



COUNTY OF SAN DIEGO

LAND USE AGENDA ITEM

BOARD OF SUPERVISORS

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Fifth District

DATE: December 6, 2023

09

TO: Board of Supervisors

SUBJECT:

UPDATE ON THE DEVELOPMENT FEASIBILITY ANALYSIS IN VMT EFFICIENT AND INFILL AREAS OF FOUR COMMUNITIES: BUENA CREEK, CASA DE ORO, SPRING VALLEY AND NORTH EL CAJON/SOUTH LAKESIDE AND ASSOCIATED EXEMPTION TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (DISTRICTS: ALL)

OVERVIEW

Over the past decade, the State of California (State) has passed numerous laws related to development, climate action, housing, and sustainability. In recent years, the County of San Diego (County) Board of Supervisors (Board) has taken actions to ensure that local policies, regulations, and plans comply with these State laws by directing the development of County programs and policies to reduce Vehicle Miles Traveled (VMT), increase the production of housing for all, and be responsive to community needs throughout the unincorporated area. To meet this direction, housing opportunities will need to be focused in more urbanized areas, and planning for the more rural communities will center around economic development, supporting agriculture, and conserving our natural resources. Equity, community, and sustainability will continue to be at the heart of planning throughout the unincorporated area.

On February 9, 2022 (7), the Board directed staff to develop options for a Sustainable Land Use Framework for the unincorporated area, including the identification of sustainable development principles that could inform land use decisions and options for a parcel-by-parcel analysis. The purpose of the parcel-by-parcel analysis was to identify barriers to housing development, potential solutions, and ways the County can support housing and other improvements in our VMT Efficient and Infill areas. To achieve this, the parcel-by-parcel analysis would look at a range of potential barriers to housing production (i.e., lack of infrastructure, small parcel sizes, insufficient density, or zoning allowances) and identify strategies to address those barriers. Subsequently, the parcel-by-parcel analysis was renamed the “Development Feasibility Analysis (DFA)” to reflect the more comprehensive approach needed for identifying housing development potential in key areas.

Staff returned to the Board on March 1, 2023 (7) with an update on the Sustainable Land Use Framework approach including initial principles for sustainable development, and an overview of the approach for the DFA. As part of this return, staff asked that the Board provide input on the

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initial set of Sustainability Principles and direct staff to continue stakeholder engagement and proceed with the DFA in the four initial communities of Buena Creek, Casa De Oro, North El Cajon/Lakeside, and Spring Valley. The preliminary boundaries for the four initial communities were defined by County staff by identifying where there were opportunities for streamlining new housing development, environmental justice census tracts, Regional Housing Needs Assessment (RHNA) sites identified in the 6th Cycle Housing Element, concentrations of vacant or re-developable parcels, limited environmental constraints, and proximity to major roads and freeways. As part of the action taken at this meeting, the Board also directed staff to return in the fall of 2023 with a finalized memorandum of understanding (MOU) with North County Transit District (NCTD), specific timelines and anticipated cost estimates to complete the DFA in the initial four communities, and the Infrastructure Gap Analysis (IGA) maps and progress report.

Since then, staff has conducted field visits to confirm data related to the four communities (i.e., vacant parcels, currently underway or anticipated County projects, and visible development challenges and opportunities). In addition, outreach was initiated in summer 2023 within the communities through a series of virtual public workshops, Community Planning and Sponsor Group meetings, as well as meetings and tabling events with additional stakeholders and community-based organizations. To conduct the technical analyses required in the second phase of the DFA, staff solicited proposals from consultants in the Planning & Development Services on-call list. Following the review of the proposals, staff contracted with MIG, Inc. (MIG) to help with this effort. MIG will assist staff by conducting more focused outreach to assess community needs and constraints, potential infrastructure improvements, conduct a market and financial feasibility analysis, and generate a final report. For the IGA that will inform the DFA, staff compiled in-house data available for sewer, flood, storm, and road infrastructure. As staff does not provide water service, water infrastructure data will be acquired through coordination with external agencies. To conduct a road infrastructure specific analysis, staff also brought in another consultant to review fourteen (14) road corridors within the four communities to document needed public improvements to promote safe walking, biking, and access to transit facilities in the vicinity of vacant and/or re-developable parcels. The infrastructure gap analysis will also include broadband needs, staff will thread with the Land Use & Environmental Group team overseeing the Broadband infrastructure to assess gaps in network.

