

THE AFFORDABILITY INDEX

TOOLBOX

*A New Tool For Measuring The True Affordability Of Housing Choices,
And Other Tools To Promote Affordability*



MARCH 2008



This project was funded by the Southern California Association of Governments' (SCAG) Compass Blueprint Demonstration Project Program. Compass Blueprint assists Southern California cities and other organizations in evaluating planning options and stimulating development consistent with the region's goals. Compass Blueprint tools support visioning efforts, infill analyses, economic and policy analyses, and marketing and communications programs.

EXECUTIVE SUMMARY

THE AFFORDABILITY INDEX

AFFORDABILITY HAS NEVER BEEN just about housing costs. Researchers have long known that it's the interaction between housing and transportation costs that provides a more meaningful measure of affordability. This is especially true now that transportation costs have increased to an average of 19 percent of household income -- up from 3 percent in the 1920s.

Transportation is now the second highest household expenditure after housing, and gas prices are expected to continue driving that cost up. Communities in Southern California are especially vulnerable as the foreclosure crisis indicates -- since residents drive so much.

The affordability index is a new tool to measure the true affordability of housing choices by combining housing and transportation costs (H+T) in a neighborhood or region and dividing that number by income. Interestingly, the index shows that H+T costs vary significantly: households living in neighborhoods that are relatively dense, walkable, and with good transit access, and a mix of uses including jobs spend significantly less than households living in bedroom communities that are less compact, and where the average household owns two or more cars and the nearest employment centers are a long drive away.

We have calculated the affordability index for neighborhoods, cities, counties and the region of Southern California, and the numbers show that, as elsewhere in the nation where we have calculated these costs, H+T tends to be lowest in communities that are compact, mixed-use and transit-oriented. This data supports the Compass Blueprint 2 Percent Strategy because it shows that the neighborhoods that are most affordable are the same areas that have been identified in the 2 Percent Strategy as the best neighborhoods in which to accommodate regional growth.

This is especially significant now because polling shows that so-called "wallet issues" those that affect a household's economic security rank at the top of everyone's list of concerns. It's almost always difficult for communities to accept the idea of community change, especially when it includes increasing density and mixed-use, integrating affordable housing, and investing in transit instead of roadway improvements when traffic congestion remains a severe problem. But when it becomes clear that these changes also promote personal economic security, the idea of urbanizing along major transportation corridors becomes more palatable.

Part 1 of this report lays out the rationale and methodology of the affordability index, and samples the results for the Southern California region. Part 2 discusses six case studies in order to examine the ways in which local

governments are using smart growth and transit-oriented development to keep H+T costs low. Part 3 provides a "toolbox" of "generic" planning, finance, policy and implementation tools at all scales including state/region, corridor, jurisdiction/city, neighborhood/site -- that have been used to promote affordability in regions around the U.S. Finally, we summarize the results and make 17 recommendations based on our findings.

In sum, building mixed-income mixed-use housing near transit is a key tool to meaningfully address the region's affordability crisis by tackling housing and transportation costs together, meantime expanding access to jobs, educational opportunities, and prosperity for all income groups. Mixed-income mixed-use housing near transit holds the potential to address the seemingly intractable problems of worsening traffic congestion and rising unaffordability as well as the growing gap between lower-income and higher-income households by offering: 1) affordable housing that's made even more affordable because transit and pedestrian access to destinations lowers household transportation costs; 2) a stable and reliable base of riders for transit, which can help justify further transit improvements; 3) broader access to opportunity for households across the income spectrum; 4) protection from displacement for lower-income residents.

Moreover, like the rule of thumb for housing affordability that housing costs should not exceed a third, or 28 percent, of household income the affordability index provides a measure of affordability for transportation costs. People make decisions about where to live all the time without understanding the trade-off they may be making lower housing costs in return for higher transportation costs. A staggering amount of risk results, which has been highlighted recently in news about the rising number of foreclosures especially in places where transportation costs are highest due to low densities, a jobs-housing imbalance, single-use neighborhoods and a lack of transportation options.

The rising cost of petroleum doesn't bode well for Southern California, and reducing exposure to continued high housing and transportation costs is critical to the economic health of individuals and the region. Making information tools like the affordability index readily available to help reduce the risk will also help support demand for housing in more location efficient communities. Aligning the results of the affordability index with the recommendations of the Compass Blueprint 2 Strategy will help reduce financial risk and build community support for difficult changes like increased density, and mixed-use, mixed-income development near transit.

INTRO

AFFORDABILITY, THE MARKET AND THE BIG PICTURE

AT THE END OF 2007, despite the sub-prime lending crisis, downturn in the housing market, and all the signs pointing to a recession, the market remained bullish on Southern California. “Emerging Trends in Real Estate 2008,” the esteemed annual assessment published by PriceWaterhouseCoopers and the Urban Land Institute, once again ranked the region in the top five “markets to watch,” surpassed only by Seattle, New York and Washington D.C. While this enthusiastic endorsement is due in part to the sheer volume of activity here, it’s significant considering the choice is based on interviews with investors and developers representing \$717 billion in annual equity investments and \$3.3 trillion in annual debt.

The report is even more interesting in light of pending adoption of the Southern California Association of Government’s new regional transportation plan with its several scenarios for growth, including the “Envision” plan promoting major increases in density, mixed-use, infill and transit-oriented development along with limits on the construction of single-family housing. “Emerging Trends” singles out mixed use, infill, and transit-oriented development as three of 2008’s several “Best Bets.” “Fringe subdivisions without amenities lose appeal,” write the authors, “. . . the move back in [to the urban and suburban cores] continues.” Congestion, higher gas prices, and global warming are just some of the reasons, the authors continue, that condos, apartments and retail near light rail, subway and other rail stops “is increasingly attractive. Almost can’t miss [for investors].”

“Emerging Trends” is on the same page as the Compass Blueprint 2 Percent Strategy, which recommends accommodating growth and meeting Clean Air Act conformity by developing just 2 percent of regional land at higher densities along major transportation corridors. This is an emerging trend that’s been bolstered by good news recently in the media. There were a plethora of news stories in late 2007, most recently in the New York Times and Washington Post, citing anecdotal evidence that walkable, mixed-use neighborhoods near transit are holding their value despite the market downturn, faring much better than conventional suburban development. “Emerging Trends” notes that developers say they are willing to pay more for land near transit, and to deal with more development constraints, largely because they believe the land is more valuable.

But however bullish the market, everyone is increasingly cognizant of the risks, and the problem of California’s high housing costs combined with the tight credit market is at the top of the list. Notes Moody’s economy.com, in talking about California, “. . . the housing market will be the primary deterrent to economic growth in the near term . . . foreclosures also accelerated in the third quarter.” Foreclosures in Southern California have multiplied five-fold, noted a January L.A. Times story headlined “Pain Goes Through the Roof.” Outlying auto-oriented suburbs in the Antelope Valley and Inland Empire were hit first and hardest.

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It is in this economic setting that the Center for Transit Oriented Development (CTOD) publishes the results of its calculations of what is called the “affordability index.” The affordability index is a tool that can be used to show the importance -- when talking about affordability -- of transit, density, mixed-use, walkability and transit-oriented development. This is because transportation costs now rank second only to housing costs, consuming an average of 19 percent of household budgets. Southern California has always been the poster child for auto-oriented polycentric sprawl -- households here drive 60 percent more than households in Chicago, for example. This worked well as a way to promote homeownership and affordability in the days of low gas prices. But those days appear to be gone. The New York Mercantile Exchange started trading \$200/barrel options on oil futures in January, and a recent survey of economists and geologists concluded that today’s \$100 oil will cost \$177 to \$504 by 2012.

Rapidly increasing gas and energy prices are having a dramatic effect on affordability. A 2007 CTOD study funded by HUD and the Federal Transit Administration shows transportation costs vary significantly depending on where you live. If the average American household spends 19 percent of the household budget on transportation, households living in auto-dependent neighborhoods spend 25 percent, and households living in transit-rich mixed-use neighborhoods spend only 9 percent. That 16 percent savings is significant for all families but it’s critical for families threatened with foreclosure, and for all lower-income households because they spend a greater percentage of their household budgets on transportation.

Moreover, there’s an elephant in the bathtub: Increasing concerns about climate change led to passage last year of AB 32, the “Global Warming Solutions Act.” Though planning has just begun on how to implement the act -- with its goal of rolling back California’s annual greenhouse gas emissions to 1990 levels by 2020, the equivalent of cutting the state’s gasoline use by almost 70 percent -- it is clear that the ramifications for the way we plan for growth in Southern California will be enormous. Much of the region remains auto-dependent, particularly the two fastest-growing counties, Riverside and San Bernardino, where single family homes are being built in communities without density, mixed-use or much in the way of transit infrastructure.

The California Air Resources Board has begun identifying ways to cut emissions, and implementation of AB 32 is likely to combine regulatory mandates and an emissions-trading plan, with rules taking effect in 2012. High on the list of strategies is the promotion of transit-oriented high-density communities and other smart growth strategies. It’s likely that new development projects will be assessed according to their GHG emissions, and then be required to mitigate.

The good news is that the solutions to the climate change problem and to the affordability problem are the same: density, infill, mixed-use, jobs-housing balance, walkability, transit, and transit-oriented development -- the very same community tools promoted in the Compass Blueprint 2 Percent Strategy. Community change is always hard, and traffic-generating development projects and density are almost always opposed by residents. But once communities understand that the result can be more affordability -- and, especially, can mean more money in the wallet -- these changes become more palatable.

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PART 1:

INTRODUCING THE AFFORDABILITY INDEX

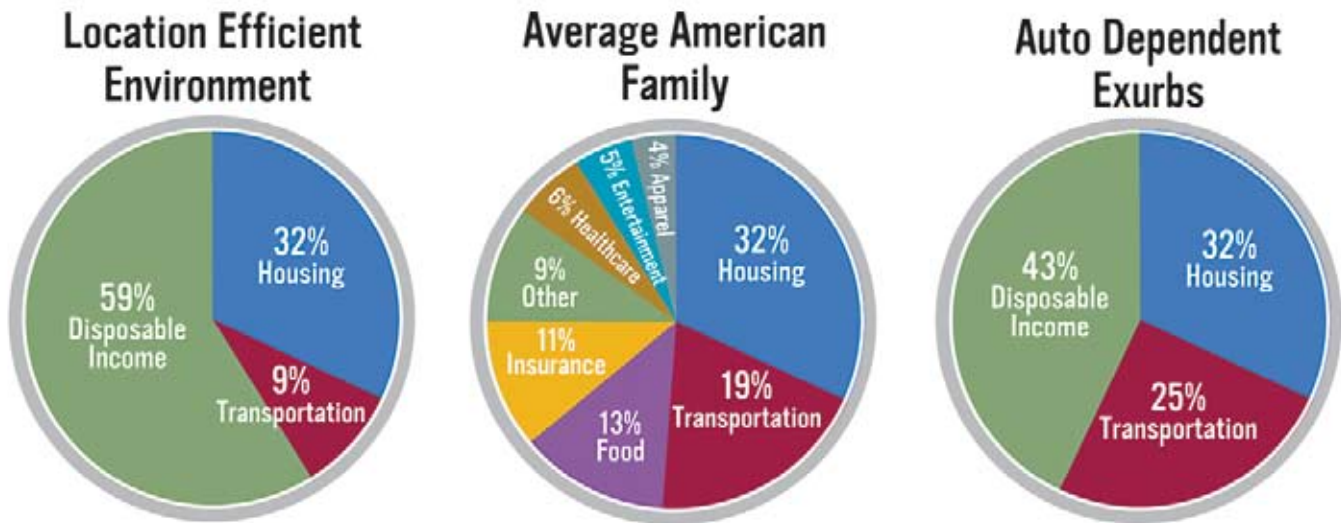
Affordability has never been just about housing costs. Researchers have long known it's the interaction between housing and transportation costs that provides a more meaningful measure of affordability -- especially now that transportation costs have increased to an average of 19 percent of household income, up from 3 percent in the 1920s. Transportation is now the second highest household expenditure after housing, ranging from 15 percent to a quarter of the average household's expenditures.

