



# Aging Malls and Office Parks Reuse: Challenges and Opportunities

August 24, 2022

Bobby Lu, Mark Shorett



**METROPOLITAN  
TRANSPORTATION  
COMMISSION**



**ASSOCIATION  
OF BAY AREA  
GOVERNMENTS**

# Agenda



**10:00-10:05**

Introductions

**10:05-10:20**

White Paper and Work Group Preview

**10:20-10:40**

- Lessons from San Leandro
- Lessons from Santa Clara

**10:40-11:00**

Q&A

# Plan Bay Area 2050

## WHAT IS THE PLAN?

*Plan Bay Area 2050 is the long-range plan charting a course for the nine-county San Francisco Bay Area, adopted in October 2021.*

## VISION & GUIDING PRINCIPLES

*Ensure by the year 2050 that the Bay Area is **affordable**, **connected**, **diverse**, **healthy** and **vibrant** for all.*

## FOUR ELEMENTS OF THE PLAN



- **Transportation** Strategies
- **Housing** Geographies & Strategies
- **Economic** Geographies & Strategies
- **Environmental** Strategies



# Revisiting the Strategy

- **Permit and promote** the reuse of shopping malls and office parks as neighborhoods with housing at all income levels, local and regional services, and public spaces
- Support projects within Transit-Rich and High Resource Areas that exceed deed-restricted affordable housing requirements by **providing technical assistance and low-interest loans.**
- Prioritize a handful of regional pilot projects that add 1,000+ homes and dedicate land for affordable housing and public institutions
- MTC/ABAG Implementation Role: **Partner**

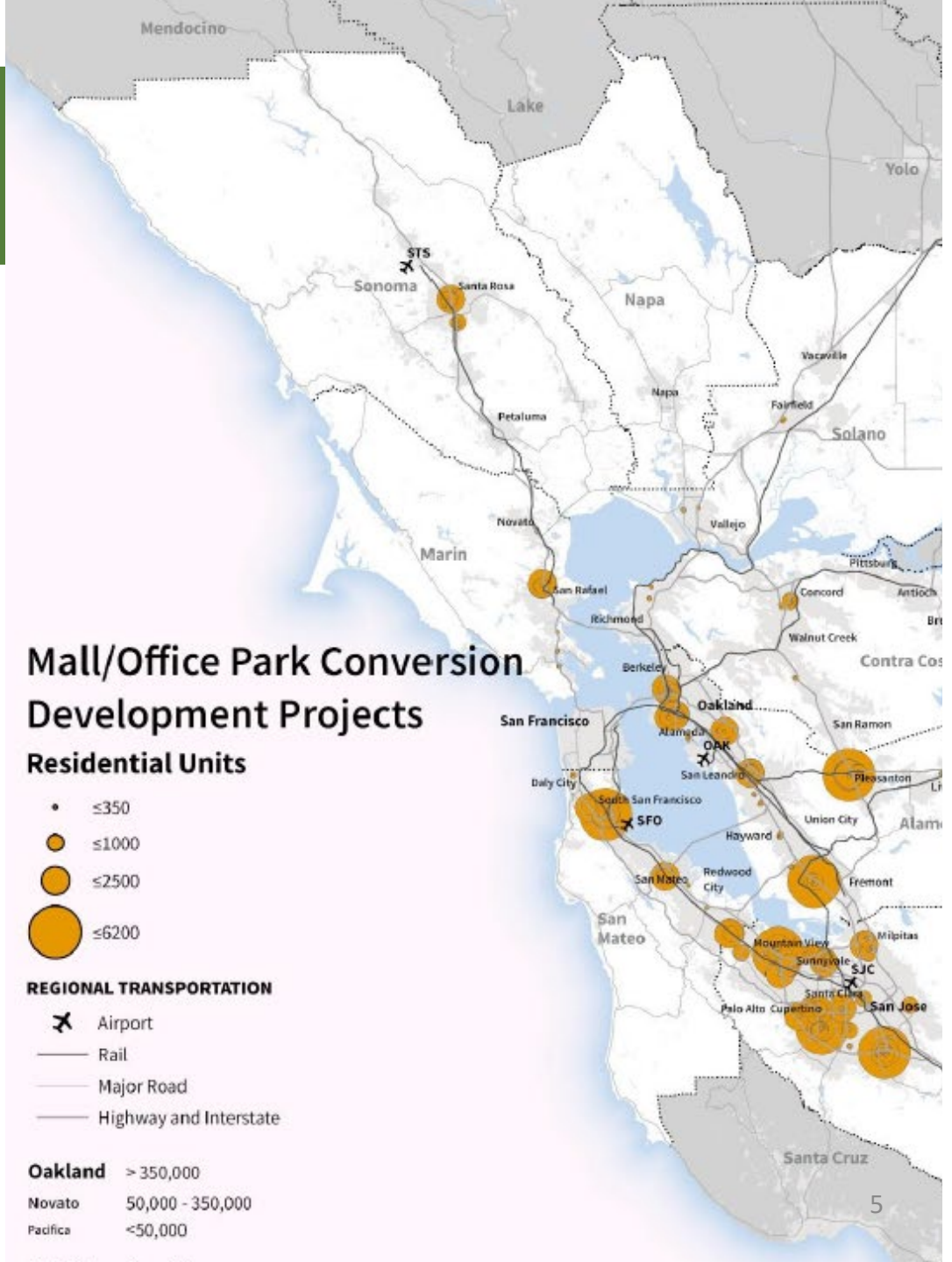
# Revisiting the Strategies: Major Projects in PBA 2050

Approximately

**70 Sites**  
**155K Homes**



**STRATEGY H6**  
MALL AND  
OFFICE REUSE



# Advancing the Strategy

Adopted Oct 2021



Spring 2022

**Literature Review** of academic research, plans, industry reports, news articles

**Survey** of Bay Area cities to identify shared challenges and needs

**Interviews** with local staff, researchers, developers, industry experts, consultants

National and international **case studies**



Fall 2022

Work Group

2023 & Beyond

Pilot Program & Projects

Ongoing TA Resources & Support

# Bay Area Aging Mall & Office Park Reuse: Challenges and Opportunities

# Challenges

## Planning Process

- Getting Started
- Limited Staff Capacity and/or Expertise
- Conflicting Visions
- Ownership Structure

## Regulatory Framework

- Balancing Commercial and Residential Uses
- Complete Communities
- Maximizing Affordability

## Public Infrastructure & Mobility

- Creating a Street Network
- Transit Service and Access
- Transitioning from Auto-Dominant Space to Multi-Modal Space