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The following is a summary of the project timeline and next steps:

<u>Winter 2022</u>	Identified concentration of vacant or re-developable parcels or “hot spots” in VMT Efficient and Infill areas. Identified initial four DFA communities.
<u>Spring 2023</u>	Provided Board with update on completion of Phase I and overview on next steps for Phase II. Developed statement of work for the DFA that was released as a Request for Proposal (RFP) to procure consultant.
<u>Fall 2023</u>	Selected consultant team.
<u>Winter 2023</u>	Update Board on DFA, IGA, MOU with NCTD, and timeline and cost. Begin technical analyses.
<u>Spring 2024</u>	Conduct focused outreach. Continue technical analyses. Phase II of IGA.
<u>Summer 2024</u>	Conduct outreach on results of technical analyses. Continue technical analyses.
<u>Fall 2024</u>	Return to Board with results of technical analyses.

Today’s Board Letter provides (1) an update on the DFA effort, (2) an MOU with NCTD for Board approval, (3) specific timelines and anticipated cost estimates to complete the DFA in the four communities, and (4) IGA maps of existing road, sewer, and stormwater infrastructure, a progress report, and an update on the next phase of analysis.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

Planning & Development Services recommends that the Board of Supervisors:

1. Find in accordance with Section 15061(b)(3) and 15378(b)(5) of the California Environmental Quality Act (CEQA) Guidelines that this action is exempt because it has no potential to result in either a direct physical change to the environment or a reasonably foreseeable indirect physical change to the environment.
2. Receive the (1) update on the Development Feasibility Analysis (DFA) effort, (2) a Memorandum of Understanding (MOU) with North County Transit District (NCTD), (3) specific timelines and anticipated cost estimates to complete the DFA in the four

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communities, and (4) Infrastructure Gap Analysis (IGA) maps of existing road, water, sewer, and stormwater infrastructure, a progress report, and an update on the next phase of analysis.

3. Approve and authorize the Director of Planning & Development Services to execute, upon receipt, two copies of the MOU between the County and the NCTD regarding a formal partnership to pursue grant opportunities to implement improvements in areas where the County and NCTD have mutual jurisdiction.
4. Pursuant to Board Policy B-29, authorize the Director, the Department of Planning & Development Services, or his/her designee, to submit grant applications related to the MOU through June 30, 2028 for Planning & Development Services projects and programs.
5. Waive Board Policy B-29, Fees, Grants, Revenue Contracts – Department Responsibility for Cost Recovery, which requires full cost recovery for services provided under grants.

EQUITY IMPACT STATEMENT

Access to housing is important to all. Housing affordability and attainability are a challenge for many, with disproportional effects on historically marginalized or underserved communities. To address the urgent housing crisis as soon as possible and support healthy, resilient, equitable communities, housing development will need to occur largely in identified Vehicle Miles Traveled (VMT) Efficient and Infill Areas due to environmental constraints, regulatory requirements, and other challenges that could limit the possibility of large-scale development in most other areas. Conducting a study to understand where and how the County can facilitate and support housing development and foster the creation of balanced communities within the unincorporated County will help to support a variety of housing options in VMT Efficient and Infill Areas and help to reduce inequities caused by development that is not close to jobs and services and the uneven distribution of services, amenities, schools, parks, and affordable housing. The study will identify how, through focused investment and partnerships, the County can address equitable access to housing by ensuring options for various income levels, addressing disparities in infrastructure and service access, minimizing negative environmental impacts, and looking beyond housing and considering how development can support economic growth within the community.

SUSTAINABILITY IMPACT STATEMENT

The Development Feasibility Analysis (DFA) will identify specific parcels in Vehicle Miles Traveled Efficient and Infill areas with potential for housing development, as well as the associated infrastructure or service needed to make these parcels viable for development. The DFA promotes sustainability by facilitating more sustainable land use patterns, encouraging efficient use of infrastructure, redeveloping within established communities, reducing commute times, and rejuvenating underutilized infill areas. The DFA will provide information about the needs in different communities that will help to inform the Sustainable Land Use Framework. The Sustainable Land Use Framework is a tool to ensure that all unincorporated communities continue to grow in healthy, resilient, equitable ways by taking into consideration the comprehensive needs

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of a community, including striking a balance of land uses, fostering equity, nurturing social connectivity, and providing essential services and amenities among other considerations. This effort supports the County’s “Sustainability” strategic initiative to cultivate a natural environment by supporting more sustainable land use patterns for future generations to enjoy.

