

# Blue Line Transit-Oriented Development Study Executive Summary

November 2025

# SANDAG

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# Executive Summary

This document is an Executive Summary of the [Blue Line Transit-Oriented Development \(BLTOD\) Study](#). For full findings and detailed analysis, refer to the complete report.

## Introduction

The BLTOD Study identified opportunities to encourage and create transit-oriented development (TOD) near two South Bay Blue Line Trolley stations – the San Ysidro Transit Center in the City of San Diego, and the Palomar Street Transit Center in the City of Chula Vista. The Blue Line (Figure 1) connects the U.S.–Mexico border at San Ysidro to Downtown San Diego and University City, linking key residential, employment, and commercial destinations along its 26-mile corridor and 32 stations. Moreover, the Blue Line is also the workhorse of the Metropolitan Transit System (MTS) and the San Diego region's transportation network, carrying more riders than any other transit service. The San Ysidro and Palomar stations are some of the two highest ridership stations in the corridor, making them critical focus areas for TOD planning.

The study assessed land use, transportation, and market conditions to inform strategies for TOD implementation that highlight opportunities for potential development, community integration, and mobility improvements. The SANDAG Sustainable Communities Strategy (SCS) plans for future development and growth near transit to help meet state housing and climate goals.

**Figure 1: Study Stations**



Source: MTS, Trolley System Map 2025

## Why Transit-Oriented-Development?

The San Diego region, like many American cities, faces complex, interconnected challenges related to housing, transportation, and climate change. TOD, which includes planning and building for housing, retail, open space and other uses around transit stations, can begin to address all three issues.

For example, California is facing a severe housing crisis. According to the California Department of Housing and Community Development the state needs to plan for 2.5 million new homes to keep up with current and future demand.

In San Diego County, homebuilding has not kept pace with population growth in previous decades. Our region alone needs to plan for over 171,000 new homes between 2021-2029<sup>1</sup>. Addressing the housing shortage is one goal of the SANDAG 2025 Regional Plan and its SCS.

At the same time, public transit agencies are working to rebuild ridership since the COVID-19 pandemic. MTS is making great progress, with ridership growing more than 10% from 2023 to 2024; however, more work remains. While MTS ridership remains below pre-pandemic levels, the agency now reports regularly reaching 85% to 90% of pre-pandemic ridership levels, outpacing the nation's overall transit ridership, which reached only 77% of pre-pandemic levels in 2023<sup>2</sup>.

While transit use is down, greenhouse gas (GHG) emissions from all forms of transportation are up. The transportation sector is now the largest source of climate-warming emissions, with the U. S. Environmental Protection Agency reporting that transportation accounts for 28% of U.S. GHG emissions. As a coastal community, the San Diego region faces acute risks from climate change, including sea-level rise that may increase flooding, threaten wildlife, and contaminate potable water, as well as wildfires, extreme heat, and drought.

Prioritizing development around transit stations has the potential to add much-needed housing, increase transit ridership, and reduce GHG emissions by creating walkable communities that reduce the need to drive. California alone has the potential to build up to three million homes within a half mile of transit over the next two decades<sup>3</sup>, helping the state solve its housing crisis while meeting its ambitious goals for reducing GHG emissions. For these reasons, local, regional, and state governments are all turning their focus to TOD.

## **Study Area**

The BLTOD Study area boundary (Figure 2) covers areas within about a half mile of the Palomar and San Ysidro transit centers to include key activity centers or community-identified areas linked to the station. It excludes unsuitable or restricted zones such as wetlands, flood areas, and federally owned land. Community input and proximity to schools, parks, and civic facilities also informed boundary adjustments

