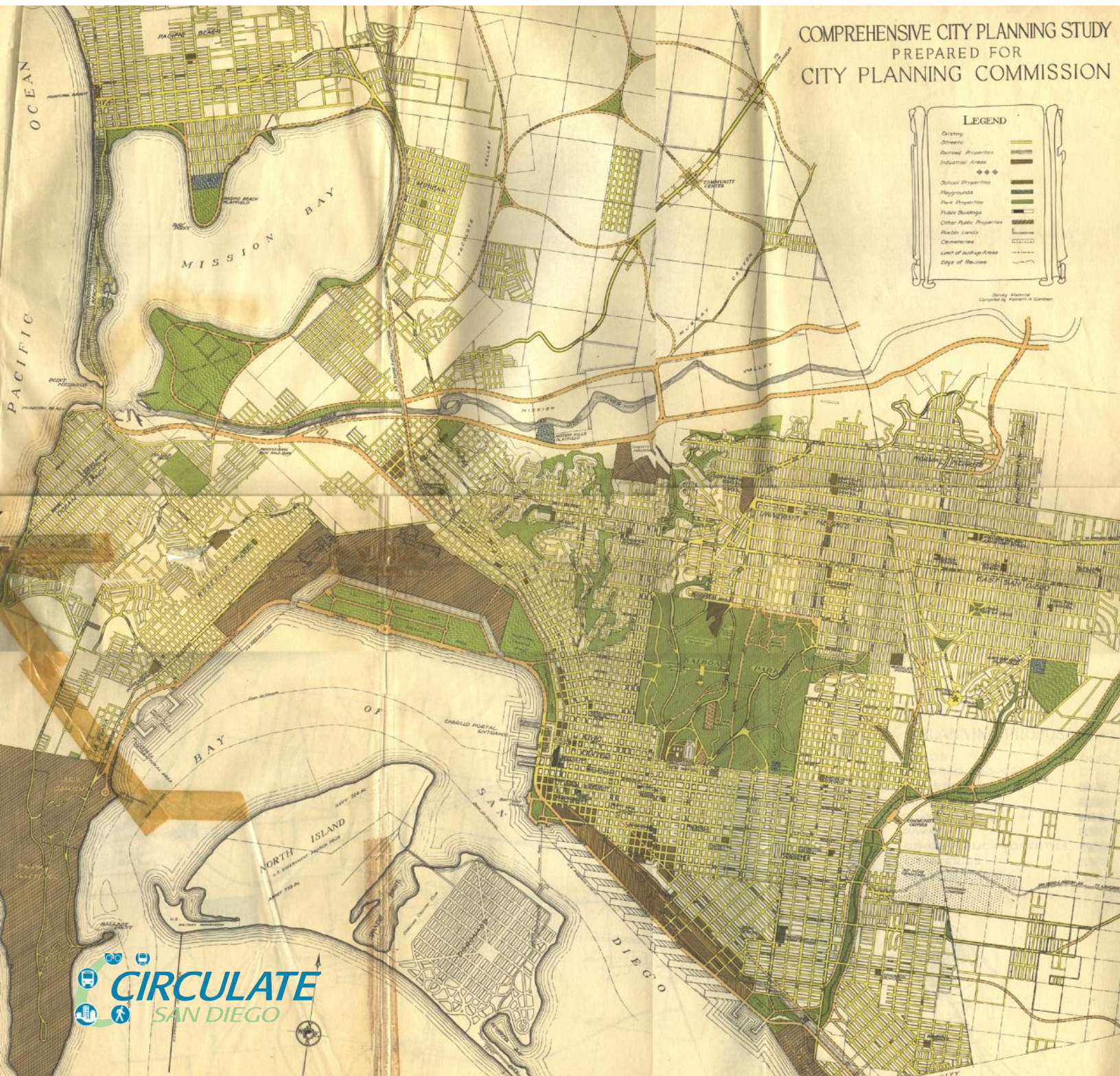


# Transit Oriented Development

A strategy for the City of San Diego to advance the climate, affordability, and the economy





# Acknowledgements



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Colin Parent is Policy Counsel at Circulate San Diego. His focus is affordable transit, safe walkable neighborhoods, and effective land use policy. Colin served on the Jerry Brown for Governor 2010 campaign, and was appointed by Governor Brown as the Director of External Affairs for the California Department of Housing and Community Development. Prior to working for Governor Brown, Colin practiced law for three years as a commercial litigator at DLA Piper US LLP. During 2013-2014, Colin served as the Director of Policy at the San Diego Housing Commission.

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## **Technical Advisory Board Members**

Circulate San Diego convened a technical advisory board to review and provide feedback for the contents of this report. While Circulate San Diego staff maintained editorial control over our recommendations, we highly valued the technical expertise and combined experience from these accomplished land use and policy practitioners.

Dave Gatzke – Community HousingWorks  
David Malmuth – IDEA District  
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# Executive Summary:

Transit oriented development (“TOD”) benefits housing affordability, economic development, and the climate. However, a variety of barriers exist to prevent TOD in San Diego.

This report recommends a variety of specific, detailed, and actionable policy reforms that can be adopted city-wide to implement TOD.

While community plans can and should be updated, they should not be the entire focus of San Diego’s efforts on sustainable growth and TOD. City-wide policies that act as barriers to achieving the Climate Action Plan and the City of Villages Strategy should be reexamined and replaced.

Housing affordability, climate change, and economic vibrancy are all city-wide concerns. City-wide challenges merit city-wide solutions.

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 bonuses to floor area ratios 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.





# Introduction:

Circulate San Diego recently launched our #PlanDiego initiative, dedicated to research and advocacy for sustainable land use policy in the region.

This report recommends specific solutions the City should adopt to make transit oriented development more economical, affordable, and environmentally sustainable.

While updating neighborhood-level community planning documents is a necessary component of implementing smart growth near transit, our recommendations focus on improvements to city-wide policies. These policies can be updated separately from the long, expensive, and politically fraught process of updating community plans. City-wide policies can also be an effective tool to achieve broad positive economic and environmental outcomes that may otherwise be undermined through a piecemeal approach.

Many of San Diego's community plans are decades old. While recent efforts have sped up the process, most will remain outdated for the foreseeable future. The CAP has very near-term goals, beginning in 2020. To attain these goals, changes to land uses must occur in the immediate term.

***“This report recommends specific solutions the City should adopt to make transit oriented development more economical, affordable, and environmentally sustainable.”***

Outdated development policies and housing shortages have become common in large American cities.<sup>1</sup> However, San Diego land use policy uniquely undermines the goals of smart growth. A recent study by UC Berkeley School of Law found that San Diego land use around transit was the least well utilized compared to any other region in the state.<sup>2</sup> A full 40 percent of housing costs in San Diego is the result of regulatory choices, not merely the high demand for the region's good weather and proximity to the ocean.<sup>3</sup> Finally, these are not new problems for San Diego. The cost of housing to renters and buyers is often substantially higher than the cost of building in many American cities today. San Diego is one of only three regions in the nation where this has been a problem since as early as the 1970s.<sup>4</sup>

Problems with land use policy in San Diego should not be attributed to the current Mayor's administration, or the current City Council alone. Land use policy is the result of thousands of administrative and legislative decisions, made over decades.

Nonetheless, improvements to land use policy can and should be the responsibility of current decisionmakers. By identifying some of the barriers to sustainable growth and transit oriented development, Circulate San Diego's goal is to ensure that current leadership in the City will take the necessary steps to modernize the City's land use policies that inhibit smart growth.

This report makes substantial and actionable recommendations that elected decisionmakers can implement to improve TOD in San Diego.

## WHAT IS TRANSIT ORIENTED DEVELOPMENT?

TOD, is the location of new development near transit investments. When people can live, work, or play near public transit, they are better able to access these locations without using a car.

Most local, state, and federal policies consider a project to be TOD if it is within a half mile from transit. A half mile is considered by many to be the maximum distance most people will be willing to walk between a transit stop and their destination. It should also be noted that many policies intended to promote TOD focus on geographies that are wider or narrower than a half mile.

The City of San Diego's Climate Action Plan (“CAP”) calls for improving transportation choices such that 50 percent of San Diegans living near transit will take non-car modes of transportation for work commute trips by 2035. The CAP considers persons living near transit as those within a half mile of either existing or planned rail stations, or the intersections of at least two high performance bus lines with at least 15 minute headways. These areas near transit are called “Transit Priority Areas” (“TPAs”) by the CAP.

While TOD has a variety of definitions in different circumstances, this report generally focuses on development for TOD within TPAs in the City of San Diego. Because the CAP calls for more development and transportation choices within TPAs, they are the appropriate geographic focus for policy change. Similarly, the definition of what parcels of land qualify as a TPA will change over time, as transit projects are expanded (or are possibly contracted).

Policy focusing on TOD should be tied to the definition of a TPA, not to a static map that would need to be amended every time the region's transit system changed its routes. California law also provides streamlined environmental review of policies that affect TPAs.<sup>5</sup> Focusing policy changes within TPAs will allow any required environmental analyses for those reforms to be expedited.

This concept is similar to the idea of "Climate Action Zones," promoted by San Diego urbanist and designer Howard Blackson.<sup>6</sup> Blackson suggests that "zones" around transit should receive special development rules to help implement the CAP. The recommendations in this report would not require that an entire set of new regulations be created all at once, to govern development within TPAs. Instead, it focuses on a variety of recommended updates to existing policies, in separate areas of the City's land use regulations, that can be amended to streamline and encourage development within TPAs. Those reforms could be made at once, or separately over time as the City updated different policy areas.

## TRANSIT ORIENTED DEVELOPMENT IS GOOD FOR ECONOMIC GROWTH, HOUSING AFFORDABILITY, AND CLIMATE CHANGE.

Environmentalists, developers, businesses, new residents, and affordable housing advocates support new development near transit, for a variety of overlapping reasons. Even preservationists and neighborhood activists often support more TOD, because it is thought to reduce development pressures on traditionally single-family neighborhoods.

This report recommends policy changes to improve TOD in the City of San Diego for three core reasons, economic development, housing affordability, and climate change.