Rising transportation costs are causing people to re-think what is affordable: It used to be true that you could "drive until you qualify" and find cheaper housing on the exurban edge. But according to a report by the Center for Housing Policy in 2005 - before gas prices skyrocketed -- for every \$1 saved on cheaper suburban housing, households in fact spent 77 cents more

$$\text{Affordability Index} = \frac{(\text{Housing Costs} + \text{Transportation Costs})}{\text{Income}}$$

The affordability index helps to redefine the notion of affordability as not just housing costs but housing costs plus transportation costs. This is important because people tend to discount the high cost of transportation: While the cost of housing is well-defined as the monthly rent or mortgage payment, transportation costs are disaggregated into separate payments for insurance, repairs, tires and gas. Because these costs vary from one month to the next they are hard to keep track of.

In fact American households spend a lot of transportation. The Center for TOD completed a study last year, funded by the Federal Transit Administration and HUD, quantifying the amount of money that could be saved by households choosing to live in



THE HOUSEHOLD BUDGET.
Source: Realizing the Potential: Expanding Housing Opportunities Near Transit, 2007; Center for Transit-Oriented Development.

on transportation. "Cheaper" housing in the exurbs isn't really cheaper anymore.

We created the affordability index in 2005 for the Brookings Institution's Urban Markets Initiative because we wanted to develop a tool to illustrate this fact -- a tool that could also be used to demonstrate the importance of building compact higher-density mixed-income housing in walkable, mixed-use neighborhoods near transit. The affordability index combines the sum of housing costs plus transportation costs for a neighborhood or for a region, and divides it by income. In the simplified formula, total housing costs include current housing sales prices and rents, and total transportation costs equal the sum of the costs for auto ownership, auto use and transit.

mixed-use transit-oriented communities. The research showed that while households living in auto-dependent communities spend 25 percent of income on transportation, households living in transit-rich communities spend just 9 percent of income. That equates to a savings of 16 percent -- a considerable amount of money that can be especially critical for lower-income households who spend a much higher percentage of their income on transportation.

The affordability index builds on the analysis and theory of the location efficient mortgage (LEM), a lending product that was developed by a group of researchers, including members of the Center for Transit Oriented Development, for Fannie Mae in 2000. The LEM was rolled out in three regions, including Southern California, where we worked in partnership with the Southern California Association of Governments (SCAG). The LEM was very similar to the affordability index in that it was intended to promote the idea that true affordability is about the combined costs of housing and transportation, and that when banks and

lenders qualify buyers for a home loan they ought to take into account the fact that homebuyers can afford a bigger mortgage if they choose a neighborhood near public transit where they can realize significant savings on transportation.

We tested the affordability index in the Minneapolis-St. Paul region and found significant differentials for housing plus transportation costs in different neighborhoods. Households living in neighborhoods that are relatively dense, have a good mix of uses including jobs, and good transit access spent significantly less on housing and transportation than those living in outlying bedroom communities where the average household owns two cars and the nearest employment centers are a long drive away.

For example, in the Longfellow/Seward neighborhood near downtown Minneapolis, which is relatively dense, has good transit access, and a good mix of jobs, households spend \$446 a month on housing and transportation, significantly less than the regional average of \$741 per month. In the exurban auto-oriented neighborhood of Farmington, in contrast, households spent \$941 a month – more than twice as much. Most of the housing in Farmington is relatively

new and affordable, but the average household owns at least two cars and the nearest employment centers are far away, with the result that households save on housing but spend much more on transportation, for a total of 54 percent of the household budget (47 percent is considered “affordable” – the sum of 28 percent for housing and the 19 percent national average for transportation).

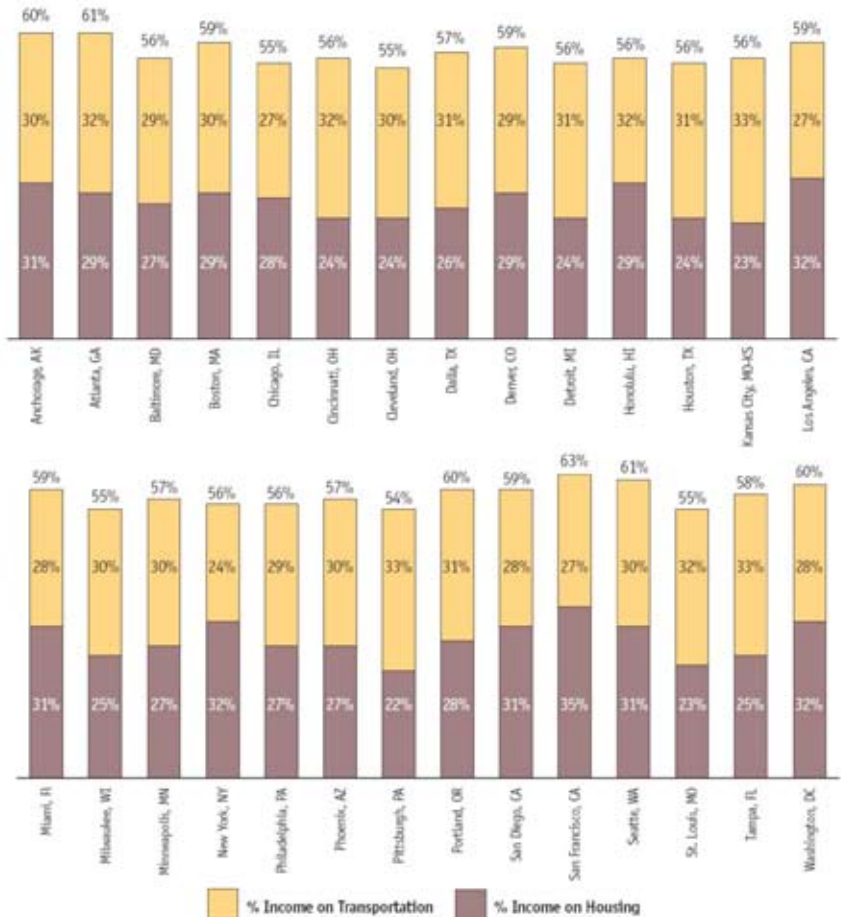
Our calculations of the affordability index in Southern California show similar results, as discussed later in this report.

The Affordability Index was peer-reviewed and published by the Brookings Institution in 2006, and the model was recalibrated and put on line for 52 regions. The affordability index was then used for a project that examined the effect of combined housing and transportation costs on working families, and it was combined with another study done by UC-Berkeley that also looked at the choices made by working families regarding location and

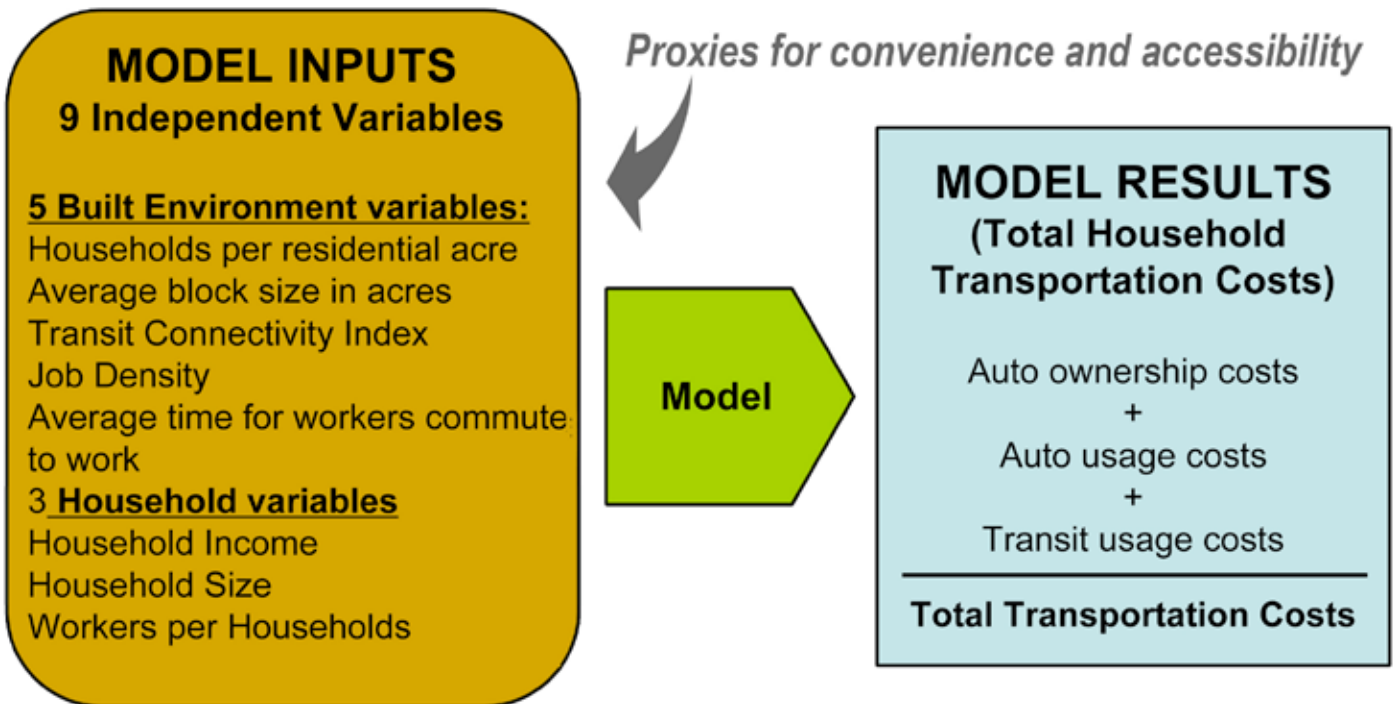
commute time. These two studies were then released as a joint report by the Center for Housing Policy called “A Heavy Load: The Combined Housing and Transportation Burden of Working Families.” The report was covered extensively by the media,

With gas prices at more than \$3 per gallon and rising, double the price of just two years ago, the average household will increase its total transportation expenditures by 14 percent, or \$1,200 a year. This increase alone is 3 percent of the median income household’s annual earnings.

COMBINED COSTS OF H+T = A HEAVY LOAD



Tranportation Model



evidencing the growing concern about rising housing and transportation costs.

The study found that combined costs ranged from a low of 54 percent in Pittsburgh to a high of 63 percent in San Francisco, but that costs tend to average about 57 percent of income. This is because families who pay less for housing tend to pay more for transportation and vice versa. Interestingly, the study showed that in 17 of the 28 metro areas the average transportation costs for working families are as high or higher than housing costs – regions including auto-oriented Houston and Detroit. It's also interesting to note that while New York City is considered to be an extremely expensive place to live, in fact the combined costs of housing and transportation in NYC are lower than in Southern California, in part because of New York City's extensive public transit system, mix of uses and walkability.

VARIABLES DETERMINING TRANSPORTATION COSTS

Household income and household size are the primary determinants of transportation demand. Larger and wealthier households tend to own more vehicles and drive more miles -- the two factors that have the most impact on transportation costs. Yet even among wealthy households neighborhood characteristics influence how much is spent on transportation, since the characteristics of place also shape transportation demand. This is especially

true now that there are so many single-use neighborhoods and such a large imbalance between housing and jobs, development patterns that make it necessary to drive everywhere.

A growing body of research has shown a strong relationship between increased density, transit access, pedestrian friendliness, the accessibility of jobs, and the convenience of amenities such as grocery stores, dry cleaners, daycare and movie theaters. The importance of those factors on "affordability" are significant: With gas prices at more than \$3 per gallon and rising, double the price of just two years ago, the average household will increase its total transportation expenditures by 14 percent, or \$1,200 a year. This increase alone is 3 percent of the median income household's annual earnings.

