cajon Boulevard, the northernmost arterial, served for many years as Highway 80 linking San Diego to Yuma and points beyond. University Avenue at the south end of the Planning Area was once a street car line linking East San Diego with downtown. When Caltrans built the I-15, they left a number of parcels vacant or underutilized. Table 1 details those parcels and numbers them from A to F.

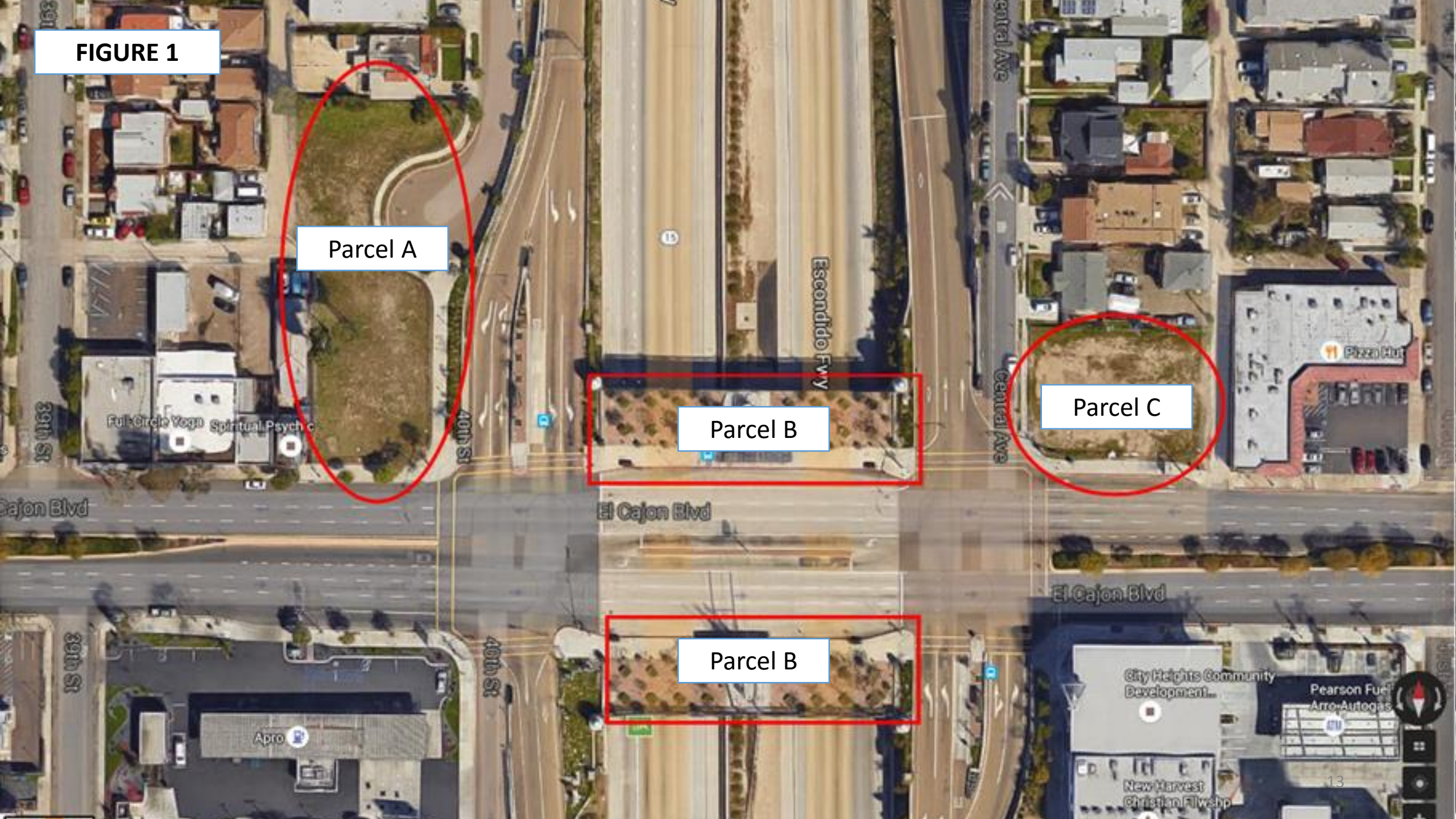
Table 1  
Parcel Detail

Parcel	Square Footage	Zone	MAX FAR*	Community Plan Designation
A	20,753	CUPD-CU-2-4	4.0	Mixed Use Commercial 73 du/ac
B	17,077	CUPD-CU-2-4	4.0	Undesignated
C	12,265	CUPD-CU-2-4	4.0	Mixed Use Commercial 16-20 du/ac
D	24,883	CUPD-CU-2-3	1.5	Mixed Use Commercial 43 du/ac
E	16,207	CUPD-CU-2-3	1.5	Undesignated
F	11,181	CUPD-CU-2-3	1.5	Mixed Use Commercial 43 du/ac

\* Denotes maximum Floor Area Ratio (FAR) with bonuses.



FIGURE 1



Parcel A

Parcel B

Parcel C

Parcel B



FIGURE 1



# SUMMARY OF THE TAP

In the fall of 2015, ULI San Diego-Tijuana Executive Director Mary Lydon and TAP co-chair Justine Nielsen met with the City Heights CDC's Avital Aboody and The Boulevard's Beryl Forman to develop and define the Scope of Work for the TAP efforts. It was important to clearly understand the Sponsor's issues, vision and objectives, in order to maximize the ULI's land use expertise and to provide relevant solutions and recommendations.

After the Scope of Work was prepared based on the Sponsor's objectives, a call was made for Panelists with real estate expertise, an interest in participating in this effort and current ULI membership status. Volunteer panelists were sought who had experience and expertise in the following areas:

- Planning
- Space Activation
- Real Estate Transactions
- Affordable Housing
- Architecture
- Construction and Development
- Landscape Architecture
- Regional Transportation
- Real Estate Transactions for Non-profit Organizations

Professional biographies for each of the Panelists are provided at the end of this report.

Once the ULI San Diego-Tijuana TAP team was assembled, each Panelist received a packet of information, which included the TAP background and Scope of Work. Each Panelist was encouraged to visit Sponsors' websites to familiarize themselves with the organization, the services provided, and its history and mission. Additionally, panelists were encouraged to review and build upon previous planning efforts.

TAP Panelists had the opportunity to tour the community and the specific sites in question. The visit was critical for the due diligence process as it provided the Panelists with an opportunity to understand the Sponsors' needs, and identify, first hand, the issues related to their respective parts of the Scope of Work.

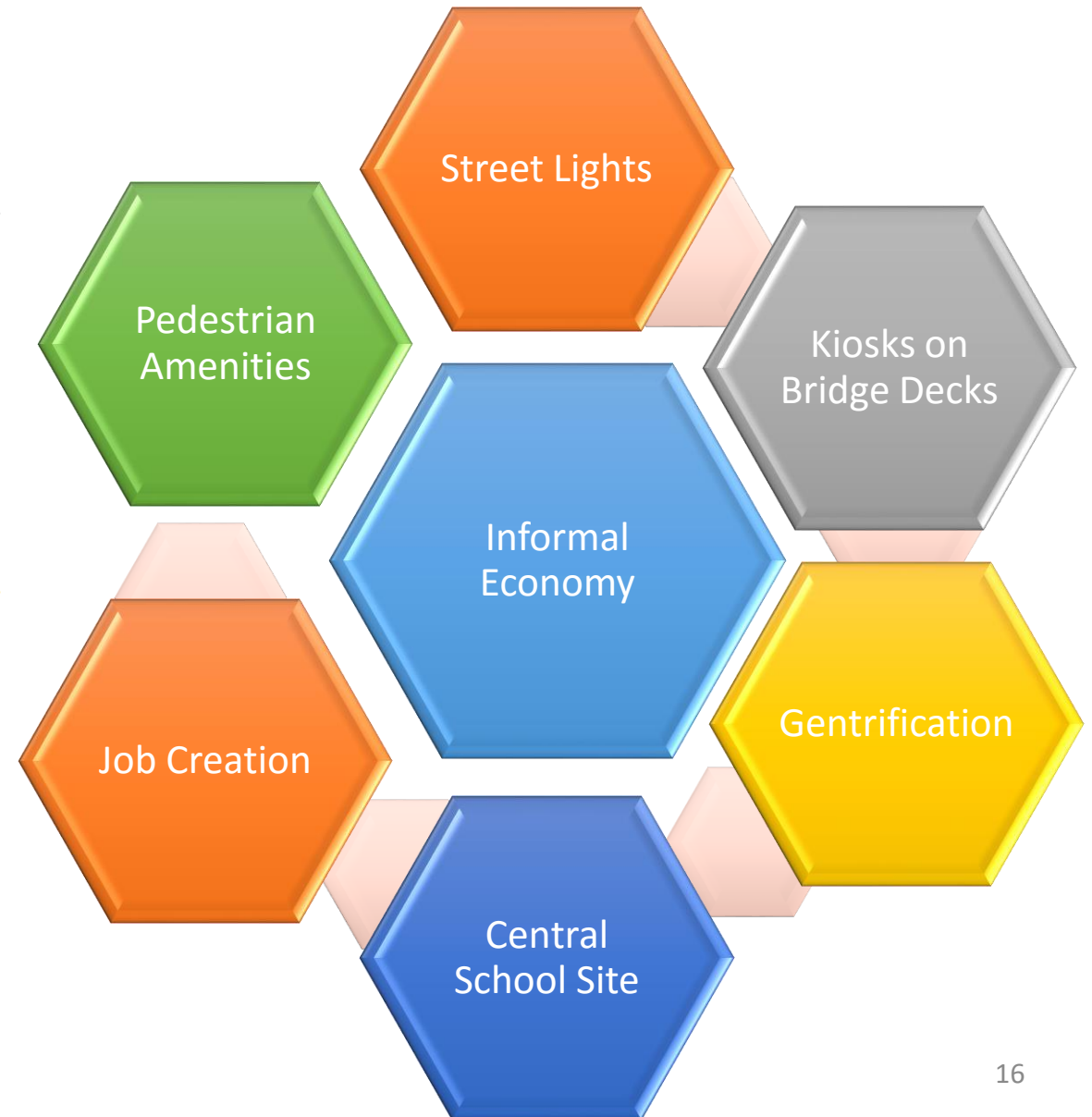
Most importantly, the TAP considered a variety of input from different community stakeholders as shown on the next page.