## LOCATING NEW DEVELOPMENT NEAR TRANSIT CAN IMPROVE SAN DIEGO'S ECONOMIC DEVELOPMENT.

Transit oriented development has a clear benefit for economic development. Development by its very nature is economic activity. Housing development in particular has shown to generate not only temporary jobs, but permanent employment and additional tax revenue for local governments.<sup>7</sup> Commercial development is necessary to accommodate new jobs. Millennials increasingly consider transportation choices and opportunities to live in vibrant walkable neighborhoods to be key factors for

deciding where to live. These characteristics of the urban environment play an important role in attracting talent to fill new employment positions.<sup>8</sup> Studies have shown that new transit lines generate economic development, including new jobs and economic activity surrounding them.<sup>9</sup> The restrictive land use policies in many high cost coastal cities have prevented a substantial amount of development that would otherwise have occurred, with significant effects that have slowed American economic growth.<sup>10</sup>

## LOCATING NEW DEVELOPMENT NEAR TRANSIT CAN MAKE SAN DIEGO MORE AFFORDABLE.

Restrictive land use rules constrain housing supply and drive up costs.<sup>11</sup> The U.S. Department of Housing and Urban Development recently highlighted that housing costs and transportation costs are linked. When people move farther away from jobs to reach more affordable housing, they tend to also drive up their transportation costs, eliminating any actual savings.<sup>12</sup> Academic work has made similar findings which show how sprawl, development that is generally away from transit infrastructure, tends to lead to a lack of economic mobility.<sup>13</sup>



Allowing more housing near transit would drive down costs through the ordinary operation of supply and demand. Subsidized affordable housing developers would also benefit from easier rules for development near transit. While subsidized housing developers often use tax credits and other types of financing that are unique to affordable housing, they have to build according to the same development standards as market-rate developers. Lowering the costs for TOD development generally will allow affordable developers to build more affordable homes with less subsidy.

More affordable homes near transit will have particular benefit to the most vulnerable in San Diego. Low income people are the most likely to ride transit, and providing more homes for them near our transit investments will make their lives easier, more productive, and more convenient. Studies have also shown that restrictive land use rules, which deter all development including TOD, tend to result in higher income segregation.<sup>14</sup> Older adults and people with disabilities can be reliant on public transportation, because of a physical or mental inability to drive automobiles. Access to transit, by living near it, can be crucial for such individuals' independence and success.

## LOCATING NEW DEVELOPMENT NEAR TRANSIT CAN REDUCE GREENHOUSE GASES AND HELP IMPLEMENT THE CITY OF SAN DIEGO'S CLIMATE ACTION PLAN.

As explained above, San Diego's CAP calls for more development and non-car transportation choices near the region's transit investments. The CAP calculates the growth of non-car transportation options as a key mechanism to reach San Diego's greenhouse gas reduction goals. Increased TOD will allow more San Diegans to live and work near transit, and to commute with a bus or trolley.

**“Locating affordable homes near transit provides not only a benefit to low income workers, but also to the environment.”**

Affordable homes can provide additional greenhouse gas reductions. Recent studies have shown that locating affordable homes near transit provides measureable climate change benefits.<sup>15</sup> Lower income residents are less likely to own a car, and more likely to ride transit.<sup>16</sup> Locating affordable homes near transit provides not only a benefit to low income workers, but also to the environment. This nexus between affordable homes and climate change is the policy rationale for California's program to use cap-and-trade funds to finance affordable homes.<sup>17</sup> Additionally, easing the development rules to allow more affordable homes near transit provides an opportunity for San Diego to be more competitive for state greenhouse gas reduction grants, bringing more economic resources into the region.

Almost all TOD projects are relatively compact infill development within the urban core. Infill development has additional environmental benefits, especially to water quality and supply, by requiring less water for irrigation and limiting runoff into storm water systems.<sup>18</sup>

## TRANSIT ORIENTED DEVELOPMENT IS A PRIORITY FOR MANY SAN DIEGO POLICY DOCUMENTS.

The City of San Diego has adopted a variety of forward-looking documents intended to implement smart growth policy for the City. The City's General Plan City of Villages Strategy<sup>19</sup> and the Climate Action Plan (CAP)<sup>20</sup> are the two most important documents. Each call for creating land use rules that facilitate more development, more homes, and more jobs around our region's transit investments. San Diego also commissioned a set of TOD guidelines as far back as 1992.<sup>21</sup> The San Diego Association of Governments recently adopted a regional TOD Strategy,<sup>22</sup> but like the San Diego TOD guidelines, it is mostly advisory without actual policy teeth.<sup>23</sup>



# Recommendations on City-Wide Policies to Implement TOD

Barriers to smart growth in San Diego are found in a variety of policies, both in community plans, and in city-wide codes. The decisionmaking process for land use policy is more favorable to smart growth outcomes if made on a city-wide basis.

City-wide policies can attract political support from diverse and powerful constituencies. Unlike community plan updates, a city-wide approach does not single out individual neighborhoods, which tend to attract and organize opposition that favors the status quo. Approaching policy on a city-wide basis tends to create the right dynamics for reforms to be politically viable.

While community plans can and should be updated, they should not be the entire focus of San Diego's efforts on sustainable growth and TOD. City-wide policies that act as barriers to achieving the Climate Action Plan and the City of Villages Strategy should be reexamined and replaced. Climate change, housing affordability, and economic vibrancy are all city-wide concerns. City-wide challenges merit city-wide solutions.

The right policy proposals must create opportunities for alliance-making between interest groups and industries that have not always seen value in collaboration. Such coalitions are necessary to achieve changes in public policy, and to provide political cover for elected decisionmakers, especially against the intransigence and preferences for status quo that so often infect conversations about land use policy.

Implementation of these city-wide policies can be achieved through a variety of methods. Stand-alone updates to the Municipal Code may be required for some of these recommendations. Other reforms could be included in the regular and ongoing updates to the Land Development Code. As the City examines updates to the Affordable and Environmental expedite processes, some of these reforms could be made applicable to projects that meet the criteria for those programs.

What follows are a variety of specific policy recommendations for how San Diego can implement TOD by reforming city-wide policies.





# Affordable Homes Bonus Program

## AFFORDABLE HOMES BONUS PROGRAM – AN INTRODUCTION

California law requires that local governments allow developers to build modestly more homes on any particular lot, if projects include at least a percentage of affordable homes.

The program is called “density bonus” in state statute,<sup>24</sup> but the program has evolved to provide benefits beyond mere density. The purpose of the program is not to provide density for the sake of density, but for the purpose of building more affordable homes by providing benefits including density, exceptions from development restrictions, and preferential parking rules that recognize low income households have fewer cars. Cities like San Diego and San Francisco<sup>25</sup> refer to the program, and related programs, by variations of “Affordable Homes Bonus Program,” a terminology this report will adopt to describe San Diego’s policy.

In California, density bonus law is an example of a policy consistent with the strategy suggested earlier in this report, to make smart growth policy across larger geographic scopes, instead of smaller. California density bonus law does not rely on individual cities to update their land use rules to permit more housing and to require affordable housing set-asides. Instead, the legislature stepped in and created a state-wide policy to allow marginally more housing than underlying local zoning would allow, so long as those development projects set-aside a certain number of affordable units. The lack of affordable homes across California is a state-wide problem, and density bonus law is a state-wide solution to help address that problem.

## AFFORDABLE HOMES BONUS PROGRAM – BEST PRACTICES FROM OTHER REGIONS

The density bonus mechanism is not unique to California. Other states and local governments have provided added development capacity as an incentive or cross-subsidy to encourage market-rate developers to also build affordable homes.

New York City Mayor Bill de Blasio is responsible for the most aggressive and well-known program to trade added development capacity for more affordable homes.<sup>26</sup> A key pillar to de Blasio’s housing plan is to require affordable housing set-asides for new developments, but only in neighborhoods where the City of New York adds new

housing capacity in their local land use rules.<sup>27</sup> The program is intended for new developments to build even more market-rate homes, increasing projects’ revenues and profit, and allowing those projects to cross-subsidize additional affordable units onsite.<sup>28</sup>

California’s approach is somewhat different from New York City. Instead of mandating a trade for added density in exchange for more affordable homes, California allows developers the option of added density, but only when they choose to build more affordable homes.

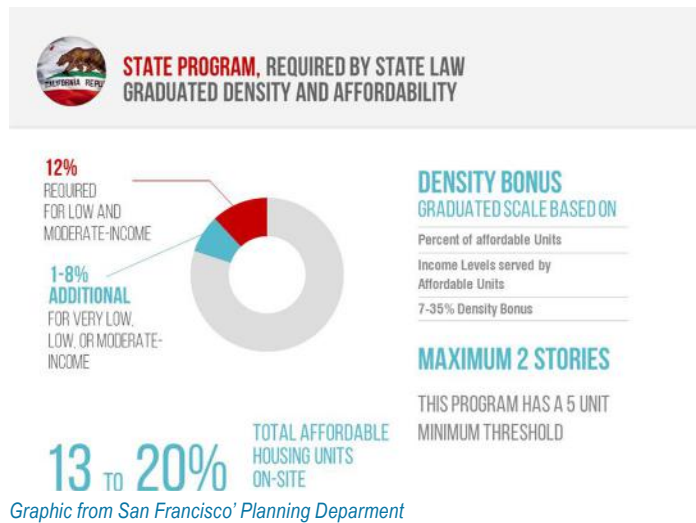
Many other cities have embraced density bonus, and have created local ordinances designed to streamline and encourage the program’s use. The City of Los Angeles is one of the leaders on density bonus implementation. Some of the benefits provided by state density bonus law are “incentives,” which are concessions from local development standards. Developers may receive whatever incentives are necessary to accommodate their projects, so long as they do not violate any health or safety rules.<sup>29</sup> Granting of incentives is intended to be ministerial, however in practice, developers and cities often engage in drawn-out negotiations about whether a requested incentive is contemplated by California law.

Los Angeles has successfully addressed this ambiguity by providing a menu of incentives from which developers may choose their concessions.<sup>30</sup> While developers may also choose to request incentives off-menu, it requires additional process, which many developers choose not to pursue. The City of Palo Alto recently adopted a similar approach, providing its own menu for incentives.<sup>31</sup>

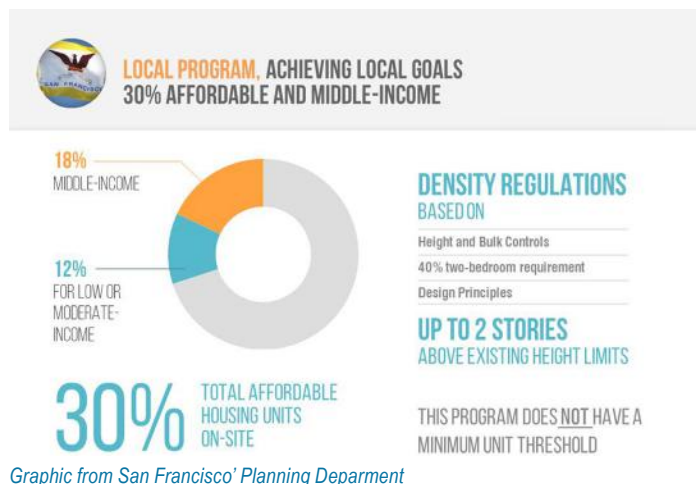
San Francisco is currently engaging in a process to adopt its own implementation of state density bonus law. The San Francisco Planning Department’s staff proposals contemplate a two tiered system, both called Affordable Housing Bonus Programs (AHBP), one of which is for implementing the state requirements, and another is a local version that provides even more benefits if paired with even higher amounts of affordable set-asides.