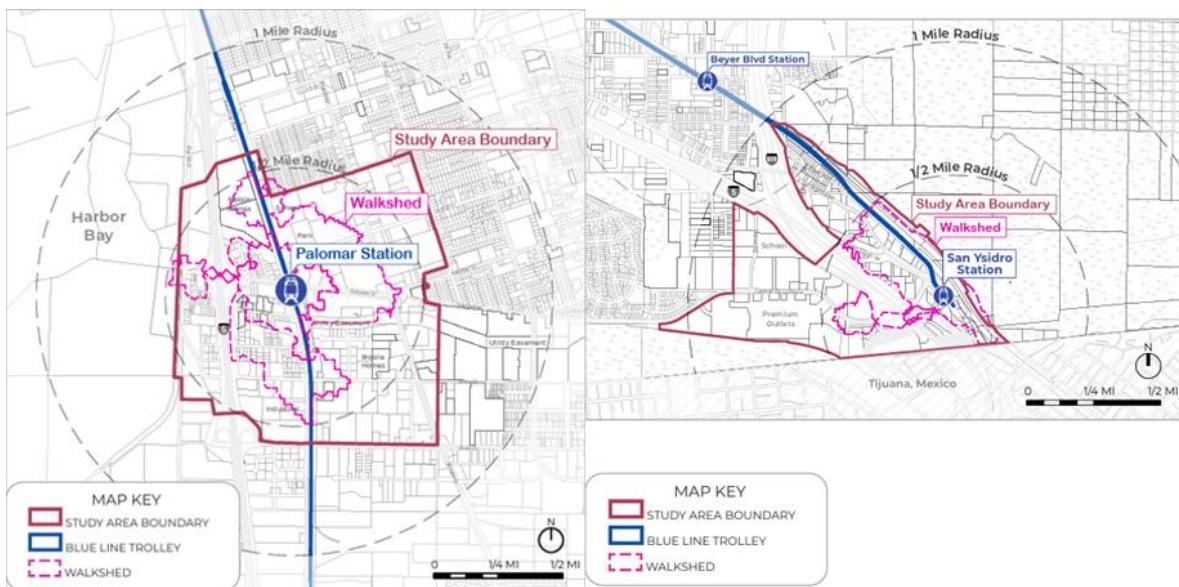
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<sup>1</sup>SANDAG, [Regional Housing Needs Assessment](#)

<sup>2</sup> MTS, [News Release from August 08, 2024](#)

<sup>3</sup> McKinsey Global Institute. (2016, October). Closing California's housing gap: How to meet the state's housing needs by 2025. Retrieved from <https://www.mckinsey.com/featured-insights/urbanization/closing-californias-housing-gap>

**Figure 2: Study Area Boundaries**



Source: SANDAG BLTOD Study, 2024

## Stakeholder and Public Engagement

### Who was engaged?

Participants included community members, transit users, the cities of Chula Vista and San Diego, MTS, South Bay Community Services (SBCS) and its Resident Leadership Academy (RLA), and local chambers of commerce.

### How were they engaged?

SANDAG held public outreach events and pushed out information on the study via social media and trusted channels of communication. SANDAG also worked directly with SBCS and their RLA. One of the key goals of the RLA includes engaging with and supporting community members in creating better, healthier neighborhoods.

### What was the result?

There was a total of 253 outreach responses for the Palomar Transit Center, and 192 for San Ysidro using a public online platform to collect responses. Safety and security was the number one theme identified in both outreach efforts. Below is a summary of outreach results for each of the stations.

**Figure 3: Sample Community Feedback**

#### Response Examples for Palomar Station:

"Need to fix sidewalks [on Palomar St.]. There are holes"  
 "Green areas with trees and sitting areas to picnic with family"  
 "Please connect [Palomar Transit Center] to the Bayshore Bikeway so that people don't have to cross major intersections to get to the trolley"  
 "We need more housing! Practically the whole area is a giant parking lot"

#### Response Examples for San Ysidro Station:

"Bike path lines need to be redefined on the bridge; irrelevant taxicab station on one side and heavy traffic to enter Mexico on the other side is dangerous in peak traffic"  
 "The community would greatly benefit from safer, accessible, realistic community centers"  
 "Needs more places to eat and for people waiting to get picked up"  
 "Straighten out/grade separate the Trolley as it approaches San Ysidro station. It would increase speed and reliability"

Source: SANDAG BLTOD Study, 2024

### Palomar Transit Center

Feedback at the Palomar Transit Center centers on community health and wellbeing. The main concerns were safety, lighting, cleanliness, and security. A major issue is the rise in unhoused people around the station, highlighting the need for more affordable housing and community resources. Road safety and better pedestrian and transit connections were also frequent themes, with calls for infrastructure upgrades to ease access.

Detailed feedback came in the form of responses to questions as part of a presentation with SBCS' RLA. Common themes emerging from the responses focus on safety, lighting, cleanliness, beautification projects, and amenities near the station which facilitate retail and recreational opportunities.

