

**Building Industry Association Of San Diego County  
URBAN COUNCIL**

**Guidelines For Urban Infill And Redevelopment**

The San Diego Association of Governments' (SANDAG) 2030 Regional Growth Forecast projects a population increase of one million people by 2030. Consequently, SANDAG also projects that 98% of remaining vacant developable land zoned for single family, multifamily and mixed use will be exhausted by 2030.

With diminishing land supply and burgeoning population, cities will continue to look inward to meet their future needs. The renewed attention to urban infill and redevelopment has led to a renaissance of downtown San Diego that has drawn nationwide attention.

Downtown San Diego has been transformed from the undesirable blighted area of the 1970 to one of the most robust urban sectors in America. This was achieved through a combination of strong vision, political leadership and planning flexibility. The success of the downtown is evident in the incredible transformation the Gas Lamp, Little Italy and the other downtown districts have undergone. The downtown now bustles with offices, restaurants, shops and condominiums all functioning together in harmony.

Using the successful urban planning model of Downtown San Diego, The Urban Council of The Building Industry Association of San Diego County has developed the following Urban Revitalization Template it believes contains the essential components for jurisdictions to plan and implement their urban vision.

**NEIGHBORHOODS, NOT PROJECTS**

*Creating A Sense Of Place*

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Homebuyers and businesses are, by in large, looking for a place to locate which has a sense of identity and quality. Urbanites are naturally looking for an urban lifestyle, a lifestyle which is much different from the typical suburban lifestyle in terms of the transportation/mobility choices and the private amenities offered. They see their home not as the "project" they live in, but rather the neighborhood and its amenities. It is important that this vision of urban living be developed through a master plan which establishes a planning theme and identity for the community and perhaps its various districts.

The amenities of the downtown need to be planned in a comprehensive master plan context, and many amenities need to be delivered up front. For amenities that are coming in the future, buyers need to have enough assurance that they have been thoughtfully planned. A marketing alliance, such as the downtown SD "Downtown

Residential Marketing Alliance,” is very important in order to effectively market the urban lifestyle and downtown amenities to potential homebuyers and businesses.

### **True Community Identity Is Key**

A true community identity is built around an organic mixture of complementary architectural styles and buildings blended with public amenities and enhancements that tie the community together. A thematic approach to street furniture, public art and landscaping is an important part of creating a connection between the architecture and layout of the buildings and the public domain around them. The following elements should be included when developing the theme for the public domain:

- Common Street Light Standards
- Benches
- Upgraded Sidewalks
- Common Trash Facilities
- Street Tree And Landscape Program
- Public Art

### ***Design And Planning Flexibility***

What makes great urban planning and architecture is the ability to come up with creative solutions which are *unique to every property*, based on size, setting, views, and adjacent uses. When the planning documents are too rigid, projects become too homogenized or become infeasible.

***Planning ordinances should be based on vision and goals, and allow the developer to work with the City to help reach those goals.***

If ordinances are too prescriptive, then projects will be forced to be approved with variances, which makes the approvals of the projects more political, or with more exactions. City staffs should be available to work through creative solutions instead of recite why things cannot be done.

### ***Connectivity, Convenience, Cultural Diversity***

These are some of the key components of an urban setting. Residents want to be connected with each other in the urban/public realm. This is important, because sometimes cities focus too much on what each project provides as far as amenities are concerned, but the emphasis should be on the neighborhood amenities.

## LONG-TERM INFRASTRUCTURE AND PUBLIC FACILITIES PLANNING

### *Financial Feasibility*

Too often, when cities are creating urban plans, the “wish list” of new or expanded public infrastructure, facilities and services is too large and burdensome as to be infeasible for the city and the market to achieve, presenting a major impediment to implementing the urban vision. Especially for newly emerging urban cores, it is important to “prime the pump” and get private development projects underway and in the air. Once the cities are able to create the critical mass, then it is more appropriate to modify the community plans to address deficiencies.

When developers need variances to their projects, cities should be reviewing the particular opportunities and constraints for the site, and acknowledge that deviations may be warranted (or even beneficial). This analysis should not lead to more exactions (or “overriding considerations”).

### *Fee Deferrals*

In the past, payment of impact fees has been required at the point of building permit or final map which is long before any actual impact has occurred. However, cities are realizing that timing is as significant burden to the building community, and the magnitude is all the more acute with urban projects.

Typically, urban projects take between 15 and 30 months to construct. Not until residents move into the project is there actually an "impact" to existing infrastructure. When fees are required to be paid up front, the developer needs to carry those costs in his financing stack. Equity, construction loan amounts, and return hurdles all need to be increased to accommodate this upfront cost.

If fees are deferred until a Certificate of Occupancy, that is helpful in that it saves finance costs associated with the fees, but the fees still need to be in the financing stack. This should be the methodology for rental properties.

However, regarding for-sale properties, it is most advantageous if fees can be deferred until Close of Escrow. Under this method, the fees are left out of the financing structure, so it frees more capital, making the project more feasible.

In 2008, the California Legislature recognized the value of a fee deferral program and passed AB2604, (Torrico) that allows for the deferral of fees to the Close of Escrow. The measure was signed into law by Governor Arnold Schwarzenegger. Recently, fee deferral programs have been adopted in 17 Southern California cities and nine counties.

In summary, deferring fee payment to Close of Escrow or final inspection is a revenue neutral program that provides a significant incentive for new development while ensuring the payment of fees prior to the impact.

### ***Broad Based Financing For Existing Deficiencies***

Governments must take the lead in updating their infrastructure inadequacies. Invariably, projects that are required to update these systems on their own become infeasible.