In the affordability index, household transportation costs are estimated as three separate components: costs of auto ownership, auto use, and transit use. These three components are the dependent variables in the model and are affected by the combination of seven independent variables in the built environment and two independent household variables. Together, these nine variables represent the independent neighborhood and socioeconomic variables that predict household transportation costs at the census block group level, the smallest geography available to approximate neighborhoods. It's important to model these costs at a neighborhood level given that the independent variables can vary block by block.

Modeled values for these variables are derived primarily from

the U.S. Decennial Census 2000 Survey; the Census Transportation Planning Package 2000 (CTPP 2000); the National Household Travel Survey (NHTS); and the National Transit-Oriented Development database. The TOD database was developed by the CTOD with the support of the Federal Transit Administration, Fannie Mae, and the Surdna Foundation. It contains the demographic, land use, and transportation characteristics of neighborhoods located within a half mile of 4,000 existing and planned fixed-guideway transit stations in the U.S. The transportation characteristics in the database include the location of train stations and lines, train frequencies, bus routes, and actual and estimated bus route frequencies. Bus route information was collected from the Federal Transit Administration and from local transit authorities.

We combined the variables in a regression model that accounts for changes in the location variables that influence transportation costs, while controlling for the household characteristics that, to a lesser extent, also determine the costs. To develop the exact regression formula, we tested each of the independent variables separately against the dependent variables, and then in combination to determine their relationship. The analysis showed that the independent variables co-vary and are interdependent. No one variable -- such as transit accessibility or household income -- by itself completely determines how many autos a household will own, how many miles household members will drive, and how much they will use transit. Because transportation is an integral part of our daily routines, it makes sense that it is the combination of how a household commutes to work, how far away the grocery store is, how children get to school or other activities, and how much a family earns, that determines total household transportation costs.

THE AFFORDABILITY INDEX RESULTS IN SOUTHERN CALIFORNIA

The affordability index calculates the true affordability of housing choices based on the market value of the house/condo/apartment and the transportation costs incurred in a particular location. It does so not only at the metropolitan area level, but also at the neighborhood level, where hundreds of consumer, investment, development and infrastructure decisions are made every day. Used at a community level, the affordability index can help households assess which neighborhoods are most affordable, and it can help policymakers determine what policies should be put in place and where resources can be focused to enhance affordability.

Maps 1 and 2 on the following pages illustrate the difference in affordability when considering only housing costs and when considering the combined cost of housing and transportation. Both maps depict the costs for households earning the area median income. Map 1 shows monthly housing costs as a percent of in-

come. The medium blue areas are those that would traditionally be deemed "affordable" in accord with the lending guideline that requires households to spend 28 percent or less of their income on housing. If one considers only housing costs, a significant part of the Southern California region appears affordable for this income group, including the majority of San Bernardino and Riverside counties, and almost a third of L.A. County, though very

little of either Ventura or Orange counties is considered affordable. Housing costs used to compute the affordability index come from the 2000 Census.

Map 2 adds transportation costs to housing costs. For families earning the area median income in Southern California, the percent of income spent on transportation ranges from a low of 8 percent, or \$303 per month, in central L.A. County to a high of 42 percent, or \$1,592, in outlying L.A. County. The average household in Southern California spends about 24 percent of income on transportation. It is difficult to compare the SoCal numbers to other regions in the U.S. because different datasets were used -- national datasets were used for the national comparisons seen in the Center for Housing Policy study while Southern California data was used to calculate the data for the region.

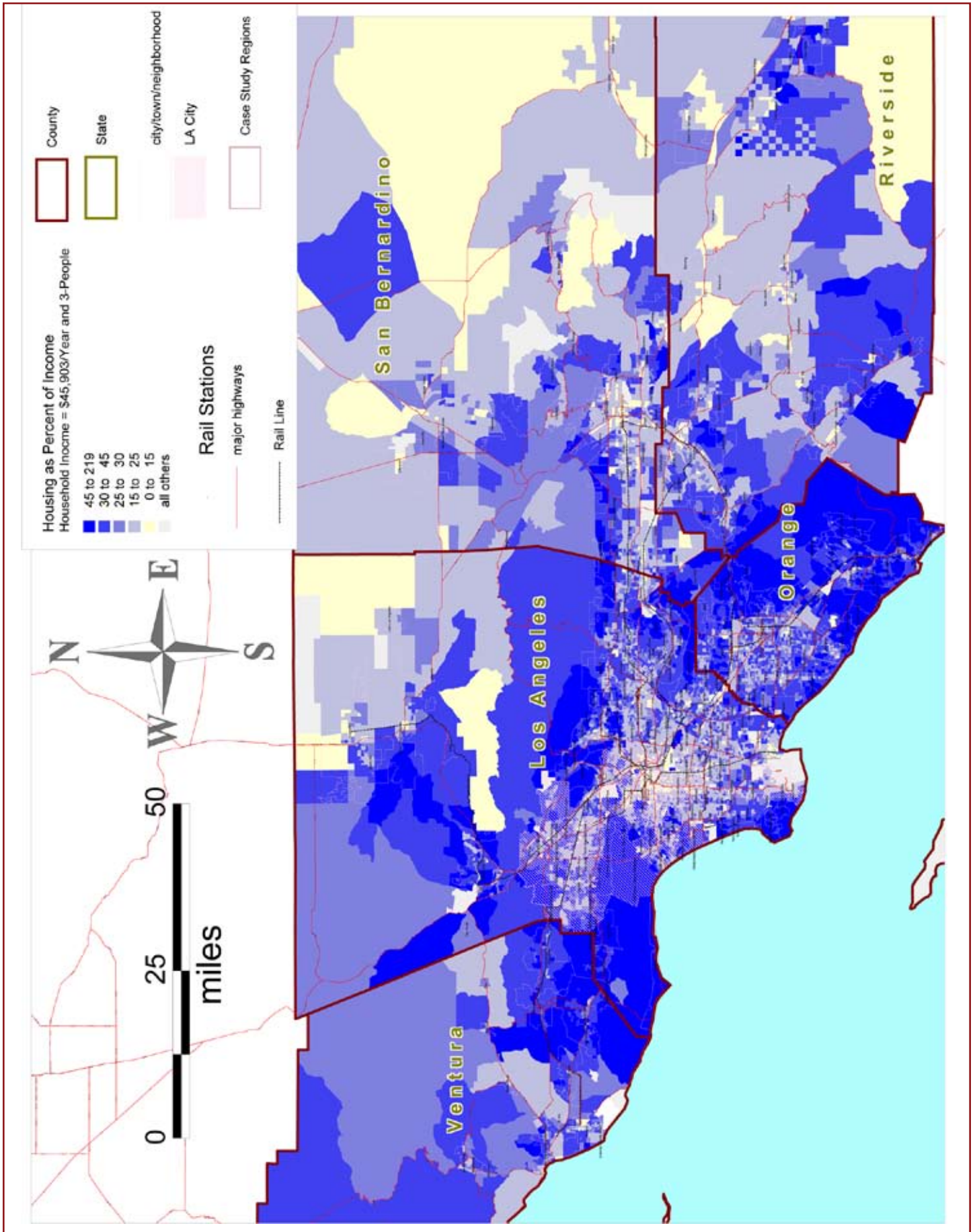
Lower-income families pay a higher percentage of their household income for transportation: For households earning 80 percent of AMI the percent of income spent on transportation ranges from a low of 9 percent in central L.A. County to a high of 48 percent in San Bernardino County. This is a very significant difference, but is balanced by lower housing costs. Obviously, people choose to live where they think they can afford to live, though this decision is typically made using information on housing prices only. The chart on page 10 shows the housing plus transportation costs for some of the largest communities in the region as a percentage of local income instead of area median income. This chart shows that most households spend about 28 percent of income for housing -- with lower income households choosing to live in those communities with less expensive housing costs -- but that transportation costs vary significantly based on the variables discussed above.

We have mapped the affordability index using a range for housing and transportation costs: less than 47 percent, 47 to 74 percent, and 75 percent and above. The benchmark rate of 47 percent represents the sum of the current national average expenditure on transportation -- 19 percent of income -- plus the mortgage underwriting standard for housing debt of 28 percent or less of income. Using the guideline that a household should spend no more than 47 percent of income on housing and transportation, or \$43,443, the areas in Southern California that can be considered affordable shrink considerably when the cost of transportation is added to the cost of housing.

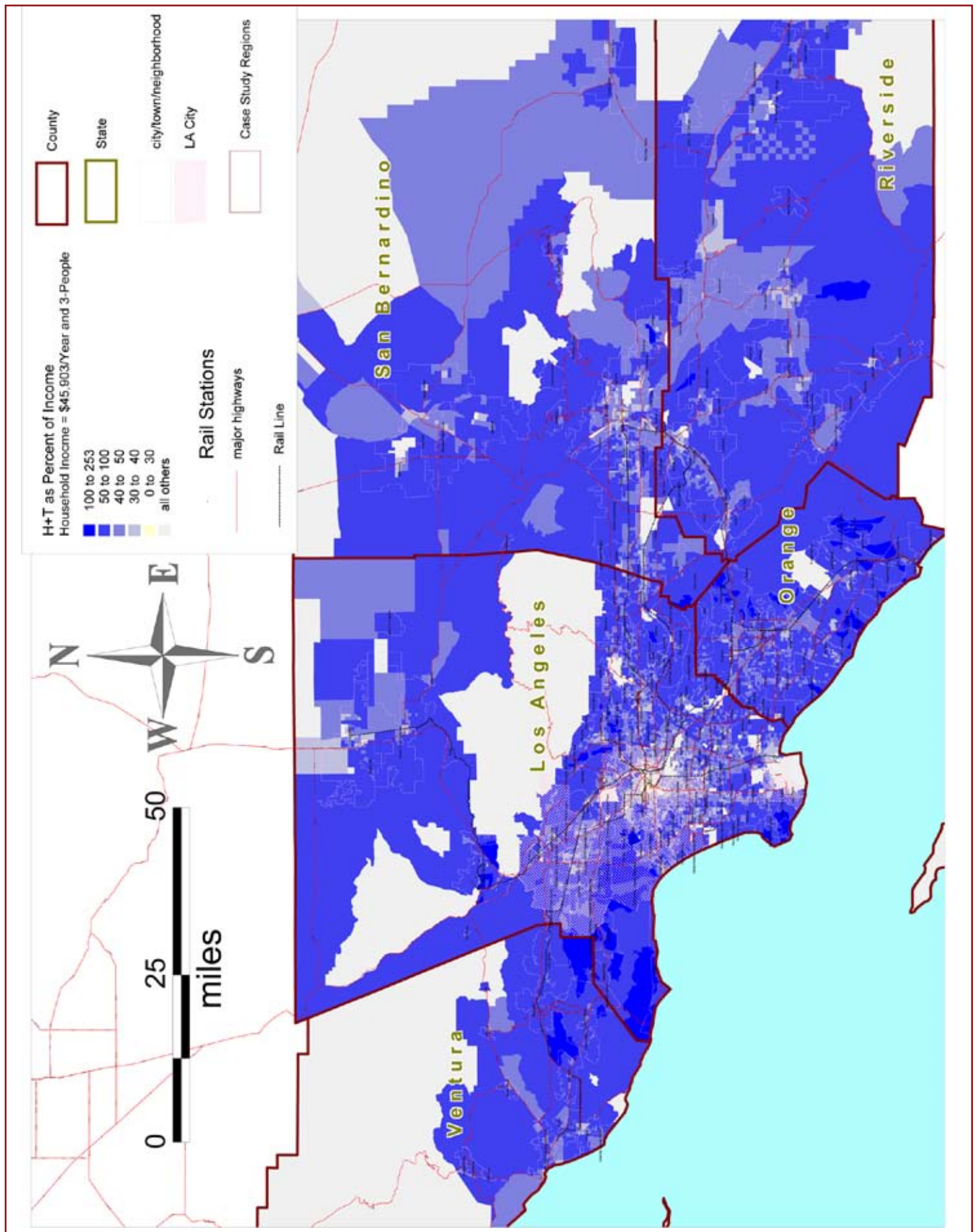
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Map 1: Housing costs only.