San Francisco’s proposed implementation of State density bonus would allow up to two stories of added capacity, if the project needs that additional height to build the added units allowed by California law.<sup>32</sup> That policy shares some similarity to Los Angeles’ policy to allow certain incentives automatically, without requiring developers to negotiate for them.

San Francisco’s Local AHBP would provide two stories of added capacity, and would not require developers to prove that the height increases were necessary.<sup>33</sup> While



San Francisco's proposed local AHBP is not compelled by California density bonus law, it is essentially an extension of the same concept, allowing more market-rate development than would be otherwise allowed, so long as a developer provides a commensurate increase in affordable homes.



## AFFORDABLE HOMES BONUS PROGRAM – CURRENT POLICIES AT THE CITY OF SAN DIEGO

San Diego recently adopted its own Affordable Homes Bonus Program.<sup>34</sup> Like San Francisco's proposal, San Diego's AHBP allows for enhancements to projects beyond what is required by California density bonus law, if a developer provides a correspondingly larger percentage of affordable homes.

San Diego's AHBP program takes the California density bonus requirements as a baseline. California law already requires that developers may receive a 35 percent density bonus when they build 11 percent of their initial zoning capacity as affordable homes. San Diego's AHBP goes

beyond this and allows developers to reach up to 50 percent additional capacity, if they provide up to 15 percent of zoning capacity as affordable homes. San Diego's AHBP also allows developers to receive up to five incentives, whereas the State density bonus law limits incentives to three.

In addition to the density and incentive enhancements, the AHBP in San Diego implements Assembly Bill 744, which requires localities to provide parking relief for projects that incorporate affordable housing construction near transit.<sup>35</sup> Studies have shown that developing affordable homes near transit has a measurable reduction to greenhouse gas emissions.<sup>36</sup> Circulate San Diego helped draft Assembly Bill 744 and is strongly supportive of its implementation in San Diego.<sup>37</sup> While the AHBP program applies city-wide, the parking benefits from AB 744 apply only near transit, focusing the program toward TOD projects.

San Diego's AHBP program strikes a bargain, benefitting developers that invest in new residential projects, and the community that seeks affordable homes. Moreover, the program has the effect of generating more private resources for affordable homes, without requiring the dedication of constrained public resources.

The reforms that are a part of the AHBP program are modest and appropriate for San Diego's unique circumstances. They do not require wholesale updates of community plans, or entire reimagining of neighborhoods. Instead, they utilize the existing community planning documents, and provide for limited enhancements to individual projects, and only when those projects contribute to the City's goals for affordable homes. No neighborhood is singled out, and all will share in the program equally.

**“Studies have shown that developing affordable homes near transit has a measurable reduction to greenhouse gas emissions.”**

The AHBP program is an exemplary policy for the recommendations in this report, which tie together the interests of a variety of city-wide organizations, industries, and advocates. The program benefits the cause for market-rate developers, affordable housing advocates, environmentalists, and advocates for transit, which is why a wide variety of such organizations endorsed the proposal.<sup>38</sup> The success in adopting the AHBP in San Diego should be a practical guide for how the City of San Diego examines future policy updates to promote TOD and sustainable growth. Policymakers should develop proposals that can engage a broad range of supporters to overcome the narrow interests of opponents to smart land use and TOD.



## AFFORDABLE HOMES BONUS PROGRAM – RECOMMENDATIONS FOR REFORM

While the recent changes to the AHBP are a significant improvement to the program, additional refinements can be made.

**Recommendation: Create an exempt Affordable Homes staff lead in Development Services who is responsible for ensuring compliance and expedites for Affordable Homes Bonus Program.**

The City of San Diego should consider creating an exempt staff person to lead its efforts for entitling developments that include affordable homes. That person could be responsible for ensuring compliance and expediting projects in the Affordable Homes Bonus Program. Similarly, the creation of such a position would signal to both stakeholders and internal staff the importance for success of that program, and for affordable housing development in San Diego.

**Recommendation: Reconvene working group to develop additional improvements to program implementation.**

An initial working group convened by the author of this report at the Housing Commission in 2014 served an important function for both developing policy recommendations, and generating the basis for a political coalition to support the AHBP update.<sup>39</sup> Dan Normandin with the City's Development Services Department continued a version of that working group during the code-drafting of the program update.

The City should recreate that working group, to examine further refinements to the AHBP, to ensure its use and effectiveness. The following recommendations are areas for the working group to consider and more fully flesh out. Similarly, the City should consider forming similar ad hoc working groups to develop other policy changes. The experience with the AHBP demonstrates that they can be useful, nimble, and productive.

**Recommendation: Allow automatic FAR bonus equal to the density bonus, without requiring use of an incentive.**

The AHBP automatically provides developments with added density when they build affordable homes. A limited number of incentives are also provided, to allow developers to expand the envelope of their buildings to accommodate the additional homes. Frequently, developers must use their incentives to add extra floor area ratio, which is

a frequent barrier to achieving the affordable housing goals of the program. The City could address this issue by automatically granting projects using the AHBP with a floor area ratio bonus equal to the density bonus they receive. Developers could then dedicate their incentives to other development barriers for their projects.

**Recommendation: Ensure off-site procedures are more streamlined and routine than the inclusionary zoning variance process, while implementing the equity provisions in the AHBP code.**

The AHBP allows developers to build their affordable units off-site, so long as the recipient affordable development is nearby and in a comparable neighborhood. The specific rules for these off-site developments are still to be worked out through an administrative policy at the Housing Commission. Those rules should be designed to be clear, streamlined, and efficient. Little if any decision should be left to an ad hoc negotiation, to ensure that the concerns about housing equity are fairly and routinely administered.

**Recommendation: Clarify waiver and incentive language to ensure compliance with changing state law.**

In addition to "incentives," State Density Bonus Law allows for developments to receive further concessions known as "waivers," when a developer exhausts their incentives and still finds their projects physically prevented from completion by local land use rules.<sup>40</sup>

The City of San Diego's Municipal Code defines incentives, but instead uses the State code language applicable to waivers, which are different. While the City likely intended to use its language to faithfully implement State law, the result has been confusion between developers and City staff over what sort of circumstances qualify for waivers.

An easy solution would be to remove the City of San Diego's specific definition, and merely replace it with the language in the State law.<sup>41</sup>

**Recommendation: Allow developers to purchase binding pre-review of incentives and waivers for projects.**

Developers using the AHBP often use incentives to receive concessions from development rules. The City has the burden of proof for denying such a request, and they are granted ministerially. However, in practice, developers and City staff engage in a negotiation to determine whether a requested incentive is required by the AHBP program. That uncertainty slows projects, and sometimes prevents developers from purchasing properties that they would otherwise develop, because of uncertain entitlement outcomes.

The City of San Diego could address this issue by creating a pre-review process, to allow projects incorporating affordable homes the option to receive a binding pre-clearance from City staff for whether their incentive applications will be granted. Developers that receive a pre-clearance would then be able to purchase properties with confidence. Because the City's Development Services Department is funded entirely by its own revenues, the City should charge applications for pre-review the full cost of those reviews. This proposal shares some characteristics with Seattle's "Early Design Guidance" process, which allow developers to seek input about their project before submitting a formal application.<sup>42</sup>

**Recommendation: Review program success in two years to evaluate more changes.**

While the AHBP update is expected to drive new affordable development in San Diego, there are likely unanticipated outcomes that will flow from its policy changes. Developers are likely to find benefits and limitations to the program that policymakers cannot yet anticipate. The City should compare current production information about the program,<sup>43</sup> with production information in two years or so, to examine what is working, and what needs improvement.

**Recommendation: Clarify that the AHBP program can be used for projects that do not propose to use existing maximum density, including projects downtown that are not reaching FAR maximums.**

Currently, both the City of San Diego's Development Services Department and Civic San Diego require that projects using the AHBP exceed the baseline density in their relevant community plans, before receiving any of the program's benefits. However, some projects want to receive the preferential parking, or development incentives from the AHBP program, and they are willing to build more affordable homes to receive those benefits even if they are not interested in building more over all units that underlying zoning would allow. State law is fairly clear that developments using State

**"The AHBP proposes to allow developers to build their affordable units off-site, so long as the recipient affordable development is nearby and in a comparable neighborhood."**

Density Bonus Law are not required to use the added density to which they are entitled.<sup>44</sup> Current legislation in Sacramento is making this point even more explicit.<sup>45</sup> San Diego should reexamine its policy so that projects that elect to build affordable homes enjoy the full slate of benefits contemplated by State law.

## AFFORDABLE HOMES BONUS PROGRAM – CONCLUSION

San Diego's AHBP is an innovative and important step toward building more affordable homes. It builds on existing California density bonus law, and provides even greater benefits to projects that build additional affordable homes. The program represents an important example for how the City of San Diego can implement TOD and sustainable development through city-wide policies, without requiring expensive and difficult updates of individual community plans. Other policy initiatives can be designed to attract a similar coalition of supportive stakeholders, which can ensure political success over the forces who are committed to the dysfunction and inequity of the status quo.

San Diego can further refine its AHBP program to ensure its success going forward. A working group should be created, to develop recommendations, monitor outcomes, and evaluate other mechanisms to maximize the potential from this important program.



# Traffic

## TRAFFIC – AN INTRODUCTION

Transit Oriented Development is intended to allow people to live, work, and shop without having to use a car. Nonetheless, most developments do generate some car travel, and public policy generally expects them to mitigate their impacts to local traffic conditions.

Traffic affects new developments in a variety of ways. The most direct mechanism for traffic to impact developments is fees. Projects that generate the most traffic tend to pay the most in impact fees to either mitigate or accommodate that traffic. Those fees are used to pay for future planned transportation improvements in the surrounding area that any individual project does not directly provide when it is built.

In California, new projects are also analyzed for their traffic impacts under the California Environmental Quality Act (“CEQA”). Projects must examine their traffic impacts, and disclose them. Current CEQA traffic analysis in California is based on vehicular level of service (“LOS”), meant to measure traffic delay. Projects that generate traffic delay over certain thresholds are required to mitigate those delays by making changes to ensure more car traffic can easily pass, like widening roads. Those mitigation measures add substantial costs for new developments, which also can generate climate impacts from induced driving. Ironically, California’s current traffic analysis system incentivizes more car travel and associated greenhouse gas emissions, even though the CEQA framework is intended to minimize environmental impacts.<sup>46</sup>

To address these unintended impacts of CEQA, the California Legislature recently adopted SB 743, which requires that the Governor’s Office of Planning and Research (“OPR”) replace vehicle delay with a different measure for analyzing transportation impacts under CEQA.<sup>47</sup> OPR’s draft guidelines propose using vehicle miles traveled (“VMT”) to measure a project’s traffic impacts.<sup>48</sup> Projects that generate less VMT, for example because they are near transit, will not trigger CEQA thresholds even if they generate some additional car delay. If implemented correctly, this will reduce the costs and difficulty for developing new projects near transit.

