Housing Challenges and Policies to Support Transit

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Center for Transit-Oriented Development

- Creating a national marketplace for TOD, working with cities, transit agencies, developers, investors and communities
- Best practices, technical assistance, research, policy reform
- A collaboration of Reconnecting America, The Center for Neighborhood Technology, and Strategic Economics
- Sponsors include: FTA, HUD, EPA, Ford, McKnight, Surdna, Brookings, Enterprise Community Partners, Corporate Sponsors, Transit Agencies, Cities
TOD Goals

- Expanded Mobility, Shopping and Housing Choices
- Place-Making and Community Revitalization
- Walkability and Location Efficiency
- Regional Connectivity and Reduction of Sprawl
- Healthy Neighborhoods
- Long-Lasting Response to Climate Change

People within a half-mile radius are 5 times as likely to walk to a major transit stop than others. Those who live further from a transit node are less likely to bother with the train or bus.
Housing and Transit Challenges

1. Defining the Problem
2. Responses from Around the Country
3. Directions for Future Policy and Research
National Demand for Housing Near Transit Will More Than Double By 2030

- Residential demand could grow from 6 million to 16 million households by 2030.
- Regions with extensive and growing transit systems offer the greatest TOD potential.
- Growth is likely to be modest through 2010 and accelerate in later years as transit systems are constructed and expanded.
- TOD Capture Rates are driven by household type and system size.
Changing Demographics are Forcing A New Housing Market

- **Singles** will soon be the new majority
- Older adults will outnumber young people by mid-century
- By 2010 **Echo Boomers** will total 34% of the population
- Almost half the U.S. population will be **non-white** by 2050
- Demographic **groups growing most quickly**—older, non-family, non-white households—**use transit more**
Diversity and Demand Collide

- Neighborhoods near transit today are more racially and economically diverse than the regional average.
- In the future, 40 percent of the 16 million households who want to live near transit will make less than 50% of median income, so affordable housing is a key issue.
- 58% of TOD demand is likely to come from single person households.
- Land is scarce! Construction costs are high!
Transportation Cost is #2 Expense After Housing

Source: Center for TOD Housing + Transportation Affordability Index, 2004 Bureau of Labor Statistics
COMBINED COSTS OF H+T = A HEAVY LOAD
Where Housing is located affects transportation costs and affordability.

Transportation Cost

$375 - $575
Where Housing is located affects transportation costs and affordability

Transportation Cost
$576-$775
Where Housing is located affects transportation costs and affordability.

Transportation Cost:
$776-$975
Where Housing is located affects transportation costs and affordability

Transportation Cost
$976-$1,174
Affordable Living + TOD?

- TOD provides an **affordable lifestyle via low H+T**
- **Low and Moderate Income Households should have the opportunity to take advantage of transportation savings**
- **Community Hubs are key to retaining stability and diversity**
- **Danger that TOD becomes income segregated: High and Low.**
- **Goal is Diversity: Builds in ridership, sustainable economics, stability**
- **We have a shared interest in doing this right**
Policy Responses: Realizing the Potential

- National study with FTA and HUD
- Assessment of 5 case study regions
- Detailed analysis of one transit corridor in each region

### Table A: Comparison of Selected Case Study Regions

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<tbody>
<tr>
<td>Boston</td>
<td>1,785,552 (413,528.00)</td>
<td>1855</td>
<td>Extensive (288)</td>
<td>$51,727 (48,308.00)</td>
<td>81%</td>
<td>38%</td>
<td>3.90%</td>
<td>47%</td>
<td>1,072,309</td>
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<td>Charlotte</td>
<td>575,293 (3,777.00)</td>
<td>2007</td>
<td>Small Exp. (10)</td>
<td>$46,120 (40,715.00)</td>
<td>8%</td>
<td>35%</td>
<td>17.20%</td>
<td>62%</td>
<td>87,097</td>
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<td>Denver</td>
<td>936,971 (7,373.00)</td>
<td>1994</td>
<td>Small (24)</td>
<td>$51,750 (31,839.00)</td>
<td>18%</td>
<td>38%</td>
<td>12.60%</td>
<td>54%</td>
<td>155,076</td>
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<td>Twin Cities</td>
<td>1,136,615 (17,876.00)</td>
<td>2004</td>
<td>Small Exp. (17)</td>
<td>$54,317 (53,063*)</td>
<td>48%</td>
<td>38%</td>
<td>10.10%</td>
<td>49%</td>
<td>110,906</td>
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<tr>
<td>Portland</td>
<td>741,778 (73,911.00)</td>
<td>1986</td>
<td>Large (108)</td>
<td>$47,061 (34,899.00)</td>
<td>22%</td>
<td>40%</td>
<td>10.50%</td>
<td>51%</td>
<td>308,644</td>
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<td>U.S. **</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>$41,994</td>
<td>24%</td>
<td>21%</td>
<td>8.40%</td>
<td>51%</td>
<td>16,007,245</td>
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www.reconnectingamerica.org
Market Activity: Recent, Planned & Proposed Projects