FISCAL IMPACT STATEMENT

If approved, funds for this request are included in the FY 2023-24 Operational Plan in Planning & Development Services (PDS) for the development of the Sustainable Land Use Framework and the Development Feasibility Analysis (DFA). These recommendations will result in projected one-time costs and revenue of \$3,660,000 in FY 2023-24. The funding source is one-time General Purpose Revenue.

A waiver of Board Policy B-29 is requested because the proposed grant funding associated with the NCTD MOU may not offset all administrative costs. The total unrecovered cost per Board Policy B-29 for FY 2023-24 is not known at this time; PDS staff will return to the Board in Fall 2024 with unrecovered costs, fiscal impacts and related recommendations. At this time, there is no impact to net General Fund costs, and there will be no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

On February 9, 2022 (7), the Board of Supervisors (Board) directed staff to develop options for a Sustainable Land Use Framework (Framework) for the unincorporated area, including the identification of sustainable development principles that could inform land use decisions and options for a parcel by-parcel analysis. Subsequently, the parcel-by-parcel analysis was renamed “Development Feasibility Analysis (DFA)” to reflect that a more comprehensive approach was needed for identifying development potential. As new Vehicle Miles Traveled (VMT) and climate regulations make large development projects more challenging in suburban and rural areas and incentivize housing construction in VMT Efficient and Infill areas, the Board directed staff to begin to look at practical ways to facilitate development in these areas to meet our housing needs.

The DFA is intended to facilitate housing construction in locations close to infrastructure, transit, and amenities, such as the VMT Efficient and Infill areas to align with new VMT and climate action regulations. However, understanding that communities are more than housing, the Framework will help to ensure that all unincorporated communities continue to thrive through strategic community planning that considers specific needs and the lived experience of the community, regardless of how much housing development they will see in the future.

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The DFA will be a study that will summarize community needs, barriers to housing development, and potential solutions that support multiple housing types at varying levels of affordability, with a special focus on affordable and workforce housing, and other improvements throughout the communities. The report will go beyond providing recommendations for where to place housing and will provide recommendations on needed improvements to support more balanced communities. The intent is to have the report serve as a resource for the Board that shows where direction of funds can unlock the most housing potential and understand what investments need to be made to support these areas as whole communities. The report will also serve as a tool for industry professionals in the development community and will outline constraints and opportunities at sites of interest. Lastly, the final report will be public facing and can be used to provide information to property owners and members of the community.

On March 1, 2023, staff provided the Board with an update on the DFA which included the completion of the first phase of this effort. The first phase identified concentrations of vacant and re-developable parcels referred to as “hot spots” that could be developed within VMT Efficient and Infill areas. The DFA has been initiated in four areas, which were selected based on location in VMT Efficient or Infill areas, availability of vacant parcels, funding opportunities (i.e., areas potentially eligible for grants, etc.), leveraging other County of San Diego (County) efforts underway, and environmental justice considerations.

The four initial communities are Buena Creek, located between the City of San Marcos and the City of Vista, the County’s only community with rail service and where staff has made progress with strategic planning partnerships with North County Transit District (NCTD), the infill community of Valle De Oro/Casa De Oro, where the recent adoption of the Specific Plan in Casa De Oro may open up potential funding opportunities, and the Environmental Justice communities of North El Cajon/Lakeside and Spring Valley, where aging and insufficient infrastructure have likely contributed to limited development.

The deliverables from this effort are intended to be a resource for the Board and for developers to better understand needs and gaps to facilitate residential development and support community growth in a healthy, resilient way. This could include identifying infrastructure and service improvements needed in these areas and ways to fund these efforts through increased development potential, public-private partnerships, interagency agreements, and other creative approaches.

Today’s Board Letter provides (1) an update on the DFA effort, (2) a Memorandum of Understanding (MOU) with NCTD, (3) specific timelines and anticipated costs to complete the DFA in the four communities using existing funds, and (4) Infrastructure Gap Analysis (IGA) maps of existing road, water, sewer, and stormwater infrastructure, a progress report, and an update on the next phase of analysis.

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Development Feasibility Analysis (Formerly Referred to as Parcel-by-Parcel)

The DFA is intended to (1) be a comprehensive approach to assess the potential and feasibility of developing key sites and areas to form more balanced, whole communities, (2) identify the barriers and constraints that have resulted in these locations not being built out to date; and (3) identify and estimate costs of strategies that could remove the identified barriers to increase housing production (i.e., make these areas development-ready) as soon as feasibly possible while ensuring that housing and improvements support these areas as whole communities and not just places for new homes. The DFA will be tailored to individual communities and include an evaluation of land use constraints; other barriers to development; and potential development opportunities and community, economic, service, and social needs.