The two-day TAP was held at the Copley-Price YMCA in the City Heights neighborhood. The TAP events included community input, group review of the objectives, reports on opportunities and constraints discovered during the due diligence process and small group discussions of the issues identified in the Scope of Work.

Panelists' discussion was documented in detail to provide material for this written report that will be delivered to Sponsors following the TAP. The findings and recommendations are found within this written report. Each Scope of Work item is specifically addressed with exhibits, tables, maps, and often pictures. The last section of the report specifically outlines the key recommendation for the Sponsors.



# STAKEHOLDER INPUT





# OPPORTUNITIES AND CONSTRAINTS

The following analysis represents the collective thinking of the TAP over the course of the two-day charrette. It highlights what the TAP identified as the best attributes of the community as well as major obstacles to development:

## OPPORTUNITIES

- Cultural and economic diversity
- Well served by transit
- Urban feel and is very walkable due to small blocks
- School facilities are mostly new
- Public services including post office, library and social services are generally within walking distance
- Much of the retail is locally owned
- Broad diversity of age groups – many multi-generational families
- Though underserved as a percent of population, parks are generally available and within walking distance
- Economic opportunities exist for entrepreneurs due to the community's informal economy

- Strong sense of community identity
- Opportunity for major catalyst development at Central Elementary site
- Publicly controlled land holdings including the bridge decks offer opportunities for public private partnerships to address community needs while allowing development
- Flat land reduces cost of development
- Socioeconomic status makes City Heights eligible for grant money from many sources
- A wealth of information exists in the many studies conducted for the area
- Many underdeveloped sites are still available for revitalization

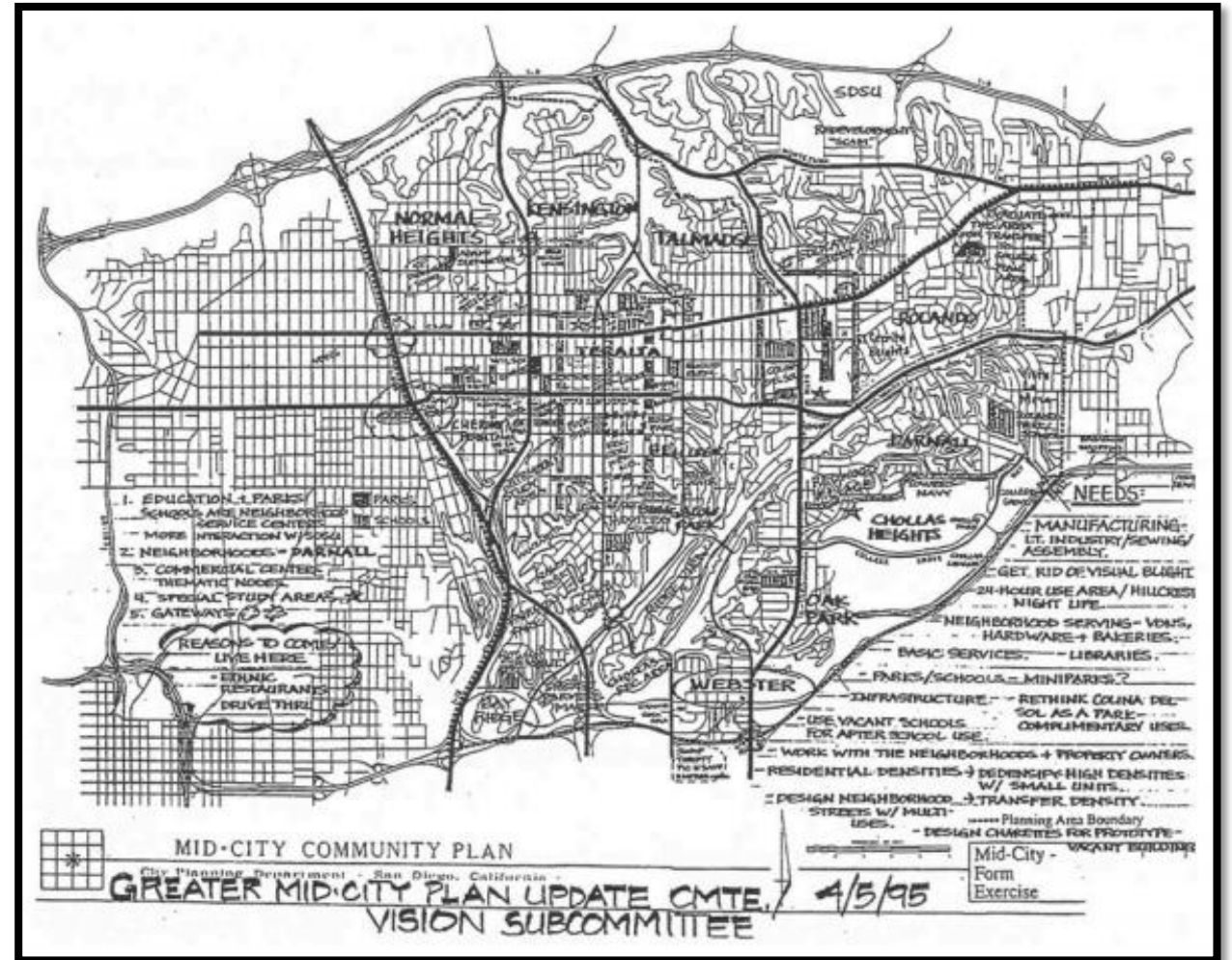
# *City Heights*



# OPPORTUNITIES AND CONSTRAINTS

## CONSTRAINTS

- Lack of cohesive community land use vision
- No recent Community Plan Update or environmental review
- Land economics – most projects need a subsidy
- I-15 poses an edge condition that is difficult to bridge
- El Cajon Boulevard is too wide and has too many lanes dedicated to automobiles
- Low income demographics drive rents down which makes financing difficult
- Streetscape is worn out – new sidewalks, lighting and trees are needed to spur investment
- Air quality is diminished as a result of the I-15
- Disparate ownership makes aggregation for large, mixed use projects difficult
- Bridge decks are uninviting and need activation
- City and Caltrans regulatory environment stifles potential economic
- Outdated regulatory framework









# RECOMMENDATIONS

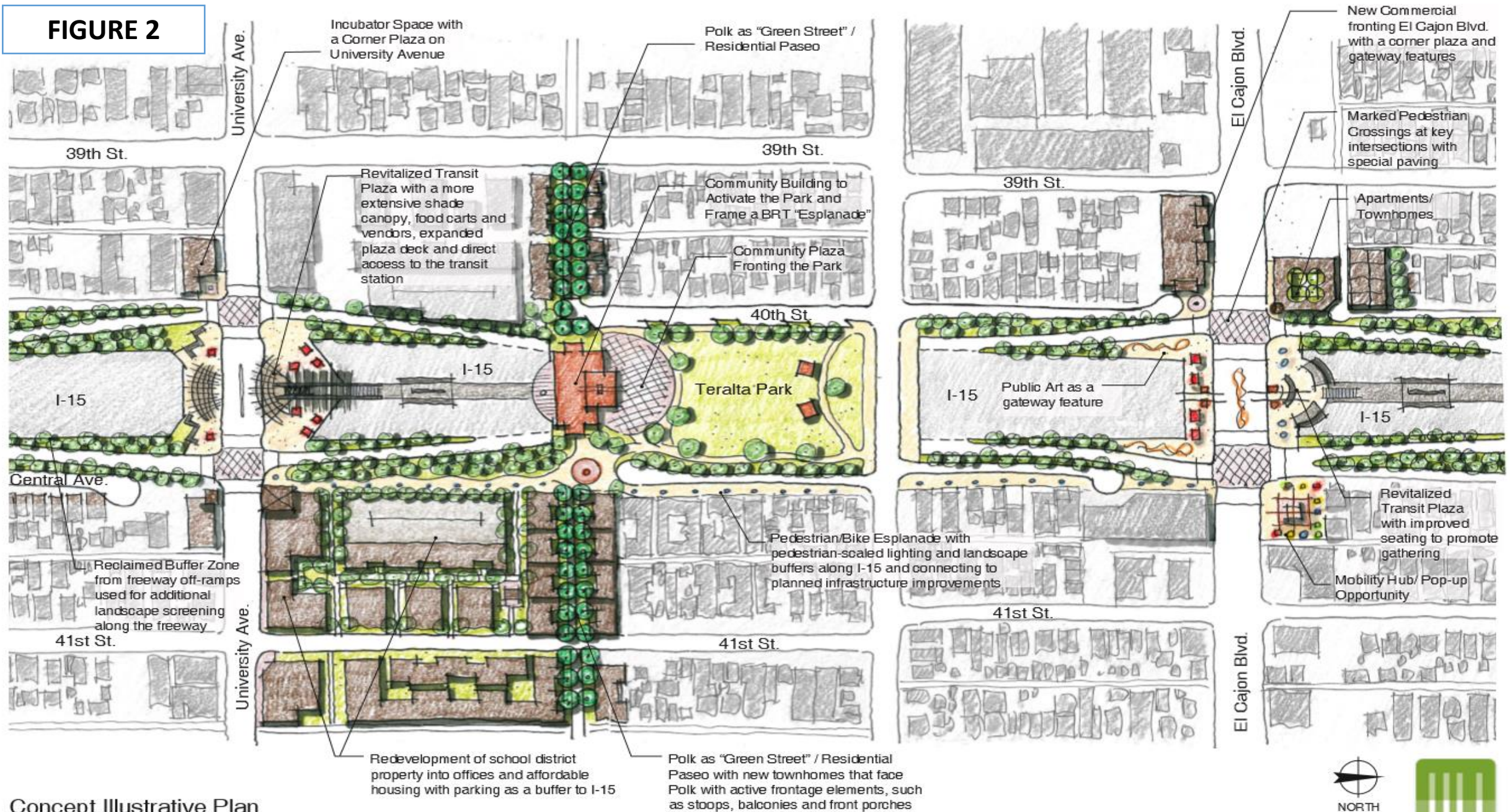
During the two-day TAP charrette, the panelist broke into two working groups based on their individual expertise. One group was tasked with identifying a high-level vision for the sites while the other group was tasked with analyzing individual site development opportunities. Each group prepared a rough land use plan and evaluated the strengths and weaknesses of each. Though the plans were developed independently, they were strikingly similar.

