Transit-Oriented Development: Factors and Elements of Success

Sam Zimbabwe, LEED AP, Technical Assistance Director, Reconnecting America
APA Florida Chapter, Transit-Oriented Development Workshop, September 4, 2008
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
Creating Successful TOD

- Why TOD is Important
- Ingredients for Success
- Scales of TOD
- What Successful TOD Looks Like

Portland’s Pearl District

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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.

TOD also applies at the corridor and regional scales.
TOD From a Community Perspective

Synergy between land use and transit delivers:

• Truly Affordable Housing and Access to Jobs

• Expanded Travel, Shopping and Housing Choices

• Regional Connections and Less Need to Drive

• Community Revitalization and Placemaking

• Environmental and Air Quality Improvements
TOD From a Transit Perspective

Synergy between transit and land use that delivers:

- Increased Ridership and Revenue
- Regional Connections and Efficiency
- Value Creation and Financial Return
- Public Support for Expansion Projects
National Imperatives for TOD

- Demographic and Real Estate Trends
- Affordability Crisis
- Economic Development
- Community Revitalization
- Global climate change
- Federal, state, and local policies need to respond
Growth Has Been Outside of Central Cities, But . . .

- **GREENFIELD-SPRAWL**: ~50-60%
- **SUBURBAN INTENSIFICATION**: ~15-20%
- **URBAN INFILL**: ~10-15%
- **PLANNED COMMUNITIES**: ~15%
Transit And Urbanism on the Rebound

• Transportation has always been connected to settlement patterns
  – Especially transit investments

• Automobile radically shifted development patterns and weakened link between transit and neighborhoods.

Pacific Electric Trolley system in LA
Transit and Urbanism on the Rebound

- Transit ridership has increased 25% since 1995
- Rail trips growing faster than bus trips
- More and more demand for housing near public transportation
Demand for Transit is Surging

- 3,500+ existing stations in 27 regions with “fixed-guideway transit”
- 630 additional stations planned in 15 regions with new systems
- 45 members of the national Community Streetcar Coalition
- Private sector is contributing to transit construction
- Funding can’t keep pace with plans

Denver’s Union Station; 44 trains an hour, soon

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Demand for Fiscal Responsibility

Denver’s Fast Tracks is a $4.7 Billion investment

What is the most cost effective way to produce a return on this investment?

Ridership!

What is one of the most cost effective ways to attract ridership?

TOD

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Changing Demographics are Forcing A New Housing Market

- Singles will soon be the new majority
- Older people 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—have historically preferred transit-rich locations
Twice the Demand for TOD by 2030

- Residential demand could grow from 6 million to 16 million households by 2030 nationally.
- 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.
- TOD Capture Rates are driven by household type and system size.
Changing Consumer Preferences

- Wall Street Journal: 2005 median sales price for condos tops price of single family homes for first time, 9th consecutive year of record condo sales
- *Professional Builder*: 37% of households want small lots and clustered development
- AARP: 71% of older households want to be in walking distance of transit
- 2004 National Community Preference Survey revealed a preference for shorter commutes, living in or close to a city—especially among homebuyers
- Central locations holding values during housing market downturn

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TOD Market Holds Value

- Dallas, within 1/4-mile of DART
  - Residential values up 32%
  - Office values up 25%
- Washington D.C.
  - Every 1,000 ft. reduction in distance to rail station raises value of commercial property $2.30/sq.ft.
- San Diego premiums near Coaster commuter rail
  - 46% for condominiums
  - 17% for single-family housing.
  - 91% for commercial
- San Francisco Bay Area
  - $2,300-$3,000 premiums for each mile closer to BART in suburban areas
Development Industry Responds

- ULI/PriceWaterhouseCoopers “emerging trends” real estate report ranked TOD as one of the best bets for investors 3 years in a row
  - 2005: “Locations near transit rank as the No. 1 choice for all development types.”
  - 2006: “The distance between where we live and work will matter more . . . TOD near subway or light rail lines almost can’t miss . . . People congregate there.”
  - 2007: “Best Bets 2007” . . . Global gateways with 24-hour characteristics and mass transportation “have turned into the nation’s investment property meccas.”
Diversity & Demand Collide

- Neighborhoods near transit today are more racially and economically diverse than the regional average and are vulnerable to displacement.

- 40% of TOD demand will come from households making less than 50% of median income.

- 58% of TOD demand is likely to come from single person households.