Four DFA Communities

The four initial DFA communities are Buena Creek, Casa De Oro, North El Cajon/Lakeside, and Spring Valley (maps of the four DFA Communities are included as Attachment A).

The initial boundaries for the four DFA communities were identified by looking at areas where there were opportunities for streamlining housing development based on housing legislation (Senate Bill (SB) 6, Assembly Bill (AB) 2011, SB 9, SB 10, SB 35), environmental justice census tracts, Regional Housing Needs Assessment (RHNA) sites identified in the 6th Cycle Housing Element, hot spots data (i.e., concentrations of vacant or re-developable parcels), limited environmental constraints, and major roads and freeways. The study boundaries were created to capitalize on vacant and re-developable sites, with a focus on concentrations of vacant land to facilitate more rapid housing production.

Phase I – Complete

The first phase of the DFA was conducted from winter 2022 to fall 2023. It included building upon the housing capacity modeling analysis conducted within Vehicle Miles Traveled (VMT) Efficient and Infill areas that identified a planned housing capacity of 5,870 units in these areas, which considered high and very high fire zones. Data from this effort was used to identify concentrations of vacant or re-developable parcels or “hot spots” in VMT Efficient and Infill areas and highlighted areas with the most development potential. This exercise helped to identify the selection of the initial four communities. It was important that the selected areas included concentrations of vacant land. This is key in recognizing that re-developable land will take longer to turn over and would not necessarily meet the purpose of this analysis to facilitate housing production as quickly as feasible.

On March 1, 2023, staff provided the Board with an update on the efforts to date which included completion of the first phase. Staff also provided an overview on next steps for Phase II, which is intended to drill down and analyze the realistic development potential of specific sites within the four initial communities and identify tools to help facilitate development in those locations.

Phase II– In progress

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Work Completed to Date

Phase II of the DFA will be mainly consultant led due to the specialized level of expertise and effort needed, including experience preparing market analyses and real estate development studies. The consultant proposed a timeline of 12 to 16 months to complete the analysis once they begin. In spring 2023, staff-initiated Phase II of the DFA with the consultant solicitation process. Staff developed a statement of work for the DFA effort that was released as a Request for Proposal (RFP) to the Planning & Developing Services (PDS) Long Range Planning On-Call Consultant teams through the County's procurement process. A detailed discussion of the selected consultant is provided below.

In parallel, a series of internal meetings and site visits were conducted with the internal County team with representatives from Department of Public Works (DPW), Department of Environmental Health and Quality, Land Use and Environment Group, Housing and Community Development, and Office of Economic Development and Government Affairs. The purpose of the meetings and site visits was to gather data on existing conditions, identify other County projects or related efforts, further refine study boundaries, confirm site conditions, identify additional opportunities or challenges in these locations and gather insight from various County experts regarding development considerations.

While the goal of the DFA is to facilitate as much housing as suitable in these areas as quickly as possible considering equity, community input, and sound planning principles, it is important to acknowledge that certain locations may pose unique challenges that could necessitate a lengthier and more costly resolution process compared to others. To address and overcome these challenges, the DFA will determine costs as well as potential financing mechanisms, with a focus on leveraging grants and potential public-private partnerships. To account for this and help prioritize future implementation actions, staff synthesized the information gathered to organize development opportunities into preliminary tiers of unconstrained, partially constrained, and most constrained parcels.

1. Unconstrained: Parcel specific opportunities including but not limited to vacant sites within key opportunity areas, RHNA sites, publicly owned properties, and parcels where there have been developer interests. Some of the characteristics of an unconstrained parcel include existing road access, availability of infrastructure, and lack of environmental constraints such as steep slope or sensitive habitat. An unconstrained parcel is seemingly ready for development.
2. Partially Constrained: Parcel specific opportunities that may require infrastructure investments and intra-agency collaborations. Some of the characteristics of a partially constrained parcel include some level of environmental constraint, access constraint, lack of infrastructure, or easement. A partially constrained parcel has some level of constraint that can be overcome with focused investment.

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3. Most Constrained: Larger opportunity areas that may require a comprehensive planning approach (i.e., specific plan) and/ or major infrastructure investments at the community scale to create longer-term housing development opportunities.

The parcels and areas of interest may be refined as the effort evolves based on the critical financial and stakeholder information that the consultant will help to identify. The DFA will also consider factors that limit development potential at the individual parcel level and not just at the modeling scale analyzed in Phase I, which include physical site constraints such as steep slopes, wetlands, sensitive habitats, agricultural lands, and fire hazard considerations. This phase entailed engaging with internal and external stakeholders including industry professionals, property and business owners, community-based organizations, external agencies, and regional partners.