Figure 2 represents the combined efforts of both teams.

In short, the TAP identified three primary recommendations:

- **Reduce development costs to mitigate displacement of existing residents by adopting a Specific Plan and identifying opportunities for catalytic developments;**
- **Expand development opportunities by acquiring and utilizing excess right-of-way areas;**
- **Attract development by activating the bridge decks and vacant parcels.**

**FIGURE 2**





# ADOPT A SPECIFIC PLAN

## WHAT IS A SPECIFIC PLAN?

As part of its analysis the TAP identified several impediments to development in the Mid-City communities. Perhaps most importantly, the Panelists noted that there is little regulatory certainty in City Heights because the existing community plan is outdated and a Specific Plan doesn't exist. The lack of such certainty has created unnecessary risks and costs for the community and investors. Small scale developers that often deliver unique and transformative developments are known to shy away from approval ambiguity because it increases project time and cost. Because the projects are smaller (e.g. under 50 units or less than 15K sf commercial) that cost increase has to be spread over a smaller base, often unravelling the economic feasibility of the development. This results in a lack of small scale innovative developments that enrich the urban fabric and instead leaves narrows the window to attract mostly large scale developers that can afford the ambiguity.

For these reasons, the TAP recommends adoption of a Specific Plan which would provide clarity, reduce processing times and costs associated with discretionary review, and promotes by right development. This regulatory framework would quickly attract the attention of many innovative small scale developers, which will allow the community to retain its multi-cultural and creative residents.

Real estate development in San Diego is generally governed by planning documents including general plans, community plans and specific plans. The general plan is a city's basic planning document. It provides the blueprint for development throughout the community, and is the vehicle through which competing interests and the needs of the citizenry are balanced. The general plan addresses all aspects of development including housing, traffic, natural resources, open space, safety, land use and public facilities.

In San Diego, community plans are a part of the City's General Plan and contain specific proposals for future land uses and public improvements in a given community. They provide tailored policies and a long-range physical development guide for elected officials, developers and citizens engaged in community development. The community planning process allows for refinement of citywide goals and policies to address issues unique to that community. A community plan is developed through a partnership of the recognized community planning group, the public and City staff. The Subject Sites are located within the Mid-City Communities Plan which was last adopted in 1998. Although the City of San Diego is currently in the process of updating its community plans, the Mid-City Communities Plan is not expected to be updated within the next ten years.

# ADOPT A SPECIFIC PLAN

A specific plan, on the other hand, is a tool for the systematic implementation of the general plan and community plan. It effectively establishes a link between implementing policies of the general and community plans and individual development proposals in a defined area. There are numerous benefits to a specific plan including flexible enabling statutes which allow public agencies to create standards for the development of a wide range of projects. Future development proposals may also benefit from the regulatory foundation created by a specific plan. For example, a program EIR adopted to fulfill the specific plan's CEQA obligations may streamline the processing of subsequent discretionary projects by obviating the need for additional environmental documentation. The specific plan process may be initiated by the City Council or by private parties and requires participation by the public to ensure community input and involvement from the beginning.

The TAP recommends that the Sponsors start the Specific Planning process with the City so that investors and the community have some certainty in getting plans approved and projects built that implement the unique vision for this particular area. To bring about the desired plan, a new tool kit for development should be created within the Specific Plan. This process offers the best opportunity for community input and engagement in developing the vision for the area.

- **Step 1:** conduct community outreach and education on the vision, themes and objectives outlined in the City's General Plan so everyone involved has a common understanding and framework to build from.
- **Step 2:** identify key principles, based on input from the community (residents, business, lenders and developers). These principles will help guide the development of the Specific Plan.
- **Step 3:** translate this information into draft regulations that will identify the land use and development regulations. These regulations will specify the Floor Area Ratio allowed per site or area, building height, building step back, setback, primary land use, parking regulations, pedestrian connection and walkways. These regulations should be tested with a market study and additional outreach should be conducted to go over the draft plan and the marketability of that plan.
- **Step 4:** prepare a programmatic Environmental Impact Report ("EIR") for the Specific Plan.

A recommended geographic area for the Specific Plan is shown on Figure 3.



**FIGURE 3**

— Specific Plan Boundary





# ADOPT A SPECIFIC PLAN

The Specific Plan and EIR will incentivize the private sector because it will not only clearly describe what not to do but more importantly what they are allowed to do. With this certainty in the process the discussion then becomes purely about what the market can bear and the risk to the community and developer has been minimized. Zoning criteria and other use regulations must be flexible enough to allow creativity in building design and to be able to move with market forces but stringent enough to ensure that the overall vision is maintained throughout the plan area.

Current costs to process a Specific Plan run from about \$250,000 to \$400,000 depending on how much staff a city can commit to the effort. Much of the cost can be attributed to the preparation of the EIR, the Mobility Study and a Market Study. The timeframe varies but one could reasonably expect to spend 3 years on the effort, depending on the level of controversy.

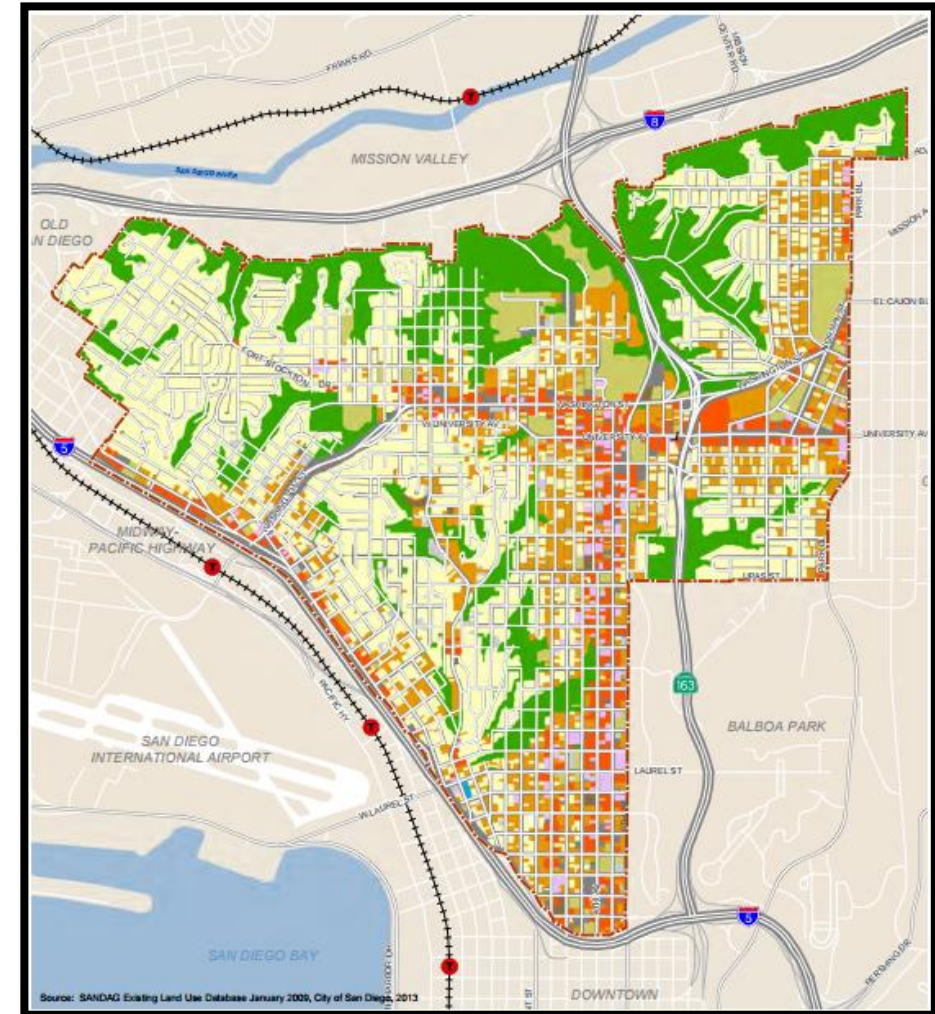
A diagram showing the specific plan process for a recently initiated specific plan in the City of San Diego is shown as Figure 4.