## TRAFFIC – BEST PRACTICES FROM OTHER REGIONS

Other jurisdictions have used creative policy tools to reduce project impacts on traffic, and to reduce traffic impacts on projects. Santa Monica, California,<sup>49</sup> Orlando, Florida,<sup>50</sup> and Bellingham, Washington,<sup>51</sup> for example, provide

credits to their transportation fees for projects located near transit. These fee reductions are based on the idea that visitors to projects near transit are more likely to use non-car transportation options, and therefore those projects need to bare a smaller burden for nearby transportation improvements. Portland Oregon has a similar program, though the reductions are made on a case-by-case basis.<sup>52</sup> Projects in Portland must provide ad hoc documentation and cost analysis detailing traffic and growth projections.

A variety of cities in California have proactively implemented elements of SB 743, and moved traffic analysis away from LOS and toward VMT. Pasadena was the first California city to adjust its transportation performance measures in accordance with SB 743.<sup>53</sup> While the number of average daily car trips is still included as an impact threshold, measures also include VMT, reduction of density along cycling or transit corridors, and harm to pedestrian accessibility.

**“A variety of cities in California have proactively implemented elements of SB 743, and moved traffic analysis away from LOS and toward VMT.”**

San Luis Obispo incorporated numerous aspects of SB 743 into its policies.<sup>54</sup> These include project VMT analyses for areas within a half mile of major transit centers and safety impact assessments at intersections, mainly focused on collision rates. San Francisco also recently adopted the state SB 743 guidelines for measuring transportation impacts from new developments.<sup>55</sup>

## TRAFFIC – CURRENT POLICIES AT THE CITY OF SAN DIEGO

In San Diego, most projects pay transportation fees based on accommodating car traffic to and from that development.<sup>56</sup> Community plans include mobility elements designed around future roadway improvements needed to accommodate more traffic and to reduce vehicle delay. Those projects are expected to be financed by development impact fees from new developments. Residential projects pay a flat fee per unit to fund transportation improvements. Commercial projects pay a fee based on the number of average daily car trips the project generates (“ADTs”).

Traffic impacts for projects in San Diego are measured by the City’s 2003 traffic manual.<sup>57</sup> The manual calculates

the number of average daily trips a project will generate, based on average trips from various project types. The manual is largely based on a traditional calculation method developed by the Institute of Transportation Engineers (ITE), which are based on suburban development types for which almost all trips are assumed to occur with the use of a car.<sup>58</sup> The baseline manual provides no accommodation for projects that are near transit, or for developments that are mixed-use. ITE did develop a modified model for mixed-use development projects, but even this typically overestimates automobile trip generation since it is based on only six sites, all in the largely auto-dependent state of Florida.<sup>59</sup> ITE's website recommends several alternative methods for calculating trip generation of transit-oriented or mixed-use projects,<sup>60</sup> but most jurisdictions still use on the organization's main handbook.<sup>61</sup>

SANDAG commissioned and published a study specific to San Diego in 2010 that details how actual average daily trips can be substantially different than what is projected from traditional calculation models like those used by the City of San Diego.<sup>62</sup>

For the projects that SANDAG examined, the study found that traditional calculation models can overestimate trip generation by an average of 24 percent, for projects within Smart Growth Opportunity Areas (SGOAs).<sup>63</sup> For specific sites, most of which were adjacent to trolley stops, the SANDAG study found an overestimation of 29 percent. SANDAG's report identifies how with more accurate traffic modeling systems, local governments can more accurately model a project's true traffic or vehicular impact.

The City of San Diego already allows developments to use alternative methods to calculate traffic rates,<sup>64</sup> including SANDAG's "Trip Generation for Smart Growth" model and the United States Environmental Protection Agency's "Mixed-Use Trip Generation" model.<sup>65</sup> However, those alternative studies do not guarantee that the City will allow the developers to receive ADT reductions. Instead, developers use those alternative studies to enter into ad hoc negotiations with the City, seeking to reduce ADT below the level predicted by the outdated calculations in the City's default method.

This ad hoc process results in added time and difficulty for project entitlement. The process often yields only single digit reductions in ADT calculations, even though SANDAG's studies show that traditional calculations overestimate traffic impacts for smart growth TOD projects by much wider amounts.

## TRAFFIC – RECOMMENDATIONS FOR REFORM

Several policies can be implemented to modernize the way the City of San Diego calculates traffic.

### Tier One: Average Daily Trip Credits Near Transit:

The City of San Diego should adopt automatic credits to traffic calculations for projects within SANDAG's SGOAs,<sup>66</sup> as well as within TPAs. Projects within SGOAs and TPAs should automatically receive a 24 percent reduction from their ADT calculations, consistent with the findings in SANDAG's "Trip Generation for Smart Growth" study. This will reduce the costs to TOD projects, improving their feasibility and likelihood of success.

Projects within close proximity to high quality transit could continue to use alternative traffic study methods to negotiate still smaller ADT calculations. However, the baseline 24 percent credit will shift the balance in negotiations toward more realistic traffic rates.

While the SGOA maps prepared by SANDAG do not perfectly overlap with the TPAs in the City of San Diego's Climate Action Plan, they are very similar. Both the SGOAs and the TPAs represent areas where there is both transit and good potential for more compact development. Providing the credits for projects within SGOAs and TPAs will allow those credits to be issued on the basis of a preexisting study, without the City of San Diego needing to commission another study, or develop a new calculations system.

In the long term, San Diego should replace its transportation fee with a VMT fee, as described in a later section focused on fees. This will help prevent commercial projects, for which fees are currently calculated on the basis of ADTs, from being forced to perform duplicative VMT and ADT calculations. In the meantime, San Diego should adopt these ADT credits, to help projects in the existing development pipeline.

### Tier Two: Update Regional Traffic Impact Study Guidelines and CEQA Thresholds with VMT metrics:

**Recommendation:** The City of San Diego should replace its current CEQA traffic thresholds with thresholds based on VMT.<sup>67</sup>

SB 743's move to replace LOS with VMT presents an opportunity for the City of San Diego to update a variety of city-wide policies that will make transit oriented development easier to accomplish. Instead of accommodating more cars through measuring impacts to LOS, policy can be focused on reducing VMT, therefore reducing greenhouse gas impacts.

While some cities have chosen to shift to VMT immediately, San Diego has so far chosen to wait until the State's regulations are finalized. The sooner the City of San Diego



implements a shift to VMT the sooner the City will be able to implement a variety of tools to help implement smart growth.

San Diego should replace its existing CEQA traffic thresholds with VMT thresholds. This will implement the core purpose of SB 743, and ensure that traffic mitigation is geared toward reducing car traffic, not accommodating it. San Diego was a leader in the state by adopting a strong CAP. It can also be a leader to implement a shift to VMT, which will help achieve the goals of the CAP.

TOD projects are likely to generate far lower VMT than suburban projects, because more of their visitors will access that project with transit instead of cars. Replacing CEQA thresholds will mean TOD projects will be less likely to show higher than average VMT, limiting the amount of mitigation and other costs those projects are required to bear, and encouraging their development.

**“SB 743’s move to replace LOS with VMT presents an opportunity for the City of San Diego to update a variety of city-wide policies that will make transit oriented development easier to accomplish.”**

To help the City of San Diego, SANDAG should update its Regional Traffic Impact Study Guidelines to be tied with VMT, not LOS.<sup>68</sup> This document, and the other existing CEQA traffic thresholds, are currently based on vehicular LOS and thus will not be permissible thresholds under SB 743. Updating the guidelines will provide exemplary guidance for the City of San Diego and other jurisdictions which can choose to utilize them to implement SB 743. The new VMT thresholds should be carefully tailored to trigger desired investments in VMT-reducing services and facilities, and to incentivize low-VMT land use designs and locations. If SANDAG does not implement this process, the City of San Diego can commission a study itself.

When San Diego does eventually replace LOS with VMT, the City will have an opportunity to reformulate transportation impact fees with the purpose of reducing, not accommodating traffic. Updates to fee policy based on VMT will be discussed later in this report.

## TRAFFIC – CONCLUSION

One of the main benefits to living or working near transit is the ability to get around without sitting in traffic. However, policies related to traffic mitigation often present major barriers to developing near our region’s transit investments.

These policies can deter use of transit, by limiting the types of homes, jobs, and other destinations that can be located within easy distance from a bus or trolley.

While traffic mitigation is a necessary component of land use planning, it should not supersede every other consideration. Policy accommodating car traffic should be tailored to meet its purpose, and not to prevent the effective use of transit. Updating traffic policies will help San Diego develop more economically productive, environmentally friendly, and affordable TOD projects.



# Parking

## PARKING – AN INTRODUCTION

In many cities, new developments are required to provide a minimum number of off-street parking spots. Parking minimums are intended to limit the impact a new project will have on adjacent street parking.

However, parking minimums have significant impacts to the cost and feasibility of projects. Certain projects have difficulty physically fitting enough parking onsite, potentially requiring the project to reduce its overall scale. This can result in projects that are smaller than contemplated by a community plan document.

Parking minimums also drive costs of projects, both to construct, and for residents to rent or purchase.<sup>69</sup> A parking spot is not free to build, and can cost between \$10,000 and \$60,000.<sup>70</sup> Underground parking is especially expensive to construct. For many projects, it is more financially viable to build fewer overall units, than to build underground parking. For residential developments, parking costs are ultimately borne by housing consumers, who pay rents or mortgages to finance parking related to their homes. Commercial developments also must provide parking, which increases commercial rents and constrains the number of locations where businesses can start or grow.

## PARKING – BEST PRACTICES FROM OTHER REGIONS

While most cities require minimum off-street parking for most development types, a broad range of jurisdictions

have adopted reforms.<sup>71</sup> A map of cities that have recently reformed their parking regulations is provided below.

Many cities have eliminated all parking minimums in their downtowns, for at least some kinds of developments. These cities include competitors to San Diego including San Francisco,<sup>72</sup> Los Angeles,<sup>73</sup> Sacramento,<sup>74</sup> and Austin,<sup>75</sup> as well as older cities in the Midwest including Madison<sup>76</sup> and Cincinnati.<sup>77</sup>

A large number of cities have also reduced the parking required for new developments near their region's transit system. These include Portland Oregon,<sup>78</sup> Arlington Virginia,<sup>79</sup> and Houston, Texas.<sup>80</sup> In Southern California, both Los Angeles<sup>81</sup> and the City of San Bernardino<sup>82</sup> are currently contemplating similar policies.