We must also acknowledge that public amenities/infrastructure in an urban core, are truly public in the sense that these areas become attractive civic cores for the greater community. State Law requires that the burden of these amenities must not be born by new development and, therefore, need to be address through broad based funding sources implemented via a long term financing strategy.

### ***Common Amenities Vs. Block By Block Or Project By Project***

The requirements for onsite public and private open spaces, recreation rooms, dog runs, etc., may work for some very high end projects, where the buyers want their amenities to be self contained, but most residents see the neighborhood as where they want to enjoy these facilities – and that is what makes a great city – by getting people out of their buildings, and into the public realm. For example, rather than mandating a certain amount of onsite private open space for each project, cities should be focusing on parks and plazas.

## **COMPREHENSIVE PARKING STRATEGY**

### ***Urban Parking Ratios***

*Parking drives density.* Parking ratios should recognize the difference between suburban and urban parking needs. There should be more shared parking in an urban setting. Parking ratios in mass transit areas should be reduced to reflect the additional transportation option. Guest parking should be minimized, and in many cases, should not be required onsite.

### ***Permit Tandem Parking***

Tandem parking is a parking design tool, not a tool for reducing parking requirements. Tandem parking is very often necessary due to the subterranean layout and land configurations vary from site to site. Tandem parking is also a very effective planning tool that enables multifamily builders to provide a more naturally affordable housing

product. While it may be unconventional, when it is used efficiently, it does not have a negative effect on the community.

### ***Parking Areas Rather Than Exclusive Project By Project***

The idea/requirement for each project to self park its off-street parking is not an urban approach. You don't drive from one subterranean structure to get your coffee and then another structure a block down to get your flowers. This piecemeal approach creates security issues as well (when mixing uses) and is not efficient. Cities should come up with common parking plans where there are convenient places to park, and then focus on the experience once people are out their cars. BIA should support an in-lieu parking fee for this approach.

*Parking districts are important.* This allows the individual communities to have more control of the use and revenue of street parking. There are many national models for how best to maximize the efficient use of these spaces. Many times this revenue is able to be used to build, or bond for, additional parking facilities.

### ***Parking And Affordable Housing***

Each structured parking space (including soft cost and financing burden) costs approximately \$45,000 - \$50,000. In an effort to create more affordable housing, parking ratios for these units should be lower.

## **ZONING AND DEVELOPMENT STANDARDS**

Zoning must reflect the engineering and market realities of urban construction. These standards include: building heights, setbacks, FAR, etc., to ensure that the desired vision and product types can be achieved.

### ***FAR Versus Density***

Urban zoning should be based on FAR instead of density. Establishing FAR standards versus density standards allows for a broader housing mix, which leads to housing that is more naturally affordable. Conversely, when "density" is capped, the developer will strive to maximize the sizes of the allowable units, thereby reducing affordability.

### ***Mixed Use And Multiple Use***

Jurisdictions must realize that every city block cannot sustain itself with small boutiques and eateries. Provisions must be made to allow for larger retail anchors. Instead of dispersing commercial retail uses uniformly around the urban core, retail uses should be concentrated in nodes or clusters or within districts.

## PROJECT PROCESSING

### *Ministerial Process*

Regulatory certainty is an important component to any successful urban plan. The benefit of forward planning is to develop the 'vision' of the urban core and implement tools and guidelines to achieve the goal. A significant incentive for projects that conform to the vision is an efficient ministerial process to minimize project-processing delays. Projects that conform to development standards such as zoning, parking, and other established development standards must be administered through the ministerial process.

### *Discretionary And Environmental Review Process*

Jurisdictions must develop Urban Specific Plans and associated Master/ Programmatic Environmental Impact Reports to ensure project certainty and facilitate efficient environmental review and processing. Master EIR's should identify and analyze mitigation strategies for cumulative impacts associated with development in the urban core so that individual development projects can tier off of the Master EIR for efficient environmental processing.

## PUBLIC/PRIVATE PARTNERSHIP

### *Government Should Facilitate, Not Regulate*

An independent regulatory body comprised of *planning and development experts* has proven successful in urban core revitalization. The regulatory agency must be independent with autonomy to contract its own Executive Director and expert staff. A Mayoral appointed advisory board should be created for Agency oversight.

The agency's primary objective shall be to facilitate projects efficiently and judiciously. The San Diego Center City Development Corporation is a public, non-profit corporation created to implement Downtown redevelopment projects and programs. CCDC's public-private redevelopment efforts has generated \$9.5 billion in private investment and \$963 million in public investment since its creation in 1975. It has led to \$666 million in tax increment benefits.

Jurisdictions must establish an urban planning regulatory agency that mirrors the original tenets of CCDC and avoid straying toward excessive, bureaucratic and union influenced decision-making.

The regulatory agency must not engage or advocate for mandatory project labor agreements or similar privately negotiated contracts. These agreements are outside the scope of the regulatory process and therefore must not be required/inferred as conditions of approvals.

### *Political Leadership*

Each urban project is capital extensive, has a lot of risk, and comes with its own issues/needs. One of the first things a developer looks for is proactive political leadership, who can work with us towards common goals. This is very important.

### *Planning Group Education*

Local planning groups are known for their suspicion of infill and redevelopment citing traffic, noise and “quality of life” concerns. They require education on the benefits that are associated with infill and redevelopment. (Infrastructure improvements, tax increment, neighborhood revitalization). A better understanding of the economic benefits associated with development proposals will help level the playing field and lead to a fairer discussion.