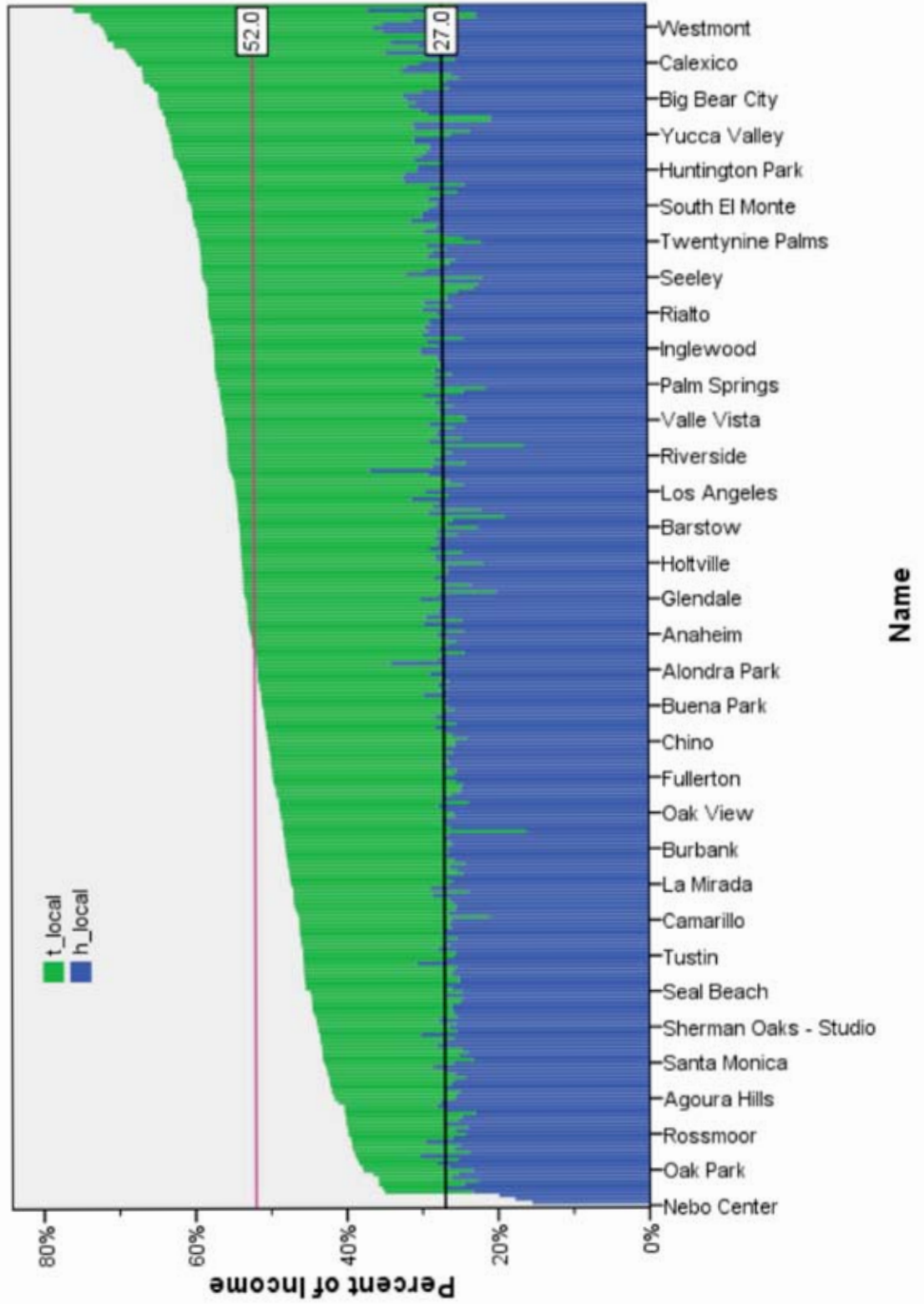


Map 2: Housing plus transportation costs.

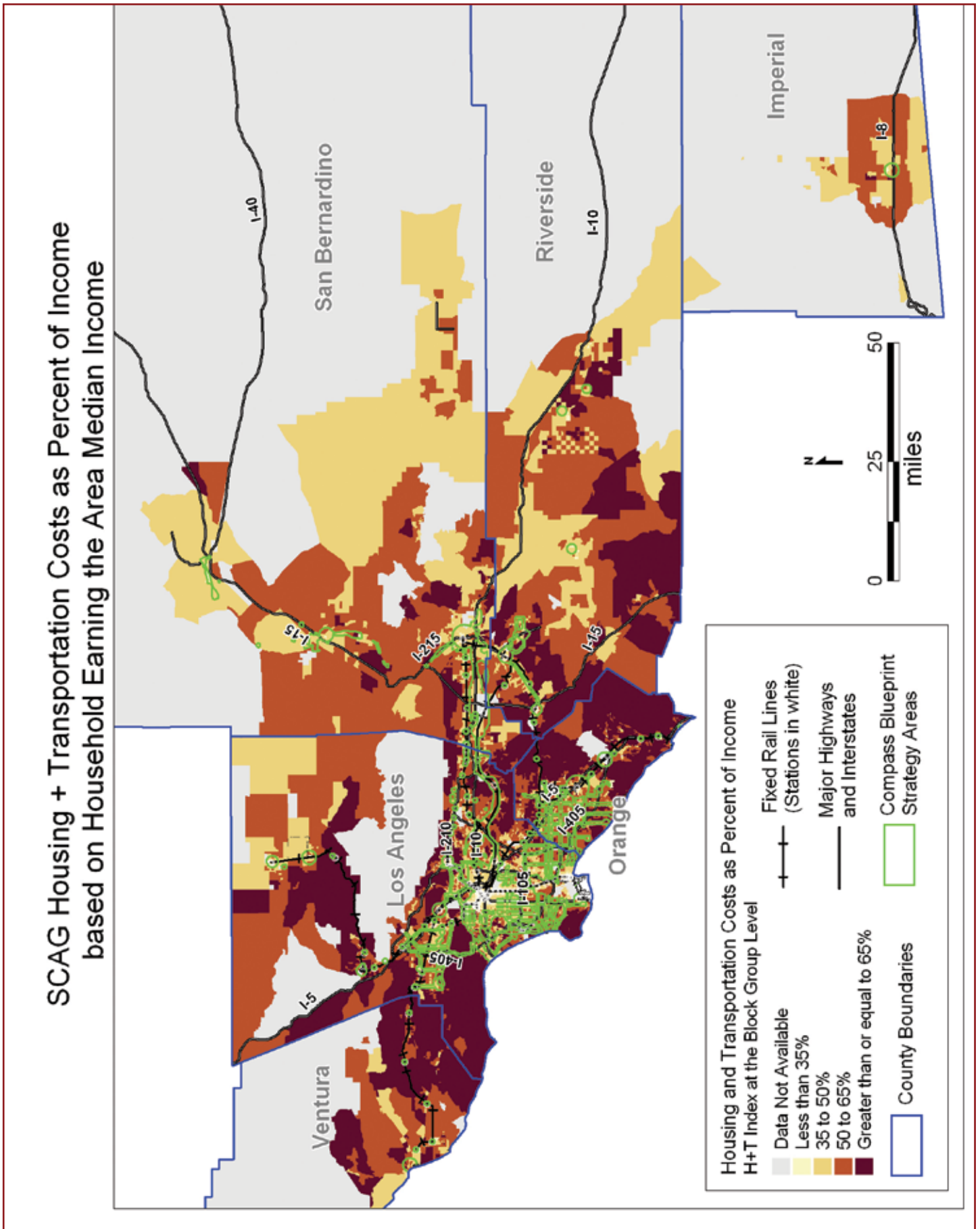


H+T Across Communities

For People Who Live There



Map 3: Affordability Index and Compass Blueprint boundaries



communities with high job densities, and in communities where housing costs are very low. Areas of affordability in other counties are also concentrated around major transportation corridors and Metrolink stations, and in communities with high job density so that people don't need to spend as much on commuting, and where housing costs are so low that they mitigate the higher cost of transportation. It's important to note that the data used for the study was from the 2000 Census, and that more current data (not available until the next census) would produce different results because the price of gas has increased at least \$2 a gallon in the past three years.

The presence or absence of transit, proximity to employment, density, a mix of uses including convenient access to services, schools, grocery stores and entertainment all help explain the cost differential. L.A. County is advantaged by an extensive bus and rail system, with more than 500 miles of urban and commuter rail and more than 100 stations, the Orange BRT (bus rapid transit) Line, the El Monte and Harbor Freeway busways, Rapid Bus corridors, and 2,300 buses serving 18,500 bus stops. Public transit is particularly well-used along corridors where service is frequent and convenient: 30 percent of all travel into downtown L.A. is by transit -- comparing to 38 percent in San Francisco. On the Eastside it's 25 percent; in Mid-City and the Westside it's 15 percent. The combined cost of housing and transportation is also more affordable in the most urbanized areas of Orange, San Bernardino and Riverside counties.

The average household in the region spends 29.6 percent of income on transportation, 10.6 percent higher than the national average of 19 percent. The average household in the region spends 54 percent of income on housing and transportation, 7 percent higher than the national average of 47 percent. For a household with limited financial resources, making a careful decision about where to buy or rent necessitates weighing the relative costs of living in different neighborhoods -- costs that cannot be fully understood unless one combines the cost of housing with the cost of transportation in a particular neighborhood. But until the affordability index there has been no tool that provides a benchmark for transportation affordability similar to the universally recognized housing affordability standard of 28 percent.

How much is it worth to own a big home on a big lot compared to living where it's possible to walk the store and to school, and to bike or take transit to work? If having a large backyard means moving to a community where a family needs to own two or three cars, is it worth it? Maybe. But unless a household understands the transportation costs that go hand-in-hand with their housing choice, they can't make the best choice. The affordability index allows us to rethink and redefine the very idea of affordability, and to provide households with the information they need to understand the financial implication of their decisions.

Polling shows that so-called "wallet issues" -- those that affect households' economic security -- rank at the top of everyone's list of concerns. It's almost always difficult for communities to accept community change, especially when it includes increasing density and mixed-use, integrating affordable housing, and investing in transit instead of roadway improvements. But when it becomes clear that all these changes can also help promote economic security, then the reasons to urbanize along major transportation corridors become clear. These are all strategies promoted in the

Compass Blueprint 2 Percent Strategy. The 2 Percent Strategy identifies neighborhoods and corridors in the region where these strategies are most appropriate. It's no coincidence that they coincide with the neighborhoods that the affordability index show to be more affordable since they are near transit, density, jobs and a mix of uses, and they are walkable. (See Map 3.)

An examination of six relatively diverse communities in the region helps provide a better understanding of how the affordability index can enable communities, elected officials and policy-makers make more informed decisions -- about where to live, where to target transportation investments, density, and affordable and mixed-income housing.

PART 2: *HOW SIX CASE STUDY SITES HAVE USED SMART GROWTH AND TRANSIT-ORIENTED DEVELOPMENT TO KEEP COMBINED H+T COSTS AFFORDABLE*

Six case studies were selected to examine the ways in which local governments are addressing the problems associated with dispersed growth that appears to make housing more affordable but wipes out these savings with high transportation costs. All the case study sites post significantly lower housing and transportation costs than the average for the county in which they are located. All of the cities in which the sites are located have charted their particular development and/or redevelopment course using smart growth and New Urbanist principles. All are concentrating development and redevelopment activity around increased transit investments, creating a wider range of housing choices in walkable transit-oriented neighborhoods, providing more transportation options, and creating a good mix of housing, retail, employment and civic/cultural/recreational uses in compact development that will also help revitalize city centers.