# ADOPT A SPECIFIC PLAN

The TAP Team suggested the following be included in the Specific Plan:

- Adopt streetscape design guidelines and develop a proposed “Complete Street” plan section across major thoroughfares that incorporate pedestrian amenities, such as street trees and parkways, bicycle lanes, parking and street furnishings. Included in this section would be a plan to turn Polk Avenue into a Green Street and enhance landscaping along the Central Avenue Bike way, as illustrated on the next page
- Reduced or eliminated parking requirements to reduce development costs
- Transit esplanade
- Provision for a mixed-use TOD at the Parcel D
- Provision for a TOD at Parcel A if and when Caltrans releases 2 lanes of excess public right of way
- Provision for an Innovation Hub at Parcel F



Example Land Use Map – Uptown Community





*Courtesy Marin Gertler, AIA, LEED AP, Gensler*

# SPECIFIC PLAN: CATALYST TOD PROJECT ON PARCEL D

As part of its recommendation to adopt a specific plan for the area, the TAP evaluated a potential transit-oriented development project that could catalyze future development in the community. To that end, the TAP proposes a mixed-use, transit-oriented development to be developed through a public-private partnership on Parcel D, which is owned by the San Diego Unified School District. When combined with the vacant city parcels, and vacated street right of way, the site is larger than a full city block.

The TAP envisions a large office building facing University Avenue, which potentially could house the administrative offices of the San Diego Unified School District. The project would also feature medium-density workforce housing development to the north and include a shared parking structure.

The site would be rounded out with market rate townhomes flanking both sides of Polk Avenue.

Below is a summary of the development plan envisioned by the TAP. It includes approximately 116 affordable units, 128 market rate units and 90,000 square feet of administrative offices for the school district or other user. It also includes a shared parking structure. Note, this development plan is conceptual in nature. Specific unit counts, mixes and parking ratios would be developed as part the public-private development.

	AFFORDABLE	MARKET RATE	SCHOOL DISTRICT/OFFICE	PARKING
COLOR	ORANGE	SALMON	BLUE	
level 4	29,164	32,000		41,000
level 3	29,164	32,000	29,000	41,000
level 2	29,164	32,000	29,000	41,000
level 1	29,164	32,000	29,000	41,000
Total	116,656	128,000	87,000	164,000
UNITS	116.66	128	assumes 1000GSF / unit	
			STALLS at 400 gsf/stall	
				410





# SPECIFIC PLAN FUNDING & IMPLEMENTATION

## SMART GROWTH INCENTIVE PROGRAM

As noted, a Specific Plan would cost \$250,000 - \$400,000 to prepare. A potential funding source for this work could be the Smart Growth Incentive Program (SGIP) administered by the San Diego Association of Governments (SANDAG). SANDAG's grant program holds a call for projects once every two or three years. (The most recent call for projects was released in December 2014 and funding was awarded in July 2015.) The TAP area is located in two existing/planned Smart Growth Opportunity Areas (SGOAs) on the Smart Growth Concept Map as shown on Figure 5 making the area eligible to for planning and/or capital grants. Under the SGIP, the maximum award for a planning grant is \$400,000, and the maximum award for a capital grant is \$2 million.

## PUBLIC PRIVATE PARTNERSHIPS

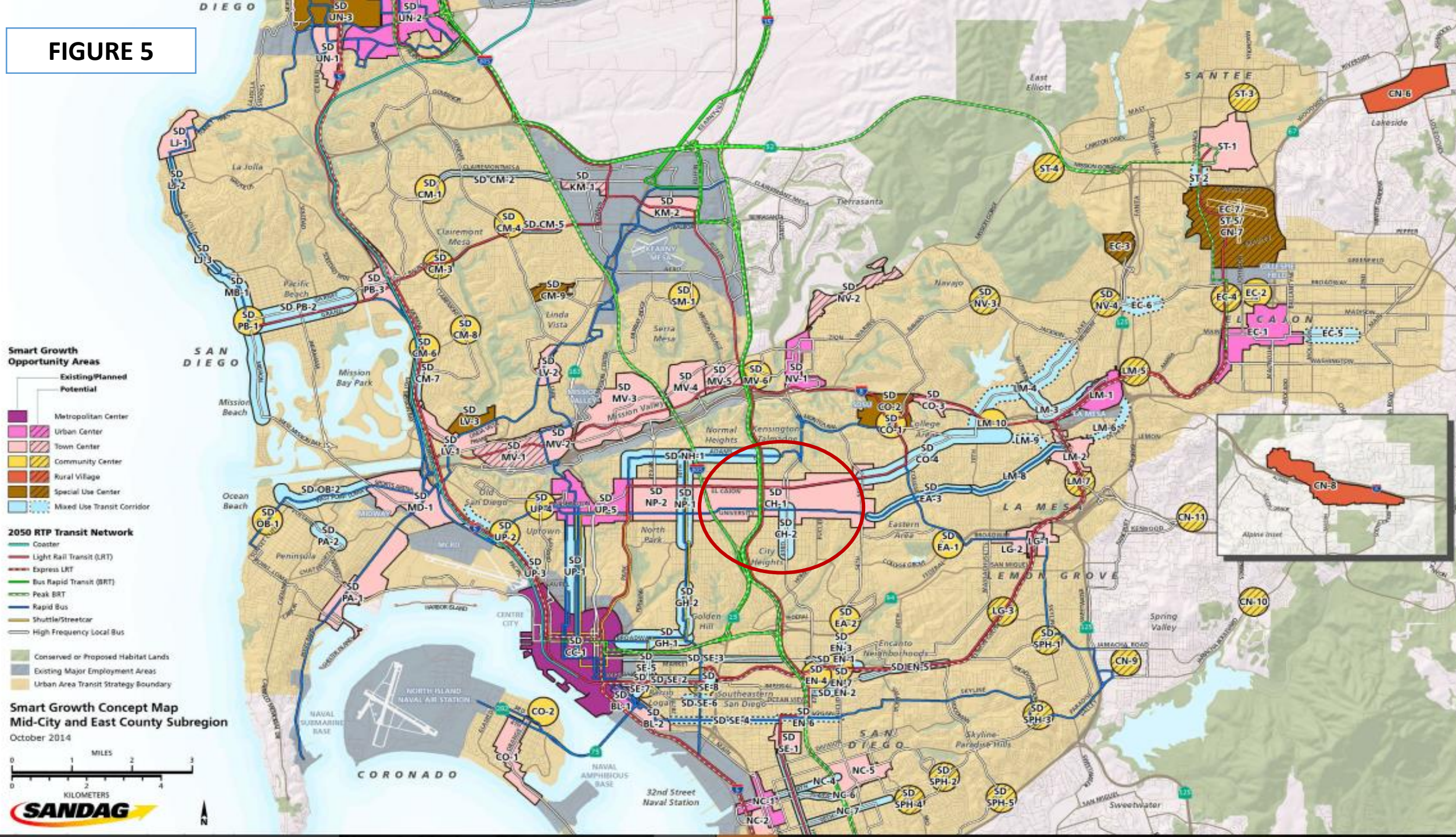
Once a Specific Plan is approved, work can begin to develop the TOD sites. The parcels studied in this TAP are owned by either the City of San Diego or the San Diego Unified School District. Because the parcels are owned by public entities, development will likely entail a public-private partnership between the land owner and a developer.

Working in conjunction with the community and within the constraints of the adopted Specific Plan, the land owner would issue a Request for Qualifications/Proposals (RFQ/P) to developers to either purchase the land for future development or enter into a Joint Venture with the land owner for future development. The RFQ/P would include the guiding principles and recommendations of the Specific Plan to the extent that they are embraced and adopted by the community.

A key feature of the business relationship between the selected developer and the land owner would be the requirement that the developer advance the necessary funding for predevelopment technical studies and land use entitlement costs, backbone infrastructure, and key amenities like streetscape improvements and lighting. The RFQ/P should be distributed on a regional and national, with emphases on developers with track records consistent with Transit Oriented, large-scale mixed-use development.



FIGURE 5





# MITIGATING DISPLACEMENT

City Heights is a predominantly lower-income area with the most ethnically-diverse population of any community in San Diego including a high concentration of Central America, South America, Eastern African, South Asian, and Southeast Asian immigrants who are at risk of future gentrification and displacement. Although the potential Planning Area sites are vacant and not directly displacing any residents, the ULI TAP acknowledges the indirect effects that future development can have. These indirect effects include increasing the land values in the adjacent neighborhoods that could lead to increased investment, real estate speculation, and eventually, rent increases that render the existing housing stock unaffordable for existing residents.