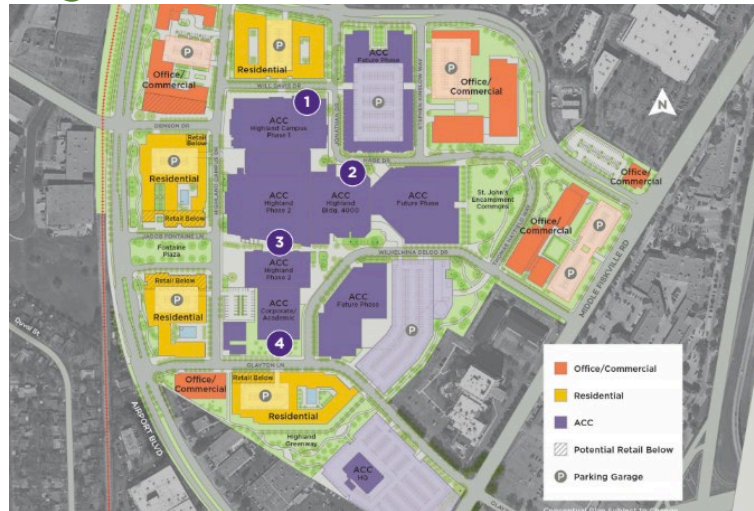
# Promising Practices

## Tasman East, Santa Clara



- 4,500 planned
- Construction beginning 2022; including a 100% affordable project

## Highland Mall, Austin, Texas



- Purchased by Austin Community College in phases
- Partnered with a private developer to revitalize a community
- Transforming the site into a learning and training complex, anchoring a mixed-use community

## Burnaby, Metro Vancouver, Canada



- Plans for four Town Centres anchored by aging malls
- In Brentwood Town Centre, renovated mall and residential towers built in phases
- 28-acre site is envisioned to accommodate 6,000
- Built 1,680 units as of January 2021

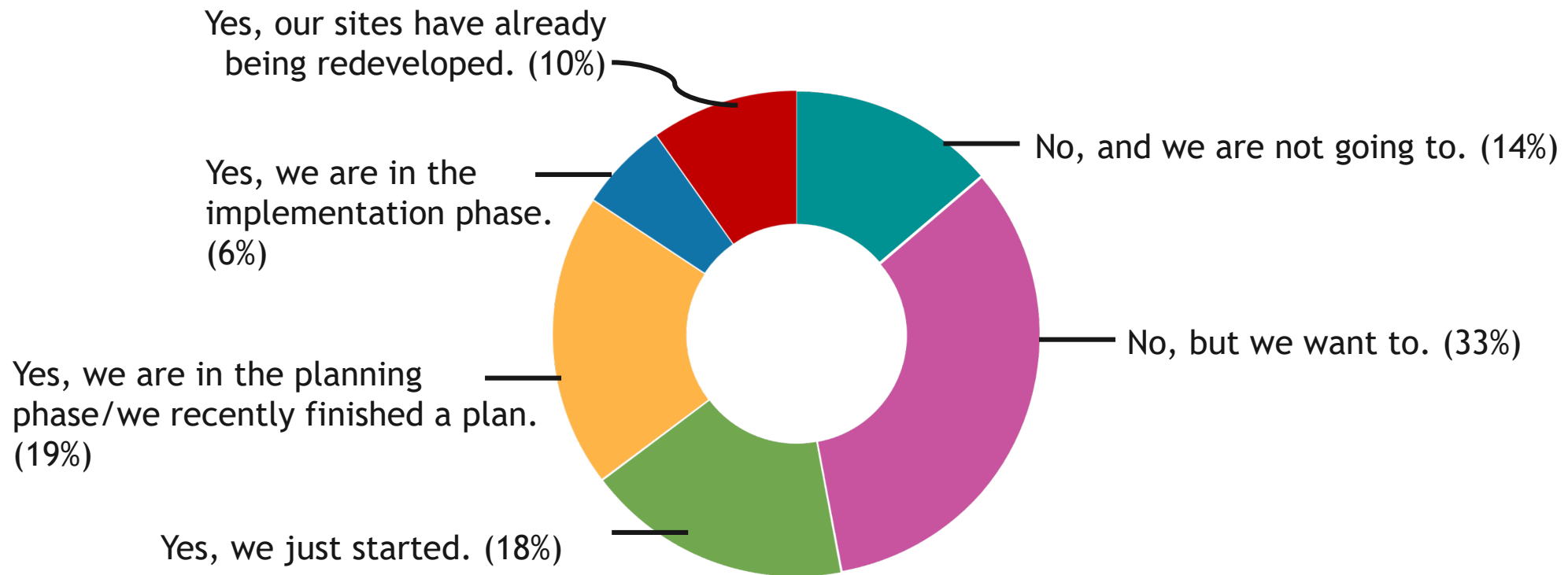
# Context Analysis: Key Findings

- Unique opportunity in these large sites
  - capacity for major density increases to add affordable homes, implement PBA 2050 and Housing Elements
- A need for start-up funding, and transformative approaches to infrastructure, predevelopment and financing
- Successful projects typically initiated by local government plans with focus on sense of place and community, variety of private & public anchors

# Responding to Local Needs -- Malls and Office Parks Work Group

# Survey Finding 1: 75% Respondents in Process/Want to Start

Q5 Has your jurisdiction undertaken any redevelopment planning for one or more of these sites?