Three case study sites were chosen in L.A. County -- the Koreatown neighborhood in the City of Los Angeles, downtown Glendale, and the El Monte Transit Village. Two are in Orange County -- downtown Fullerton and the Platinum Triangle development project in Anaheim -- and the remaining case study is downtown San Bernardino. The affordability index numbers for the case study sites are shown on the next page -- the percent of area median income that households spend on housing, transportation, and on housing and transportation (H+T) costs combined. These numbers are compared with the percentages spent in the larger neighborhood or city in which the case study site is located, with the county average, and with the average for the region:

KOREATOWN

Interestingly, Koreatown, an urban core neighborhood near downtown Los Angeles that is seeing tremendous foreign investment and high-density development, is the most affordable case study example with a combined H+T cost of 31 percent of area

	Koreatown	Wilshire Neighborhood	L.A. County	SoCal Region
H_ami	14%	23%	29%	30%
T_ami	17%	19%	23%	24%
HT_ami	31%	41%	52%	54%

	Downtown San Bernardino	City of San Bernardino	San Bernardino County	SoCal Region
H_ami	13%	20%	25%	30%
T_ami	23%	25%	27%	24%
HT_ami	36%	45%	52%	54%

	Downtown Glendale	City of Glendale	L.A. County	SoCal Region
H_ami	20%	29%	29%	30%
T_ami	19%	22%	23%	24%
HT_ami	39%	52%	52%	54%

	El Monte Transit Village	City of El Monte	L.A. County	SoCal Region
H_ami	20%	21%	29%	30%
T_ami	24%	24%	23%	24%
HT_ami	44%	45%	52%	54%

	Downtown Fullerton	City of Fullerton	Orange County	SoCal Region
H_ami	23%	30%	36%	30%
T_ami	23%	25%	25%	24%
HT_ami	46%	55%	61%	54%

	Platinum Triangle	City of Anaheim	Orange County	SoCal Region
H_ami	27%	30%	36%	30%
T_ami	24%	25%	25%	24%
HT_ami	51%	55%	61%	54%

median income. This is well below the amount spent on H+T in L.A. County (52 percent) and in the Southern California region at large (54 percent). These numbers are also lower than the national average for H+T of 47 percent. However, it is important to note that the national datasets used to calculate the national numbers provide different results than the local data used in the SCAG work. The national datasets show the average H+T cost in Southern California to be 50 percent of area median income, while the local data provides for a total of 54 percent.

Koreatown's low H+T cost is likely due to a combination of factors including high density development and a range of housing types including a significant number of affordable units and older housing stock; proximity to major employment centers as well as a significant number of local jobs; a transit-rich environment that

includes three subway stations (providing quick and easy access into downtown and Hollywood), and high-frequency local and regional bus service, including the hugely popular Rapid Bus. Koreatown is also highly walkable with a good mix of uses and destinations. Transportation costs in Koreatown are the lowest of the six case studies at 17 percent, compared to the 19 percent in the larger Wilshire/Western neighborhood, 23 percent in L.A. County, and 24 percent in the region at large. The national benchmark for transportation affordability is 19 percent.

Koreatown is the second most densely populated district in the U.S. after Manhattan and also has one of the highest employment densities, and it is prominently located just west of downtown L.A. and south of Hollywood. Wilshire Boulevard, one of the most heavily traveled arterials in Los Angeles, runs through

Koreatown and is lined with high-rise office buildings, luxury condominiums and shopping centers. Rapid Bus, the subway and both local and regional bus service provide excellent transit connectivity to the rest of the region. The wide array of housing options and the low H+T costs make Koreatown affordable for low-income residents, and help maintain a vital mix of socio-economic and racial diversity. The median income is just \$16,200 compared to an average of \$42,000 in L.A. County.

Koreatown's assets have been acknowledged by investors, and since the late 1990s there has been an influx of both public and private investment and a building boom of unprecedented proportions -- resulting in an expansion of Koreatown into adjacent neighborhoods to the east and west. The neighborhood wasn't always so well-off, and was hard hit by the 1992 riots, causing the city to make it a redevelopment project area in 1995. A General Plan Framework Element completed at that time designated Koreatown as a regional center and encouraged mixed-use development at densities the city had not allowed in decades. An expansion of transit services supported these densities without a significant increase in congestion, and the subway service and three stations reinforced Koreatown's connections to downtown Los Angeles and to Hollywood. The densities have attracted significant investment in retail, since the neighborhood's high cumulative buying power has helped retailers and commercial developers overcome concerns about residents' low incomes.

The building boom has fueled a 900 percent increase in tax increment revenues in the past five years, and the redevelopment agency is investing some of the money in affordable housing and programs to help small businesses. Both the redevelopment agency and L.A. Metro are investing millions of dollars in joint development projects at transit stations, many of which include a significant number of affordable housing units. Perhaps the most important lesson of Koreatown is that while high-end development can certainly contribute to displacement of low income residents, cities can use developer interest to leverage community benefits and services including affordability. Moreover the city has been able to build on Koreatown's unique identity as the center of L.A.'s Korean community: Wealthy Koreans who left Koreatown after the 1992 riots are moving back in to the neighborhood, and Korean investors are interested in part because they are familiar with high-density development that is common in as South Korean cities.

Koreatown is a quintessential example of how density, a mix of uses, mixed-income housing, transit, walkability and good access to jobs can enable a neighborhood to become an economic powerhouse while still maintaining quality of life and providing for a healthy socioeconomic and ethnic diversity. The fact that Koreatown was considered blighted and made a redevelopment

project area as recently as 1995 also shows how this kind of transformation can happen relatively quickly. The next most affordable case study, downtown San Bernardino, provides a study in contrasts with Koreatown. The downtown San Bernardino case study serves to illustrate how challenges can provide for enormous opportunities, and also how the above-mentioned strategies work in all kinds of communities -- from high-density to low-density, and from urban to suburban.

DOWNTOWN SAN BERNARDINO

Whereas Koreatown is very high-density and booming, San Bernardino is low-density and it is not booming: Koreatown is dense, with 44.2 households per acre, whereas San Bernardino has 6 households per acre, compared to the L.A. County average of 6.5. San Bernardino has seen increased investment in suburban single family neighborhoods on the outskirts of the city during the past half dozen years as families move out of more urban neighborhoods in search of more affordable housing. But the city has experienced almost four decades of disinvestment

in its downtown. One measure of this disinvestment and the low density is the fact that 25 percent of land around a transit station just west of downtown is either vacant or industrial.

But there are interesting similarities between the case studies as well: Housing costs are similarly affordable at 14 percent of income in Koreatown and 13 percent in San Bernardino, while transportation is more affordable in Koreatown, 17 percent compared to San Bernardino's 23 percent (which is above the national transportation affordability benchmark of 19 percent) -- largely due to the better job access and rich transit network. This results in comparable affordability index H+T scores -- 31 percent of area median income in Koreatown compared to 36 percent in San Bernardino. This is striking in light of the fact that urban core communities in "world-class" cities like Los Angeles -- with their rich mix of jobs, entertainment, schools and other destinations

-- are typically thought to be very expensive compared to exurban cities like San Bernardino.

Both communities are home to a vibrant ethnic and socio-economic mix and Hispanic majority (65 percent in San Bernardino and 62 percent in Koreatown). Both case studies are major job centers, but the magnitude of jobs per square mile around each case study site is significant: There are 164,000 jobs per square mile in Koreatown and its surrounding neighborhoods compared to 39,000 in San Bernardino.

But if San Bernardino currently lacks the vitality that characterizes Koreatown and the investment that's pouring in, the city is nonetheless poised to turn its challenges into opportunities by

These three case studies -- Koreatown, downtown San Bernardino and downtown Glendale -- provide the most affordable H+T costs, well below the national benchmark of 47 percent for affordable H+T costs despite the fact that Koreatown and Glendale are located in one of the more expensive housing markets in the U.S. This enhanced affordability is due in part to the fact that car ownership is significantly lower than the regional average in all three case studies: households own an average of just one car in Koreatown and San Bernardino compared to 1.3 in Glendale and 1.7 in the region as a whole.

capitalizing on its strong public sector employment base, high transit ridership, and significant redevelopment opportunities. Both the city and county of San Bernardino have charted an ambitious redevelopment course that incorporates smart growth and New Urbanist principles. Numerous catalytic projects are either planned or underway in downtown's historic core on key opportunity sites like the Carousel Mall, and the city and county have ambitious and comprehensive plans to concentrate employment and boost home ownership downtown by building walkable, compact, mixed-use development and making significant investments in transit. This redevelopment focus will help keep housing and transportation costs low and make the city more livable.

San Bernardino is home to numerous government offices that draw 15,000-20,000 workers into downtown daily, and the train station west of downtown is served by Metrolink, Amtrak and bus, and is one of the busiest stations in the Metrolink system. Two major government office complexes planned for downtown will bring in thousands more office workers, as well as attorneys, engineers, title companies and other businesses that work closely with government. A new Metrolink station is planned in the downtown core, as well as an extension of Metrolink to the University of Redlands, and new express bus service.

Other downtown improvements include a minor league baseball stadium, the renovated historic California Theater, a new movie theater complex, and there are plans to redesign the 55-acre Seccombe Lake urban park. The city is also boosting home ownership downtown by providing a range of housing options including affordable ownership. The city is partnering with developers on affordable ownership and senior housing, and is offering loans for down payments and closing costs.

After years of pursuing isolated redevelopment projects designed to attract new investment, the city is taking a multi-faceted approach that focuses simultaneously on employment,

DOWNTOWN GLENDALE

The combined cost of housing and transportation in downtown Glendale is similar to that in Koreatown and downtown San Bernardino (see chart below). While housing in Glendale is more expensive, transportation costs are similar, and equal to the average national transportation expenditure of 19 percent. Downtown Glendale has lower housing and transportation costs than the city at large – H+T downtown is 39 percent compared to 52 percent for the city. Transportation costs will be kept lower in part because downtown has walkable block sizes, above-average transit connectivity, and a wealth of jobs, and because the city is concentrating development downtown – including 4,000 housing units, just shy of the 5,000 additional households projected to live in Glendale by 2020.

These three case studies – Koreatown, downtown San Bernardino and downtown Glendale -- provide the most affordable H+T costs, well below the national benchmark of 47 percent for affordable H+T costs despite the fact that Koreatown and Glendale are located in one of the more expensive housing markets in the U.S. This enhanced affordability is due in part to the fact that car ownership is significantly lower than the regional average in all three case studies: households own an average of just one car in Koreatown and San Bernardino compared to 1.3 in Glendale and 1.7 in the region as a whole.

Glendale has many of the same assets as Koreatown, including one of the highest job densities in L.A. County due to its excellent accessibility – largely because of its location in a “Golden Triangle” of three freeways that provide easy access for workers from around the region. There are 100,000 jobs per square mile in and around downtown Glendale; there are 164,000 jobs per square mile in Koreatown. This difference is commensurate with Glendale's generally lower densities – there are 29.3 households per acre in Glendale compared to 44.2 in Koreatown. And while

	Downtown Glendale	Downtown San Bernardino	Koreatown	SoCal Region
H_ami	20%	13%	14%	30%
T_ami	19%	23%	17%	24%
HT_ami	39%	36%	31%	54%
Cars/HH	1.3	1.0	1.0	1.7

housing, transit and community involvement. The intent is to create a mix of residential, business, institutional and retail uses that co-exist and benefit from one another – so that downtown residents can live, work, shop, eat and find entertainment without using a car. The small block size in the historic downtown is perfectly suited for walkability. The city is taking advantage of its position as county seat and is bringing back government jobs that have been dispersed across the county. And whereas many historic downtowns have only small parcels of land available for redevelopment – which are hard to assemble – San Bernardino has many large opportunity sites.

Glendale has no rail transit with the exception of a Metrolink station on the southern outskirts of downtown, the downtown is walkable and does have good bus service.