Due to the low to moderate household median income and high concentration of immigrants, City Heights is also home to several small family-owned businesses and a large informal economy consisting of food carts, garage sales, day laborers, street vendors, and other commercial ventures. Although discussions of gentrification typically focus on residential displacement, the ULI TAP will also evaluate strategies to prevent *commercial* gentrification and the displacement of small businesses and informal sector that are a significant resource for the residents and local economy.

For that reason, the TAP analyzed the following strategies to help mitigate potential displacement and reduce the effects of gentrification for the potential Planning Area sites.

## COMMUNITY ENGAGEMENT AND INVOLVEMENT

One of the most important strategies to address gentrification and displacement is community engagement and participation. Community involvement is a way to share information with residents, local businesses, and community-based organizations so that developers can hear what specific challenges face the community and work with them to discuss solutions. By cultivating relationships with the community, that community is empowered and can advocate to decision makers and City Staff for specific strategies to help address gentrification and displacement, whether it's rent stabilization, zoning changes, or other policy proposals.

Barrio Logan is an example of an ethnic, lower-income neighborhood with significant housing development, infrastructure improvements, and new businesses that faces potential gentrification challenges, but by most accounts has been successful at revitalization without displacement. Much of that has been done because of the involvement of residents and community-based organizations that have advocated for public art, affordable housing, and development consistent with the community's character and cultural heritage.

# MITIGATING DISPLACEMENT

## DENSITY BONUS LEGISLATION

Existing state legislation provides developers with tools to encourage affordable and senior housing, including up to a 35 % increase in project densities, depending on the amount of affordable housing provided. It also provides development “incentives” intend to make the development of affordable or senior housing economically feasible. For example, developers can elect to include reduced parking requirements or reduced setbacks and minimum square footage requirements. This law has been incorporated into the City of San Diego Municipal Code.

Recently, the City of San Diego initiated an amendment to its Affordable Housing Density Bonus Regulations to increase the maximum density bonus 50% and to increase the number of allowable incentives from three to five. Although these amendments have not yet been formally adopted by the City Council, the TAP expects the City Council to consider the amendments in the near future. If these amendments are approved, developers in the City of San Diego would be further incentivized to incorporate on-site affordable housing into their residential and mixed-use developments.

## MICRO-UNITS

Micro-units are a single-room living space which are typically less than 350 square feet in total size. These units are usually designed to accommodate sleeping/living room space, a bathroom, and kitchenette. According to research from the Urban Land Institute, micro-units are becoming increasingly popular in high-cost, urban communities where millennials and seniors are willing to trade space for improved affordability, walkable neighborhoods, and proximity to public services. Incorporation of micro-units in the Planning Area sites could help reduce displacement by increasing supply and diversifying the housing types offered in City Heights. Diversifying the housing types by offering smaller units also reduces the competition for larger-size units that families and larger households are dependent on.

However, the development of micro-units faces several regulatory and public perception challenges. Regulatory challenges include restrictions with the Building Code, high development impact fees, and burdensome parking regulations. In addition, micro-units also face public perception challenges as they are often seen as lower-quality due to the comparatively small size, or reducing the amount of free parking. Overcoming these challenges involves working with local residents and community-based organizations to discuss the benefits of micro-units to the community and possibly garnering their support. With the community’s support, developers of the Planning Area sites could then work with City Staff incorporate regulatory relief measures into the Specific Plan, incentivizing development of micro-units.

# MITIGATING DISPLACEMENT

## ADDRESSING COMMERCIAL DISPLACEMENT

Due in large part to a significant immigrant population, City Heights has a robust entrepreneurial, informal economy that includes a variety of small businesses including (but not limited to) food carts, garage sales, day laborers, and street vendors. According to a 2013 report titled “The Informal Economy in City Heights”, a survey of local residents found that a majority use the informal economy for the purchase of goods, services and employment. In addition to the informal businesses, there are also several small businesses with storefront space that meet the needs of the neighborhood residents.

Future housing development on the Planning Area sites could lead to increased property values and encourage landlords of the surrounding commercial spaces to raise rents. These rent increases can lead to the displacement of local businesses that meet the everyday needs of the residents (ethnic restaurants, barber shops, hardware stores, etc.) to chain retailers and specialty boutique shops that primarily serve tourists and outside leisure shoppers. These kinds of businesses also tend to have goods that are more expensive than the business they replaced, putting further economic pressure on the City Heights residents. As a result, they would be forced to shop outside of the community.

In order to help prevent so-called commercial displacement, those that participate in the informal economy need to be integrated with the “formal economy” and acknowledged by the City. This would involve cooperation between the City Heights residents, small business owners, El Cajon Blvd Business Improvement District, and City Staff in order to exchange information and come up with mutually-beneficial solutions. Some of those solutions could include lower regulatory/permitting fees from the City, establishment of “Free Zones” on the Transit Centers (space owned by Caltrans) where participants of the informal economy can operate, and encouraging owner occupancy of the commercial space.

## ACCOMMODATE THE INFORMAL ECONOMY

A recent study found that a significant portion of the City Heights economy is informal – people simply trading goods and services among one another on a mostly cash basis without formal business infrastructure. The full study can be found at: [http://www.cityheightscdc.org/wp-content/uploads/The-Informal-Economy-in-City-Heights\\_Final-Version\\_August-26-2013.pdf](http://www.cityheightscdc.org/wp-content/uploads/The-Informal-Economy-in-City-Heights_Final-Version_August-26-2013.pdf)

The TAP strongly recommends accommodating that entrepreneurial group of individuals as an interim strategy to assist homegrown business grow and eventually enter the mainstream business community. Recommendation No. 2 addresses activating the bridge with farmer’s markets and craft fairs to further this goal.



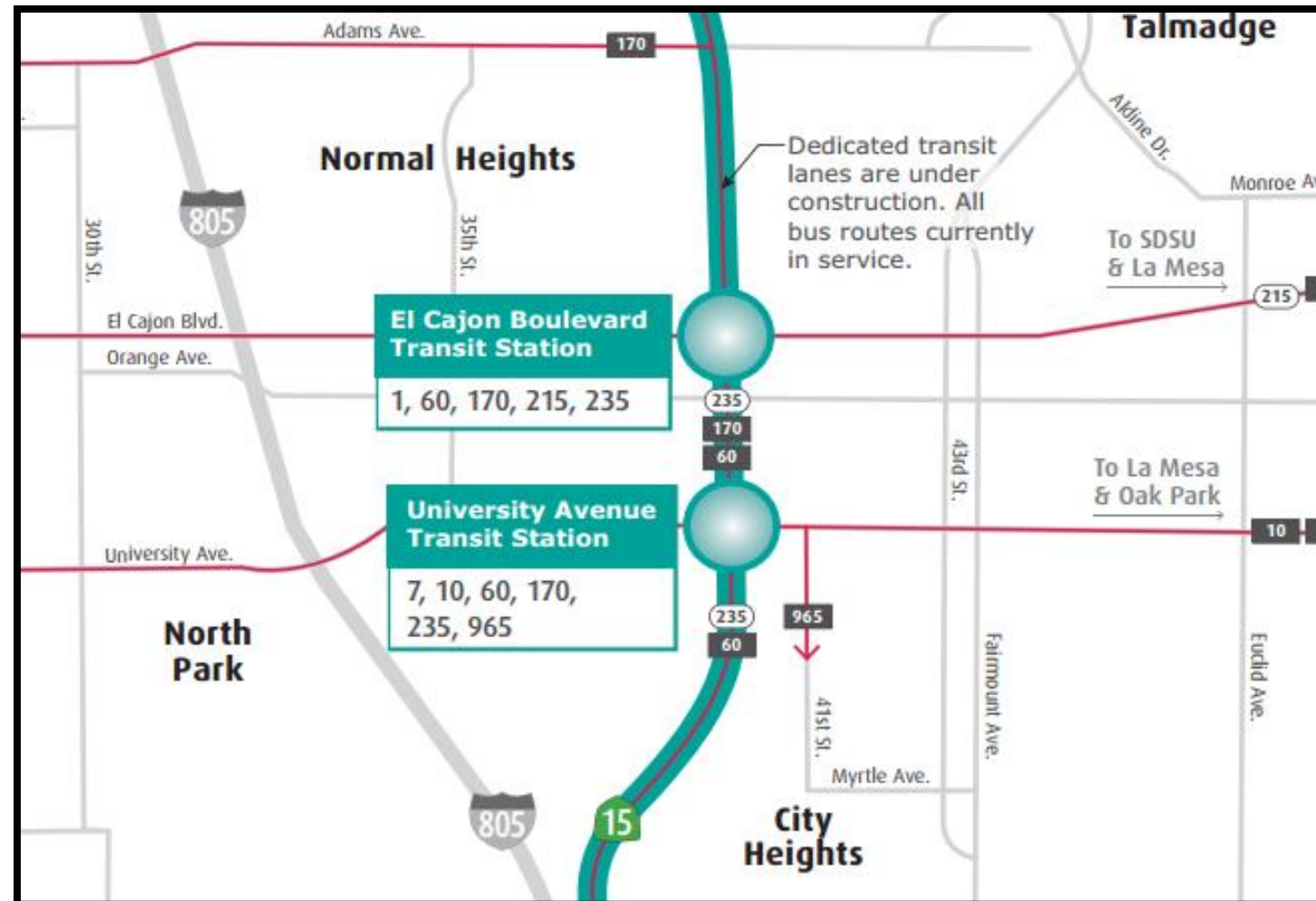
# RECLAIM EXCESS RIGHT-OF-WAY

## SR 15 MID-CITY CENTERLINE RAPID TRANSIT STATIONS

According to SANDAG, construction is underway to build San Diego's first freeway-level transit stations along State Route 15 (SR 15) at El Cajon Boulevard and University Avenue. New transit-only lanes are also being constructed within the existing SR 15 median just north of Interstate 805 and just south of Interstate 8.

