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Midway Rising Development Proposal Moves Forward Following Unanimous City Council Committee Approval

REDEVELOPMENT OF SPORTS ARENA SITE WOULD BE LARGEST AFFORDABLE HOUSING PROJECT IN CALIFORNIA HISTORY

SAN DIEGO – In a unanimous vote, the City Council’s Land Use and Housing Committee has advanced the highly anticipated redevelopment of the Sports Arena site, moving the proposal forward to the full City Council next month. Midway Rising will transform the underutilized 48.5-acre site into a vibrant, walkable neighborhood with thousands of new homes, public parks, shops and restaurants, and a modern entertainment center.

“Transforming the Sports Arena site has been a priority of my administration because San Diego deserves more than an aging arena surrounded by acres of underused land,” said Mayor Todd Gloria. **“We’ve worked closely with our development partners, City staff and community stakeholders to move this ambitious vision forward. Today’s action brings us one step closer to delivering thousands of homes, including 2,000 affordable homes, a new entertainment center and public spaces that will serve San Diegans for generations. I’m proud of the work we’ve done to get this project to this point, and we’re committed to seeing it through.”**

If approved, Midway Rising would be the largest affordable housing project in California history and would bring thousands of jobs to the region. The redevelopment would also provide new public amenities – including roads, utility and stormwater infrastructure – valued at \$460 million and at no upfront cost to the City.

“Today’s advancement of Midway Rising brings us one step closer to delivering a vibrant and revitalized Midway region with significant public benefit to the City of San Diego — two thousand units of new affordable housing, upfront public infrastructure investments, thousands of local jobs, and over \$1 billion of potential future revenues — all while retaining public land,” said Land Use and Housing Committee Chair Kent Lee. **“I thank my Committee colleagues for affirming the importance of maximizing new affordable housing units. This will allow us to achieve the units that we have asked for and prevent this project from simply being an affordable housing receiver**

site. It is crucial to revitalize the Midway area, not only for all that's mentioned above, but for a vibrant future for all San Diegans."

The project plans also include:

- 2,000 affordable homes serving households at a range of income levels, with an average affordability level not exceeding 60% of Area Median Income (AMI), including at least 200 permanent supportive housing units.
- Approximately 2,250 market-rate apartment homes.
- A modern, 16,000-seat entertainment center, replacing the aging Pechanga Arena, which currently seats 12,000 people.
- 14.5 acres of parks and public spaces.
- A mixed-use entertainment, arts and cultural district that includes 130,000 square feet of shops and restaurants.
- Infrastructure improvements on- and off-site, including streets, bike paths and transit facilities.

The proposal advanced by the committee includes a Disposition and Development Agreement (DDA) that would establish the framework for redeveloping the Sports Arena site, along with plans to form an Enhanced Infrastructure Financing District (EIFD) to help fund public infrastructure improvements.

"This vote today brings us closer to a long-overdue transformation of the Midway District," said Councilmember Jennifer Campbell who represents the Midway community. **"For years, this community has advocated for a revitalized neighborhood with more affordable housing, parks, public spaces, and neighborhood amenities. Now we have an opportunity to deliver thousands of new homes, a new entertainment arena, and good-paying jobs for San Diegans. This is about turning a blighted community into a thriving community and delivering the community benefits residents have been waiting for."**

The Midway Rising development team plans to use considerable private capital investment to construct the site and fully improve the adjacent public spaces. The project has an estimated construction cost exceeding \$4.2 billion.

The [Midway Rising](#) team includes affordable housing developer Chelsea Investment Corporation, sports venue developer and operator Legends, market-rate housing developer Zephyr and equity investor The Kroenke Group.

Midway Rising was selected in 2022 from five competing development proposals after offering the largest number of affordable homes and demonstrating significant development experience and financial capabilities.

“Midway Rising restores what Midway lost decades ago: homes for working families, and a chance to become a community people are proud to call home,” said Cathy Kenton, Chair of the Midway-Pacific Highway Community Planning Group. **“Midway has waited nearly a century for its next chapter. That moment has finally arrived.”**

Rather than a single agreement with Midway Rising for the entire redevelopment, the City’s Economic Development Department is proposing a combination of leases and transactions to establish legal, financial and operational requirements that provide the City with long-term oversight and protections to ensure obligations and milestones are met. These real estate agreements include the DDA, a horizontal ground lease for site-wide infrastructure improvements, various vertical ground lease(s) for proposed building use types, and a master rent administration agreement.

The project will be developed in multiple phases over many years. Demolition of the current Pechanga Arena will not take place until the new entertainment center is fully built and ready to open, ensuring there will be no gap in scheduled events.

Since submitting its development proposal, Midway Rising conducted extensive community outreach seeking input and feedback from residents in the Midway-Pacific Highway community and surrounding neighborhoods, and across the rest of the city. More than 70 outreach events and meetings were held, along with community workshops in each Council District.

Last month, Governor Gavin Newsom [signed two senate bills](#) aimed at clearing the path for the redevelopment of the Sports Arena site. This action preserves environmental review and ensures the project can move forward under the California Environmental Quality Act.

Following today’s approval, the redevelopment project now moves to the full City Council for consideration in early November. To review all of the real estate documents and more details on Midway Rising, visit the City’s [Economic Development Department webpage](#).



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