Phase II Components

Phase II will consist of the following components that will be led by the consultant:

1. Stakeholder Engagement: Robust stakeholder engagement will take place to identify and understand the barriers and solutions needed to encourage equitable development in these areas. County staff and the consultant will be working with community members to discuss improvements that can help support the community and give it the best opportunity to thrive in a healthy, resilient way.
2. Planning/Housing Capacity Analysis: This analysis is a comprehensive evaluation that will help determine how much new housing can be supported and assess its financial feasibility, and the likelihood that it will be produced within these areas. Moreover, the analysis will provide information on what kinds of plans are needed to make development happen, such as updating the County's General Plan, developing Specific Plans for certain areas, as well as leveraging State housing laws, zoning changes, and preparation a Programmatic Environmental Impact Report (PEIR). This analysis will go beyond regional efforts conducted to date by harnessing area-specific market data and real estate development insights to gain a more precise understanding of housing capacity and viability.
3. Opportunities and Constraints Evaluation: This analysis includes a high-level review of opportunities and constraints from a physical/built environment as well as social and market perspective.
4. Infrastructure Improvements Analysis: This analysis will be conducted as a phased approach to first understand the current infrastructure conditions and capacity, and then identify the necessary level of infrastructure to facilitate housing development in these communities, including any additional needs related to any potential increases in housing density within these areas. PDS will coordinate with DPW to identify where the County maintains roads, and oversees the provision of water, sewer and stormwater infrastructure

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then coordinate with outside service providers to develop a full picture of infrastructure needs and gaps.

5. Market Feasibility Analysis: This study will provide information related to real estate and economic feasibility of housing development within key areas, including projected marketability of different housing types and absorption rates.
6. Financial Feasibility Analysis: This study will analyze the feasibility of developing the DFA sites/areas at their optimal level and will indicate what project types work financially based on building typologies, types of buildings with similar traits, associated costs for development including infrastructure, etc. The analysis will provide information about what densities or other land use changes (e.g., parking ratios) could incentivize development.
7. Potential General Plan Density and/ or Zoning Changes: This study will provide recommendations on potential density and /or zoning changes that maximize the site's potential to best accommodate marketable, financially feasible new residential development based on the various studies outlined above.

Additionally, Phase II will further identify investments and opportunities to strategically facilitate a variety of housing in areas close to transit, stores, jobs, schools, and parks that, where possible, align with the County's Strategic Initiatives and San Diego Association of Governments' (SANDAG) Housing Acceleration Program Strategy (HAP) five (5) P's. The HAP 5 P's focuses on Promoting Equity and Sustainability, Preserving Vulnerable Housing, Protecting Tenants, Preventing Displacement, and Producing Housing for All which outlines goals, policies, and actions to accelerate affordable, fair, and sustainable housing production across the San Diego region.

DFA Deliverables and Outcomes

This collective information from the DFA will be used to produce a refined estimate of future housing development potential for the areas studied in this analysis. Various housing types and affordability levels will be evaluated as a way to understand the resources necessary to facilitate the development of the most housing feasible that will unlock homes for all income levels. This will include a particular focus on how to achieve affordable and workforce housing where possible. It will inform where there are development opportunities and challenges, such as infrastructure gaps or market constraints, and what actions and resources are needed to achieve housing development in these areas as quickly as possible, while ensuring that housing and improvements support these areas as whole communities and not just places for new homes. Actions could include capital investments or grant funding opportunities, partnerships with external agencies or the private sector, creation of new funding mechanisms, changes to density, zoning, or other regulations, and other strategies. The DFA is intended to provide developers with pathways for

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collaboration with the County to facilitate the development of housing in these areas as well as recommendations for streamlining development.

The final deliverable will be a comprehensive resource document that contains community and parcel specific data. It will spotlight the development potential of parcels within these areas, ranking them based on highest development opportunities and outlining actionable steps to improve feasibility of developing housing in these areas. The DFA will also provide information to reduce initial due diligence costs for developers. This report will provide potential opportunities for leadership and partnership strategies with external agencies and private entities that could play a pivotal role in building out these areas in a balanced and comprehensive way.

Consultant Engagement

The County released an RFP on July 31, 2023, for a contractor(s) (consultant) with expertise and experience with infrastructure assessments, market analyses, project feasibility determinations, real estate analyses, economic and fiscal impact analyses, land use, zoning, CEQA, and equity and inclusion. Staff held two virtual pre-proposal conferences with the purpose of providing an overview of the project and to answer any questions that the consultants might have. Staff received proposals on September 1, 2023, and after a competitive RFP process, the contract was awarded to MIG, Inc.