Once completed, Rapid services will run in northbound and southbound transit-only lanes within the existing median, which will help improve on-time performance and connections between the existing Rapid and local transit routes. Transit riders using Metropolitan Transit System (MTS) Routes 1, 60, and Rapid 215 will be able to catch Rapid 235 at the Centerline stations, providing them access to job centers in Downtown San Diego and North San Diego County, including Kearny Mesa, Mira Mesa, Sabre Springs, and Rancho Bernardo.

Construction on the SR 15 Mid-City Centerline Rapid Transit Stations project will take approximately two years and is expected to be completed in 2017. The project represents a \$65 million investment in the Mid-City area. It is the result of a multi-agency collaboration between SANDAG, Caltrans, and MTS, and is funded by the Federal Transit Administration and TransNet, the regional half-cent sales tax for transportation administered by SANDAG.



# RECLAIM EXCESS RIGHT-OF-WAY

As a result of the Mid-City Centerline project, traffic is expected to be significantly reduced in the Mid-City area. For this reason, the TAP believes that the current four-lane off-ramp configurations at El Cajon Boulevard and University Avenue will be superfluous after completion of the Mid-City Centerline project. Moreover, these additional turn lanes exacerbate an already difficult pedestrian crossing. Therefore, the TAP recommends reclaiming and utilizing this property. Removing these lanes would help reunite the east and west sides of the community, which was bisected by the construction of SR 15.

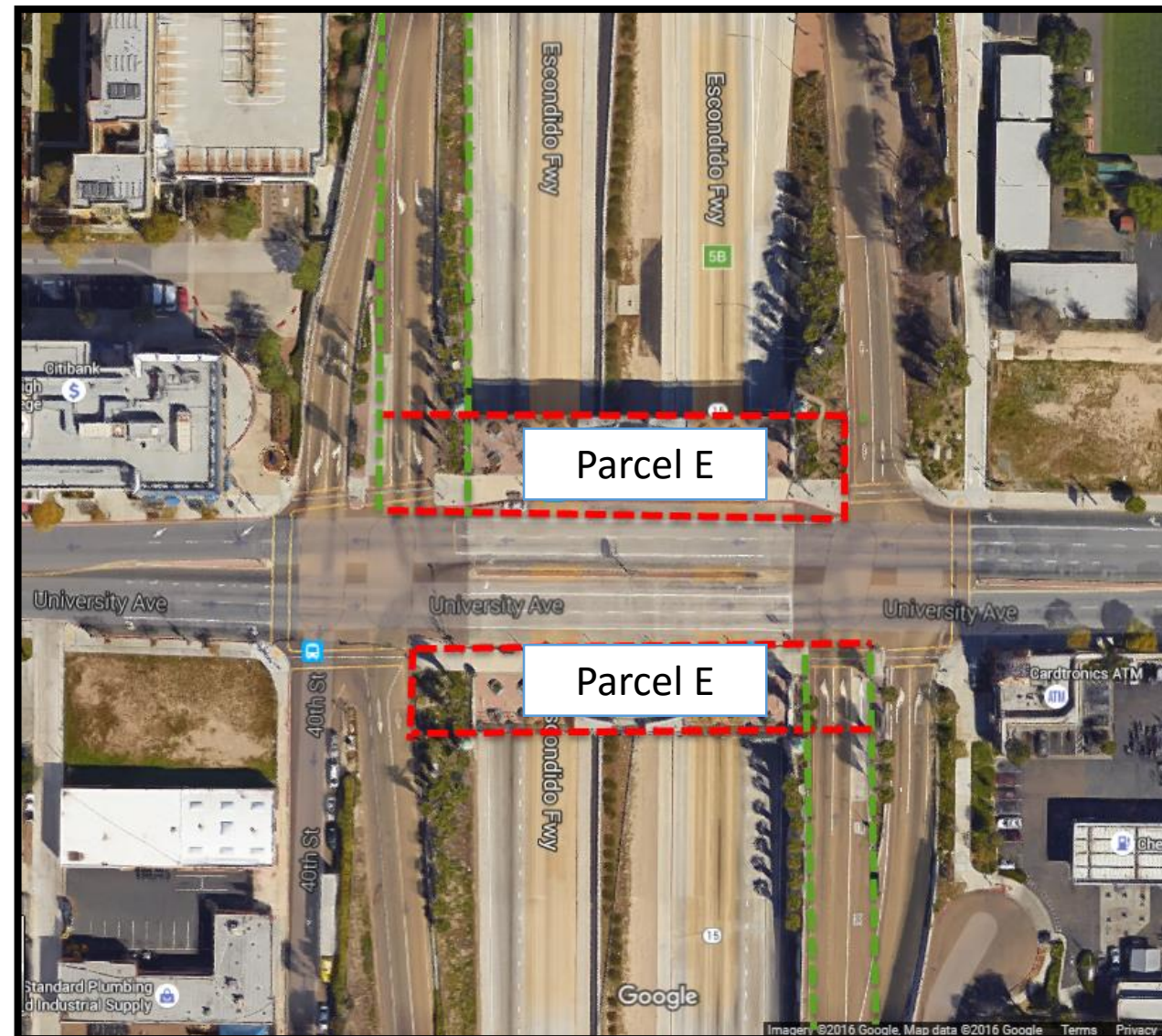
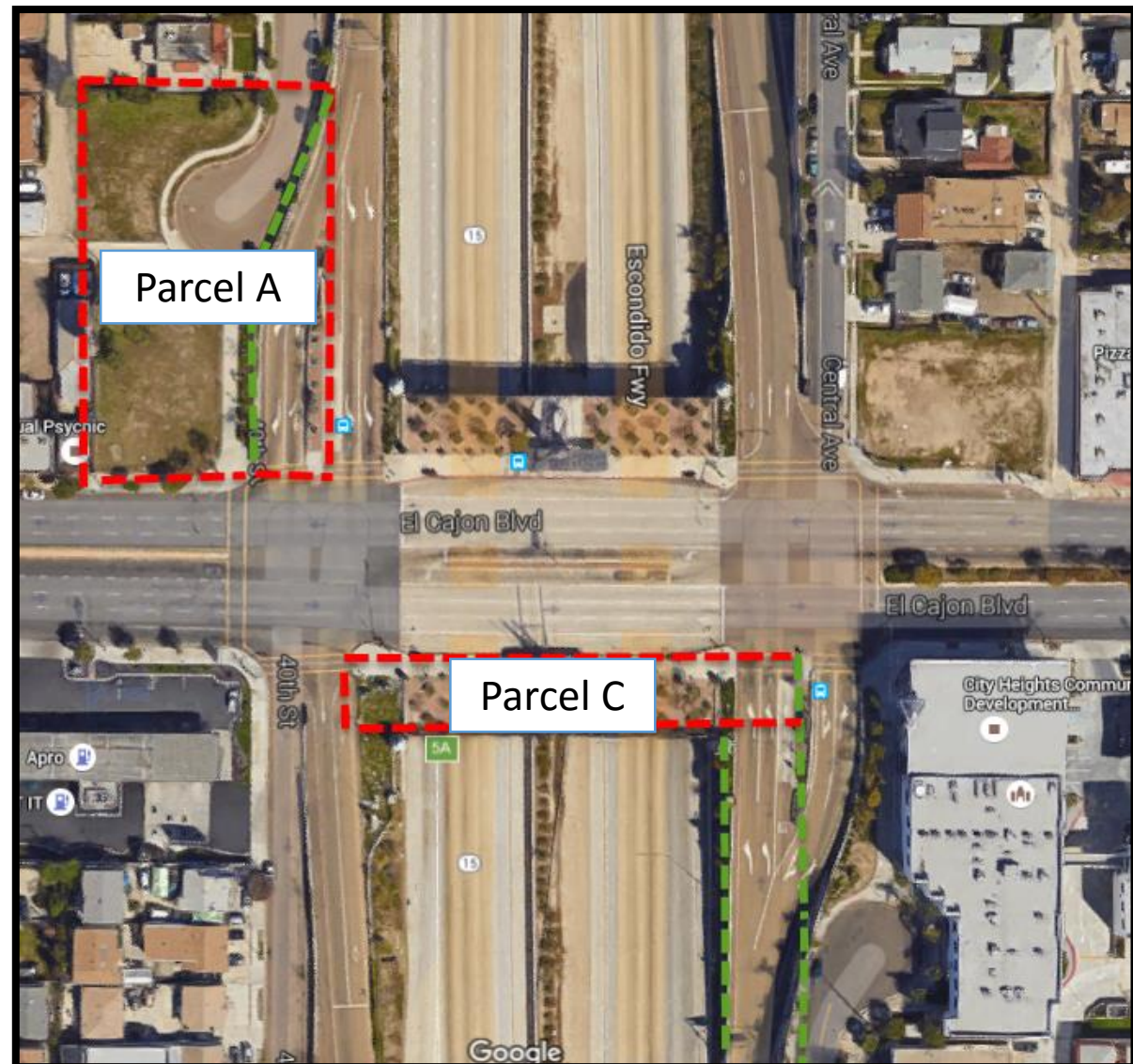
As shown on Figure 6, Parcels A, B and E offer opportunities to increase the size of the bridge decks thereby providing additional space for activation and potential development including retail kiosks. Cities that have been successful in creating usable spaces over freeways include Columbus, Ohio. It developed a retail complex called the Cap at Union Station and contains classically styled retail buildings which flank the street.