## PARKING – CURRENT POLICIES AT THE CITY OF SAN DIEGO

San Diego has a hodgepodge of parking rules outlined in the Municipal Code.<sup>83</sup> The code includes a variety of policies for different project types or areas, added and layered into the code over time. Some policies reduce parking requirements around transit, or for affordable homes. Other policies such as requirements for added parking near universities, supersede policies intended to facilitate smart growth.

With very few exceptions, parking rules in San Diego require every new home to construct one or more parking spaces, and they assume that every resident will own a car they need to store at their home. While it is true that many in San Diego drive or own a car, many do not.



Progress on Removing Parking Minimums. Image Courtesy of Small Towns. Each marker represents a jurisdiction that adopted parking reforms.



Even new developments downtown, the most transit rich neighborhood the region, are currently required to provide at minimum one space of parking for every new dwelling unit.<sup>84</sup>

San Diego's Climate Action Plan assumes that 50 percent of residents living near transit will use non-car modes to commute. Nonetheless, our current development rules mandate that every resident in San Diego to pay for a parking spot, even if they do not own a car. Even now, residential parking requirements require more parking than a substantial portion of the population requires. The American Community Survey shows that 12.1 percent of households in the 92103 area code own no cars whatsoever.<sup>85</sup> Yet it is currently illegal to construct new units to serve this segment of the existing market.

Parking minimums are intended to prevent new developments from impacting neighbors. The justification for requiring parking minimums drops out when new residents do not have cars to park on the streets. For walkable and transit-rich areas, where new residents are most likely to not own cars, at least some housing opportunities should be available that do not require paying for a parking space. Similarly, the emergence of a variety of car-share platforms will likely reduce the reliance on parking, even for those who continue to rely primarily on automobiles for transportation.

## PARKING – RECOMMENDATIONS FOR REFORM

San Diego needs a more comprehensive approach to parking near transit. We recommend a two-tier approach.

### Tier One: Parking In Downtown

**Recommendation:** Like many American cities, San Diego should eliminate parking minimums within its downtown.<sup>86</sup>

Unlike in most other neighborhoods in San Diego, street parking in downtown is largely regulated by parking meters. New residents or businesses will not be able to externalize their parking onto nearby streets, because that street parking is largely subject to a parking meter.

Downtown is also the most transit-rich area in the San Diego region, making it an ideal location for someone to live and work without requiring car ownership and storage. The concentrated availability of bike and car-share downtown also help make life without a car very viable. However, new developments downtown are currently required to provide at minimum one space of parking for every new home.<sup>87</sup>

Even after the elimination of parking minimums downtown,

developers will almost certainly continue to build new parking for their projects. Developers building new projects would build as much parking as they need in order to market their apartments, condos, or business places. For upscale developments and condos, many developers will likely build similar amounts of parking as they are doing so currently. Many current upscale developments already include more parking than the minimum. Affluent housing consumers are more likely to own cars, and will wish to store them near their homes.

For apartments, developers are likely to experiment with providing a few units without parking. Those homes will be rented for less than units with parking, meeting an unserved market for those who want to live downtown, without shouldering the cost of car ownership, and reducing housing costs and increasing affordable options.

### Tier Two: Parking within Transit Priority Areas

**Recommendation:** Within TPAs, new developments should have lower parking requirements and they should be able to satisfy those requirements with less-costly alternatives that lower the demand for new parking.

Downtown is a unique location in San Diego, requiring a unique set of policies. Throughout San Diego, areas near high quality transit require a different approach that balances the needs of incumbent residents and new entrants.

San Diego's parking code already allows lower parking requirements around transit in some circumstances. However, those rules are often superseded by other priorities, like more burdensome parking requirements near universities. They also do not neatly overlap with the TPAs where added land use intensity is required to reach mode-share goals in the Climate Action Plan. San Diego should adopt a TOD parking policy for projects within TPAs that takes precedence over other requirements, to effectively implement the Climate Action Plan and to focus development near transit.

Projects with fewer parking spaces than units will likely not rent spaces automatically with those units. This will decouple parking, which is a strategy contemplated by the CAP. Alternatives to car transportation will become more attractive and accessible when the local transit agencies begin to employ stored value and mobile payment options.<sup>88</sup> The private sector can also facilitate non-car transportation by providing alternatives to parking and through Transportation Demand Management strategies, which our recommendations would encourage.

Lower Parking Requirements: Residential developments in TPAs should only have to build .75 parking spaces per bedroom.<sup>89</sup> This will mean that developments will still



be required to build parking, but there will still be an opportunity to build a subset of units without dedicated car storage. Developments using the City's Affordable Homes Bonus, or Affordable Housing parking rules could use the lesser of these parking requirements.

Commercial developments within TPAs should also receive a 25 percent discount in the amount of parking they are required to build, tied to the City's existing baseline requirement for that development type. This ratio strikes the right balance between neighbors worried about parking impacts, and individuals hoping to live without, or with fewer cars.

**Tandem Parking:** Residential tandem parking is allowed in some areas of San Diego and not others.<sup>90</sup> These rules have proven to be effective for new developments to constrain cost.

As with much of the City's parking rules, the rules for tandem parking are subject to special exceptions and rules in different neighborhoods. Instead, in addition to the tandem parking allowed under the current rules, all residential developments within a TPA should be able to count tandem spaces as two parking spaces, without exceptions.

**Shared Parking:** The City of San Diego already allows developments to share parking in limited circumstances, and when two developments are within a 1,200 foot radius.<sup>91</sup> 1,200 feet is slightly less than a quarter mile. Yet TPAs are all areas within one half mile of transit, based on an assumption that people will be willing to walk up to a half mile to access transit.

We recommend that San Diego's shared parking rules should be doubled to 2,400 feet, when either project proposed for shared parking is within a TPA. That will expand the number of projects that are able to provide adequate parking for new developments through private arrangements and contracts, instead of expensive parking construction.

**Parking Substitutions:** Developments in TPAs should be able to satisfy at least some of their parking requirements with less-costly substitutions that promote non-car transportation.

Parking minimums are intended to reduce the likelihood that new residents will park on the street and impact neighbors. The need for those minimums can be less near transit, because more residents are likely to not own cars. Similarly, developments themselves can facilitate living opportunities without cars, by providing transportation options other than car storage.

New developments in TPAs should be able to satisfy the

policy goal of reducing car impacts to neighborhoods by providing substitutes to their parking requirements. Portland, Oregon recently adopted such a system.<sup>92</sup>

Below is a suggested set of parking substitutions for TPAs in San Diego, borrowing substantially from Portland. As with Portland, we recommend that no more than 50 percent of a project's parking requirements should be able to be satisfied with these substitutions. Both residential and commercial developments should be able to use these substitutions.

Substitutions like bicycle storage and transit passes will help create developments designed with non-car travel in mind. EV and car sharing spaces will allow residents to access cars, but with a smaller climate footprint.

- **Bicycle Storage:** Storage for three bicycles for one parking space<sup>93</sup>
- **Motorcycle Parking:** Parking for two motorcycles for one car parking space
- **Car Sharing:** Parking for one car-share vehicle for three parking spaces
- **Electrical Vehicle (EV) Parking:** Parking equipped for EV charging for two parking spaces
- **Bike Sharing Station:** Station providing 15 docks and eight shared bicycles for three parking spaces
- **Transit Passes:** Guarantee of 10 years of transit passes for two residents or employees for one parking space
- **In Lieu Fee:** Allow an in-lieu fee in exchange for building one parking space, the funds for which can be used by the City or a parking district to build off-site parking or infrastructure to reduce nearby parking demand.<sup>94</sup> The pricing for in-lieu fees could be as follows:
  - \$18,000 for
    - Residential at less than 35 dwelling units per acre
    - Commercial at less than 3.0 FAR
  - \$25,500 for
    - Residential at 35 dwelling units per acre
    - Commercial at 3.0 FAR or more<sup>95</sup>

## PARKING – CONCLUSION

With these parking reforms in place, it will be possible for new developments to be more affordably constructed near transit, with more non-car transportation options incorporated in their design. While new parking will likely be a part of most developments in San Diego for the foreseeable future, San Diego should allow at least some residents to be able to live and work without paying for car storage.

Reformulating parking requirements can help the City achieve its climate, economic development, and housing affordability goals.

# Floor Area Ratios

## FLOOR AREA RATIOS – AN INTRODUCTION

There are numerous land use regulations cities can implement to determine the bulk and scale of neighborhood buildings. San Diego has chosen to use floor-area ratio (FAR) as one of its primary tools.

FAR specifies the maximum permitted ratio of a building's total square footage, or floor area, to the size of the lot the building is constructed upon. It does not specify maximum building height or the proportion of the lot the building is allowed to cover. This gives developers the choice to build "out," constructing wide, short structures, or to build "up" and construct taller buildings occupying a smaller portion of the lot. Regardless of which approach the building designer chooses, the regulations ensure that the total amount of maximum usable floor space remains the same, constraining overall density.

FARs are intended to allow developers some freedom of design while regulating land use and preventing large, imposing structures—such as beachfront mansions—from being constructed. However, FARs combined with height limits and density limitations can be an obstacle to construction of transit-oriented development.

## FLOOR AREA RATIOS – BEST PRACTICES FROM OTHER REGIONS

Many cities use FAR restrictions to constrain new developments. However, it is a common practice for local governments to create systems that effectively sell FAR to new developments, in exchange for those developments contributing some public benefit.

**“[I]t is a common practice for local governments to create systems that effectively sell FAR to new developments, in exchange for those developments contributing some public benefit.”**

In Portland Oregon, central city developers that incorporate certain types of amenities can receive bonuses to their FAR.<sup>96</sup> Those bonuses can be effectively purchased by incorporating certain types of housing (including affordable housing), open space, and rooftop gardens. Additionally,

bonus FAR may be awarded for projects that include certain types of businesses, services, and entertainment venues. The City of Seattle implemented a program in their downtown which grants additional FAR, height, and density allowances to developers that incorporate public benefits such as affordable housing, open space, venues for the arts, and historical preservation.<sup>97 98</sup> FAR bonuses may be as much as double the baseline restrictions.

