



REPORT to the MAYOR and MEMBERS of the CITY COUNCIL
From the CITY MANAGER

DATE: April 22, 2025

SUBJECT: RESOLUTION AUTHORIZING SUBMITTAL OF A
GRANT APPLICATION TO THE SAN DIEGO
ASSOCIATION OF GOVERNMENTS (SANDAG) SMART
GROWTH INCENTIVE PROGRAM TO FUND PHASE 2
OF THE DOWNTOWN VILLAGE SPECIFIC PLAN
UPDATE, AND IF AWARDED, ACCEPTING AND
APPROPRIATING FUNDS FOR THE PROJECT

ISSUING DEPARTMENT: Community Development

SUMMARY:

Issues:

Should the City Council adopt a resolution authorizing the submission of a grant application to the San Diego Association of Governments (SANDAG) for the Smart Growth Incentive Program (SGIP) to fund Phase 2 of the Downtown Village Specific Plan Update, and, if awarded, accepting and appropriating the funds for the project?

Recommendation:

Adopt a resolution authorizing submittal of a grant application to the San Diego Association of Governments for the Smart Growth Incentive Program to fund Phase 2 of the Downtown Village Specific Plan Update, and, if awarded, accepting and appropriating the funds for the project

Fiscal Impact:

The cost estimate for Phase 2 of the Downtown Village Specific Plan Update project is \$372,289. Staff had previously identified that funding for Phase 2 would, in part, be funded from Local Early Action Planning (LEAP) grant funds that were reimbursed to Community Development in February 2024 and \$72,289 funded

from the Community Development FY24/25 adopted budget. The City is seeking a maximum grant amount from the program of \$372,289, and if awarded the grant, the LEAP reimbursement funds would be used to reimburse previously committed money from the General Fund for the project. All funding match requirements would be met by personnel expenditures approved in the FY25/26 Community Development budget.

City's Strategic Goals:

- Promote a high quality of life that current and future generations can afford to call home.
- Invest in infrastructure to serve the needs of the community.

BACKGROUND:

The Downtown Village Specific Plan (DVSP) area consists of approximately 161 acres of land, which extends from Interstate 8 south along Spring Street to Pasadena and Date Avenues, roughly bounded on the east by the University Avenue – La Mesa Boulevard intersection and on the west by the University Avenue – La Mesa Boulevard intersection. The Orange Line of the MTS Trolley runs through the DVSP, and the entirety of the DVSP area is located within ½ mile of a trolley station.

The DVSP, adopted in 1990, is currently going through a comprehensive update. The updated DVSP will align with current policy priorities, recent legislative changes, and regional growth projections, while reflecting the community's vision for the next 20 years. It will support the implementation of the City's 2012 General Plan and Strategic Goals - emphasizing sustainability, complete streets, wellness, and economic vitality.

The DVSP update is divided into 2 phases. On February 13, 2024 and March 11, 2025, RICK was awarded a professional services contract for both Phase 1 and Phase 2, respectively. Phase 1 commenced in the spring of 2024 and is almost completed. Phase 2 is anticipated to commence in early summer 2025. The City of La Mesa is seeking to submit a grant application to SANDAG for the SGIP to supplement the funding of Phase 2.

The goal of the SGIP grant program is to fund planning, capital and climate action planning activities that facilitate compact, mixed-use, transit-oriented development and increase housing and transportation choices. The DVSP update would be considered a planning project under the SGIP.

DISCUSSION:

The DVSP will assist in developing the Downtown Village Area into a more vibrant, transit-oriented destination. The vision for the Downtown Village is a welcoming, walkable, and inclusive city center with a thriving mix of shops, restaurants, housing, culture, and community space where La Mesa's history and charm foster strong social connections and a sense of belonging for all. If the City is successful in obtaining SGIP funds, it could finance the completion of the document, which would offer benefits such as:

- Encouraging infill, mixed-use, and multi-family residential development;
- Promoting economic development and job creation;
- Enhancing mobility and safety through improved pedestrian, bicycle, and transit connections;
- Implementing smart growth-oriented parking policies;
- Preserving surrounding single-family neighborhoods and maintaining Downtown as a vibrant focal point for community life and traditions; and
- Improving the usability of the plan to streamline discretionary review processes.

By facilitating a mix of housing, retail, office, and entertainment uses within walking distance and in close proximity to transit, the DVSP aligns with the SGIP. If awarded the full amount requested, the SGIP grant would replace previously identified funding.

CONCLUSION:

Staff recommends City Council adopt a resolution authorizing submittal of a grant application to the San Diego Association of Governments for the Smart Growth Incentive Program to fund Phase 2 of the Downtown Village Specific Plan Update, and, if awarded, accept and appropriate the amount of the award for the project.

Reviewed by:



Greg Humora
City Manager

Respectfully submitted by:



Lynnette Santos
Director of Community Development

Attachments: Resolution Authorizing Submittal of the Grant Application