- Land is scarce! Construction costs are high!
Location Matters: Transportation is #2 Expense after Housing

Source: Center for TOD Housing + Transportation Affordability Index, 2004 Bureau of Labor Statistics
TOD Affects Travel Patterns

Housing Units with One or Less Vehicles: Transit Zones vs Region

- St. Louis
- Atlanta
- Dallas
- Cleveland
- Sacramento
- San Diego
- Miami
- Baltimore
- Pittsburgh
- Portland, OR
- Los Angeles
- Washington
- San Francisco Bay Area
- Philadelphia
- Boston
- Chicago
- New York

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Housing Costs Tell 1/2 The Story
Transportation Has To Be Factored, Too
Housing + Transportation Costs Tells More Full Story

www.htaindex.org
Affordable Housing Challenges

- Securing and assembling land early for new development
- Leveraging market activity for affordability benefits
- Preserving existing affordability and reinvigorating distressed public housing near transit
- Building wealth and community
- **We have the tools**
Community and Economic Revitalization

- Planning for transit and TOD needs to **maximize the impact of a massive public investment**
- Need to **plan ahead for success**, so that everyone can benefit
- Need for a **regional transit and land use vision** that can guide long-term implementation.
TOD and Climate Change

• Transportation is one of the largest contributors to greenhouse gas emissions. (US EPA 2006)

• Automobile-dependent development is therefore directly related to climate change.
TOD and Climate Change

• (Left) The traditional view is the city generates more emissions than surrounding areas

• (Right) In reality, emissions per capita are much lower in the city

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TOD and Climate Change

Annual Household CO2e Emissions from Transport Sector

Metric Tons CO2e

Location

Chicago Transit Zones, Regional Transit Zones, Chicago Non-Transit Zones, Suburban Transit Zones, Regional Non-Transit Zones, Suburban Non-Transit Zones

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TOD Affects Travel Patterns

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TOD Affects Travel Patterns

Driving vs Residential Density

- SF
- LA
- Chicago

Annual VMT/Hh vs. Households/Residential Acre
TOD Affects Travel Patterns

Figure 1. Comparison of Weighted Average Vehicle Trip Rates: TOD Housing and ITE Estimates
Transit System Size Affects TOD Performance

- TOD Market Grows
- Car Ownership Declines
- Incomes Reflect Regional Profile
- Wider Array of Household Types Seek Housing Near Transit
- Higher Walk, Bike and Transit Mode Shares
- More Mid-Day Transit Trips
TOD at Four Scales:

- Site
- District
- Corridor
- Region
Two types of Sites

• **Transit-Oriented DISTRICT**
  – Area w/in a 5 minute walk of transit
  – Transit Villages / Town Centers / urban infill / greenfield

• **Joint Development**
  – On publicly owned land
  – Next to the station

See Santa Ana Joint Development

Visit [www.reconnectingamerica.org](http://www.reconnectingamerica.org)
Details: Getting TOD Wrong

• Streets

www.reconnectingamerica.org
Details: Getting TOD Wrong

- Buildings
TOD Ingredients: Housing Choices

Portland’s Pearl District

U Street, DC

www.reconnectingamerica.org
TOD Ingredients: Mixed-Use

- Walk to shops and services
- Support local businesses
- Access daily needs without driving
- Link trips to community uses such as schools and libraries

Bethesda, MD

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TOD Ingredients: Travel Options

- Transit can’t do it alone
- Walkable places are essential
- Lower Parking Standards in TOD
- Car Sharing + Shared parking
- Bike and pedestrian connections
- High quality transit service and bus connections

Minneapolis, MN

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TOD Ingredients: Public Spaces

- Gathering places and opportunities for interaction
- Reflect local character and community
- Provide venue for various activities
- Demonstrate positive public investment in transit and demand the same from private sector.

San Francisco, CA
TOD Ingredients: Community Engagement

- Outreach and meaningful involvement in planning process
- Long-term strategy
- Clear implementation steps so everyone can see progress

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## No “One Size Fits All” Solution

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<th>TOD Typology</th>
<th>Desired Land Use Mix</th>
<th>Desired Housing Types</th>
<th>Commercial Employment Types</th>
<th>Proposed Scale</th>
<th>Transit Connectivity</th>
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<td>Regional Center</td>
<td>Office Residential Retail</td>
<td>Multi-Family and Loft</td>
<td>Prime Office and Shopping</td>
<td>5 Stories and above</td>
<td>Intermodal Facility/transit hub. Major Regional Destination with quality feeder connections</td>
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<td>Retail Entertainment Civic Uses</td>
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<td>Urban Center</td>
<td>Office Retail Residential Office</td>
<td>Multi-Family/Loft/Townhome</td>
<td>Employment Emphasis, with more than 250,000 sf office and 50,000 sf retail</td>
<td>5 Stories and above</td>
<td>Sub-Regional Destination. Some Park n Ride. Linked district circulator and feeder transit service</td>
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<td>Residential Retail Office</td>
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<td>Suburban Center</td>
<td>Residential Retail Office</td>
<td>Multi-Family/Townhome</td>
<td>Limited Office. Less than 250,000 sf office. More than 50,000 sf retail</td>
<td>3 Stories and above</td>
<td>Sub-Regional Destination. Some Park n Ride. Linked district circulator and feeder transit service</td>
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<td></td>
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<td>Neighborhood</td>
<td>Residential Neighborhood Retail</td>
<td>Multi-Family/Townhome/Small Lot Single Family</td>
<td>Local-Serving Retail. No more than 50,000 sf</td>
<td>2-5 Stories</td>
<td>Walk up station. Very Small Park and Ride, If any. Local and express bus service.</td>
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<tr>
<td>Main Street</td>
<td>Residential Neighborhood Retail</td>
<td>Small Lot Single Family</td>
<td>Main Street Retail Infill</td>
<td>2-4 Stories</td>
<td>Bus or streetcar corridors. Feeder transit service. Walk up stops. No parking.</td>
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<tr>
<td>Campus/Special Events Center</td>
<td>University/Campus Sports Facilities</td>
<td>Limited Multi-Family</td>
<td>Limited Office/Retail</td>
<td>varies</td>
<td>Large Commuter Destination.</td>
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CTOD | CENTER FOR TRANSIT-ORIENTED DEVELOPMENT