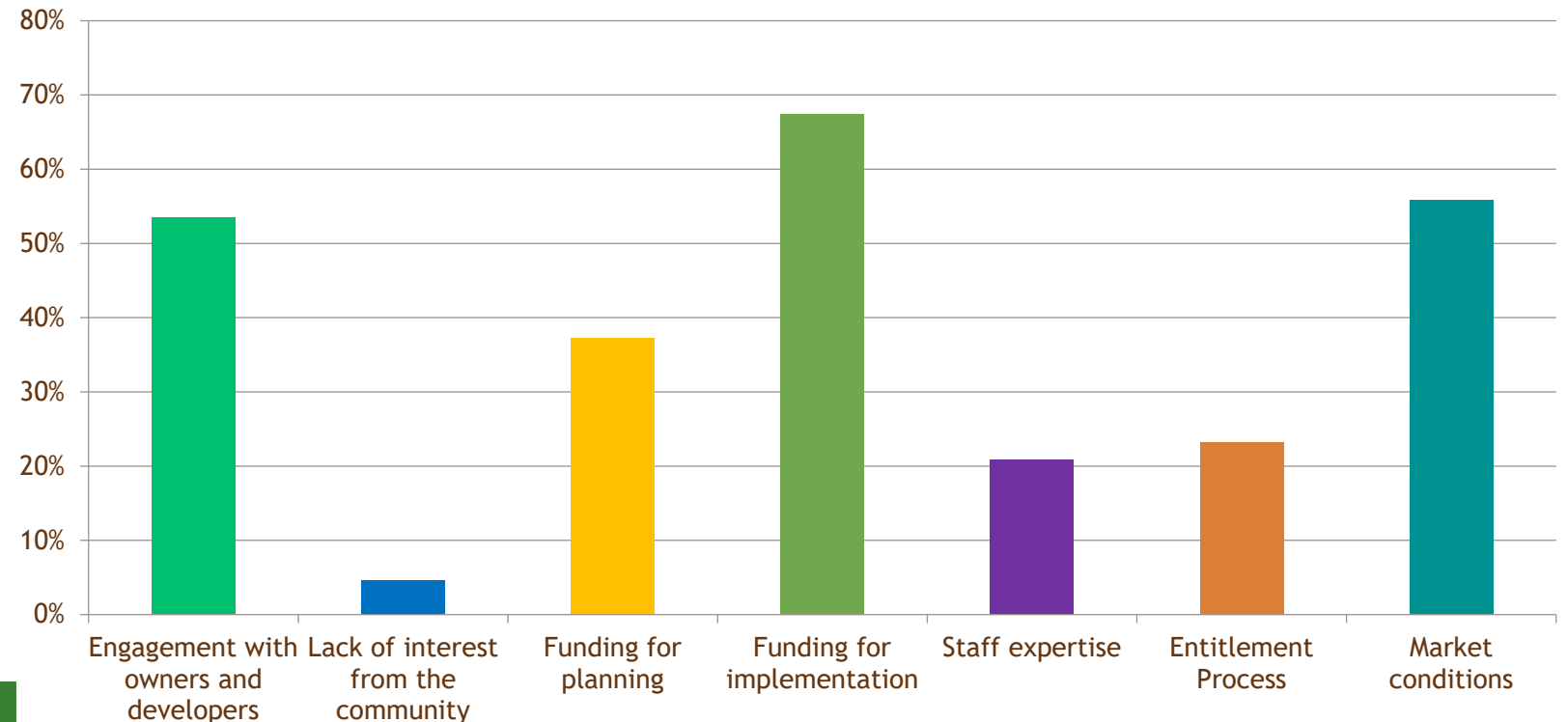


# Survey Finding 2: Funding, market conditions, and owner engagement are main barriers

Quote from Local Staff:

*“Lack of interest from property owners. Some do not want to invest in redevelopment.”*

Q7: What are the barriers to transforming aging malls and office parks into neighborhoods?



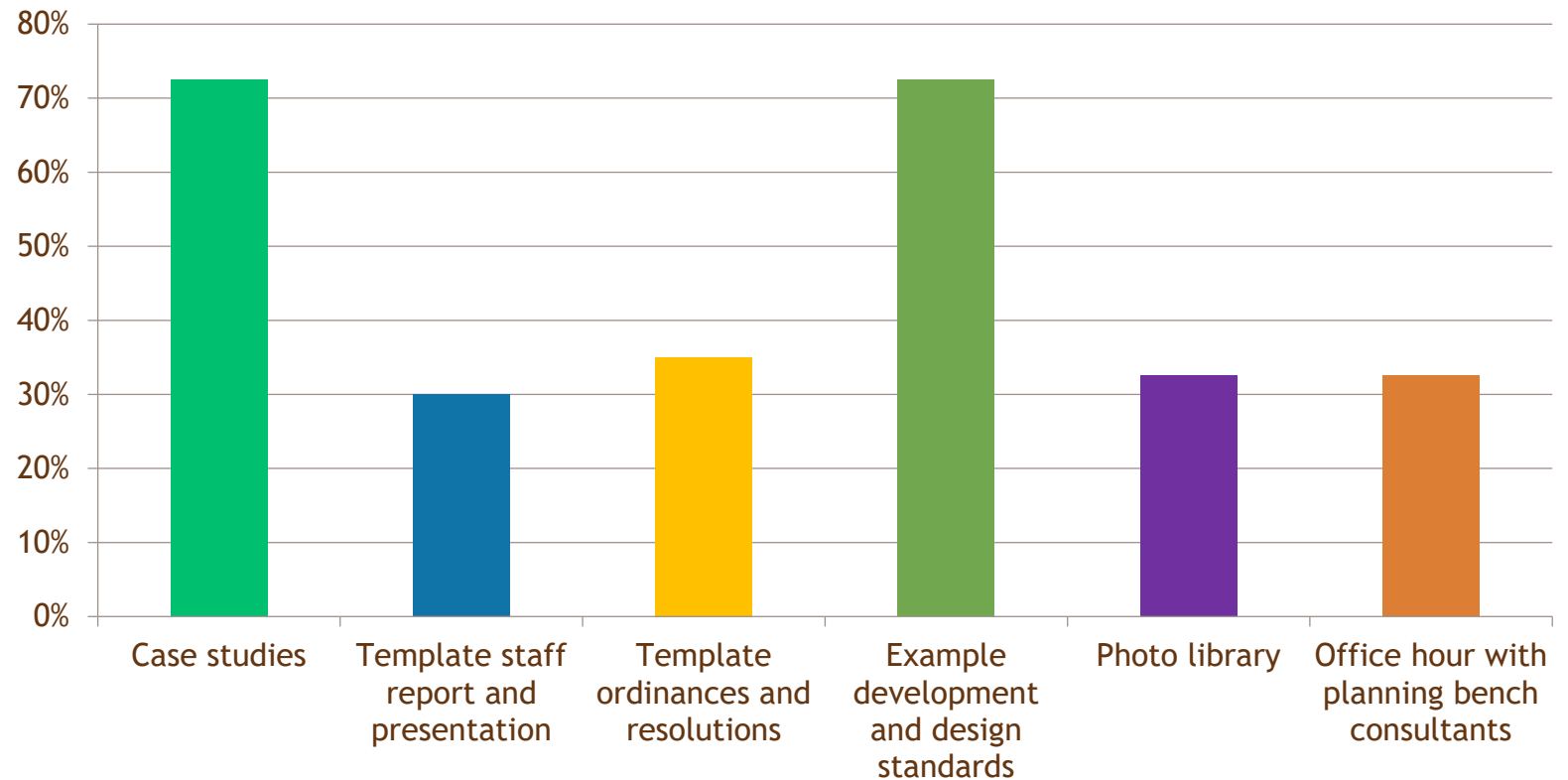


# Survey Finding 3: Need for Case studies and development and design templates

Quote from Local Staff:

*“Development type templates for the ideal/preferred 21st century SF Bay Area city new neighborhood.”*

Q9: What type(s) of tangible products and resources would be helpful to receive from MTC/ABAG?