Arlington Virginia provides FAR bonuses for a variety of projects, including for buildings that achieve green building (LEED) certification and those that incorporate affordable homes. Projects in revitalization districts can receive additional FAR if they preserve certain aspects of the existing building.<sup>99</sup>

## FLOOR AREA RATIOS – CURRENT POLICIES AT THE CITY OF SAN DIEGO

In San Diego, FAR limits are often imposed on top of other restrictions, such as density caps or height limits. This combination can often eliminate any flexibility developers would otherwise have with FAR, making it difficult to construct the compact development required to support transit and multi-modal transportation options. For a number of community planning areas, commercial parcels near transit are zoned with very low FAR capacity, preventing significant job growth near our region's transit investments.<sup>100</sup>

On many parcels of land zoned for commercial use, FAR limits are the primary restriction on development intensity. Dwelling units per acre, a common restriction on development density, is inapplicable for commercial zoning, since those projects will not build any dwelling units whatsoever. For commercial land adjacent to transit, FAR restrictions can be an insurmountable barrier to TOD.

In Downtown San Diego, FAR limits are the primary restriction on density. However, unlike other areas in San Diego, those FAR limits are not paired with other density restrictions like dwelling units per acre. However, some height limits are in place. Developers can effectively build as many homes as they can fit into the FAR envelope allowed on their parcel. While there are many drawbacks to using FAR as a development restriction, FAR un-tethered to other density restraints are often preferred by developers than more prescriptive rules that seek to dictate more specific outcomes for new projects.

Downtown San Diego is also unique for allowing developers to receive additional FAR, in exchange for contributions to

a variety of programs to benefit the public.<sup>101</sup> Developers can receive FAR by developing affordable homes, green roofs, family units, open space, or they can also purchase additional FAR with cash contributions to fund public parks and public facilities.

## FLOOR AREA RATIOS – RECOMMENDATIONS FOR REFORM

**Recommendation:** The City of San Diego should allow commercial developers to purchase additional FAR for projects, in exchange for contributions to the Housing Trust Fund.

Currently, residential developers in San Diego that seek to build more than the underlying land use rules would allow may receive added development capacity in exchange for contributing to affordable homes. The current Affordable Homes Bonus Program allows developers to build more overall units, in exchange for building a subset of their units as affordable. Affordable developers facing strict FAR restrictions often use one of their “incentives” to receive an FAR bonus, along with a bonus to their allowed residential density.

Commercial developments are not able to make use of the Affordable Homes Bonus Program, because they do not have any residential units to dedicate as affordable. So for areas with strict FAR limitations, many commercial developments are unable to move forward, even if they are willing to contribute a public benefit. Such restrictions limit the ability for new jobs to be located near transit, restricting the number of people who can feasibly take transit to commute to work. This is especially important to the success of the Climate Action Plan because studies have shown that locating jobs near transit has a greater effect on commute mode shares than locating homes.<sup>102</sup>

A program that allowed the purchase of FAR by contributing to the City’s Affordable Housing Trust Fund would allow commercial developers to receive comparable benefits as residential developers, in exchange for making a similar contribution to affordable homes.

The FAR purchase program for commercial developments could be adopted to contain the following characteristics:

- The program would allow for the purchase of FAR, including projects that can already purchase FAR in downtown.<sup>103</sup>
- The price of FAR purchases can be tied to the current rates in downtown, to avoid favoring one program over another. Those prices would be about \$16 per square foot.<sup>104</sup>

- Projects within a TPA would be able to purchase up to 0.5 FAR. Projects outside of a TPA could purchase only 0.25 FAR. These rates will keep size increases modest, and focus new development near transit.<sup>105</sup>
- Just as with the Affordable Homes Bonus Program, the purchase of FAR should be ministerial. Developers would still need to seek approval for whatever discretionary permits were required for other elements of their projects.
- Linkage fee payments for square footage in excess of the baseline FAR in the relevant community plans would be waived in favor of FAR purchase funds. The prices of purchased FAR in downtown are many times the cost per square foot than the current linkage fees, so affordable housing revenues will only be improved, not undermined. Developers will also not then be double-charged for a contribution to affordable homes, for the components of their projects for which they are purchasing extra FAR.
- The funds generated from the FAR purchase program should be deposited in the Affordable Housing Trust Fund, and subject to the same expenditure rules that already apply to Commercial Linkage Fees.

It is important to understand what a program like this will not do. It would not overrule density limits, which are often the major determinate for residential project size. It would also not overrule height limits and setback requirements, which can sometimes be waived for residential Affordable Homes Bonus projects. While the purchase of FAR would be ministerial, the program would not change the process for receipt of other elements of project entitlement. For community plan areas with restrictive height limits, the FAR bonuses are not likely to be used, because the height limits operate as a separate barrier to new growth.

However, for those areas where a strict FAR limit is the major barrier to new development, a program like this can help make more projects near transit feasible, and allow them to be modestly larger. This program is most appropriate with commercial projects, for which FAR is frequently the most significant barrier to development. Commercial developments are only likely to use this program when FAR is the major barrier, and other constraints like strict height limits are not in play.

One could imagine an alternative program that awarded FAR in exchange for a contribution to public benefits other than affordable homes, such as the parks and public spaces program already in operation downtown. The recommendation to have FAR purchases contribute to affordable homes is preferable because it recreates the coalition of interests that successfully advocated for the recent Affordable Homes Bonus Program update. It marries



the interests of the business community that want an easier and more effective process to create developments to locate jobs, and the interests of progressive housing advocates who want more resources for affordable homes. Such a coalition stands a good chance to receive favorable treatment by a broad range of elected decisionmakers, regardless of party or their own electoral coalitions.

A program to sell a modest amount of FAR for commercial developments in exchange for contributions to the City of San Diego's Affordable Housing Trust Fund could help create the right types of developments in San Diego. Such a program would serve the dual purposes of adding development capacity near transit, while also generating additional funds to finance affordable homes.

## FLOOR AREA RATIOS – CONCLUSION

FAR limitations are common in many cities, including San Diego. However, FAR limits also create unintended consequences, and act as barriers to implement compact TOD.



# Fees

## FEES – AN INTRODUCTION

Jurisdictions throughout the country charge new developments fees to offset the cost or impact of those developments to their surroundings. Fees pay for infrastructure to serve those projects, pay for parks and schools for new residents, and finance fire departments and other city services to keep new developments safe.

State and federal law require that many fees satisfy a nexus test, so that developments only pay for offsetting the impacts they create. Those requirements ensure a basic fairness, so that new developments seeking entitlement are not held up and required to pay for service needs they do not generate.

The methodology for fee collection differs from jurisdiction to jurisdiction. How fees are calculated can influence and incentivize certain kinds of development types. For example, some local governments charge fees for every new residential unit, while others charge the same types of fees but on the basis of the number of square feet for such developments.

The former tends to favor projects with larger units, which pay the same flat fee, no matter the size of a new home. This effectively incentivizes the building of larger homes, which tend to be sold or rented to more affluent residents. It also tends to minimize the number of units built on any particular parcel. In the alternative, charging fees on the basis of square feet tends to favor more compact units. Developers building any particular sized building will not be disincentivized from dividing their projects into more compact units, because their fees will not be increased for adding more residents within their allowed building envelope.

For transit oriented development, public policy is often geared toward building compact development near transit, to maximize the number of people that can live or work near transit investments. As San Diego considers implementing more development near transit, it should reform its development fee program to help serve those goals.

## FEES – BEST PRACTICES FROM OTHER REGIONS

Local governments employ a diverse set of policies to collect developer impact fees. Many, including San Diego, have different policies for different neighborhoods, or to mitigate different sorts of impacts.

Burlington, Vermont<sup>106</sup> and Seattle, Washington<sup>107</sup> are two examples of cities that calculate development fees on the basis of a project's overall square footage. These fee structures do not create disincentives for developers that build compact units, though certainly other land use rules can prohibit or otherwise discourage compact development.

Other cities are more complex. For example, Orlando, Florida charges transportation fees for residential developments on the basis of the number of units, which may not be a best practice, as it charges the same for one bedroom apartments as four bedroom units.<sup>108</sup> However, projects that meet certain TOD characteristics in Orlando receive a 12.5 percent transportation fee discount.<sup>109</sup> TOD projects that also utilize a density bonus in Orlando receive an additional 10 percent reduction for transportation fees.<sup>110</sup>

As discussed above in the traffic section of this report, some cities have already begun to implement SB 743 and shift their traffic analysis policies away from level of service and to vehicle miles traveled. Pasadena and San Francisco are frequently identified as cities moving in this direction for traffic analysis. However, both Pasadena<sup>111</sup> and San Francisco<sup>112</sup> continue to charge their transportation fees on the basis of the square footage of projects, or the number residential units, not on that project's VMT.

## FEES – CURRENT POLICIES AT THE CITY OF SAN DIEGO

In the City of San Diego, there are two primary fee programs, Development Impact Fees (DIFs), and Facilities Benefit Assessments (FBAs). Projects in areas covered by DIFs pay for part of the infrastructure needs they generate, and projects in FBAs pay almost all of their costs.

Areas covered by DIFs tend to be in older and more urbanized areas served by transit. Areas covered by FBAs are newer, more suburban, and require more substantial infrastructure investments to effectively develop. An important exception to this is the "North University City" FBA area, which includes the relatively dense community of UTC. That area also enjoys substantial transit access, which will soon be dramatically increased with the extension of the UC San Diego Blue Line.

San Diego residential developments in DIF areas are charged fees for transportation, parks, libraries, schools, fire protection, and affordable homes (unless the development builds affordable housing on-site).<sup>113</sup> Residential projects

are charged for every unit of housing, no matter how large. For non-residential developments, projects are charged fees for transportation, fire, and affordable homes. The fire and affordable home fees for commercial projects are charged on the basis of the square footage. The transportation fees for commercial developments are calculated on the basis of how many average daily car trips the project generates.

Projects in FBA areas pay a certain fee for each unit of a single family dwelling, and a lower fee for units in multi-family dwellings. Non-residential developments pay fees per acre, depending on whether the project is commercial, industrial, institutional, or an employment center.

## FEES – RECOMMENDATIONS FOR REFORM

DIF fees are amended from time to time, and they are the focus of these recommendations. FBAs tend to be the result of negotiations between the City and large land owners, who agreed to certain fee structures by the city to make their holdings developable. Changing FBA fees may disrupt many settled expectations for land owners and developers. However, the City could consider changing the North University City FBA area, which today is denser and more transit oriented than before, into a DIF area so that many of these recommendations will apply. In the alternative, the North University City FBA fees could be recalculated as with other DIF areas, while leaving the FBA calculations in other areas unchanged.

### Tier One: Recalculate Residential Fees to Square Feet

**Recommendation:** Like many American cities, San Diego should recalculate its residential DIF fees on the basis of the square footage, not the number of units they contain.

