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May 7, 2015

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

RE: SANDAG's Regional Transit Oriented Development Strategy

Honorable Jack Dale and SANDAG Board and Committee members:

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

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

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

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

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

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

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

These programs require applicants to show that transportation investments will serve adequate population densities, and will provide sufficient return on investments. For the San Diego region to remain competitive for these types of funding, SANDAG must help localities prepare for TOD.

### **3. Land use changes are not enough. Building regulations also limit TOD.**

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

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

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

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

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

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

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

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

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

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

AECOM prepared a white paper for SANDAG titled "Readiness Criteria: Metrics for Transit-Oriented Districts," ([http://www.sandag.org/uploads/conferenceid/conferenceid\\_360\\_18634.pdf](http://www.sandag.org/uploads/conferenceid/conferenceid_360_18634.pdf)). That paper proposes a series of measurements for TOD readiness, including market demand, parking ratios, connectivity to transit, and other important gauges.

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

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

Making grant funding available can be a useful, and politically palatable "carrot" to encourage, not require, local governments to update their development rules.

This is a similar model to the Federal Department of Education's recent "Race to the Top" funding for education. The Department of Education made a relatively small pool of funds available nationally, and scored applications based on how much education reform states adopted. This resulted in a wide range of meaningful changes by states choosing to compete for a limited pool of funds.

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

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

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

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

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

- **TOD Readiness:** When SANDAG creates a TOD grant program, it can include affordable housing tools as one measure of a jurisdiction's TOD readiness. If a jurisdiction hasn't planned for how affordable homes will factor into their TOD, they would be scored as less ready.
- **Contributions to Blended Funds:** Civic San Diego and the San Diego Housing Commission are both examining a blended fund to finance affordable home construction. Relatively small contributions by public entities can leverage huge private investments in blended affordable investment funds.

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

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

Sincerely,



Colin Parent  
Policy Counsel, Circulate San Diego