MIG will be pivotal to the success of the DFA due to their expertise and experience which includes innovation, project management, robust community engagement, land use policy/zoning analysis and CEQA expertise. MIG additionally is bringing a combination of experts to help with this important effort. The team includes Keyser Marston Associates (Market Feasibility and Financial Feasibility), Project Design Consultants (Infrastructure Assessments) and Intersecting Metrics (transportation related considerations). The MIG team proposes to create an interactive, dynamic web-based product that will communicate the analysis, findings, and recommendations of the DFA.

They intend to produce a highly interactive and informative digital tool, with maps illustrating housing opportunities and accompanying text defining the strategies to achieve the County's housing production and community development goals. MIG also intends to identify specific efforts to engage with people and organizations that are hesitant to participate due to language barriers, family commitments, or other constraints, to ensure equitable outreach engagement. They will also use their experience through their previous work on the County's Environmental Justice Element of the General Plan to create an extensive, inclusive, and equitable outreach engagement effort.

Outreach

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Community and stakeholder engagement is at the core of the County planning process. As part of the initial outreach phase for the DFA, staff conducted a series of outreach activities from summer 2023 through winter 2023. Specifically, staff hosted two virtual public meetings, four small group meetings with several stakeholder groups (e.g., environmental groups, land development professionals, labor unions, farm bureau.), and five Community Planning and Sponsor Group (CPSG) meetings. The goal of the outreach was to introduce the County team, provide an overview of the DFA effort, provide context on DFA alignment with other projects in the communities of focus, and to seek feedback on how community members would like to be engaged throughout the process and who should be included in outreach and engagement efforts.

The DFA effort was introduced to SANDAG representatives in summer 2023 and an update on the progressing efforts was discussed in fall of 2023. SANDAG representatives were supportive of the effort and expressed a desire to continue to collaborate with each other on feedback received through outreach and engagement, particularly in the Buena Creek area.

NCTD and County staff worked collaboratively on the draft MOU in fall of 2023, and agreed that the next steps were elevating for approval through the respective channels. They acknowledged that further discussions will need to take place on any joint grant efforts and additional agreements will need to be established should any joint grant funding opportunities be awarded. Both parties will continue to work collaboratively on identifying funding opportunities and future projects in the Buena Creek area.

To ensure that the stakeholder engagement remains inclusive, communication materials were translated into nine languages. Additionally, interpreters were present during the public workshops as needed. During this initial phase, staff used a variety of notification methods such as direct emails, phone calls from staff, GovDelivery emails, and updates via our Engagement HQ webpage to inform participation opportunities.

During this initial outreach phase for the DFA, staff provided an overview of the DFA effort, as well as an overview of other County efforts that are taking place within these same communities, align with or occurring in parallel with the DFA. These efforts include the Community Based Transportation program (CBT), Casa de Oro Business Survey, Infrastructure Gap Analysis (IGA), Sustainable Land Use Framework (Framework), among other efforts in the broader unincorporated area (e.g., Transit Opportunity Area and VMT). The CBT, Casa de Oro Business Survey, and IGA are summarized below:

The CBT program seeks to analyze ways to better connect unincorporated communities, increase transit options, better accommodate multimodal travel, design pedestrian and bicycle facilities to maximize safety, and reduce greenhouse emissions through reduced reliance of single-occupancy vehicles. The CBT will provide data and a vision to inform mobility decisions and address related community needs within the DFA areas.

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The Casa de Oro Business Survey is a Board directed effort to engage existing businesses along Campo Road by conducting a survey to determine the level of interest in potential formation of a maintenance and/or infrastructure financing assessment district. The survey will identify infrastructure project priorities and partnership opportunities that would also support housing and economic development in the Casa de Oro community.

The IGA will look at infrastructure gaps, such as roads, access points, bridges, connections, sidewalks, water, and sewer, at a high level in these four DFA communities. The DFA will build off this analysis by further identifying needed improvements and their costs to facilitate housing development. The DFA and all these efforts will reflect the principles of the Framework, which will provide a policy directives to ensure that communities continue to grow in a healthy, resilient, equitable ways as future development is produced.