Calculating fees on the basis of units creates an unintentional financial incentive for developers to build fewer and larger units, to reduce the total amount of fees paid. If the fees were recalculated on the basis of square footage, developers could still pay the same amount of fees for buildings of the same shape and size. However, they would have an incentive to subdivide those buildings into more units, creating smaller and more naturally affordable units. For example, a developer can generally rent two 1,000 square foot apartments for more than they could rent one 2,000 square foot apartment.

More compact and more numerous units will help alleviate San Diego's housing shortage. Furthermore, encouraging developers to build more compact homes will allow more people to live in the developments near public transit. Of course, there will likely always be a market for larger homes for more affluent buyers, and a change in fee

structures will not require developers to construct smaller units. However, a change in the fee structure will at least eliminate the current disincentive against building more compactly and providing housing affordable to a wider swath of the market.

**“More compact and more numerous units will help alleviate San Diego's housing shortage.”**

The City of San Diego would not need to perform a complex study to reexamine the fees for every DIF area. Instead, it could adopt a city-wide policy to recalculate DIF fees using the current per-unit prices of each DIF area, divided by the average unit size for both single family<sup>114</sup> and multifamily developments.<sup>115</sup> Average sizes for different types of homes are collected by the U.S. Census.<sup>116</sup> The City could then reissue its development fee schedule reflecting the new per square foot rates.

For example, developments in Mission Valley are currently charge \$12,098 per unit in DIF fees. If they were recalculated using the U.S. Census averages, single-family developments would be charged approximately \$4.79 per square foot, and multi-family units \$11.24 per square foot.

In Encanto, where residential developments are currently charged \$9,035, single family homes would be charged \$3.58 per square foot, and multi-family \$8.40.

Because the U.S. Census figures deal with average unit square footage, the DIF calculations should be made on the basis of a project's habitable or rentable square footage, excluding lobbies, entryways, hallways, shared spaces, etc. This will also prevent affordable housing developments from shouldering unfair costs, because they often are required to build more common space and other amenities as a part of tax credit regulations.

The above figures clearly demonstrate how the current fee structure incentivizes building larger, single-family homes. This is somewhat inequitable, as single family homes tend to house more affluent residents than apartments.<sup>117</sup> That inequity already exists in the policy to charge all residential developments the same fee, regardless of size.

Due to their clustered nature, multi-family residential complexes take up much less space than most single-family developments. This means that multi-family developments tend to require fewer miles of roads, and generally public infrastructure can be upgraded to accommodate them at a much lower cost per unit. However, this is opposite of what San Diego's current fee structure reflects.<sup>118</sup>



As the City updates fee schedules as a part of individual community plan updates, it can examine fixes to more appropriately charge multi-family and single-family developments. In fact, FBA fees already charge multi-family projects appropriately less than single family homes.

**“[M]ulti-family developments tend to require fewer miles of roads, and generally public infrastructure can be upgraded to accommodate them at a much lower cost per unit.”**

San Diego can utilize its existing DIF fee rates to generate new square-footage fees in the near-term through a more global policy update. The City can address the disparity between multi-family and single-family homes in the medium term, as individual community plans are updated and their infrastructure financing plans are revised.

Changing these fee structures will eliminate a current disincentive to build compactly near transit. If developers can find parcels near transit for which the market can support compact TOD, San Diego’s fee structure should not stand in their way.

### **Tier Two: Provide Fee Credits to Commercial Developments**

**Recommendation:** San Diego should implement credits for traffic calculations on commercial developments near TOD to reduce fee burdens due to those projects’ lower traffic generation.

**“By lowering fees for TOD projects, more such projects will pencil out, allowing the more efficient and productive use of land near transit investments.”**

Commercial developments in San Diego are currently charged transportation fees on the basis of how many average daily trips (ADTs) they generate. As suggested above in the traffic section of this report, TOD projects should receive an automatic credit for their traffic calculations based on proximity to transit.

With lower calculations of ADTs, commercial developments will see lower overall transportation fee charges. This is both fair and appropriate, because such projects do not generate as many car trips, which require added

infrastructure and maintenance to local streets and roads. By lowering fees for TOD projects, more such projects will pencil out, allowing the more efficient and productive use of land near transit investments.

### **Tier Three: Replace Transportation Fees with VMT Fees**

**Recommendation:** San Diego should take advantage of SB 743 and replace its current transportation fee regime with one focused on reducing VMT.

Replacing transportation fees with VMT fees would require a wholesale rethinking of mobility by the City of San Diego. Many changes would need to occur, and it may not be possible to implement those immediately. In the near term, the above recommendations to recalculate DIF fees on the basis of project size, and to allow more accurate ADT calculations should be implemented, and this will help TOD projects come to fruition.

As San Diego begins to implement SB 743, it should adopt the below recommendations so that the City can enjoy the full breadth of benefits that moving toward VMT can facilitate.<sup>119</sup> By focusing on VMT for both mobility planning, and transportation fee calculations, San Diego will both build mobility networks that are less reliant on the car, and help incentivize developments that generate fewer car trips.

#### *1. Reduce VMT Through Multi-Modal Plans*

When updating community plans, the City of San Diego should revise their mobility elements to reduce rather than simply accommodate VMT.

In the new era of VMT-based analysis, SB 743 emphasizes that safety for walking and bicycling must receive higher priority, and should not be sacrificed to minimize vehicle delay.<sup>120</sup> The ideal mobility element will elevate the importance of pedestrian, bicycle, and transit improvements to encourage their use.<sup>121</sup> These and other measures routinely achieve 15% reductions to VMT.<sup>122</sup> Projects like bike lanes and sidewalks also have the added benefit of tending to be less expensive than roadway expansions. For example, new bike lanes cost an average of \$89,470 per mile,<sup>123</sup> while even the cheapest new two-lane roads (in rural areas) cost a minimum of \$2 million per mile.<sup>124</sup>

Updates to mobility plans can be done at the same time as updates to community plans. Alternatively, the City of San Diego can incorporate this kind of change into the formation of a Transportation Master Plan, which is currently underway.

#### *2. Establish a Transportation Impact Fee to Mitigate VMT*

SB 743 provides an opportunity to reimagine transportation impact fee programs to focus on VMT reduction. If land use mobility plans are designed to reduce VMT, then fees for developments can also focus on reducing VMTs.

Currently, San Diego's DIF fees incorporate a transportation fee. For residential projects, it is collected as a part of the overall DIF fee, charged on each unit of new housing. For non-residential projects, it is collected on the basis of how many ADTs the project generates.

No project can mitigate all transportation impacts independently, and projects in a new VMT world will still need to contribute to planned system-wide transportation improvements. To address a project's system-wide impacts (the aggregate of the project's offsite VMT impacts plus those of other known projects), the City of San Diego can employ a Transportation Impact Fee (TIF) specifically addressing VMT reduction.

### **“SB 743 provides an opportunity to reimagine transportation impact fee programs to focus on VMT reduction.”**

These TIF fees can be structured to replace the existing transportation impact fees. This report is not recommending a “new fee,” but rather a replacement for an existing fee. As the City incorporates a TIF fee, the transportation component of the residential DIF fees could be removed, and the remainder of the DIF fees should be calculated on the basis of the project's square footage. Residential projects would be charged transportation fees on the basis of their projected VMT, not their number of units or their size. Commercial projects would also be charged a TIF fee on the basis of their projected VMT, instead of a transportation fee based on ADTs.

The City could implement a TIF fee city-wide, to replace transportation fees. In the alternative, a TIF fee could be rolled out gradually as a part of individual community plan updates. As community plans are updated to include mobility elements geared toward reducing VMT, they could also begin to use TIF fees. Older plans could still use the traditional traffic fees until they were also updated.

## **FEES – CONCLUSION**

New developments tend to create impacts. Cities frequently charge fees to offset some or all of these impacts. It matters how these fees are calculated. The City of San Diego has an ability to adjust and recalculate how it charges fees, without changing the types or scope of impacts it seeks to mitigate. Reformulating fees can help the City achieve its climate, economic development, and housing affordability goals.

The City's fee structure can be adjusted to remove a disincentive to developing compact projects by shifting residential DIFs from a per-unit calculation to a calculation based on a project's square footage. The City should also move to replace transportation fees for DIF projects with a TIF fee based on VMT. That will help lower the costs for projects that are also lowering the region's VMT, particularly those projects near transit.

## Conclusion:

TOD has the potential to provide a variety of benefits to San Diego. Developing near transit can make San Diego more affordable, more economically vibrant, and it can help address climate change.

Despite visionary documents like the Climate Action Plan and City of Villages strategy, a variety of barriers exist to prevent TOD in San Diego.

This report recommends a variety of actionable policy reforms that are calculated to be both good for TOD, and to be politically viable. They are city-wide policy proposals

that can improve the prospects for sustainable growth, without having to update each and every community plan separately. The need for more TOD is a city-wide issue, and it deserves city-wide solutions.

These recommendations should be considered as just the beginning of a conversation in San Diego about TOD. As the City considers and implements the policies we are outlining, it should also examine what other barriers exist to TOD. San Diego's land use rules are detailed and complex, and they will take a large and continuing commitment to adjust and reform.