# Goals of Work Group



To learn techniques for successfully transforming aging malls and office parks into neighborhoods



To meet colleagues working on similar issues



To take home tools and technical resources that staff can tailor to local communities.

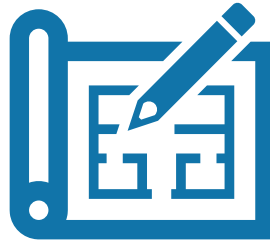
# Three-Modules Work Group



Planning



Housing



Implementation

## WORKSHOP OUTLINES

### Workshop 1: What Are We Trying to Achieve with Aging Malls/Office Parks Transformation?

*Key words:* regional and local context; visions and aspirations; case studies

*Learning objectives:*

- Understand the regional importance and potential benefits of redeveloping aging malls and office parks.
- Learn from aspirational case studies on:
  - thinking holistically and creating a connected urban fabric
  - providing benefits responding to community context and needs
  - understand the challenges, and opportunities of the transformation process

### Workshop 2: Incorporating New Housing into Malls and Office Parks Redevelopment

*Key words:* placemaking; housing implementation and phasing; housing law and housing element

*Learning objectives:*

- Learn from project examples on how to successfully introduce housing into large mall and office park sites that were previously exclusively non-residential, and other lessons.
- Identify working considerations for phasing new housing into existing sites.
- Receive guidance on state laws and entitlement streamlining most applicable in an office and mall context.
- Receive guidance on how to rezone mall and office sites identified in Housing Elements.

### Workshop 3: Implementation Roadmap for Malls/Office Parks Redevelopment

*Key words:* development cycle; leverage points; project costs; financing and value creation

*Learning objectives:*

- Understand development cycles and identify leverage points and tools for public benefits.
- Learn how to analyze sites, identify physical and regulatory constraints, and opportunities to create economic value and capture it to deliver a range of benefits.
- Learn how to make decisions based on project cost and revenues.
- Identify applicable financing sources and learn how to create value.

### Workshop 4: Developing a Responsive Design Framework and an Efficient and Transparent Planning Process

*Key words:* zoning codes; design standards; public engagement

*Learning objectives:*

- Learn about tools and mechanism that could be used in the planning and zoning procedures.
- Learn via project examples on how to identify design opportunities and customize design standards and best practices to fit a range of urban conditions.
- Learn to support a streamlined process, such as public/private partnerships and physical and digital tools

### Workshop 5: Economic Modeling for Redevelopment Feasibility

*Key words:* project feasibility; economic modeling; evaluation matrix; template

*Learning objectives:*

- Learn to use an evaluation matrix for project feasibility analysis
- Learn to use an economic modeling template along with key assumptions and usability to understand to make project work.

### Workshop 6: Affordable Housing in Malls and Office Parks: Tradeoffs and Financing Strategies

*Key words:* affordable housing financing strategies; balancing market rate and affordable housing

*Learning objectives:*

- Learn about funding and financing strategies for affordable housing that are most applicable to a transitioning mall or office park.
- Learn about the relationship and tradeoffs between affordable and market rate housing funding and financing, different levers, and pro forma template.
- Learn about funding and financing considerations in the phasing of affordable and market rate housing in a large, multi-phased, transforming site.

[View Work Group Curriculum](#)

[Sign up for the Work Group](#)



# Work Group Schedule



September 14, 2022  
12-1:30pm

Defining the Purpose of Mall & Office Park Transformation



September 29, 2022  
12-1:30pm

Incorporating Housing



October 14, 2022  
1-2:30pm

Implementation Roadmap



November 2, 2022  
12-1:30pm

Design Framework & Planning Process



November 9, 2022  
2-3:30pm

Economic Modeling for Development Feasibility



November 30, 2022  
12-1:30pm

Affordable Housing: Tradeoffs & Financing

# Next Steps

Adopted Oct 2021



Spring 2022

**Literature Review** of academic research, plans, industry reports, news articles

**Survey** of Bay Area cities to identify shared challenges and needs

**Interviews** with local staff, researchers, developers, industry experts, consultants

National and international **case studies**



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# Additional Resources

[ABAG Regional Housing Technical Assistance](#)



Technical Assistance  
for Local Planning  
**HOUSING**

[Malls & Office Parks Reuse Resource Page](#)



[Plan Bay Area 2050](#)



## Coming Soon:

- **September 14, 2022:** [First Work Group Session: Sign Up](#)
- **September 21, 2022, 11AM-12PM:** [Priority Sites Pilot Program Webinar: Sign Up](#)



[Sign up for the Work Group](#)



