



## City Heights Develops Financing Strategy to Improve Walkability and Grow Small Businesses

### Healthy Communities Success Story

**W**alkable streets form the backbone of healthy, safe neighborhoods. Communities that provide a comfortable walking environment connecting to destinations also experience higher property values, and are attractive to existing and future residents.

Furthermore, improved walkability contributes to a better quality of life for low- and moderate-income families by improving good access to their day-to-day needs and decreasing the portion of their income devoted to transportation. Fostering walkability can also be an effective economic development strategy, creating opportunities for growing small businesses.

A walkable community includes not only a vital pedestrian environment, but also attractive destination businesses. In such a community, residents are the economic force and businesses the beneficiaries. Small businesses create new local jobs and new income for local households. This is an antidote to gentrification and a true community-based economic development strategy.

Yet, many local jurisdictions may not know how best to target and finance practical steps to foster walkability. A new study titled “Walk and Shop: Pedestrian Improvements and Investments in Economic Development in City Heights” provides a model of a community successfully developing a financing strategy to create a healthier, more walkable neighborhood.

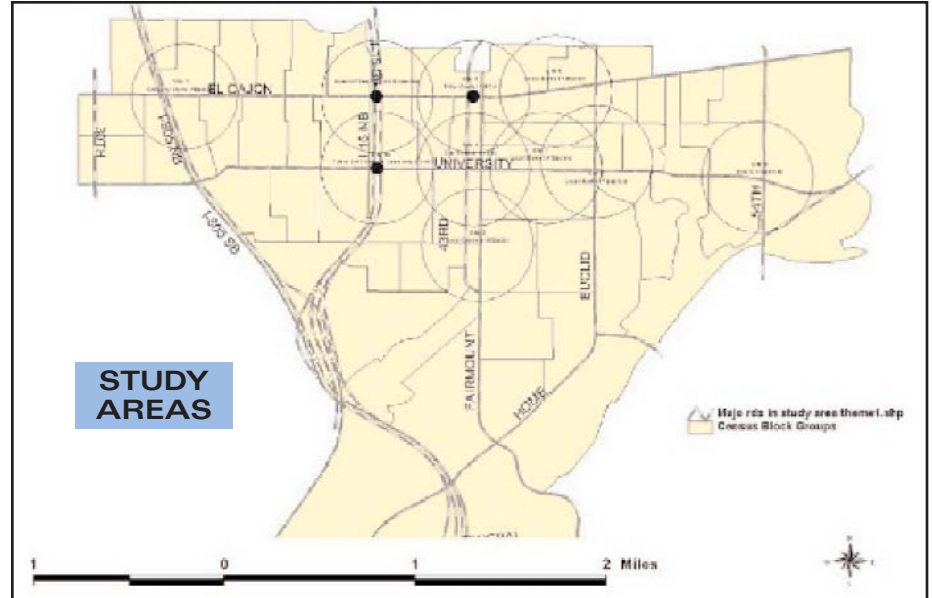
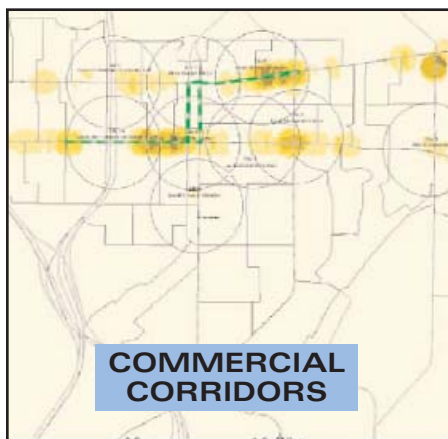


# The Action Taken

**T**he City Heights Community Development Corporation (CHCDC) received funds from The California Endowment to contract with the Center for Urban Economics and Design at UC San Diego to develop a financing strategy for pedestrian-oriented public infrastructure as a means of achieving enhanced walkability and the resulting health benefits within City Heights.

The CHCDC board and staff provided leadership, oversight, and support for the project. Various partners – including elected officials, nonprofit organizations, banks, business associations and improvement districts – contributed to the research, focus groups and community outreach that informed and enriched the study.

UC San Diego students, as well as Woodbury Architectural School students and faculty, also contributed to the study.



