The City of SAN DIEGO
Mayor Todd Gloria

News Release

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Midway Rising Redevelopment Secures Unanimous City Council Approval

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

SAN DIEGO – The San Diego City Council has unanimously approved the Midway Rising redevelopment project, marking a milestone in the transformation of the Sports Arena site into a vibrant, walkable neighborhood featuring thousands of new homes, public parks, shops and restaurants and a modern entertainment center.

"Today's vote marks a major milestone in our work to transform the Sports Arena site and deliver thousands of new homes for San Diegans," Mayor Todd Gloria said. **"From the beginning, my administration has worked to bring together the public and private partners needed to move this project forward. We've negotiated a framework that puts housing first, delivers significant public benefits and creates a path to transform an underused property into a thriving neighborhood. I'm proud of the work that brought us here, and we're committed to seeing this vision become a reality."**

The Council's approval authorizes a comprehensive framework of real estate agreements that will guide the redevelopment of the underutilized 48.5-acre site and establish long-term oversight to ensure project obligations and community benefits are delivered. The agreements set requirements for project milestones, operations and financing, while helping ensure commitments are met.

Today's action also advances the next phase of the project, which is to establish an Enhanced Infrastructure Financing District (EIFD) to help fund public infrastructure improvements. The Council approved the planning, zoning and permitting actions needed to move the project forward.

The approval follows years of work by Mayor Gloria's administration to advance the redevelopment, negotiate agreements with the development team and coordinate with community stakeholders and state partners to move the project forward.

Midway Rising is expected to become the largest affordable housing development in California history, creating thousands of jobs while delivering significant public infrastructure improvements and

community amenities. The project includes approximately $460 million in roads, utility and stormwater infrastructure improvements at no upfront cost to the City.

The development plans also include:

- 2,000 affordable homes serving households at a range of income levels, with an average affordability level not exceeding 60% of the area median income, 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.

"This vote today brings us closer to a long-overdue transformation of the Midway District," said Councilmember Jennifer Campbell, who represents the Midway community. **"Today, we have advanced California's largest affordable housing project, with thousands of new homes, a new entertainment arena, shops, good-paying jobs, parks, and open space. Midway residents have long called for a revitalized neighborhood with more affordable housing and community amenities. Now, we are finally turning a blighted community into a thriving community and delivering the community benefits residents have been waiting for."**

The next step in the redevelopment process is establishing the EIFD, which would create a dedicated funding source for infrastructure and other eligible improvements that support the Midway District and the surrounding community. The City and development team will continue to work with the County of San Diego on the next steps required to establish the district, with formation anticipated within approximately one year.

Before construction can begin, the developer must also satisfy milestones in the Disposition and Development Agreement, including securing the necessary permits, and then complete the long-term land lease agreement with the City.

The Midway Rising development team plans to use considerable private capital investment to construct the site and fully improve the adjacent public spaces. The redevelopment represents an estimated $4.2 billion-plus construction investment, with significant private capital supporting new housing, an entertainment center, public spaces and infrastructure improvements.

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.

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.

In September, 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.

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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