# SAN LEANDRO BAY FAIR

# TOD

SPECIFIC PLAN

MTC-ABAG Aging Malls &  
Office Parks Reuse Webinar

Tom Liao & Avalon Schultz

August 24, 2022



# Background



## 2014

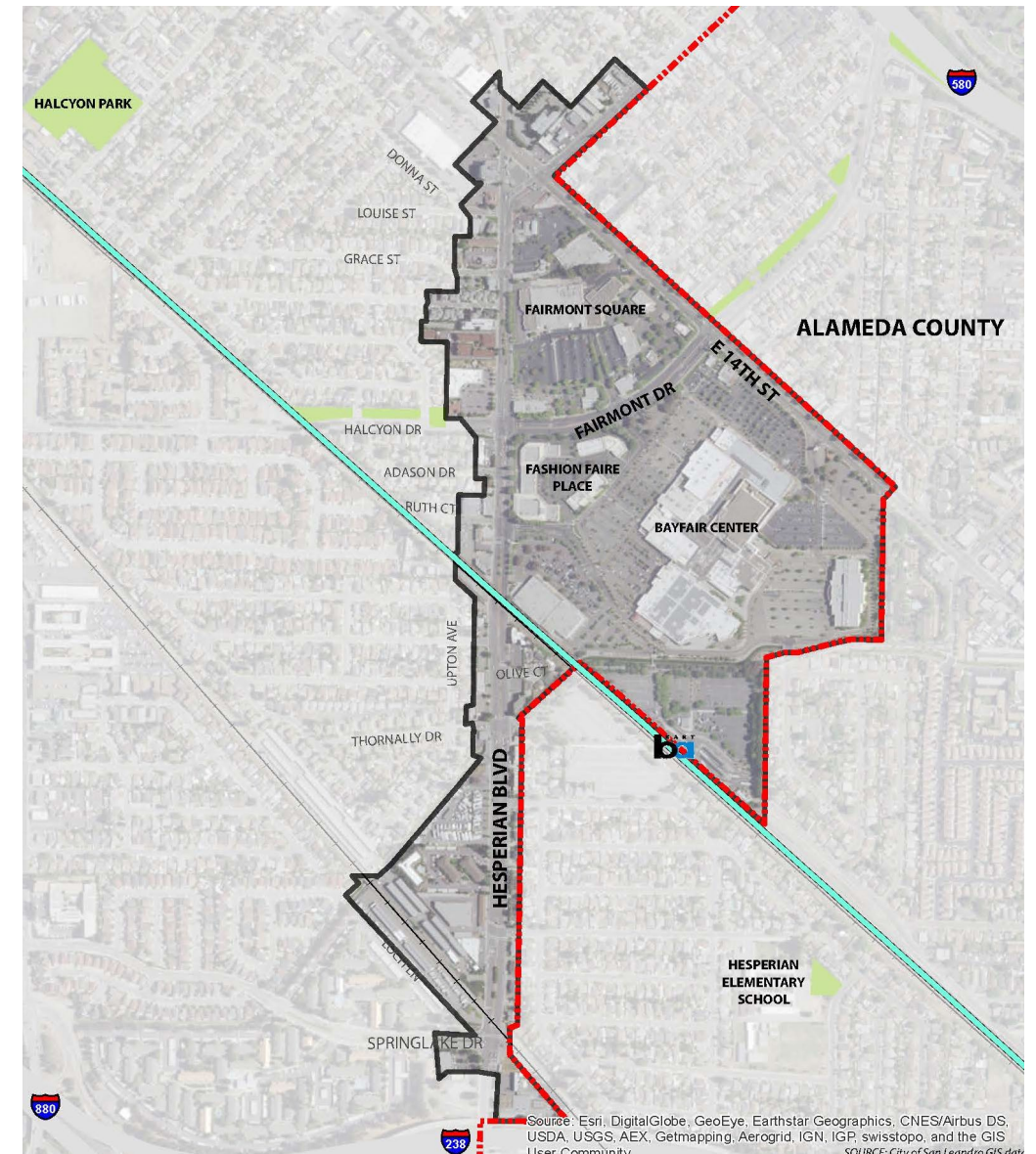
- \$440,000 Priority Development Area (PDA) Planning Grant
- MOU with BART, Madison Marquette & Alameda County

## 2016

- Community Advisory Committee (CAC) and Technical Advisory Committee (TAC) formed
- Specific Plan process initiated