**Figure 4: Palomar Community Outreach Results**



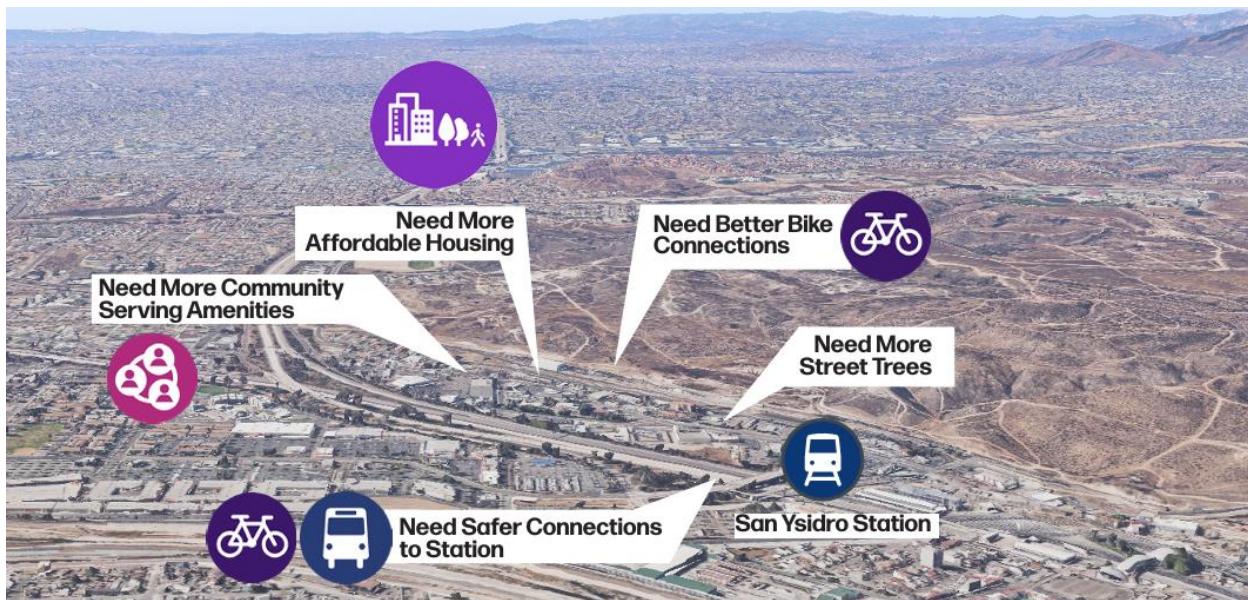
Source: SANDAG BLTOD Study, 2024

### San Ysidro

Feedback at the San Ysidro Transit Center focused on community health and wellbeing. The most cited concerns were safety and security, followed by the need for support and shelter for unhoused people in public areas. Cleanliness and maintenance were also key issues, along with requests for more food and recreation options nearby.

Overall, riders want a safe, clean, and comfortable space connected to shops, restaurants, and other local amenities.

**Figure 5: San Ysidro Community Outreach Results**



Source: SANDAG BLTOD Study, 2024

## Market & TOD Opportunity Analysis

### TOD Opportunity Index

The Gensler TOD Opportunity Index™ is a tool for evaluating the TOD potential of transit station areas. Using quantitative analysis of pedestrian, bicycle, and transit access, existing development, and planning context, the model calculates a TOD opportunity score for each parcel within a station area as well as the station area neighborhood as a whole, identifying opportunity sites with the greatest development potential. Combined with qualitative analysis of the planning area and community engagement, the study is able to deliver a holistic view of what makes each community unique.

The evaluation criteria includes the five components illustrated in Figure 6. The opportunity index scored areas around the station for TOD potential based on these components. For detailed information about scoring criteria and the methodology, refer to the BLTOD Study.

**Figure 6: TOD Opportunity Index Components**



Source: SANDAG BLTOD Study, 2024

## Market Analysis

As a part of the deliverable of the BLTOD Study, a market analysis, or “financial feasibility analysis” was performed. The financial feasibility analysis evaluates feasibility of development typologies and affordability scenarios in the Palomar and San Ysidro study areas.

The study modeled multiple building prototypes, including four- and seven-story podium and wrap apartments, across 100% market-rate, 10% affordable, and 100% affordable scenarios. Results show that, under current conditions, even low-density projects are not financially feasible without subsidy in either submarket. Several market improvements and favorable development scenarios could enhance project feasibility, particularly for mid-rise typologies in both study areas. Refer to Chapter 04 of the BLTOD Study for additional details on these findings.

## Implementation Strategies

The BLTOD Study Implementation Strategies task took the same five components of the TOD Opportunity Index™ and identified a suite of improvements for each of them.

Identified improvements under the Implementation Strategies section of the BLTOD Study focus on actionable upgrades that enhance transit access, public realm conditions, and development readiness around Palomar and San Ysidro transit stations. Key improvements include, but are not limited to the following:

- **Transit Connection and Service:** Upgraded bus shelters, new digital information screens, and service reliability improvements to make transfers easier and enhance user experience.
- **Walkability:** Safer pedestrian crossings, new and upgraded street lighting, and added street trees to create a more comfortable and secure walking environment.
- **Bikeability:** Completion of missing bicycle connections, addition of dedicated bike lanes and shared-use paths, and installation of bicycle racks and wayfinding signage to improve access and safety.
- **Development Feasibility:** Updated zoning and land-use policies to allow higher densities and mixed uses, promotion of affordable housing development, and reuse of underutilized parcels such as parking lots.
- **Community Health and Wellbeing:** New open spaces, improved public facilities, and initiatives supporting partnerships that enhance safety, cleanliness, and access to community resources.