## The Study Methodology

The study includes three primary components:

- 1** A neighborhood assessment consisting of a demographic analysis of the residential and commercial sectors of the City Heights community.
- 2** The selection of six design elements – including trees, benches, street corner pop-outs, crosswalk paintings, new street paving and parklets – chosen to reflect community character and enhance the placemaking nature of pedestrian infrastructure improvements. This is followed by the selection of six potential thematic districts, based on geographical proximity, common architectural characteristics and thematic business types within each area. Customized design features are recommended, and projected costs are identified for each district, establishing the cost basis for future funding strategies.  
  
The districts and surrounding areas represent a “New Economic Geography,” which, if enhanced in a sequential manner, has the potential to support local businesses, enhance the shopping experiences for residents and visitors, and establish City Heights’ commercial districts as a regional destination point.
- 3** The investment strategy, which presumes that improved access by residents to desired retail services and destination businesses will result in increased property values for property owners, improved retail sales for businesses, and an improved quality of life for residents.

*This summary is one of a four-part series of healthy community success stories, created by the Local Government Commission through funding from The California Endowment. Thank you to the City Heights Community Development Corporation, the Center for Urban Economics and Design at UC San Diego, and WalkSanDiego for contributing content for this summary.*



# The Market Overview

This study provides an overview of City Heights' demographics, business community, regulatory environment and market analysis. It provides numerous observations and identifies opportunities related to the investment strategy. Examples of these opportunities include:



## DEMOGRAPHICS

City Heights is centrally located within the San Diego metropolitan area.

While it has a dense and culturally diverse population (58% Latino, 16% Asian; a sizable immigrant community; over 30 languages spoken), City Heights is primarily a low-income community.

However, given the large concentrated population, the community has significant purchasing power.

## BUSINESS COMMUNITY

There appears to be a significant informal economy functioning within the City Heights community. This sector includes food carts, garage sales, day laborers and other informal business activities.

These informal commercial ventures can be developed to attract pedestrian activity if properly integrated into the traditional commercial district, and can also contribute to an area's sense of place.

## REGULATORY ENVIRONMENT

The City of San Diego's General Plan is based on a "City of Villages" strategy, which focuses future growth into mixed-use, pedestrian-oriented activity centers linked to an improved regional transit system.

It emphasizes redevelopment, infill and the focusing of growth into compact, mixed-use, walkable villages.



# The Investment Strategy

The fundamental principles of the investment strategy are:

- 1** The strategy must be based on a holistic approach, including the creation and/or enhancement of a neighborhood-serving commercial district/center within walking distance; a safe, accessible and well-connected pedestrian environment; and public spaces to contribute to pedestrian activity and encourage social interaction.
- 2** Investments must be coordinated and concentrated within targeted areas consistent with walkability principles. These investments may include public infrastructure improvements, mixed-use development and strategic investments in small businesses.
- 3** The investment strategy must be diversified and involve the strategic leveraging of public, private and philanthropic resources. No one source can be relied upon completely.
- 4** The investment strategy must seek to create a competitive advantage for the neighborhood. In this climate of limited resources, a successful strategy will be unique and appeal to the goals of potential stakeholders.



## The Results

**T**arget areas and investment strategies were successfully identified through this study, and transformed into an accessible, practical tool for fostering walkability. City Heights' local government, small businesses, and current and future residents will benefit from this tool, which will promote more strategic and effective funding and implementation of pedestrian infrastructure improvements.

The investment strategy has two core components. First, pedestrian infrastructure improvements should facilitate the safety, comfort and ease of reaching the destination businesses and create a sense of place.

“Walk and Shop” provides an analysis and recommendations of the primary potential public financing sources for these improvements, including developer impact fees, Community Development Block Grants and business improvement districts.

The study also provides suggested next steps, including a pedestrian-infrastructure education campaign initially focused in specific target areas, as well as the implementation of recommended funding advocacy efforts for priority pedestrian districts.

The second component involves investments in the small business environment to improve the delivery of products and services to the targeted consumer base, and encourage new businesses to open in the commercial district to provide currently unavailable products and services.

This section of the study also includes next steps on how to implement the small-business investment strategy.