During our outreach, we heard the following feedback from community members:

Community members expressed appreciation for the holistic approach to evaluating needs and constraints across multiple sectors and not just a focus on housing. They encouraged us to ensure our focus is on creating an environment where increased housing is coupled with increased services and amenities. Community members also provided feedback that we cannot continue to build car-dependent communities and expressed a desire to look at transportation and housing together. The community also provided suggestions on partnerships specifically with electric companies and external agencies. Feedback that was shared by a number of stakeholders was a concern about worsening traffic and water and sewer availability for any proposed added housing. They also expressed the need to consider affordable housing. Finally, stakeholders suggested to give presentations in Spanish due to the large Spanish speaking population.

Part II of the DFA outreach and stakeholder engagement will be consultant led and will build upon feedback received during the first part of our outreach. The consultant and county staff will solicit community members for information on improvements that can be made to support the areas as whole communities. As the consultant refines the existing infrastructure gap assessment, they will ensure stakeholder feedback on infrastructure elements is reflected. We will also use names and organizations provided by stakeholders to inform our focused outreach in the four communities. Part II will be an information gathering campaign to discuss community needs and specific issues in the four DFA areas.

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Timeline and Cost

Below is a tentative timeline and cost to complete the DFA in the initial four communities.

Winter 2023

Kick-off Meeting

Spring 2024

Focused outreach

Infrastructure Improvement Analysis

Evaluation of potential zoning changes

Summer 2024

Infrastructure Improvement Analysis

Market Feasibility Analysis for the four communities

Financial Feasibility Analysis

Robust outreach engagement throughout the project

Fall 2024

Update Board with DFA results and recommendations

The cost to complete the DFA in the four communities shall not exceed \$1,248,009

Memorandum of Understanding with North County Transit District

One of the four communities to be studied in the Development Feasibility Analysis (DFA) is Buena Creek and the Buena Creek Sprinter Station is the only mass transit stop in the unincorporated County. The availability of transit (hybrid rail) is a key factor that makes this community appealing for future development. However, the complex network of transit and roads in this area, as well as other infrastructure gaps, may make higher density, walkable development in this area more challenging and costly.

Staff recommends that the County and North County Transit District (NCTD) enter a formal partnership to pursue grant opportunities to implement improvements in areas where the County and NCTD have mutual jurisdiction (see Attachment B, Memorandum of Understanding (MOU) between County and NCTD to Pursue Funding and Other Opportunities for Improvements to Areas of Mutual Jurisdiction). This partnership would help streamline infrastructure and transit improvements in the Buena Creek area, as well as other areas within the County and NCTD's mutual jurisdiction.

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Periodically, grant funds become available for a short period of time with as few as four weeks between the release of final grant guidelines and the deadline for submittal of the grant application, which may not provide adequate time for Board approval. Additionally, some grant opportunities are offered on an annual basis and require Board approval to delegate authority to the Director to apply for grants for the department. A waiver of Board Policy B-29 would delegate authority to the Director to apply for grants pursuant to the MOU and would be in effect through the term of the MOU. The MOU will help to identify additional opportunities to implement improvements in areas where the County and NCTD have mutual jurisdiction and address infrastructure gaps in a mutually significant transit corridor. Approving the B-29 waiver is appropriate because it streamlines the application process and provides flexibility to apply for grant funding on short notice. If grant funds are awarded in association with this MOU, PDS will return to the Board to establish the necessary appropriations. If a grant requires matching funds, PDS will only apply for the grant if the matching funds can be provided by available funds managed by the department.

Infrastructure Gap Analysis Maps and Progress Report

This analysis strives to pinpoint where the lack of infrastructure may hinder development and where strategic investments can unlock housing potential. The initial step of the Infrastructure Gap Analysis (IGA) involved assessing the availability of in-house information and determining the need for collaboration with external agencies to compile comprehensive data. To perform the IGA effectively, staff has structured a phased approach with the first phase focusing on gathering in-house data to identify service providers, and map existing County infrastructure and conditions, and the second phase expanding beyond that data to incorporate information from external agencies and services providers to create a comprehensive overview of the infrastructure gaps and needs, and associated costs across the Development Feasibility Analysis (DFA) communities. The following provides an overview of the two phases of the analysis and is organized by infrastructure component.

Water, Sewer and Stormwater Infrastructure

During this first phase, which is being referred to as the existing infrastructure analysis, staff have assessed existing supply systems and providers related to water, sewer, and storm infrastructure within the DFA communities to establish a baseline understanding of where the County provides services and any existing limitations with County infrastructure. This assessment determined that in addition to the County Water Authority, the DFA study boundaries are served by four water districts (Vista Irrigation, Helix Water District, Otay Water District, and Lakeside Water District) and two sewer districts (Buena Sanitation District and San Diego County Sanitation District). Maps of the service areas are provided as Attachment C. The table below provides a breakdown of service provision by community.