**Figure 7: Implementation Strategy Components**



Source: SANDAG BLTOD Study, 2024

Together, these improvements aim to create safer, cleaner, and more accessible station environments that support equitable housing and mobility while enhancing economic activity around Blue Line transit station areas.

## **Opportunities to Support Implementation Strategies**

The Opportunities to Support Implementation Strategies section outlines ways to advance TOD through coordinated public and private investment. It identifies potential tools such as value capture mechanisms, public–private partnerships, and developer incentives to help finance station-area improvements and mixed-use development. The section also highlights federal and state funding sources, including Federal Transit Administration TOD Planning grants and Regional Early Action Planning Grants of 2021 funds, which can support affordable housing, infrastructure upgrades, and mobility enhancements near transit.

These opportunities aim to strengthen collaboration across sectors and leverage available resources to make TOD implementation feasible and sustainable. For detailed descriptions of funding programs, land value capture tools, and partnership models, refer to Chapter 05 of the BLTOD Study.

### **TOD Site Plans**

Based on the quantitative criteria established through the TOD Opportunity Index, the BLTOD Study identified four opportunity sites across the Palomar and San Ysidro transit station areas that demonstrate the strongest potential for transit-oriented development. Each site was selected for its high performance across key metrics such as connectivity, walkability, development feasibility, and community benefit. The sites range from large, underutilized commercial properties suitable for mixed-use redevelopment to smaller infill parcels with strong pedestrian and transit access.

Additional information and specifics about each identified site, including acreage, development potential, and key strengths, can be found in the BLTOD Study. The following renderings illustrate conceptual visions for these sites, showcasing how targeted investment could activate station areas and serve as catalysts for broader TOD implementation along the Blue Line corridor.

### **Palomar**

Site A is a 14.09-acre and an assembly of four parcels located northeast of the Palomar Street transit station, bordered by Oxford Street to the north, Palomar Street to the south, Industrial Boulevard to the west, and Target and Planet Fitness sites to the east. The site has TOD opportunity for its parcel size and proximity to the station and development potential as it currently contains the Palomar Commerce Center, a low-density development of retail, food and beverage, and additional amenities.

**Figure 8: Palomar – Site A**



Source: SANDAG BLTOD Study 2024

Site B is a 1.26-acre site and an assembly of seven parcels adjacent to the Palomar Motel located northwest of the Palomar Street transit station, bordered by Walnut Avenue to the west and Palomar Street to the South. The City of Chula Vista identified this location as having developer interest and can serve as a potential development site provided its proximity to the station as well as high access to I-5 and adjacency with the Palomar Motel. The site has TOD opportunity as it scores highly for pedestrian safety, allowable density, and it currently contains low density retail spaces, some single-family residences, and surface parking lots.

**Figure 9: Palomar – Site B**



Source: SANDAG BLTOD Study 2024

## San Ysidro

Site C is a 6.1-acre site located northeast of the San Ysidro transit station, along Camino de la Plaza, west of I-805 and directly north of the Las Americas Premium Outlets. The site contains a vacant big box retailer totaling 90,000 square feet as well as a large surface parking lot. The site was previously a K-Mart Center. The site has TOD opportunity as it is high scoring for its parcel size, development potential, and proximity to the station and open spaces.

**Figure 10: San Ysidro – Site C**



Source: SANDAG BLTOD Study 2024

Site D is a 3.5-acre site and an assembly of five parcels directly north of the San Ysidro Transit Station along E. San Ysidro Boulevard to the west and E. Beyer Boulevard to the east. The site currently contains supportive amenities to the transit station. The site has TOD opportunity as it is high scoring for its proximity to the station for pedestrians and cyclists, development potential, and existing within the San Ysidro Border Village District.

**Figure 11: San Ysidro – Site D**



Source: SANDAG BLTOD Study 2024

### **Next Steps**

The BLTOD Study highlights opportunities for building safer, more connected, and vibrant station areas in San Ysidro and Chula Vista. Key takeaways include the need for coordinated action across agencies and stakeholders to advance the full range of recommendations and implementation strategies as a holistic effort, not solely focused on housing. Findings from the TOD Opportunity Index and market analysis show that while current market conditions make development financially challenging, several improvements, such as policy updates, infrastructure investments, and targeted incentives, could help make TOD projects feasible over time.

Moving forward, this study serves as a foundation for future implementation and coordination among SANDAG, local jurisdictions, and regional partners. It will inform planning, funding, and design efforts that advance equitable transit-oriented development along the Blue Line corridor and could serve as a model for similar station areas across the region, ensuring that investments in housing, transit, and the public realm reinforce one another and create lasting community benefits.