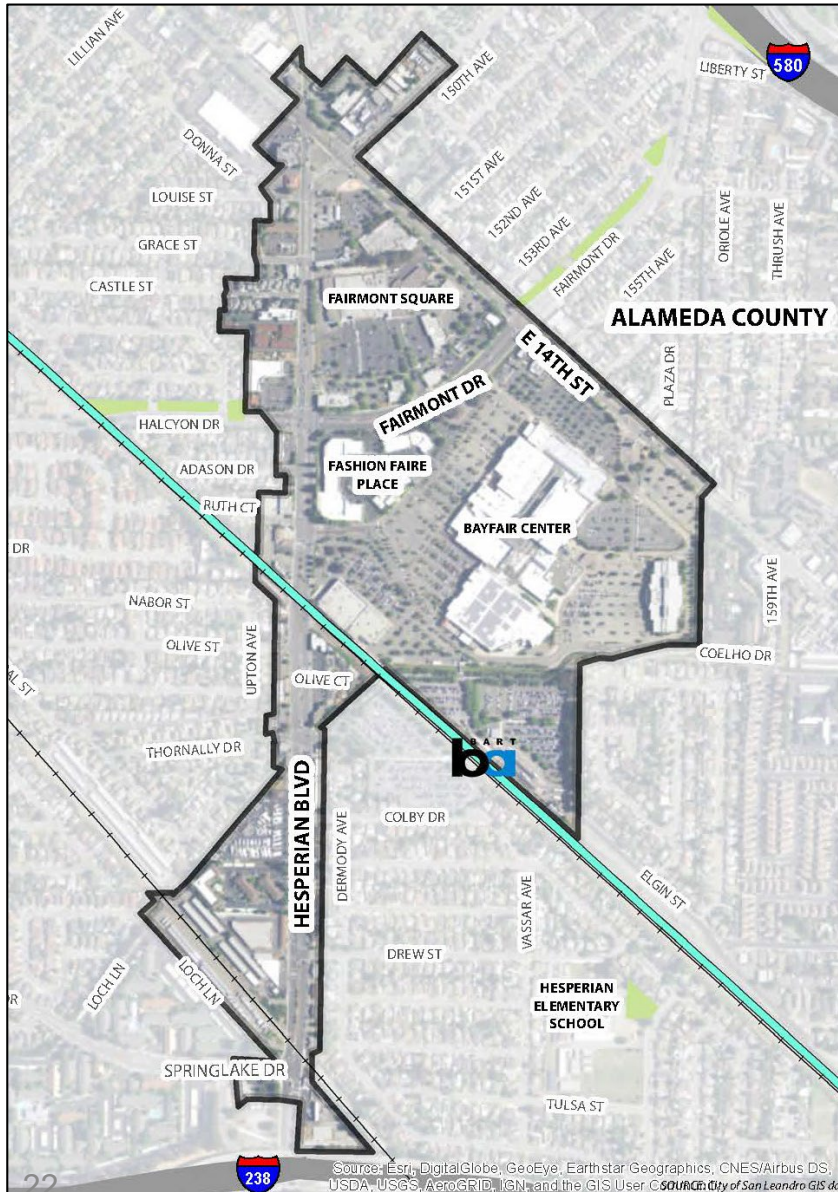
## 2018

- Specific Plan adopted
- Specific Plan EIR certified





# Bay Fair TOD Plan Area

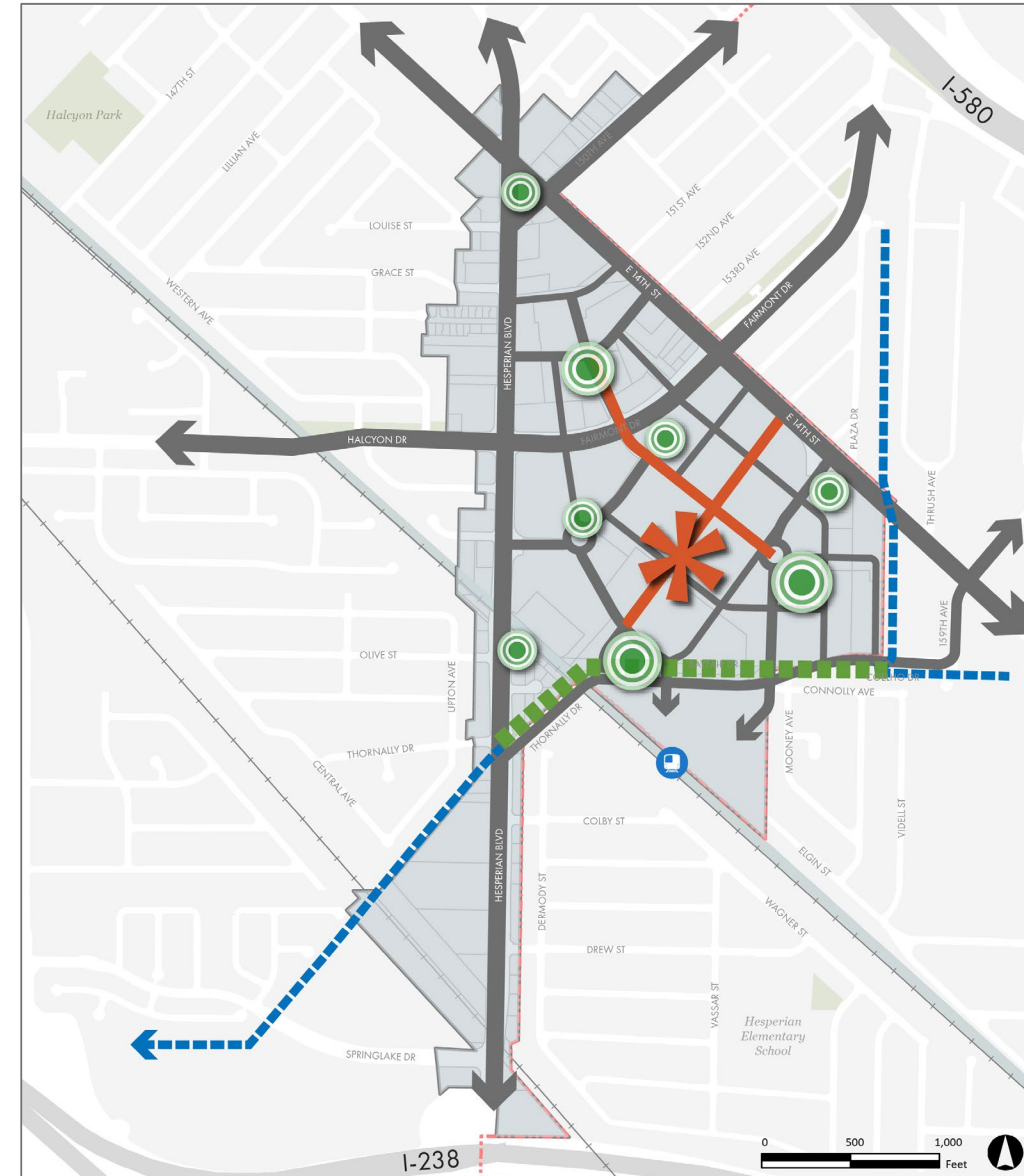




# Specific Plan Framework



- 1 Improve mobility for all modes
- 2 Strengthen new connections to BART
- 3 Create a grid of smaller blocks
- 4 Create special, memorable public spaces
- 5 Enable a range of development scenarios







# Issues/Solutions



- **Multi-jurisdictional Impacts**
  - Included Alameda County, BART & Bayfair Mall as partners
- **Community Input/Acceptance**
  - Diverse Community Advisory Committee
  - Broad outreach & many public meetings
  - Explain “why” to community
  - Shared vision – “high density, sustainable TOD village”
- **Attracting Public/Private Investment**
  - Streamline zoning regulations
  - CEQA EIR umbrella for future development
  - TOD status = Federal, State, and regional funding prioritization
  - Opportunity Zone

# Issues/Solutions (continued)



- **What is the “Right” Mixed Use Balance?**
  - Allow for markets to make appropriate adjustments (up or down cycle)
  - Flexible zoning (master planning process, by right)
  - Existing long-term leases impacting key opportunity sites
- **Ensure Infrastructure on Private Land Conforms to Plan**
  - City studying infrastructure implementation via State grant
  - Work closely with existing owners and developers
- **Ensure Affordable Housing & Anti-Displacement**
  - Existing City-wide Inclusionary Zoning & Tenant Relocation Assistance Ordinances
  - New City mobile home rent control ordinance
  - TOD status = public affordable housing prioritization
  - Plan synched with new State affordable housing/housing streamlining legislation (SB 35, AB 2923)

# Lessons Learned... & Still Being Learned



- **Community Accepted Plan**
  - Provides solid template when economy slows
  - Property owners & developers will change
- **Adopt Specific Plan & Zoning Amendments Simultaneously**
  - Unexpected political circumstances can cause delays
- **Keeping the Community Engaged in the Plan Long-Term**
  - Ongoing challenge
  - TOD amnesia
- **Continually Assess the Plan's Effectiveness**
  - What did we miss?
  - Synch with ongoing, new State housing & land use laws



# CITY OF SAN LEANDRO CONTACTS:

- **Tom Liao, Community Development Director**
- **510-577-6003**
- **[tliao@sanleandro.org](mailto:tliao@sanleandro.org)**
  
- **Avalon Schultz, Principal Planner**
- **510-577-3422**
- **[aschultz@sanleandro.org](mailto:aschultz@sanleandro.org)**



# **Tasman East Specific Plan**

**MTC-ABAG Malls and Office Parks  
webinar**

John Davidson  
August 24, 2022





# Tasman East Specific Plan

## Plan Vision

- Take advantage of existing transit amenities
- Focus on the public realm
- Foster street life
- Plan for density  
(Approved at 60-350 DU/AC)
- Building heights up to 220 feet (constrained by FAA)