- **Portland**
  - District Circulator Transit 2001
- **Minneapolis**
  - Destination Connector Transit 2004
- **Boston**
  - Commuter Corridor Transit 1896, Future Expansion
- **Charlotte**
  - Planned Growth Corridor Transit 2008
- **Denver**
  - Destination Connector Transit 2012
Affordable Housing: Recent, Planned & Proposed Projects

- **Portland District Circulator Transit 2001**
- **Minneapolis Destination Connector Transit 2004**
- **Charlotte Planned Growth Corridor Transit 2008**
- **Denver Destination Connector Transit 2012**

Legend:
- Affordable MU Res
- Affordable Res
- Mixed-income MU Res
- Mixed-Income Res
- Market Rate MU Res
- Market Rate Res
- Stations
- 0.5 Mile Station Area
Lessons for Mixed-Income TOD

• Plans and codes are often not sufficient to stimulate mixed-income TOD
• Size of parcels/place-types directly relates to capacity + tools
• Need strong partnerships between, local/regional government, market actors philanthropy and community.
• Think corridor and neighborhood, not site.
• Be proactive about capturing value that is being created. Get tools in place early to ensure long-term diversity and stability.
• Consider bigger thinking: master developer agreements and land acquisition funds.
• Transit is a public investment, and thus should provide benefits to a full range of households.
Tools in Place to Promote MI TOD

- **Boston:** State TOD program that provides pre-development planning funds, coordinates housing + transit investments.
- **Boston:** Chapter 40R & 40S create incentives for building housing around transit.
- **Boston:** Strong network of neighborhood-based CDC’s drive vision.
- **Charlotte:** Housing Trust Fund used for two purposes: competitive funds for for-profit developers to access/city purchase of expiring units.
- **Charlotte:** South Corridor Land Acquisition Fund used to assemble property for TOD.
- **Portland:** MOU/Developer Agreement to tie density/public spaces/affordable housing/transit together. Mix re-evaluated at each phase.
Tools in Place to Promote MI TOD

• Denver and Twin Cities: Lots of development activity, fewer proactive tools. More of a struggle to produce MI TOD.
• Other states/regions have tools in place, too:
  – Seattle: Transit pass with every new unit in south Lake Union
  – California + Illinois: Transit priority for LIHTC
  – Pennslyvania’s TRID program
  – Community Land Trusts are a successful model
Conclusions

- Coordination of Housing and Transportation funding is the exception rather than the rule.
- TOD-supportive funding sources do not always support mixed-income housing and vice versa.
- Funding must be assembled piecemeal which slows the development process.
- Both land use and transportation policies affect affordability.
Future Directions: Policy

- Target growth to TOD and Coordinate city/regional plans with focus on combined H+T costs
- Target transit funding to population and job centers and places that can support more growth.
- Proactive public sector can:
  - Leverage publicly-owned properties for MI-TOD
  - Use Value Capture Tools to reinvest in Transit Areas
  - Direct affordable housing, LIHTC, infrastructure, and social funds to TOD
  - Fix station area plans, zoning and codes
  - Improve capacity + partnerships between agencies
  - Different solutions will be appropriate for different contexts
Future Directions: Research

- Continue to understand regional and local differences, continuing research collaboration between FTA and HUD.
- Need to be able to better quantify H + T benefits of urban transit systems to use housing production/economic development as rationale for transit investments.
- Need to track data on H + T over time to evaluate policies.
- Evaluate impacts of state and local laws on housing productions to identify strategies appropriate for different contexts.
- Most TOD Policies and Programs are only 5-10 years old, so need to understand and evaluate efficacy.