Glendale has been characterized by single-use neighborhoods – with commercial and office concentrated in downtown and surrounded by residential neighborhoods – but in the last ten years there has been a concerted effort to mix uses downtown, convert underutilized office space into residential, and to make the city more walkable. The goal in downtown Glendale is to support commercial development with residential, and to mitigate the increased traffic that could come with high-density development

– planned, underway and existing -- by mixing uses and encouraging residents and workers to walk and take transit.

The very successful downtown Galleria shopping mall is a regional attraction and economic driver, providing sales tax revenues as well as customers for surrounding restaurants and businesses. The Redevelopment Agency began acquiring property downtown in the 1970s, recognizing the area's many parking lots and warehouses cut the Galleria off from the rest of downtown. The Galleria is soon to be complemented by the adjacent Americana at Brand, a mixed-use lifestyle center that will provide a pedestrian-oriented link between the Galleria and Brand Boulevard, Glendale's main thoroughfare. This will create a southern anchor for downtown, add a second economic engine, provide a community center, and generate an estimated \$3.8 million in tax revenues and 1,700 jobs

Before 2003 downtown was zoned for commercial only. Adding residential units became a priority as the city focused on making growth more sustainable and protecting the character of existing residential neighborhoods. Cognizant of residents' concerns about traffic, mixed-use zoning was introduced in one downtown neighborhood only. Developers responded almost immediately, property owners and homeowners groups soon endorsed the idea, and the rest of downtown was zoned for mixed use. The 2006 Downtown Specific Plan proposed adding 4,000 residential units – of the 5,000 new households expected in Glendale by 2020 -- and included a streamlined development review process, a flexible form-based code, and incentives for affordable housing, sustainable design and public space.

The 2007 Downtown Mobility Study supports the specific plan by mitigating the traffic impacts of this development. The plan encourages walking, biking and transit by designating a primary transportation mode for each major street and identifying multiple strategies for accommodating and funding the mode. Downtown traffic is to be constrained by creating a "park once" strategy, adding a downtown shuttle and another east-west bus route connecting Glendale to the Gold Line in Pasadena and Red Line in Burbank, and by strengthening the city's transportation demand management ordinance. In 2007 the city received SCAG's Compass Blueprint President's Excellence Award for the Downtown Specific Plan and the Downtown Mobility Study.

EL MONTE TRANSIT VILLAGE

The next most affordable case study site is the yet-to-be-built El Monte Transit Village, where housing costs currently average 20 percent of area median income (less than the national housing affordability benchmark of 28 percent), transportation costs average 24 percent of area median income (more than Koreatown at 17 percent and Glendale at 19 percent, and slightly more than 23 percent in downtown San Bernardino), and H+T costs equal 44 percent, which is less than the national H+T affordability benchmark of 47 percent.

The two remaining case study sites – downtown Fullerton and

the planned Platinum Triangle, a mixed-use pedestrian-oriented neighborhood in Anaheim – are both in Orange County, where H+T costs are nearly ten percent higher than in the rest of the region. Downtown Fullerton posts lower than average H+T costs for Orange County and has created a model walkable, compact, mixed-use neighborhood around its historic train station. The Platinum Triangle, once it is built, could potentially cut household transportation costs by enabling residents to live, work and shop locally, and to drive less.

The El Monte Transit Village is an ambitious, dense, mixed-use project on a 65-acre site between downtown El Monte and Interstate 10. El Monte enjoys lower housing and transportation costs than the rest of the San Gabriel Valley and is located close to major job centers in downtown L.A. and in Pasadena as well as a significant number of jobs spread throughout the San Gabriel Valley. The job density around the transit village site is about 72,000 per square mile, compared to 164,000 in Koreatown, 100,000 in Glendale, and 39,000 in San Bernardino. El Monte has excellent transit connectivity – more than either Glendale or San Bernardino – but is very low density at 7 households per acre, just slightly more than in San Bernardino. This is probably why households in El Monte own the same number of cars as

the regional average – 1.7 per household – more than the case study sites previously discussed (1 car/HH in Koreatown and San Bernardino and 1.3 in Downtown Glendale).

The transit village site is currently a regional bus hub, and is served by two bus rapid transit lines. The Silver Streak BRT line provides very high quality service (including on-board GPS to track the location of buses, free wireless service, and digital displays at stations announcing bus arrival times) from the City of Montclair to the north of El Monte into downtown L.A. The site is also at the terminus of the El Monte busway, which provides fast service into downtown L.A. on a dedicated lane on the Interstate 10 freeway. The regional bus hub is one of the region's busiest, serving an estimated 20,000 transit users a day.

At full build-out the transit village could add more than 1,800 housing units, 561,000 square feet of retail and entertainment uses, 500,000 square feet of office, a hotel, conference center and child care.

Because families tend to grow up and continue living together as extended families in El Monte, a wide array of housing types will be built to accommodate this multigenerational community. A minimum of 15 percent of the units will be affordable; 20 percent will be rental. The development will also help address the fact that El Monte, home to more low-income residents than other communities in the San Gabriel Valley, has always been underserved by major retailers – there isn't a single major supermarket chain store even though the city has a population of 110,000.

The transit village project is challenging in part because there are few built examples of major mixed-use development projects that include residential units at large bus hubs; this project, for example, is slated to include 32 bus bays and the resultant

Glendale's 2006 Downtown Specific Plan proposed adding 4,000 residential units – of the 5,000 new households expected in Glendale by 2020 – and included a streamlined development review process, a flexible form-based code, and incentives for affordable housing, sustainable design and public space.

noise, traffic, emissions and the amount of space the bus bays require makes it difficult to provide walkable high-quality residential space that also pencils out. Moreover, the site includes facilities and property owned by three separate public agencies, making coordination challenging. However, the project would be a boon to El Monte, with its affordable housing and significant retail component, and help keep housing and transportation costs low by providing for a lifestyle that would allow residents to live, work and shop locally.

BRT is not the mode of choice for TOD developers and investors, but it is the mode that works best for the dispersed development pattern that characterizes the San Gabriel Valley. And the fact that the station is so busy is both a challenge

historic buildings by focusing development and redevelopment and resources in this neighborhood. As a result, during the last 15 years 70 historic buildings have been restored, 40 restaurants and nightclubs have opened up, and four major mixed-use developments have added 26,000 square feet of retail and hundreds of residential units to the downtown housing stock, including for-sale townhomes, live-work units and lofts next to the station.

The resulting influx of shoppers, diners and residents has created a bustling center of activity, and the city has become a regional draw for both housing and nightlife. Every day 3,000 people pass through the Santa Fe station, and Metrolink service is slated to be increased in 2009. Transit has proved a

	Dwntwn Fullerton	Fullerton	Platinum Triangle	City of Anaheim	Orange County	SoCal Region
H_ami	23%	30%	27%	30%	36%	30%
T_ami	23%	25%	24%	25%	25%	24%
HT_ami	46%	55%	51%	55%	61%	54%

and an opportunity – the fact that the station is so well-used enhances the chances that the project will get financed and that it will succeed once it is built. The projected 14 percent reduction in car ownership, 33 percent reduction in VMT, 5 percent increase in transit’s commute chare, and \$2,000 savings on transportation costs for each household suggests that the transit village *should* be built

DOWNTOWN FULLERTON

As stated above, both Downtown Fullerton and the Platinum Triangle have H+T costs that are higher than the other case studies. But Fullerton enjoys lower than average H+T costs for Orange County, and the Platinum Triangle, once it is built, would potentially reduce household transportation costs by enabling residents to live, work and shop without having to drive. Both places are proximate to thousands of jobs in job-rich Orange County – there are 106,000 jobs per square mile around the Platinum Triangle and 72,000 in downtown Fullerton, similar to Glendale (100,000) and El Monte (72,000) but not nearly so many as in high-density Koreatown (164,000). Orange County is served by Metrolink and by bus, but neither site has anywhere near the transit connectivity of the previous case studies. Nonetheless, households in downtown Fullerton own an average of 1.4 cars, less than the regional average of 1.7, while households currently living on the site that will become the Platinum Triangle own 1.7.

Downtown Fullerton is something of an anomaly in Orange County, which hasn’t much rail transit – or transit-oriented development -- compared to L.A. County. Downtown Fullerton grew up around its historic Santa Fe station -- which is now served by Metrolink, Amtrak and bus -- and the city has sought to capitalize on its transit accessibility and rich stock of

draw for developers, too, who advertise their proximity to the station. In 2000, a local poll found that residents considered the station to be their favorite feature of downtown. The city is now building a new transportation center to the south that is also slated to be surrounded by mixed use in the hopes of extending this success into the southern part of downtown.

The city has worked hard to attract new development into the historic core around the train station. Beginning in 1990 the Community Redevelopment Agency began offering loans to local property owners and businesses to encourage the rehab of historic buildings, and to do seismic retrofitting and other improvements. A restaurant overlay district was established to eliminate parking requirements for restaurants with fewer than 200 seats in order to help reduce their costs. The city also built public parking structures and improved downtown’s safety and appearance with sidewalks, lighting, and landscaping, as well as signage and free wireless service.

High housing and transportation costs in Orange County are driving middle-income workers further inland to San Bernardino and Riverside counties in search of affordable housing, where they then have to commute long distances to jobs in L.A. and Orange counties. But Fullerton’s older housing stock has kept housing relatively affordable, and the infill multifamily residential units in downtown are also more affordable, largely because the units are smaller. The redevelopment agency has also constructed or rehabilitated a total of nearly 200 affordable and senior housing units near the station.

Transportation costs are slightly lower in Downtown Fullerton because there’s a good mix of housing, jobs, retail and services, and because downtown is walkable with ample bus and rail service that provides good connectivity to the rest of the region. The city’s transit connectivity is nearly twice the average for the region, jobs are relatively concentrated and the neighborhood

is very walkable due to small block sizes and the excellent land use mix. By continuing to add high-density housing near transit, Fullerton will continue to keep transportation costs low.

PLATINUM TRIANGLE

The Platinum Triangle will be built on an 820-acre site on the southern edge of Anaheim near Interstate 5, on land that was once zoned industrial and is now the site of Angel Stadium, the Honda Center, and surface parking supporting these two sports arenas. The Platinum Triangle will introduce a more transit-friendly land use pattern to Orange County with an intensive mix of residential, office, retail and entertainment uses that can support greater levels of transit service than exist today. Transportation costs are currently relatively high in the Platinum Triangle site, totaling 24 percent of income, compared to the national affordability benchmark of 19 percent; housing costs are higher too, totaling 27 percent of income -- still less than the national affordability benchmark of 28 percent.

The total H+T costs equals 51 percent, which is over the H+T affordability benchmark of 47 percent, but which compares very favorably with the Orange County average H+T cost of 61 percent. But this is the highest H+T cost of all the case study sites. However, once the development has been built -- as shown in the "before and after" chart above, transportation costs will be reduced by almost \$3,000 per household per year, the number of cars per household will fall from 1.7 to 1.4, VMT will be reduced almost by half and the percent of commute trips by transit will increase 200 percent.

Anaheim's older housing stock makes it one of the more affordable cities in Orange County. The Platinum Triangle site has excellent access by freeway and Metrolink and it is served by bus, though it has very little transit connectivity compared to the other case studies in part because the service frequency is low. The site offers an enormous opportunity for developers -- who have responded enthusiastically -- as it provides contiguous tracts of developable land, and is zoned for 8,363 homes, 16.8 million square feet of office and 5.7 million square feet of commercial space. The densities are similar to what has supported streetcar systems in neighborhoods such as Portland's Pearl District, and the city is pursuing funding for a local circulator system. There are also plans to double Metrolink service to the site by 2010, and the Orange County Transit Authority plans to build an intermodal transit station on the site.

One of the biggest challenges has been finding the money to pay for the required infrastructure improvements, including transit. Fortunately, the city has a long history of public-private

partnerships, and has created a Mello-Roos, or community facilities district, enabling the city to issue more than \$200 million in bonds that will be financed through a set of fees paid for by developers. The city and transit agency also hope to partially finance the planned intermodal station through joint development.

