

RUNWAY DISTRICT

A new neighborhood on Santa Monica's eastern edge

Planning proposal | October 2026

The proposal in two paragraphs

Santa Monica owns the airport land. Runway District would turn it into a City-owned neighborhood with housing, either 30 or 12 acres of park, and a short Main Street. The City would invite qualified developers, including Irvine Company, to bid on two voter-ready plans. Construction would be organized as an aggressive four-year campaign, with solar on suitable surfaces, reuse of tested runway material, and City operations brought in house over time.

The 30-acre planning case contains 9,525 homes and a \$5.46 billion bond envelope including a full 15 percent contingency. Rents start in Year 2, but a wholly bond-funded version loses cash through Year 25. It turns positive in Year 26 and reaches about \$502 million a year in nominal Year 40 dollars after debt retires. The City should commission priced designs and independently fund the interim gap before asking residents to vote or buying bonds.

Park and housing choices

PLAN 1

30 acres

of park

Lower-to-medium density
9,525 illustrative homes
Compact modern Main Street

PLAN 2

12 acres

of park

Medium-to-higher density
14,500 illustrative homes
Same restrained retail program

Voters select a complete plan with housing mix, park design, construction price, and annual City cash schedule.

Four-year construction case

YEAR 1

Site work

0 homes open

YEAR 2

First homes

25% open

YEAR 3

Parallel phases

65% open

YEAR 4

Full delivery

100% open

This schedule begins after land-use approval, environmental review, utility planning, and a signed construction contract.

Construction budget for the 30-acre plan

Component	Planning amount
9,525 homes at \$450,000 each	\$4,286m
Small Main Street retail	\$33m
Park and shared infrastructure	\$350m
District solar	\$75m
Subtotal	\$4,744m
Full 15% contingency	\$712m
Bond envelope	\$5,456m
Land acquisition	\$0

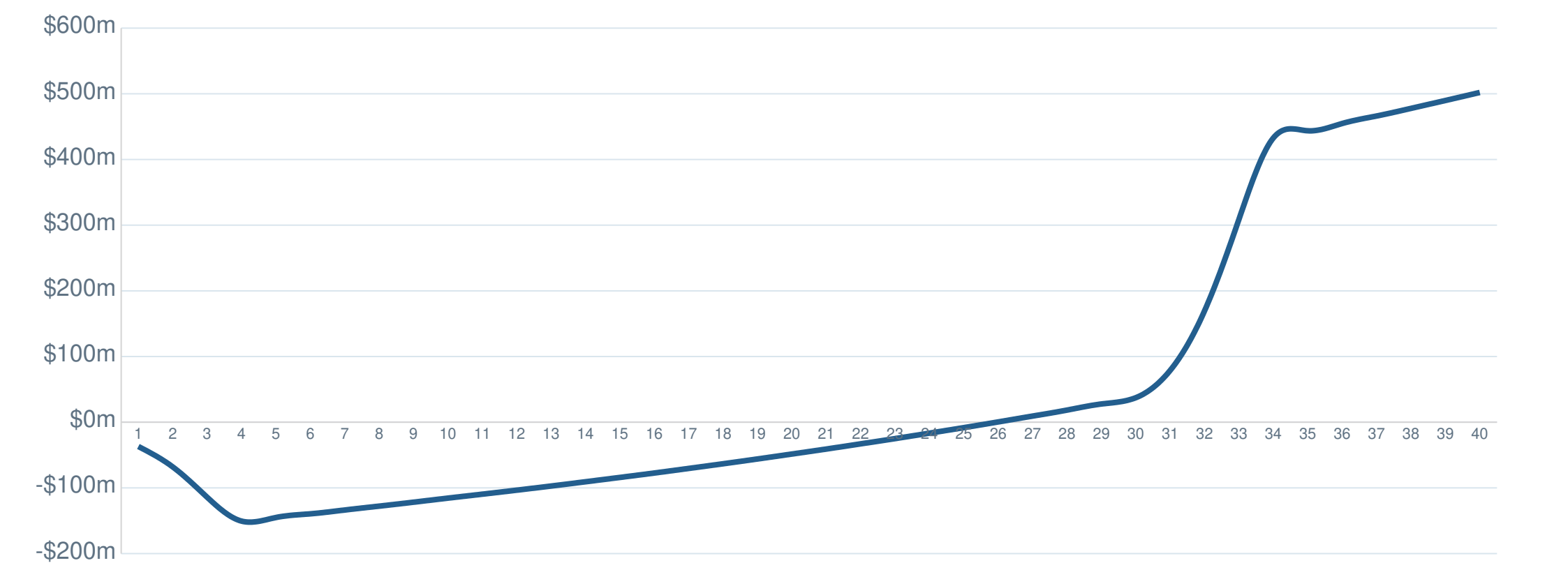
Full contingency is modeled as borrowed. The signature tower is an optional bid outside this base budget.

Year 10 economics at full buildout

Residential gross rent	\$419.6m
Residential and retail income after operating costs	\$275.3m
Solar benefit allowance	+\$5.0m
Bond payments	-\$354.9m
Park operations, replacement reserve, bonuses	-\$41.0m
Annual City cash	-\$115.6m

9,525 homes completed, 95% occupied, 20% discounted-rent homes. This is the all-bond case.

City cash through Year 40



First surplus: Year 26 Final bond payment: Year 33 Year 40: +\$502m nominal

The financing problem to solve

\$5.46b

all-bond envelope

25 years

of annual City cash deficits

The district has operating income from Year 2, but debt service arrives sooner than a City surplus. A bond-only contract needs a funded plan for these deficits. Grants, project equity, longer leases, or different phase terms can be priced and compared while the City retains control of the land.

Housing progress and the district

8,895

2021–29 allocation

4,082

completed by July 2026

6,449

approved by July 2026

That leaves 4,813 against completed homes, or 2,446 against approvals. Another 2,311 approved homes were in the pipeline, including 471 under construction. Runway District's 9,525 modeled homes would be additional capacity; its schedule starts after airport closure and cannot all be credited to the 2021–29 cycle.

The current cycle also has income-category goals: 6,168 very-low, low, and moderate income homes. Our 1,905 discounted-rent homes are a financial assumption, not an established RHNA category count.

Development and City operations

DEVELOPER

Run a competitive selection for two priced plans and a master-development offer; Irvine Company is one firm to invite. Independent reviewers check bids.

CONTRACT

Pay bonuses for delivered homes and parkland, schedule, cost control, and operating performance.

CITY HANDOFF

Build a City operating team over two to five years. Transfer systems, vendors, and management when staff is ready.

The Beacon and the SMC design competition



A residential tower with a public viewing level and restaurant in the crown. Price a rotating dining ring as an optional alternate.

Invite current SMC architecture students and alumni into a paid concept competition. Future cohorts can shape later plazas and interiors. Licensed architects develop the final building.

The tower premium and restaurant revenue are outside the base financial model.

A decision-ready proposal

Invite qualified teams to bid on both site plans and delivery.

Require an independent financing package that funds the years of negative cash, sets an affordable housing program by income category, and prices the solar and concrete reuse program.

Then show voters the full parks, housing, and City cash tradeoff under Measure LC.

The attached workbook supplies the editable planning case. The Beacon is a separate design addendum.