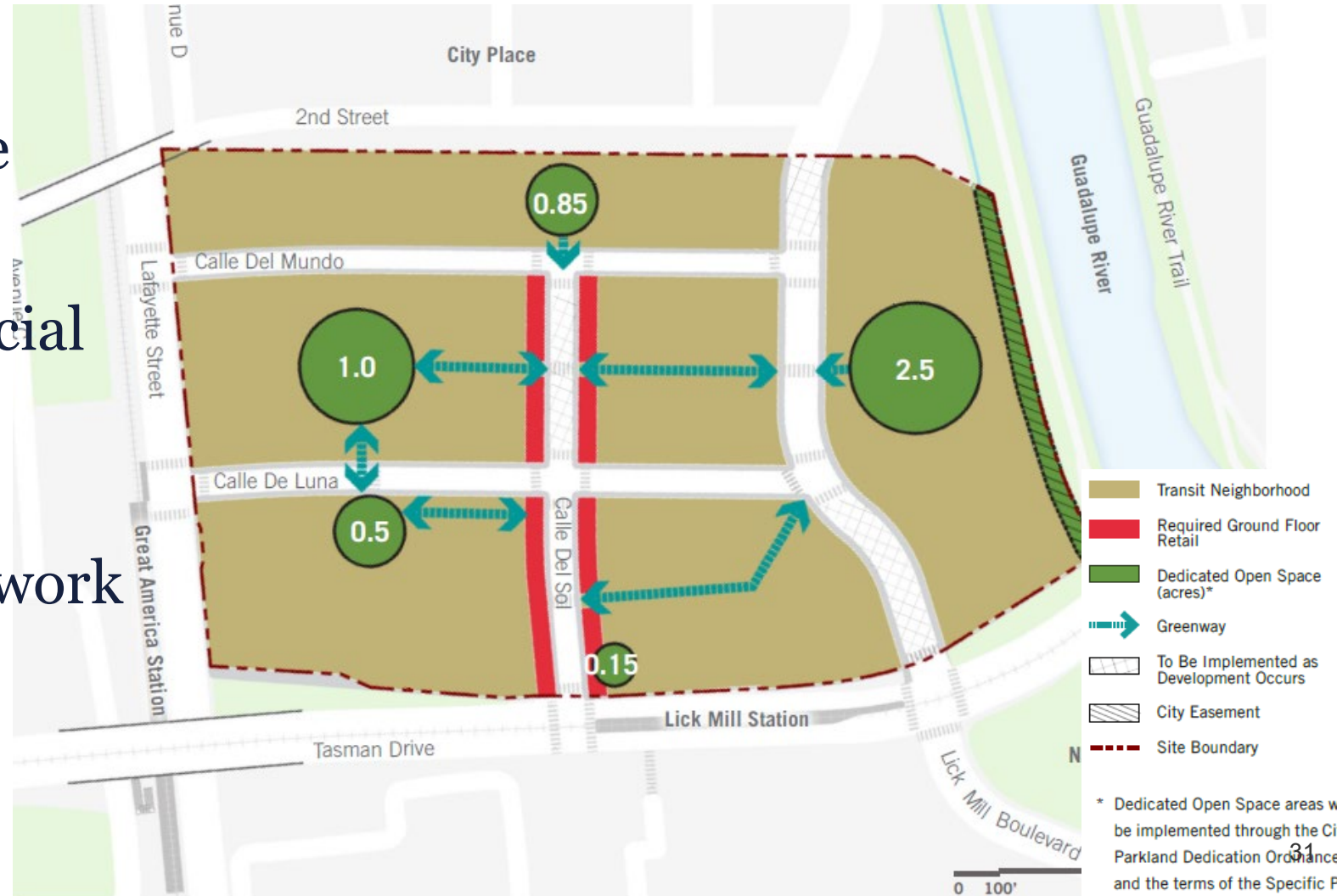




# Tasman East Specific Plan

## Existing Project

- Residential / Mixed-Use
- 4,500 Dwelling Units
- 106,000 sq. ft. Commercial
- “Main Street”
- Distributed Public and Private Open Space Network (10 Acres)