The Platinum Triangle would have excellent access to both Disneyland and the Anaheim Convention Center and a very high density of nearby jobs -- 106,000 per square mile, the second most in all of the case studies. Because of this proximity Platinum Triangle could provide important workforce housing that could keep H+T costs low by enabling workers to live, work, shop and play locally. There is no requirement for affordable

housing in the plan, but it is hoped that the high densities will help provide for some mix of affordability through construction of smaller for-sale units and rentals.

The Platinum Triangle is especially important for Orange County because it will model a transit- and pedestrian-oriented lifestyle that will be relatively affordable and convenient, with excellent access to amenities, transit and jobs. There is concern that in the recent market downturn development will stall. But Anaheim is seeing a resurgence in the rental market, the office market continues to be strong, and home ownership and retail projects can be phased in as the market allows.

Downtown Fullerton grew up around its historic Santa Fe station -- which is now served by Metrolink, Amtrak and bus -- and the city has sought to capitalize on its transit accessibility and rich stock of historic buildings by focusing development and redevelopment and resources in this neighborhood. As a result, during the last 15 years 70 historic buildings have been restored, 40 restaurants and nightclubs have opened up, and four major mixed-use developments have added 26,000 square feet of retail and hundreds of residential units to the downtown housing stock, including for-sale townhomes, live-work units and lofts next to the station.

CONCLUSIONS

Housing plus transportation costs in all of the case study sites are significantly lower than H+T costs in the counties in which they are located. This is especially true in Koreatown and downtown San Bernardino: H+T in Koreatown is 31 percent compared

to the L.A. County average of 52 percent, and H+T in downtown San Bernardino is 36 percent compared to the San Bernardino County average of 52 percent. H+T in Glendale is 39 percent and in El Monte is 44 percent -- compared to the L.A. County average of 52 percent. H+T in downtown Fullerton is 46 percent and in the Platinum Triangle is 51 percent, compared to the Orange County average of 61 percent.

Each of the case studies is different but common elements include relatively higher densities, relatively good proximity to jobs and a mix of uses, relatively good transit connectivity, and relatively inexpensive housing stock -- though the measures of each of these varies greatly from case study to case study. Local governments in each of the case studies have chosen to build on these strengths, charting their course for a more economically and environmentally sustainable future by reducing reliance on the car. All of the local governments recognize the emerging market for walkable higher-density mixed-use development, and

are seeking to harness this market and activate public-private partnerships to build new neighborhoods that can enhance affordability and reduce driving.

The Koreatown case study suggests that density is key to leveraging private investment that can help fund community benefits including affordable housing and high-quality transit. The downtown San Bernardino case study shows that challenges can become opportunities: The disinvestment in downtown has resulted in vacant and underutilized parcels that provide huge opportunities for public-private partnerships that leverage investment in a new kind of housing product that supports more transportation options – at the lower densities appropriate to San Bernardino. The downtown Glendale case study shows that even a successful regional center recognizes the opportunity to harness the real estate market to address the need to limit traffic, protect existing residential neighborhoods, and bring residents closer to jobs, shops and services.

The case study of downtown Fullerton proves again that there is a market for compact, walkable, mixed-use transit-oriented neighborhoods, even in auto-oriented Orange County, and that these neighborhoods prove to be good downtown revitalization strategies. Both the proposed El Monte Transit Village and proposed Platinum Triangle show that even in lower-density built-out auto-oriented neighborhoods there is opportunity to build development at densities that appeal to the expanding market for this kind of housing product. These densities can support

These are the kind of changes that will become ever more important as cities figure out how they will comply with the requirements of AB 32, and as they strive to maintain affordability in an era of ever-climbing gasoline and housing prices. Moreover, the case studies show that these strategies work in urban neighborhoods like Koreatown and Downtown Glendale as well as in more suburban neighborhoods like Fullerton San Bernardino.

PART 3: TOOLS TO PROMOTE AFFORDABILITY

This section of the toolbox lists "generic" planning, finance, policy and implementation tools that have been used to promote affordability in regions around the U.S. These tools are organized according to the scales – region, corridor, local jurisdiction and neighborhood/site – at which they are implemented. The tools are listed in the table on the following pages and then described in more detail.

State/Region Scale:

Planning and coordination for affordable housing and transportation on the regional level can provide a framework through which jurisdictions and neighborhoods consider policy tools for

	Platinum Triangle		El Monte Transit Village		Downtown San Bernardino		Downtown Glendale	
	Before	After	Before	After	Before	After	Before	After
Autos/HH	1.7	1.4	1.4	1.2	1.0	1.0	1.2	1.1
VMT/HH	33,371	17,630	22,782	15,166	20,656	17,911	15,637	15,006
% Commute by Transit	3%	9%	9%	14%	10%	13%	13%	14%
Annual T Cost	\$11,504	\$8,751	\$9,058	\$7,389	\$7,181	\$6,725	\$7,468	\$7,333

The chart above shows the numbers for transportation costs, auto ownership, VMT and the transit commute share "before" and "after" the anticipated land use changes occur in four case study sites that are undergoing dramatic changes.

transit investments that wouldn't otherwise make sense in a city like Anaheim, and in El Monte they can support national retailers who have otherwise shown no interest in locating there.

The chart above shows the numbers for transportation costs, auto ownership, VMT and the transit commute share "before" and "after" the anticipated land use changes occur in four case study sites that are undergoing dramatic changes. In every case the number of cars owned, VMT, and annual transportation costs go down, and the share of commute trips by transit goes up.

implementation. Regional planning organizations are often unable to institute specific policies, but are well-positioned to serve as a clearinghouse for technical assistance and provide innovative programs that assist communities in planning for mixed income housing, transit, and connectivity. Analyzing patterns of regional employment is an important part of making transportation and land use planning decisions. Regional economic connectivity is linked to continued investment in transit system expansions and in places already served by transit. In some regions, shifts in the employment market have resulted in a change in the geographic location of employment centers, in many cases away from locations served by transit. Transit networks without access to employment centers suffer from declining ridership and importance in the regional transportation system, while employment and population centers without access to transit experience slow economic growth and decreases in overall affordability.

Corridor Scale:

Multiple corridors create a network of places and sites that integrate different functions and activity centers. The districts along a corridor can support diverse and complementary mixed-income and transit-accessible neighborhoods, but require integrative planning across government entities to reach their potential as tools to promote affordability. Transit corridors serve distinct functions within the regional network. Some corridors are focused on bringing commuters long distances into employment centers, while others are focused more on local connection and circulation functions. The corridor type will determine some of the opportunities with respect to transit-oriented development and the real estate market for housing and employment. Understanding the function of the transit corridor also helps in decision-making about the most appropriate transit mode and service type. Transit corridors can change and evolve over time, but the initial investment in transit infrastructure needs to support the end goal for the corridor. Reconnecting America's Center for TOD has developed a corridor typology to assist jurisdictions in identifying the affordable housing and transit needs of particular corridors. The corridor types address the principal characteristics, including job centers, transit usage, land use, and population makeup. With this classification system, planning for both transit and land use can better understand the potential for outcomes based on initial transportation and development decisions. Major corridors cross multiple jurisdictions and contain a variety of land use patterns and uses. Few corridors will be defined solely as one type based on these descriptions. Rather, corridors will be hybrids of one or more types and may change and evolve over time. This typology is available on page 24.

Jurisdiction/City Scale:

Cities and towns within the Southern California region have unique physical and cultural characters that are defined by geography, land use patterns, and populations. Local jurisdictions in such a diverse region need to choose the tools to preserve or create housing and transportation affordability carefully to ensure that they will also help advance other community goals. Jurisdictions without transit networks can still work to decrease transportation costs for residents through land use and development code measures that enhance walkability and encourage more compact mixed used development. These changes will help set the stage for the successful implementation of future transit investments. Local jurisdictions should also take care to consider the larger context of major transportation corridors and the region when considering where to direct development, how to preserve affordable units, and what type of transit they would like to implement. In a region as diverse and interdependent as Southern California this takes on special importance.

Neighborhood/Site Scale:

Neighborhoods and transit station areas are the building blocks upon which cities, corridors and regions are built. Careful

planning at this local level is essential to ensure that efforts to increase housing and transportation affordability are successful within the immediate area and in larger contexts. Community and stakeholder input can help determine a neighborhood's housing and transportation needs, and must be taken into account during larger-scale planning processes.

PLANNING TOOLS

P1: Channel development into places that are or can be served by transit

Directing development to transit-accessible places allows a region to effectively realize economic and social gains. Comprehensive strategies can address several issues at once, such as public infrastructure costs, environmental concerns, job connectivity, and housing affordability. At the regional scale, coordinated development plans can reduce the effects of job sprawl by encouraging developers to consider transit-accessibility and reforming the process of awarding subsidies. The most commonly used development subsidy is tax increment financing (TIF), which uses the increase in taxes from rising property values associated with new development to finance public infrastructure improvements, provide relocation assistance, or other incentives. Other commonly used incentives include property tax abatement, land discounts, and state loans and grants. The California Infrastructure State Revolving Fund (ISRF) Program rates applications with a 200-point scoring system using efficiency-targeting standards, and gives preference to projects that contribute to the greater use of public transit and are located close to under-served communities, among other merits.

P2: Assess potential redevelopment opportunity sites and potential areas of low-income household displacement at the corridor scale

The Corridor Typology (at the conclusion of this section) and the methodology for identifying (re)development opportunities –looking at where new and proposed development is occurring and identifying underutilized sites – should be used by cities to identify potential TOD sites, inform regulatory reform and focus policy tools. Where corridors cross multiple local jurisdictional boundaries, corridor working groups should be formed to ensure consistent use of analytical tools and coordinated strategies for catalyzing development on opportunity sites.

P3: Contain and connect area of sprawl along a corridor using strategic transportation investments and land use planning

For a household with limited financial resources, making a careful decision about where to buy or rent necessitates weighing the relative costs of living in different neighborhoods – costs that cannot be fully understood unless one combines the cost of housing with the cost of transportation in a particular neighborhood. But until the affordability index there has been no tool that provides a benchmark for transportation affordability similar to the universally recognized housing affordability standard of 28 percent.

TOOL		SCALE				AFFORDABILITY GOAL	
		R	C	J	N	Transportation	Housing
P1	Direct development to places that can be served by transit		X	X		X	
P2	Assess the potential redevelopment opportunity sites and potential areas of low-income household displacement at the corridor scale.		X				X
P3	Contain and connect areas of sprawl along a corridor using strategic transportation investments and land use planning.		X				X
P4	Manage parking effectively			X		X	X
P5	Open space preservation	X		X		X	X
P6	Proactive station area planning and zoning			X		X	X
F1	Land acquisition/land banking funds	X	X	X			X
F2	Create incentives for local jurisdictions to build at transit-appropriate densities	X	X			X	X
F3	Modify low income housing tax credits to offer greater incentive for locating near transit	X	X			X	X
F4	Target existing funding to support affordable housing preservation and creation of new affordable housing within transit corridors		X			X	X
F5	Tax increment finance districts (TIFs)			X		X	

F6	Facilitate the use of value capture tools for affordable housing	X		X			X
F7	Benefit assessment districts			X		X	
D1	Joint development	X				X	X
D2	Incentive-based zoning:			X		X	X
D3	Inclusionary housing or zoning			X			X
D4	Consider secondary transit network linking jobs and people to regional transit network	X	X	X		X	
D5	"Complete streets"			X		X	
D6	Infill development or redevelopment in transit zones			X		X	

SCALE:

R=State/Region

C=Corridor

J=Jurisdiction/City

N=Neighborhood/Site

TYPES OF TOOLS:

P=Planning Tool

F=Finance Tool

D=Development/Policy Implementation Tool

Suburb-to-suburb trips are a major part of commuting patterns in regions with decentralized job centers. Regions should identify the suburban commute corridors that don't connect directly to urban cores. Jurisdictions along those suburban commute corridors can create corridor plans that include the introduction of transportation options. Because these corridors typically developed in an auto-oriented fashion, transit investments need to be substantial and highly visible in order to provide a viable alternative to the automobile. Some corridors will have existing activity patterns and densities that can effectively support transit ridership. Others will require multi-jurisdictional land-use planning that uses corridor-wide zoning and incentives to direct both high-density job and housing growth to hubs along the corridor, creating transit nodes that increase connectivity between jobs and people. These efforts will require cooperation among a variety of entities – including regional planning agencies, transit agencies, local governments, community organizations, and individual stakeholders.

