



August 8, 2017

Dear supporters of Transit Oriented Development:

On behalf of Circulate San Diego, whose mission is to create excellent mobility choices and vibrant, healthy neighborhoods, I am writing to provide an update on the progress of the report titled "[Transit Oriented Development](#)" (TOD Report). The TOD Report identifies a variety of city-wide policies that the City of San Diego can implement to support more transit oriented development.

As detailed below, published plans from both Mayor Faulconer's administration and the Smart Growth and Land Use committee incorporate numerous of Circulate San Diego's recommendations. **Our TOD Report is improving San Diego's land use policy.**

1. About the TOD Report:

The report was published on January 9, 2017, and is available online at <http://www.circulatesd.org/TODReport>.

Our report identifies a variety of specific city-wide policies that the City of San Diego can implement to support more transit oriented development. The report includes research from best practices throughout the nation for how new development near transit can help promote economic development, affordability, and greenhouse gas reductions.

This report includes proposals in the following policy areas:

- **Affordable Homes Bonus Program:** Implement the City of San Diego's innovative and transformational program to provide added development rights if projects incorporate affordable homes.
- **Traffic:** Provide credits to TOD projects for their traffic calculations, and implement recent state laws for measuring traffic impacts.
- **Parking:** Allow developments near transit to provide modestly less parking, and to satisfy some of their parking requirements with alternative transportation choices.
- **Floor Area Ratios:** Create a program to sell bonus floor area ratios for commercial development in exchange for contributions to the City of San Diego's Affordable Housing Trust Fund.
- **Development Fees:** Reform the calculation methods for development fees to remove disincentives to build compact units near transit.

2. News Coverage:

The TOD Report generated a variety of news coverage, from leading outlets in the region. A sample of articles is available below:

- “Fees, zoning may be keys to reducing housing prices,” [[Union Tribune, January 11, 2017](#)]
- “Report Calls For Improvements To San Diego’s ‘Smart Growth’ Policies,” [[KPBS, January 9, 2017](#)]
- “A New Approach on Housing: Forget Density,” [[Voice of San Diego, February 1, 2017](#)]

3. Impact of the Report:

The TOD Report has already begun making an impact with policymakers at the City of San Diego. Elements of our Report have been incorporated into Mayor Faulconer’s “Housing SD” plan, and the work plan for the City of San Diego’s Smart Growth and Land Use Committee.

A grid of Circulate San Diego’s proposals, and their status with City decisionmakers is presented below.

Policy Proposal	Recommendation from Transit Oriented Development Report (January 9, 2017)	Recommendations from the Smart Growth Committee Work Plan (February 10, 2017)	Recommendations from the Mayor’s “Housing SD” Plan (June 21, 2017)
Affordable Homes Bonus Program – Clean-Up Updates	Implement the City of San Diego’s innovative and transformational program with a variety of recommendations (p.4).		The Mayor’s administration restarted the Density Bonus Working Group to make changes (p.5).
Parking – Elimination of parking minimums in downtown San Diego	Eliminate parking minimums within downtown (p.16).	Encourage market-based determination of parking spaces by reducing multiple forms of parking requirements located in transit areas (p.3).	
Parking – Reduction of parking minimums in Transit Priority Areas	Allow developments near transit to provide modestly less parking, and to satisfy some of their parking requirements with alternative transportation choices (p.17).	Encourage market-based determination of parking spaces by reducing multiple forms of parking requirements located in transit areas (p.3).	The City will be developing revised parking standards within TPAs so that they are not unnecessarily requiring excessive parking in development projects (p. 7).

Policy Proposal	Recommendation from Transit Oriented Development Report (January 9, 2017)	Recommendations from the Smart Growth Committee Work Plan (February 10, 2017)	Recommendations from the Mayor’s “Housing SD” Plan (June 21, 2017)
Traffic – Update Regional Traffic Impact Study	Replace current CEQA traffic thresholds with thresholds based on VMT (p.14).	Bring traffic studies relating to City of San Diego projects in house in order to regain control of the studies, increase time efficiency, and reduce costs (p.7).	
Floor Area Ratio – Allow purchase of FAR to fund Housing Trust Fund	Create a program to sell bonuses to floor area ratios for commercial developments in exchange for contributions to the City of San Diego’s Affordable Housing Trust Fund (p.20).	Expand funding sources for housing affordability by offering incentives to commercial developers (p.3). Sell limited FAR rights for commercial developers to fund the Affordable Housing Trust Fund (p.3).	
Fees – Recalculate residential fees to square feet	Recalculate residential DIF fees on the basis of square footage, not the number of units (p.23).	Recalculate DIF based on square footage of the home, not based on the units. Changing to square footage provides a greater incentive to build fewer large units and thereby increases the supply of smaller units (p.3).	City will be reviewing the existing methodologies and procedures, survey best impact fee practices, and recommend a preferred methodology for calculation of fees for consideration (p.6).
Fees – Provide fee credits to commercial developments near transit	Provide automatic credits for traffic calculations on commercial developments near transit oriented development to reduce fee burdens due to those project’s lower traffic generation (p.24).	Implement credits for traffic calculations on commercial developments near transit oriented development to reduce fee burdens due to the lower traffic generation (p.3).	

Policy Proposal	Recommendation from Transit Oriented Development Report (January 9, 2017)	Recommendations from the Smart Growth Committee Work Plan (February 10, 2017)	Recommendations from the Mayor’s “Housing SD” Plan (June 21, 2017)
Fees – Replace transportation fees with Vehicle Miles Travelled (VMT) fees	San Diego should take advantage of SB 743 and replace its current transportation fee regime with one focused on reducing VMT (p.24).	Request and review a report from the Development Services Department and the Planning Department regarding SB 743’s transition from Level of Service (LOS) to VMT (p.6).	Planning Department staff has initiated this work effort creating a core group of CEQA and mobility planning technical experts that will be developing VMT thresholds for the City of San Diego, preparing the necessary environmental review process for this transition, and creating a guide for mobility studies. (p.7)

4. Conclusion:

While more work needs to be done, Circulate San Diego’s TOD Report is already making a difference. Circulate San Diego staff has already begun working with staff at the City Council and the Mayor’s Office to help develop our recommendations into policy for the City to adopt.

Sincerely,



Colin Parent
Interim Executive Director, Circulate San Diego