The excess property located north of El Cajon Boulevard should be added to the two parcels currently owned by Civic Sand Diego to create a larger development area for a mixed-use project.





FIGURE 6





# ACTIVATE BRIDGE DECKS

With the completion of the BRT stations at El Cajon Boulevard and University Avenue, it is imperative to gain some kind of use of the bridge decks. To that end, the TAP recommends a master lease agreement between the ECBBIA and/or the CHCDC and Caltrans that would allow for the kiosks to be up and running in some capacity when the new stations begin operation. The existing barriers to entry and bureaucratic red tape are too much for any one business to overcome. However, if the BIA were to lease the entire space, it could bring in pop up uses like flower shops, shoe shines, newsstands or other commuter servicing businesses that would activate the space and serve the needs of the estimated 2,300 daily passengers passing through the station.

In the short term, removing or re-arranging the street furniture on the bridge deck would begin define smaller public spaces and give character to the area creating unique opportunities for pedestrian encounters and making a more interesting wait for the bus. In the long term, the decks can be used for small, home grown enterprises that don't need a lot of square footage to sell their wares setting the stage for a future formal Market Place at the transit plaza – a practice that is common throughout world where people are accustomed to using transit.

Also in the short term, parcels C and F could host community based events to build interest and awareness in the community. They would support the informal economy and would only need temporary event permits from the City. The events can be “pop-up”, meaning no permanent buildings are required to host them. Tents and vehicles can be assembled to house activities and catering. Events could include:

- Local garden and art shows, craft fairs, pet shows
- Farmers market/organic foods
- Local made consumer products –crafts, jewelry, pottery, sculpture
- Cooking classes
- Craft beer making classes
- Fundraisers for schools

These “pop-up” style events would allow more utilization of the infrastructure that is already in place and give commuters something else to do while waiting from the bus. Over time, as the popularity of pop-up events grows, sites could evolve into something more permanent and ultimately attract investment This kind of place making is working in downtown San Diego and is a proven formula for increasing interest and value.

# ACTIVATE BRIDGE DECKS

Figure 7 illustrates a conceptual development plan for both bridge decks and a future raised walkway connecting the University Avenue BRT Station to Teralta Park and additional public space on Polk and Central Avenues. Breaking down the hard edges of the I-15 freeway in this way allows the creation of pedestrian scale that acts as an amenity to create value and demand for living, working and playing in the Planning area.

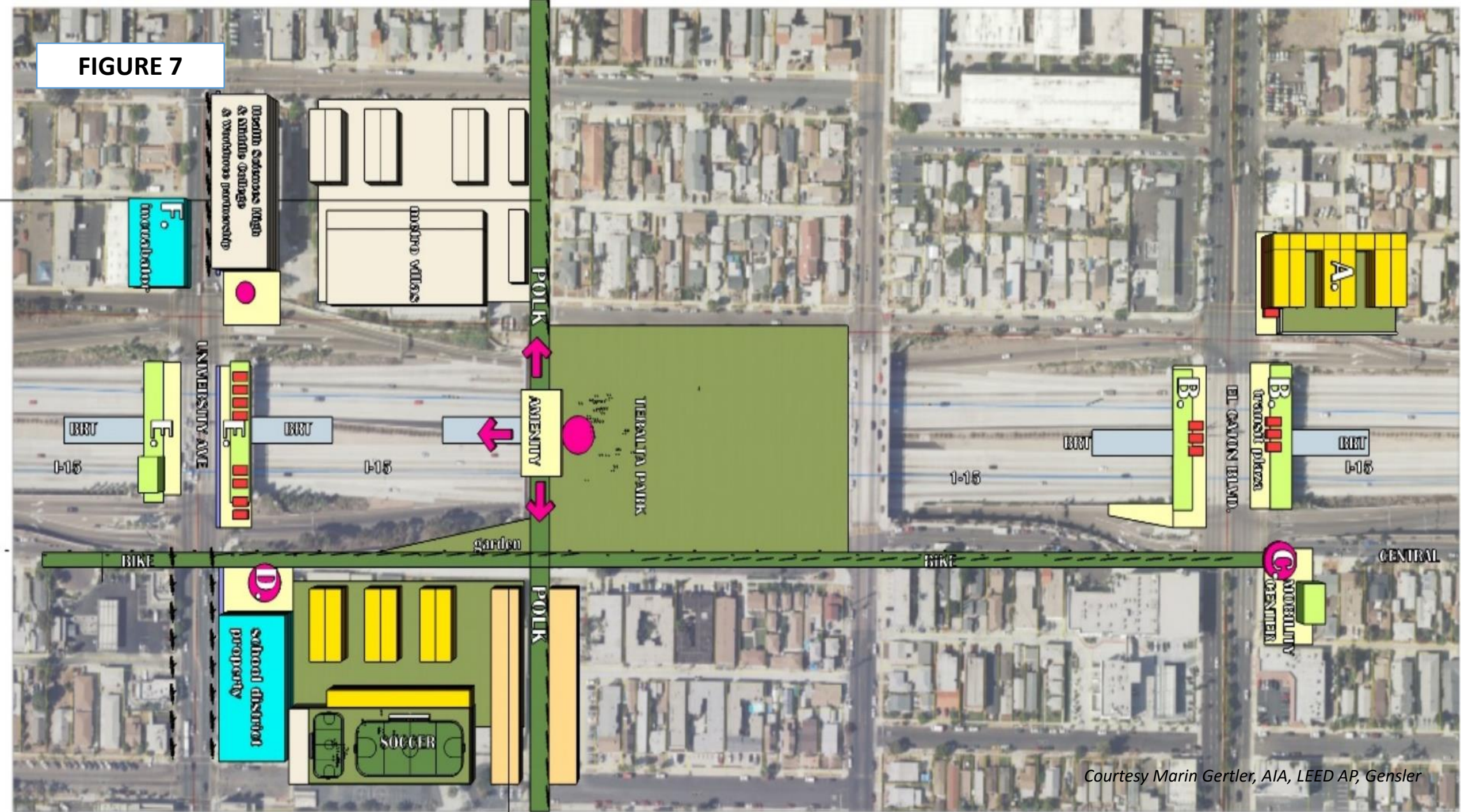
The raised walkway would terminate on the north end at some new amenity at Teralta Park. This could be a public garden or a space to watch people play soccer and basketball. It would also be the entry into the Polk Avenue greenway and Central Avenue bike path. In both concepts, an important factor for success is the introduction of heavy landscaping as an integral part of the pedestrian experience. Street trees, fountains, bushes, flowers, small pocket parks and plazas alive with vendors and places to sit and people watch are the details that make the big ideas successful.



*The Quartyard San Diego*



FIGURE 7



Courtesy Marin Gertler, AIA, LEED AP, Gensler



# INTERIM USE: MOBILITY HUB AT PARCEL F

To support the use of the El Cajon BRT station, the two city owned lots at the northwest corner of El Cajon and the I-15 should be developed as a temporary parking lot or small mobility. Mobility hubs are transportation centers located in smart growth opportunity areas; areas that support mixed-use, transit-oriented development and are served by high frequency transit. They provide an array of transportation services, amenities, and urban design enhancements that bridge the distance between transit and where people, live, work, and play. They are places of connectivity where different modes of travel — walking, biking, ridesharing, Rapid and light rail services — come together seamlessly, and where there is a concentration of employment, housing, shopping, and/or recreation. Mobility hubs can feature a wide range of transportation choices including: bike-share, car-share, neighborhood electric vehicles, bike parking, managed parking, among others.

The facility would include parking for approximately 75 cars, bicycles and might include some visitor conveniences like a coffee or news stand. Over time, the site area would be expanded by vacating the cul de sac and the westernmost 2 lanes of the off-ramp. Once those additions had been completed, the enlarged site area at nearly 48,000 square feet would be large enough to support a full scale Transit Oriented Development.



# PANELISTS

## ULI STAFF AND LEADERSHIP:

Mary Lydon, Executive Director, ULI San Diego/Tijuana

Fiona Lyons, Associate, ULI San Diego Tijuana

## ULI TAP Chair:

Justine Nielsen, San Diego Land Lawyers, Inc.

## Technical Writer:

Paul McNeil, MCP, Principal, McNeil Consulting

## PANELISTS:

Susan B. Baldwin, SANDAG

Marcus Bush, Rick Engineering

Eric Crockett, City of Chula Vista

Peter Dennehy, Meyers Research, LLC

Vicki Estrada, Estrada Land Planning

Lev Gershman, Tidline Partners LLC

Marin Gertler, Gensler

Mary Jane Jagodzinski, Community HousingWorks

Caroline Kreiser, Miller Hull Partnership LLP

Justine Nielsen, San Diego Land Lawyers, Inc.