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Getting it Right at the District

- Creates Greater Critical Mass and Momentum
- Allows Different Sites to Provide Different Functions
- Responds More Flexibly to the Market
- District Connectivity Can Reduce Auto Dependency and Expands Transit Ridership

Hi-Lake Station in Minneapolis
District to Corridor
Why Corridor?

- Transit Systems are planned at the Corridor Level
- Transit changes market dynamics by providing new access
- Stations play different roles along a corridor
- Potential for shared resources and amenities (parks, major shopping, community facilities)
Five Corridor Types

• **Destination Connection**
  - Links multiple destinations/activity centers

• **District Circulator**
  - Local transit within activity center

• **Urban Commuter**
  - Links high density neighborhoods with activity centers

• **Commuter**
  - Links lower-density neighborhoods and small centers with activity centers

• **Planned Growth**
  - Connects centers to underutilized areas
Five Corridor Types

• Destinations
• Land Use
• Passenger Load
• Growth Potential
Corridor Analysis

- Existing and Planned Land Uses
- Access to Housing and Employment Centers

Buildings along the existing Fairmount Line
Corridor Analysis

Opportunity sites represent about 35% of the land in all station areas.
Corridor Analysis

Somerville Geographies

Somerville Journey to Work

Somerville Green Line Underutilized Land
• TOD markets vary by region and by corridor

• Transit alone will not create real estate markets

• Regions with transit may have corridors with both strong and weak TOD markets

• Dallas TOD Opportunities vary based on the strength of local markets.
TOD in “Unfavored” Corridors

- High ridership potential
- Funding often favors existing freight lines and other low-cost rights-of-way, but . . .
- Station areas often are distressed neighborhoods with concentrated poverty
- These places often need “catalytic” projects to turn the market around
- How do you ensure everyone—including current residents—benefits from investment?
Regions Are Networks of Corridors

Charlotte
Regions are Networks of Corridors

- Corridors present different market opportunities
- Corridors can change over time with growth
- More research needed
  - Density thresholds
  - Market dynamics
  - Ridership implications
  - VMT Impacts
Regional Job Links Critical

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Economic Trends Related to the Value of “Access”

- 78% Gross Quarterly Private Job Growth is from Expansion by Existing Firms
- A Key Source of Economic Expansion Comes from Agglomeration Benefits (businesses clustered together)
- Central Cities No Longer Accommodate the Most Jobs in a Region
- Large “Labor Marketsheds” Contribute to Increased Labor Productivity
- Some Workers have Difficulty Accessing the “New Economy”
- Employers Struggle with Workforce Attraction and Retention
Connecting the Region Back to the Site
Regional Community Development

- Infill and TOD Incentives
- Consensus Around Growth Issues
- Planning for Future Infrastructure Investments
Getting TOD Right: Portland’s Pearl District

TRANSIT

DENSE NEIGHBORHOOD

WALKABLE STREETS

PARKS AND PLAZAS

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Getting TOD Right: Rosslyn-Ballston Corridor

Transit

Corridor Planning

Distinct Places

Building Community

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Stimulating High-Quality TOD

- Think region, corridor and neighborhood, not site.
- Consider bigger thinking: like master developer agreements and land acquisition funds.
- Transit is a public investment, and thus should provide benefits to a full range of households.
- Need strong partnerships between philanthropy, local/regional government, market actors and community.
- Plans and codes are not always sufficient to stimulate high quality TOD in distressed neighborhoods.
- Social seams/community hubs are key to successful long-term diversity.
- Be proactive about capturing value that is being created. Get tools in place early to ensure long-term diversity and stability.
National Opportunities for TOD

- Next Transportation Bill
  - 2009/10
- Climate Change Legislation
  - 2009?
- State-Level Initiatives
  - MD, MA, NJ, OR, PA, and others
- Local level
  - Bringing projects and tools to scale
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