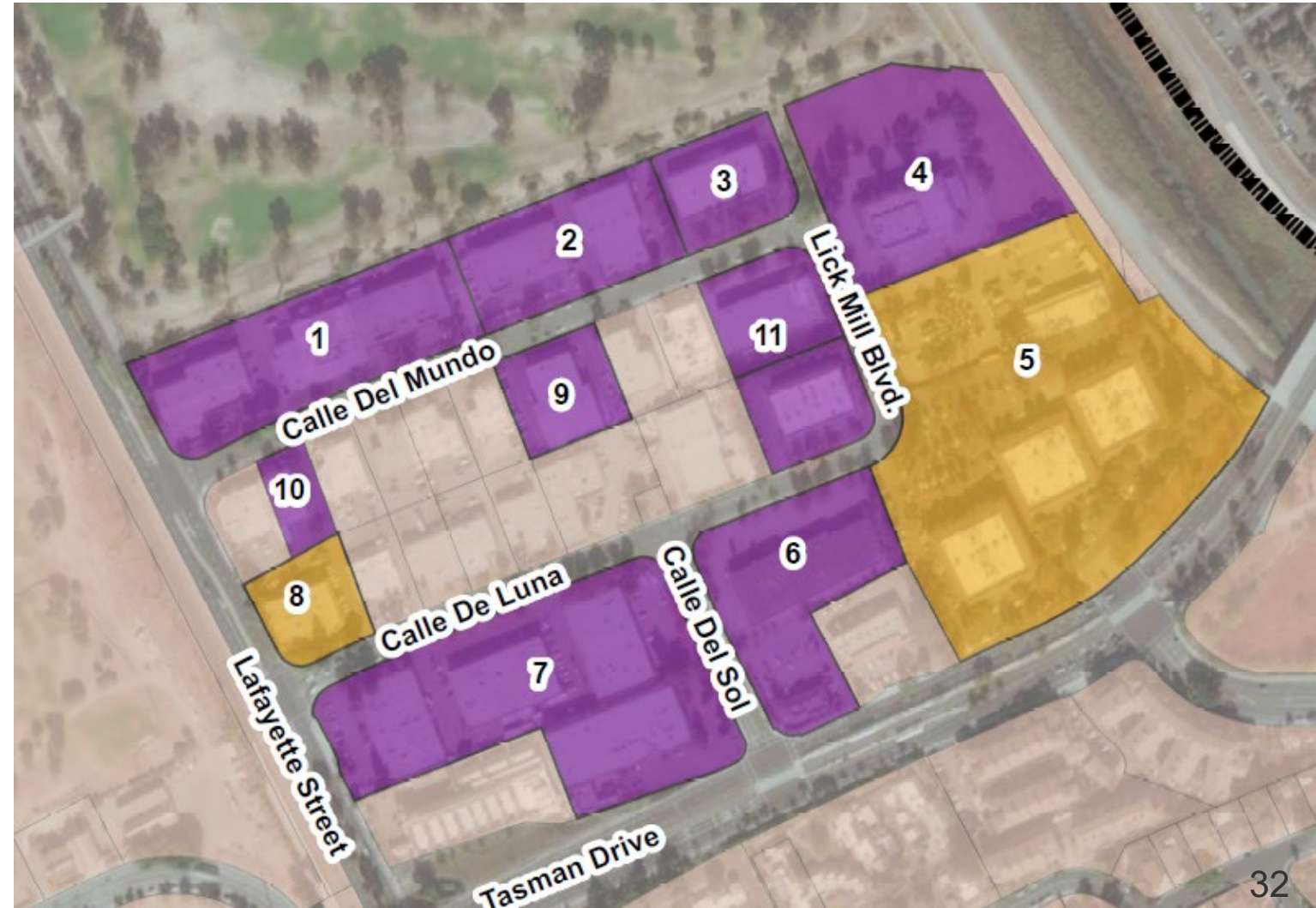


# Tasman East Specific Plan

## Tasman East Projects

-  Planning Applications Approved
-  Planning Applications on File

1. 2343 Calle Del Mundo (SummerHill)
2. 2263 Calle Del Mundo (Ensemble)
3. 2233 Calle Del Mundo (St. Anton)
4. 2200 Calle De Luna (Holland)
5. 2101 Tasman Drive (Related)
6. 5123 Calle Del Sol (Ensemble)
7. 2300 Calle De Luna (Related)
8. 5185 Lafayette Street (Ensemble)
9. 2302 Calle Del Mundo (Ensemble)
10. 2354 Calle Del Mundo (Ensemble)
11. 2225 Calle de Luna & 2232 Calle Del Mundo (Greystar)







# Tasman East Specific Plan

## Tasman East Hill District – St. Anton (under construction)

- 196 Units
- Type V construction
- 172 du/ac
- 5 stories
- 100% Affordable
- Training/classroom/  
program space





# Tasman East Specific Plan Amendment

## Relocation Analysis

- Pump station relocation studied in early 2019
- Undergrounding of pump station determined undesirable for operations
- Study identified potential sites
- Property owners proposed alternative to relocation sites





# Tasman East Specific Plan Amendment

## Paseo with Pump Station

- Pedestrian zone & pedestrian realm that also supports occasional need to access mechanical equipment
- 8 ft wide two-lane north/south bike path
- Privately maintained

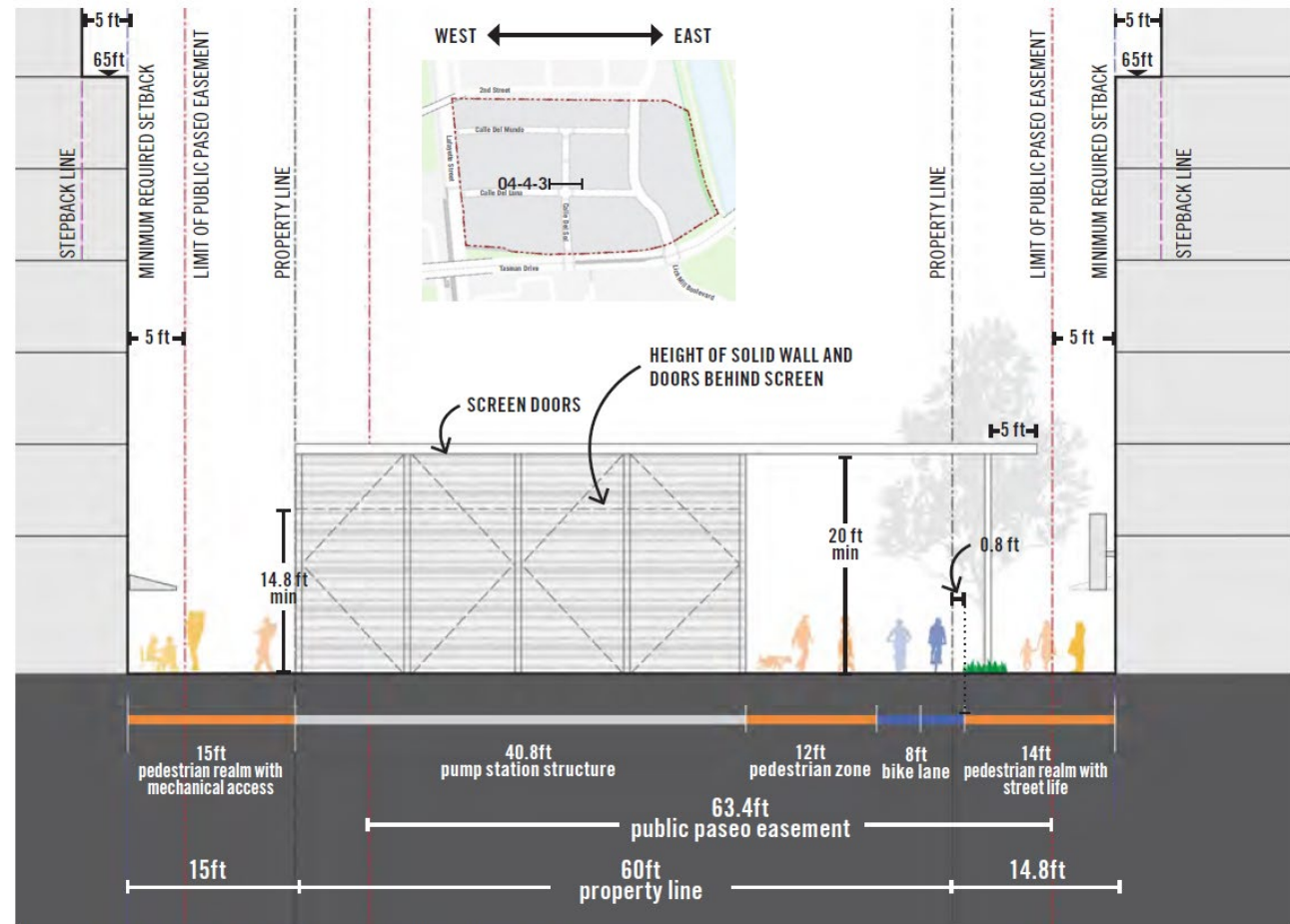


Figure 04-4-2 Calle Del Sol Street Section: North of Calle de Luna



# Tasman East Specific Plan Amendment

## Pump Station Enclosure Renderings





# Tasman East Specific Plan

## Lessons Learned

- The importance of by-right approvals
- Timing is (almost) everything
- Plan for the public realm
- Include uses that support street life
- Allow for flexibility in implementation





# Tasman East Specific Plan

Questions?

**Contact info:**

John Davidson

Principal Planner, City of Santa Clara

408-615-2478

[jdavidson@santaclaraca.gov](mailto:jdavidson@santaclaraca.gov)

# Thank you!

[Work Group Sign Up Link](#)

MTC/ABAG Contacts:

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Mark Shorett, Principal Planner  
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