Ron Troyano, Alchemy San Diego

Diego Velasco, MW Steele Group

Michele Vives, Douglas Wilson Companies



# PANLEISTS' BIOGRAPHIES

## Susan B. Baldwin, AICP Senior Regional Planner SANDAG

Ms. Baldwin is a senior regional planner for the San Diego Association of Governments (SANDAG) where she has worked on regional land use, housing, and transportation issues for the past 26 years. Ms. Baldwin has a degree in American Studies from the University of Colorado. She is a member of the American Planning Association and the American Institute of Certified Planners. She has lived and worked in the San Diego region for the past 35 years. Prior to her current position she worked for the cities of La Mesa and San Diego planning departments.

## Marcus Bush Community Planner Rick Engineering

Marcus Bush is a Community Planner with Rick Engineering and serves as the Chair of the National City Planning Commission. Born to a Mexican American mother and an African American father, Marcus grew up in National City and graduated from SDSU with a Bachelor's in City Planning and Spanish. After graduating, Marcus interned with Community Housing Works, the City of National City Planning Department, and SANDAG. In addition, Marcus volunteers with the San Diego American Planning Association where he serves on the Board as Diversity Director, and the San Diego Housing Federation, where last year he helped organize a panel on Gentrification.

## Eric Crockett

Economic Development Director  
City of Chula Vista

Eric Crockett is the Economic Development Director at the City of Chula Vista. Mr. Crockett has approximately twenty years of experience working in local government, specifically in economic development, redevelopment, brownfield property transactions, affordable housing, planning and engineering. He currently focuses his efforts on the redevelopment of the Chula Vista Bayfront, the revitalization of Western Chula Vista and the attraction of a new four-year university or universities to Eastern Chula Vista. He holds a Master Degree in Public Administration from San Diego State University, is a certified planner and is an active member of the Urban Land Institute, as co-chair of the local district council revitalization and reuse committee.

## Peter F. Dennehy

Senior Vice President  
Meyers Research, LLC

Peter Dennehy is Senior Vice President of Meyers Research, LLC. He has 27 years of experience analyzing real estate developments for developers, financial institutions and public agencies throughout the United States. He has directed consulting engagements for hundreds of clients, covering a wide array of product types and real estate asset classes, with a particular focus in recent years on rental and for-sale residential projects, mixed-use urban infill developments, master planned communities and portfolio analysis. Peter Dennehy holds a J.D. from University of San Diego's School of Law and a B.A. in Government/Public Policy from Pomona College.



## Vicki Estrada, FASLA, APA

President  
Estrada Land Planning

Vicki Estrada is President of Estrada Land Planning and is a graduate of Mesa College and Cal Poly SLO with a BS in Landscape Architecture. She has over 40 years of private practice experience. A short list of her projects include the San Ysidro Mobility Study, the Balboa Park Master Plan, the initial Otay Ranch new Town Plan, the Barrio Logan Community Plan Update, Renaissance La Jolla, the San Diego State trolley station and the OB Skate park. She has served and/or continues to serve on several local boards and commissions such as past President of Lambda Alpha International San Diego Chapter, the San Diego Arts Commission, Chair of the San Diego Airport Public Art Committee, current Co-Chair of the San Diego Environment + Design Council, the Canyonlands San Diego Board of Directors and Groundwork San Diego Board of Directors.

## Lev Gershman

Managing Partner  
Tideline Partners LLC

Lev is the founding and managing partner of Tideline Partners, a vertically integrated real estate investment manager. Tideline specializes in infill development in San Diego County and provides third party asset management and special servicing for private and institutional clients. Prior to launching Tideline Partners in 2013, Lev spent over a decade in commercial real estate finance working at GE Capital, Meryl Lynch Capital and a public REIT. Lev holds an MSBA from San Diego State University and serves in a number of non-profit leadership roles including VP of the Business Improvement District for the city of Vista and is a Trustee of the Urban Land Institute.

## Marin Gertler, AIA, LEED AP

Design Director / Architect  
Gensler

Marin Gertler is a Design Director / Architect with Gensler's San Diego office. Since joining Gensler, Marin has become an office leader for mixed-use and the Southwest Regional leader for the residential practice area. He has lead the design for a wide range of projects including; Mesa College Center for Business and Technology, Sanford Burnham Prebys Medical Discovery Institute, IDEA1 , Heights of Del Mar, One Paseo, Music Box (formally known as Anthology) & most recently Fifth Ave Landing. Marin was raised in Switzerland and France and graduated from the Rhode Island School of Design with a B.F.A and B.Arch. Outside of work Marin has co-taught a studio as an adjunct professor at the New School of Architecture, which focused on analyzing and repurposing existing structures in downtown San Diego. Marin is also very involved with the Urban Land Institute (ULI); he is a member of the ULI residential council as well as a board member and co-chair of the ULI Young Leaders Committee

## Mary Jane Jagodzinski

Vice President - Development  
Community HousingWorks

After 15 years in commercial real estate, Ms. Jagodzinski joined non-profit Community HousingWorks in 2003, and is responsible for all aspects of project development. At CHW, Ms. Jagodzinski was the project leader for SOLARA, a nationally awarded sustainable affordable housing development that is the first Zero Energy New Home in California, and for complex HUD finance that have been nationally awarded for innovative finance and sustainable renovations. Previously, she held senior positions with the State of California, including as Executive Director of the California Debt Limit Allocation Committee (CDLAC), and Principal at California Assembly Ways and Means Committee. She received her Bachelor of Arts (Economics) from CSU Sacramento, and her Master in Business Administration from the Harvard Graduate School of Business Administration. She is President of the Board of Directors of the San Diego Housing Federation, and has served as a member of the CEC's Affordable Housing Advisory Committee for the New Solar Homes Partnership.



**Caroline Kreiser, AIA**  
**Principal**  
**Miller Hull Partnership LLP**

Caroline is a Principal with Miller Hull. After graduating from USC and working for Richard Meier's office in Los Angeles, Caroline transitioned north and furthered her career in Seattle with Jones & Jones before joining Miller Hull. In 2013 Caroline relocated back south to San Diego and has been instrumental in building the success of the Miller Hull's Southern California office. She is currently leading the IDEA 1 mixed-use development in the East Village, San Diego Zoo Africa Rocks project, and the Del Mar City Hall project. She is actively involved with USGBC, Living Building Committee, ULI San Diego-Tijuana Chapter Revitalization and Reuse Product Council, San Diego Architectural Foundation and the Downtown San Diego Partnership. Caroline has a passion for community-oriented projects with sustainable design goals that reflect the project environment.

**Justine Nielsen**  
**Attorney**  
**San Diego Land Lawyers, Inc.**

Justine is an attorney at San Diego Land Lawyers, Inc., a law firm specializing in real estate, land use, and environmental regulatory matters. Justine graduated from California Western School of Law in 2009, where she was a writer and editor for the California Western Law Review and the California Western International Law Journal. Justine is a member of the Urban Land Institute (ULI) San Diego/Tijuana where she is involved in the Management Committee and Young Leaders group as the chair of its TAP committees.

She is also a member of the Board of Directors for the YWCA of San Diego County, an organization dedicated to helping San Diego women, children and families escape domestic violence and homelessness.

## Ron Troyano

Activation Strategy | Event Services | Food System  
Development  
Alchemy San Diego

In early 2015, Ron created Alchemy San Diego, who's focus is activation, food systems and economic develop opportunities. A few of Alchemy's current projects include the development of a regional food system backbone through a partnership with Food Centricity and its Food Makers HUB, venue management and event services for SILO in Makers Quarter and the Rancho Santa Fe Village, directing a culinary education program with Kitchens for Good and, working with the ethnic business cluster in Southeast San Diego to develop a new model for interim activation of a vacant lot into a market-place for community level start-up businesses centered around food. During the past decade Ron has been a board adviser, member or officer to several non-profits in San Diego, among them are The Front Burner Fund, Kitchens for Good, The San Diego Food System Alliance, The Farm to School Task Force, The San Diego Urban Rural Roundtable, San Diego City College, and the South Park Business Group.

## Diego Velasco, AICP, LEED AP

Principal  
MW Steele Group

In early 2015, Ron created Alchemy San Diego, who's focus is activation, food systems and economic develop opportunities. A few of Alchemy's current projects include the development of a regional food system backbone through a partnership with Food Centricity and its Food Makers HUB, venue management and event services for SILO in Makers Quarter and the Rancho Santa Fe Village, directing a culinary education program with Kitchens for Good and, working with the ethnic business cluster in Southeast San Diego to develop a new model for interim activation of a vacant lot into a market-place for community level start-up businesses centered around food. During the past decade Ron has been a board adviser, member or officer to several non-profits in San Diego, among them are The Front Burner Fund, Kitchens for Good, The San Diego Food System Alliance, The Farm to School Task Force, The San Diego Urban Rural Roundtable, San Diego City College, and the South Park Business Group.



## Michele Vives

Senior Managing Director

Douglas Wilson Companies

Ms. Vives is currently responsible for the development, procurement and project management of Public-Private-Partnership and third-party development services for Douglas Wilson Companies. Ms. Vives' diverse work experience in the real estate development industry includes: business development, proposal management, project feasibility and due diligence, land procurement, community outreach, entitlement processing, project management, and contract negotiations. Recently, Ms. Vives has been tasked with developing a Senior Living portfolio for Douglas Wilson Companies with a focus on Assisted Living and Memory Care. In her career, Ms. Vives' involvement with P3 and third-party real estate projects has led to the development of 3 million square feet of office, hotel, research, residential, and retail projects with total asset value exceeding \$875 million.



Love City Heights