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DFA Area	Water District	Sewer District
Buena Creek	Vista Irrigation District	Buena Creek Sanitation District
South Lakeside	Lakeside Water District (~75%) Helix Water District (~25%)	San Diego County Sanitation District
Casa de Oro	Helix Water District	San Diego County Sanitation District
Spring Valley	Otay Water District (~90%) Helix Water District (~10%)	San Diego County Sanitation District

The County is responsible for the operation and administration of the San Diego County Sanitation District and staff conducted a preliminary review of the existing sewer system network within the initial boundaries for the four DFA communities. This evaluation determined that for those areas within the San District service area, existing sanitary sewer infrastructure is available to serve future development; however, the existing system may have capacity constraints that could limit the density of future development and that may require improvement to provide service to development densities above the current general plan designations. Additional engineering studies will be required to identify and quantify existing system capacity constraints.

During the second phase of the analysis, which is referred to as the Infrastructure Needs and Costs, the County and Consultant will engage directly with the outside service providers to gather available data on supply systems, capacity, and efficiency. This information will be consolidated with County data for County served areas to provide a comprehensive assessment of any existing deficiencies or gaps in the networks. This second phase will also estimate infrastructure needs to address existing deficiencies, considering aging infrastructure, capacity limitations, etc. as well as projected demand based on potential population growth from increased housing density in these areas. This will include identifying improvements and the Rough Order Magnitude costs of improvements such as expansions, upgrades, new facilities to address existing gaps/barriers as well as meet future demands.

Transportation Infrastructure

With regards to transportation infrastructure, staff has initiated a specific roadway gap analysis along pertinent roadways within the four communities. During the first phase, staff identified a

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total of 14 roadway segments based on proximity to hot spots of vacant and re-developable parcels within the four communities. Maps of the roadway segments within each of the four communities are identified on the Map included in Attachment D, and include Grand Avenue, Jamacha Boulevard, Quarry Road, Woodside Avenue, Winter Gardens Boulevard, South Santa Fe Avenue, Hannalie Drive, Buena Creek Road, Victory Drive, Estrelita Drive, Woodland Avenue, Watson Way, Robelini Drive and Campo Road. Staff is currently reviewing MTS planning documents to identify planned transit services and to identify existing transit services along the study segments. Staff will also conduct a capacity assessment along roadways utilizing SANDAG's Traffic Forecast Information Center and the County's Public Roadway Standards. The intent of the analysis is to determine logical start and end points for these study roadways. The selection process would consider some of the existing adjoining land uses such as existing/planned transit stops, schools, parks, commercial land use etc.

During the second phase, based on the data compilation, and capacity assessment, staff will refine the study segment and identify road improvements and rough order magnitude costs needed to enhance pedestrian, bicyclist and, transit connectivity along the study road segments.

This complete package of water, sewer, and stormwater, and roadway needs and costs information will then be incorporated into the final DFA deliverable, which will serve as a comprehensive report on the development feasibility and costs to support development in these areas.

ENVIRONMENTAL STATEMENT

The Board of Supervisor's (Board) actions related to the Development Feasibility Analysis (DFA) are exempt from the California Environmental Quality Act (CEQA) in accordance with section 15061 (b)(3) and 15378 (b)(5) of the CEQA Guidelines because it can be seen with certainty that there is no possibility that today's actions may have a significant effect on the environment. Today's discussions are to receive input, direction, and to approve and authorize the Director to apply for potential future grants pursuant to a MOU. The direction received today will not result in any direct or indirect changes to the environment, and any future Board actions as a result will be subject to review as and to the extent required by CEQA.

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LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed action to approve the two-year extension of the secured agreement for this project supports the County of San Diego's 2023-2028 Strategic Initiatives of Sustainability, Equity, and Community by supporting opportunities for future public infrastructure and additional housing opportunities that strengthen the local economy and creating future opportunities to secure funding to align the County's available resources with services to maintain fiscal stability.

Respectfully submitted,



SARAH E. AGHASSI
Deputy Chief Administrative Officer

ATTACHMENT(S)

Attachment A- DFA Community Maps

Attachment B- County of San Diego and North County Transit District Memorandum of Understanding

Attachment C- Infrastructure Gap Analysis: Maps of the Service Areas

Attachment D- Infrastructure Gap Analysis: Maps of Roadway Segments within each of the DFA Communities.