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78. Portland, OR, Municipal Code § 33.266.110, available at <https://www.portlandoregon.gov/bps/article/443436>.
79. Arlington, VA, Zoning Ordinance § 14.3.6, available at <http://buildingarlington.s3.amazonaws.com/wp-content/uploads/2013/06/ACZO.pdf> (pages 14-11 to 14-14).
80. Houston, TX, Municipal Code, § 26-503, available at [https://www.municode.com/library/tx/houston/codes/code\\_of\\_ordinances?nodeId=COOR\\_CH26PA\\_ARTVII-IOREPALO\\_DIV2REPASPBISP\\_S26-503REPASPRETRIEDE](https://www.municode.com/library/tx/houston/codes/code_of_ordinances?nodeId=COOR_CH26PA_ARTVII-IOREPALO_DIV2REPASPBISP_S26-503REPASPRETRIEDE).
81. City of Los Angeles, Crenshaw Corridor Specific Plan Draft Amendments Section 12, available at <https://docs.google.com/file/d/0B8JtTv9xHoq8NzhPVzhVRnBHNzA/edit?pref=2&pli=1> (pages 28-29).
82. San Bernardino, CA, Draft Development Code § 19.19A.080 (January 9, 2012), available at <http://www.dot.ca.gov/hq/tpp/offices/ocp/dist8/fy09-10/TODOverlayDistFinalReport.pdf> (pages 23-25).
83. Circulate San Diego, Report: Parking, (May 5, 2016), available at <http://www.circulatesd.org/reportparking>.
84. San Diego Municipal Code §156.0313, Table 156-0313-A, available at <http://civicsd.com/images/stories/downloads/planning/Ch15Art06Division03.Jan.16.pdf>.
85. 2010-2014 American Community Survey 5-Year Estimates, “PHYSICAL HOUSING CHARACTERISTICS FOR OCCUPIED HOUSING UNITS” query for 92103 zip code, available at <http://factfinder.census.gov>.
86. Limited exceptions could be required, like mandating some onsite parking for disabled parking spaces.
87. San Diego Municipal Code §156.0313, Table 156-0313-A, available at <http://civicsd.com/images/stories/downloads/planning/Ch15Art06Division03.Jan.16.pdf>.
88. See Andrew Bowen, “MTS Aims For ‘Stored Value’ On Compass Card By November,” June 3, 2016, available at <http://www.kpbs.org/news/2016/jun/03/mts-stored-value-compass-card-san-diego-transit>.
89. The exact parking minimum could change slightly up or down to achieve this general result. The parking minimum should be somewhat higher than the parking minimums mandated by AB 744, which allows projects that incorporate affordable homes to use a parking rate of 0.5 per bedroom. Keeping the baseline TOD parking rate somewhat above that of AB 744 will maintain the incentive for market-rate developers to include affordable homes in their projects, and maintain the support for parking reform by advocates for deed-restricted affordable homes.
90. San Diego, California, Municipal Code §§ 132.0901-132.0905, available at <http://docs.sandiego.gov/municode/MuniCodeChapter13/Ch13Art02Division09.pdf>.
91. San Diego, California, Municipal Code § 142.0545, available at <http://docs.sandiego.gov/municode/MuniCodeChapter14/Ch14Art02Division05.pdf>.
92. Portland, Oregon, Municipal Code § 33.266.110, available at <https://www.portlandoregon.gov/bps/article/443436>.
93. Credits for bicycle or motorcycle storage should be granted for developments that provide more such parking than is already required by the development code.
94. A parking In Lieu fee was suggested by Mayor Faulconer’s first 100 days transition document. Mayor Kevin Faulconer’s Transition Advisory Committee, A Blueprint for Building One San Diego (June 12, 2014), available at <http://voiceofsandiego.org/wp-content/uploads/2014/06/transitionadvisoryreport.pdf>. The exact price of the in lieu fee should could be determined through an appropriate study, or the price could be set according to the formula explained in the subsequent footnote. If a study is preferred, the non-fee substitution options should be implemented in the near-term, and the fee option can be made available after the conclusion of the study.
95. These prices are derived from a recent study on average costs for parking space construction. The first price for smaller developments makes a rough assumption that those developments would provide above-ground parking, and the second price assumes underground parking which tends to be more expensive. Donald Shoup, Cutting the Cost of Parking Requirements, Access Magazine, May 2016, page 28, available at [http://www.accessmagazine.org/wp-content/uploads/sites/7/2016/05/access48-webprint\\_cuttingthecost.pdf](http://www.accessmagazine.org/wp-content/uploads/sites/7/2016/05/access48-webprint_cuttingthecost.pdf). The prices also reflect a 25 percent discount on the average price for constructing on-site parking. If the cost for the in-lieu fee were exactly the cost of constructing the parking on-site, then developers would have little incentive to use the program. Moreover, anecdotal pricing information suggests that above-grade parking in stand-alone parking garages tends to be less expensive than the below-grade parking often included in dense residential developments.
96. Portland, Oregon, Municipal Code, § 33.510.210, accessible at <https://www.portlandoregon.gov/shared/cfm/image.cfm?id=53363>.
97. Seattle, Washington, Municipal Code, § 23.49, accessible at [https://www2.municode.com/library/wa/seattle/codes/municipal\\_code?nodeId=TIT23LAUSCO\\_SUBTITLE\\_IILAUSRE\\_CH23.49DOZO\\_SUBCHAPTER\\_IGEP](https://www2.municode.com/library/wa/seattle/codes/municipal_code?nodeId=TIT23LAUSCO_SUBTITLE_IILAUSRE_CH23.49DOZO_SUBCHAPTER_IGEP).
98. City of Seattle, Incentive Zoning in Seattle: Enhancing Livability and Housing Affordability (February 2007), accessible at [http://www.seattle.gov/documents/departments/seattleplanningcommission/incentive-zoning/spc\\_incentive%20zoning.pdf](http://www.seattle.gov/documents/departments/seattleplanningcommission/incentive-zoning/spc_incentive%20zoning.pdf) (summary of Seattle incentive zoning program).
99. Arlington, Virginia, Zoning Ordinance §§ 7.2.3, 7.15.3, 7.8.5, 7.16.3, 10.2.5, and 15.5.9, accessible at <http://buildingarlington.s3.amazonaws.com/wp-content/uploads/2013/06/ACZO.pdf>.
100. For example, San Ysidro has a planned district ordinance with locally specific FARs dictated. The zone abutting the west side of the transit center, CSR-3, is intended to be pedestrian-oriented, situating parking along the side of or behind structures to facilitate access via alternate transportation modes. San Diego Municipal Code §1519.0304(a)(1)(B). Yet this zone’s

FAR is quite low, (§1519.0304(c)(3), Table 1519-03K), rendering the dense development warranted by this transportation setup impossible. The City of San Diego is currently updating the San Ysidro Community plan, so these restrictions may be adjusted soon.

101. San Diego, California, Municipal Code § 156.0309(e), available at <http://docs.sandiego.gov/municode/MuniCodeChapter15/Ch15Art06Division03.pdf>.
102. Eric Jaffee, "What's More Important to Non-Car Commuters: Living or Working Near Transit?" Citylab, September 16, 2015, available at <http://www.citylab.com/commute/2015/09/whats-more-important-to-non-car-commuters-living-or-working-near-transit/405592/>.
103. Downtown could potentially be omitted from this program, because of the existing FAR program. However, to help achieve the goals of the Climate Action Plan, the program could instead be offered as additional FAR to what can be purchased already downtown.
104. In the alternative, a study could be performed to determine a different price. However, tying the price to an existing program would make implementation relatively quick and simple.
105. If there were significant opposition to the program, it could be limited in application to only within TPAs.
106. City of Burlington VT, Impact Fee Administrative Regulations Sec. 5.0, accessible at <https://www.burlingtonvt.gov/PZ/Impact-Fee-Administrative-Regulations>.
107. Seattle Department of Construction and Inspections, How much will your permit cost? (2016), accessible at <http://www.seattle.gov/dpd/permits/permitcost/default.htm>. 2016 fee estimator can be used to calculate square footage-based fees for both residential and commercial projects. Note also that these fees in Seattle are actually permit fees, not development impact fees.
108. Orlando, Florida, Fee Schedule (September 10, 2012), available at [http://www.cityoforlando.net/transportation-planning/wp-content/uploads/sites/30/2014/03/Ex\\_A\\_2013\\_-Rate\\_Schedule.pdf](http://www.cityoforlando.net/transportation-planning/wp-content/uploads/sites/30/2014/03/Ex_A_2013_-Rate_Schedule.pdf).
109. Orlando Municipal Code Sec. 56-15(I), accessible at [https://www.municode.com/library/fl/orlando/codes/code\\_of\\_ordinances?nodeId=TITIICICO\\_CH56TRIMFE\\_S56.15EX](https://www.municode.com/library/fl/orlando/codes/code_of_ordinances?nodeId=TITIICICO_CH56TRIMFE_S56.15EX).
110. *Id.*
111. Pasadena, California, Schedule of Building Permit Fees, (Effective July 1, 2015), available at <http://cityofpasadena.net/WorkArea/DownloadAsset.aspx?id=6442474592>.
112. San Francisco, California, Citywide Development Impact Fee Register (Effective January 1, 2016), available at [http://default.sfplanning.org/administration/Master\\_Impact\\_Fee\\_Schedule\\_2016\\_DBI\\_Register-040416.pdf](http://default.sfplanning.org/administration/Master_Impact_Fee_Schedule_2016_DBI_Register-040416.pdf).
113. San Diego, California, FY 2016 Impact Fee Schedule, available at <https://www.sandiego.gov/sites/default/files/feeschedule.pdf>.
114. United States Census, West Region Median and Average Square Feet of Floor Area in New Single-Family Houses Completed by Location, available at <https://www.census.gov/construction/chars/pdf/medavgsgft.pdf>.
115. United States Census, West Region Median and Average Square Feet of Floor Area in Units in New Multi-family Buildings Completed, available at [https://www.census.gov/construction/chars/pdf/mfu\\_medavgsgft.pdf](https://www.census.gov/construction/chars/pdf/mfu_medavgsgft.pdf).
116. Alternatively, the City could find a more local set of data to estimate average unit size for residential developments.
117. National Multifamily Housing Council, Quick Facts: Resident Demographics (2015), available at <http://nmhc.org/Content.aspx?id=4708>.
118. Thomas Frye Jr., "The Surprising Realities of Apartment Living," Daily Journal of Commerce (October 2, 2003), available at <https://www.djc.com/news/co/11149499.html>.
119. These recommendations on implementation of SB 743 were made previously by Circulate San Diego in a prior report. Circulate San Diego, Smart Mobility for Smart Growth (March 10, 2016), available at <http://www.circulatesd.org/sb743>.
120. Governor's Office of Planning and Research, Revised Proposal on Updates to the CEQA Guidelines on Evaluating Transportation impacts in CEQA (January 20, 2016), at page 35, available at [https://www.opr.ca.gov/docs/Revised\\_VMT\\_CEQA\\_Guidelines\\_Proposal\\_January\\_20\\_2016.pdf](https://www.opr.ca.gov/docs/Revised_VMT_CEQA_Guidelines_Proposal_January_20_2016.pdf).
121. For example, shared-ride services (car-share, bike-share, carpooling, transit), parking management, and other TDM tactics. See San Diego Association of Governments, Integrating Transportation Demand Management Into the Planning and Development Process (May 2012), available at [http://www.sandag.org/uploads/publicationid/publicationid\\_1663\\_14425.pdf](http://www.sandag.org/uploads/publicationid/publicationid_1663_14425.pdf).
122. Herzog, et al., Do employee commuter benefits reduce vehicle emissions and fuel consumption?, Paper #06-2363, 85th Annual Meeting of the Transportation Research Board, Washington DC., available at <http://trrjournalonline.trb.org/doi/pdf/10.3141/1956-05>.
123. UNC Highway Safety Research Center, Cost for Pedestrian and Bicycle Infrastructure Improvements (October 2013), accessible at [http://www.pedbikeinfo.org/cms/downloads/Countermeasure%20Costs\\_Report\\_Nov2013.pdf](http://www.pedbikeinfo.org/cms/downloads/Countermeasure%20Costs_Report_Nov2013.pdf).
124. American Road & Transportation Builders Association, Frequently Asked Questions, accessible at <http://www.artba.org/about/faq/>.

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