

Planning, Policy  
and  
Programming**November 2022****Project Title:**Redeveloping Failing Malls:  
Opportunities for Reducing VMT  
and GHG Emissions and Increasing  
the Housing Supply through Urban  
Villages**Task Number:** 3447**Start Date:** October 1, 2021**Completion Date:** November 30, 2022**Task Manager:**Stephanie Alward  
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## Redeveloping Failing Malls in California

Opportunities for reducing vehicle miles travel and greenhouse gas emissions and increasing the housing supply through urban villages

### WHAT WAS THE NEED?

California, even pre-pandemic, has had persistent housing shortages. The housing deficit in the state is estimated to be 2.5 million housing units. In 2019, the State had the highest number of homeless people (over 151,000 people), and unsheltered homeless (over 108,000) in the country. Even before the pandemic in January 2020, the yearly homeless count in Los Angeles County showed a 12.7% rise in homelessness despite increases in the number of people rehoused.

### WHAT WAS OUR GOAL?

The goal of this research project was to explore mixed-use redevelopment opportunities for failing malls throughout California.

### WHAT DID WE DO?

Building on related recent research (2018, 2021), this research developed a process to assist the State and local governments in estimating the redevelopment potential of failing shopping malls as mixed-use centers that optimize opportunities for housing, and provide neighborhood commercial and other residential amenities, i.e., parks, pedestrian and bike-oriented streets. The project reviewed the findings from the recent literature on working from home (WFH) and moves to the suburbs, two important trends with implications for both suburban growth, as well as for the increasing demand for suburban centers with restaurants, public plazas, and other amenities. It also reviewed information on major malls (from 40-120 acres in area) in



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California (136 major malls in the State in mid-2022) to assess their potential for redevelopment. Although the data necessary for a thorough assessment was not provided by most shopping malls in the State to the Directory of Major Malls (the major shopping mall database in the country), extrapolating from the data provided, it is likely that about 2/3rds of the shopping malls in California, given their sales and ratings, are good candidates for redevelopment.

The study also reviewed California's major strategy to address the housing shortage in the State (currently estimated at 2.5 million units by 2018), its Regional Housing Needs Assessment and how local governments are addressing this issue, as well as recent State legislation that is aimed at increasing the housing supply through changes in zoning, and parking requirements. It reviews briefly the State's Enhanced Infrastructure Development Districts and Public Private Partnerships as potential ways for local governments and mall owner-developers to partner in mall redevelopments.

The research profiled four major malls, two in the San Diego region, and two in the Bay area, and examined their conditions and prospects for redevelopment, with two of them actively engaged in the redevelopment process.

The malls profiled enabled the application of the simple method developed in the study that can provide a rough, initial calculation of the malls' mixed-use residential capacity to aid in the analysis of their redevelopment potential.

## WHAT WAS THE OUTCOME?

Redeveloping failing malls can expand housing opportunities in suburban areas for singles, seniors, couples, families in apartments or townhouses that may want the amenities that a suburban center provides without the investment and upkeep of suburban single-family homes. Their redevelopment can also provide a share of a locality's affordable housing obligations, as well as housing for college students in California. Adding housing to such malls will also provide the residential component needed to ensure the liveliness and safety of a town center.

Mixed-use malls are likely to reduce vehicle trips and

vehicle miles traveled (VMT). Currently, several bus lines serve the shopping malls studied in this report. In the case of mall redevelopments, as appropriate, State, regional, and local transportation agencies can partner with mall owner-developers to provide enhanced transit access to redeveloped malls. This would reduce congestion in many highways by reducing single occupancy vehicle trips and VMT. This may not achieve all the objectives of Transit-Oriented-Development, but would advance the objectives. Enhanced transit access can also reduce parking requirements for residential units, thus reducing the price of apartments or townhomes in mixed-use redeveloped malls (by an estimated \$36K per unit).

Local governments can facilitate such redevelopments through various means. For example, if a local government owns a parcel in a mall, as in the Sunrise mall redevelopment (Blanco 2021) in the Sacramento area, or as in the Shoppes at Carlsbad profiled in this report, it can initiate and lead a timely redevelopment process, ensure public participation in the planning process, and an appropriate housing component. If local governments do not have partial ownership of a mall, local governments can initiate zoning changes that can speed up a redevelopment process to include housing.

Through local economic development departments, local governments can identify potential funding for affordable housing from federal, state, or local funds and, when appropriate, use public-private partnerships to ensure appropriate mixed-use redevelopment.

The report also develops and illustrates a simple method for estimating the mixed-use redevelopment potential of malls that assumes that half of the mall structures and corresponding surface parking area are redeveloped for different housing densities and adequate open space and roads.

## WHAT IS THE BENEFIT?

This project addressed the opportunities presented by failing malls in California to address housing deficits, traffic congestion in metropolitan areas, and to reduce vehicle miles traveled and associated

greenhouse gas emissions.

## LEARN MORE

The completed report will be uploaded in ADA-compliant format at:

[https://escholarship.org/uc/itsdavis\\_ncst\\_reports](https://escholarship.org/uc/itsdavis_ncst_reports)

To view the evaluations contact [hblanco@usc.edu](mailto:hblanco@usc.edu).

## IMAGES



**Image 1:** Sample rendering for Suburban mall redevelopment into a mixed-se residential area.