P4: Manage parking effectively

Parking policies can be reformed to reduce parking demand and encourage transit, walking, and bicycling. When managed poorly, parking creates a barrier by increasing development costs and making station access difficult. When managed effectively, parking

can be used to create revenue for public improvements – including new transit service – and provide convenient access to neighborhood-serving retail. Strategies for managing parking demand include variable-rate pricing, increased transit service, on-street parking pricing, car-sharing, and transit-friendly neighborhood and street design. Development regulations can also be used to manage the parking supply and increase the cost-effectiveness of dense development. Reduced parking requirements, TOD-friendly parking requirements, parking maximums, or shared parking are all tools that decrease dependence on the automobile and free up land for active uses like housing, retail, or offices.

P5: Preserve existing affordable and market-rate rental housing near public transportation

There is a large stock of rental housing near transit, and if this stock is lost through redevelopment, many residents – including seniors, recent college and highschool graduates, lower-income households, immigrants -- will be priced out of the neighborhoods with the lowest transportation costs. Transit zones also include a substantial stock of subsidized affordable rental housing, and special efforts should be undertaken to protect these units. The next major expiration of HUD-funded units will occur in 2009, and it will include

thousands of units in the regions with the worst housing affordability crises. Housing departments and agencies at all levels of government need to intercept HUD-financed prepayment buildings near transit. The cost of rehabbing and preserving existing affordable units can be much less expensive than building new units, especially given the cost and availability of land. Local programs should also be created to protect market-rate rental units near transit. For example, there can be limits set on the number of condo conversions allowed in neighborhoods in particularly tight housing markets and in those neighborhoods with a high percentage of households that need affordable rental housing.

P6: Open space preservation

Southern California's Compass Blueprint 2 Percent Strategy outlines scenarios for development and green space preservation within the region. Jurisdictions can use this framework to develop open space preservation plans that will protect recreational and agricultural opportunities, as well as focus new development and redevelopment on in-fill sites at densities that support transit use.

P7: Proactive station area planning and zoning

In those regions that have transit, developing a clear vision for the redevelopment of station areas can help provide a more transparent process for both developers and community residents. Often, however, development projects are approved incrementally, without the guidance provided by a long-range plan. This can lead to community opposition and the unnecessary delay of potentially appropriate projects. A strategic plan that identifies the desired place types at each transit station could be a first step to clarifying goals and expectations. Priority development locations should be targeted for more detailed station area planning efforts to be prepared in cooperation with the community to define public infrastructure, building sites, open space and design standards. Once station area plans and zoning are put in place, individual development proposals can be evaluated against their compliance with the plan, often with expedited approvals.

FINANCING TOOLS

F1: Land acquisition/land banking funds

A land acquisition or land banking fund enables the early purchase of land around transit facilities or along corridors where transit enhancements are planned in order to safeguard land for affordable and mixed-income housing. These funds can also be used to acquire existing housing in order to require that it be kept affordable in perpetuity in neighborhoods that may become gentrified as higher-income individuals and families take advantage of transit proximity. Development fees, use of flexible state transportation or housing funds, foundation support, or other funding sources can help create such local or regional funds.

F2: Create incentives for local jurisdictions to build at transit-appropriate densities

Transit and affordable housing are both significant public investments. Some regions are conditioning the allocation of transit, infrastructure, and housing funds to agreements by local jurisdictions to deliver plans, zoning and other implementation tools that demonstrate a commitment to build compact development at densities that can support transit. Incentives can be implemented by all levels of government. The City of Portland, for example, has used developer agreements to leverage private investment in public benefits and to help the city achieve public land use and transportation goals. Density bonuses are an often-used tool for providing incentives to developers, improving their rate of return in exchange for benefits such as affordable housing, green space, historic preservation, streetscape improvements, etc. Reducing parking requirements for development near transit can also provide incentives for developers. Some states, such as Massachusetts, provide specific funds for TOD in existing transit corridors.

Lower-income households are hardest hit by rising housing and transportation costs since they spend a much higher percentage of household income on these expenditures than upper-income households. Many lower-income households already seek out and/or live in the very same neighborhoods that the affordability index and the Compass Blueprint 2 Percent Strategy are targeting for more development, and speculation and gentrification could push them out.

F3: Modify low income housing tax credits to offer greater incentive for locating near transit

The Low Income Housing Tax Credit program (LIHTC) is the greatest single source of funding for affordable housing at the state and regional levels. Twenty-eight states already give preference to or require proximity to transit as a criteria for these credits. Four key changes go a long way to making mixed-income TOD more feasible and far-reaching:

- Offer points for transit proximity – to help TOD projects score more competitively.
- Provide a basis boost for TOD – to increase the available subsidy for TOD projects.
- Increase the project allotment cap – to enable larger TOD projects to benefit from the LIHTC.
- Prioritize tax credits for preservation and consolidate the underwriting process to allow developers to apply for tax credits and other resources simultaneously – to help preserve rental TOD, and expedite TOD projects.

F4: Target existing funding to support affordable housing preservation and creation of new affordable housing within transit corridors

States, regions and cities utilize a variety of programs to finance affordable housing and supportive services. Where there are substantial needs to preserve existing affordable housing, to purchase rental properties for permanent use as affordable housing, and/or to build new affordable housing, existing resources should be targeted to transit-oriented locations. This provides more affordability without additional funding.

CORRIDOR TYPOLOGY

Reconnecting America's Center for TOD has developed a corridor typology to assist jurisdictions in identifying the affordable housing and transit needs of particular corridors. The corridor types address the principal characteristics, including job centers, transit usage, land use, and population makeup. With this classification system, planning for both transit and land use can better understand the potential for outcomes based on initial transportation and development decisions. Major corridors cross multiple jurisdictions and contain a variety of land use patterns and uses. Few corridors will be defined solely as one type based on these descriptions. Rather, corridors will be hybrids of one or more types and may change and evolve over time.

Corridor Typology				
Transit Characteristics	Urban Commuter	District Circulator	Planned Growth	Destination Connection
System Technology	Commuter Rail/Express Bus	Streetcar	Light Rail/Metro/Commuter Rail/BRT/Rapid Streetcar	Light- Rail/Metro/BRT/Rapid Streetcar
Right of Way	Existing Abandoned Line or Freight	Arterial and Local Roads	Arterial Road or Existing Abandoned Freight	Arterial Road
Service Characteristics	Long Headways	Short to Medium Headways	Short to Medium Headways	Short to Medium Headways
Transit System Connectivity	Moderate Feeder bus	High Rail and Bus	Moderate to High Bus	Moderate to High Bus
Projected Ridership**	Comparitively Low	Thousands	Thousands	Tens of Thousands
Load Profile [^]	Many-in, one-out	Many-in, many-out	Many-in, one-out	Many-in, Many-out
Journey to Work *	Low Transit and Walking / High Auto	High Walk/Bike	Low Transit and Walking / High Auto	Moderate to High Transit/Walking
Primary Purpose	Work Commute	District Circulation /Economic Development	Congestion Mitigation/ Economic Development	Congestion Mitigation
Land Use Characteristics				
Predominant Land Uses	Residential	Commercial/Mixed	Mixed /Outdated Uses	Commercial/Civic
Line Connects to	Major Regional Job Center	Downtown	Major Regional Job Center	Major Job Centers
Station Type Mix	Neighborhoods, Centers	Urban Downtown	Mixed Typologies	Mixed Typologies
Densities	Low to Moderate	High	Low to Moderate	Moderate to High
TZ Population*	Low	Low to Moderate	Low to Moderate	Moderate to High
Redevelopment Opportunity	High if Freight Line/ Low if Residential	High	High	Moderate to Low
Household Sizes	Large	Small	Small to Moderate	Small to Moderate

*Pre Rail Line Construction and Operation

** Ridership description based on a scale of low to high

[^]Many-in, Many-out = boarding at many station, alighting at many stations

[^]Many-in, One-out = boarding at many stations, alighting mainly at one station downtown

[^]One-in, Many-out = everyone gets on at one station, then are distributed throughout an area

F5: Tax increment finance districts (TIFs)

TIF funds are generated by the increase in property and/or sales taxes within a specific district. The TIF is calculated off a baseline year and can be generated by both new development and the enhanced assessed value of existing properties as the result of improvements around them. In many states, the power to adopt a TIF district is granted by the state to localities after meeting certain tests for addressing stated public goals -- such as eliminating blight or spurring economic development. TIF investment can be crucial to creating affordability, and in some cases the authority to create a TIF district is coupled with an obligation to create and/or preserve affordable housing. In California, redevelopment agencies are required to spend at least 20 percent of the tax increment in any project area on creating or preserving housing that's affordable to low- and moderate-income households. Furthermore, at least 15 percent of housing in the area overall must be affordable.

F6: Facilitate the use of value capture tools for affordable housing

High infrastructure costs, land assembly, brownfield clean-up and lengthy permitting processes often make building in transit zones very expensive. Adding the cost of providing income-restricted affordable housing units can make projects infeasible. Tools such as tax increment financing, business improvement districts, assessment districts and developer agreements can generate funds to help pay for housing and infrastructure improvements that benefit the larger community. The administering agency bonds against projected revenue streams to finance public improvements, such as new sewers, streets, sidewalks, site clearance, removal of hazardous conditions, site assembly, shared parking and parks. By helping to upgrade local infrastructure and ready sites for development, redevelopment agencies can lower the cost of private development near transit, making the provision of affordable housing more feasible.

F7: Benefit assessment districts

Benefit assessment districts are special-purpose districts that provide benefits such as water, parks or transit to residents of a defined district. They are one way in which developers and land owners can invest in transit infrastructure with the expectation that it will increase the value of their properties. Typically these districts pay some of the up-front cost of the transit investment itself or provide funding for longer-term maintenance and capital expenditures.

CASE STUDY: *The Pearl District in Portland is a good example of how a benefit assessment district can contribute to mixed-income mixed-use neighborhoods near transit. In the mid-1990s, a community plan was created by community members and property owners in this formerly industrial section of the city. Property owners agreed to create an assessment district to build*

out a new streetcar line from downtown Portland. A subsequent urban renewal plan specified various public improvements that would complement the TOD projects, namely the removal of a prominent off-ramp, a new park and improved physical connections to the riverfront. While the assessments themselves were limited to helping build out the streetcar line, this action really enabled the use of zoning incentives and TIF to spur higher density development, mixed-income housing and, ultimately, the achievement of affordable housing goals. In order to achieve income-mixing, the city used both TIF and zoning incentives as part of a master developer agreement with the largest property owner in the district. The agreement specified minimum zoning densities that were increased upon completion of the streetcar line, as well as a neighborhood park. The agreement also included housing affordability goals stating that the developer had to provide 15 percent of units for very-low income households and 20 percent for low-income households. Furthermore, 15 percent of all rental units and 10 percent of for-sale units had to be 700 square feet or smaller.

Making it possible for lower-income households to live near transit will help protect the enormous public investment in transit. As infill sites near transit get bought and locked away for luxury housing a once-in-a-generation opportunity to preserve affordability and boost transit ridership will be lost. A focused effort will be necessary, with policies, programs and financing tools that support the creation of mixed-income communities.

DEVELOPMENT/POLICY IMPLEMENTATION TOOLS

D1: Joint development

Joint development allows property interests held by the transit agency to be shared with private entities. The key challenges to joint development are:

- Transit agencies tend to emphasize the generation of revenue over ridership and/or affordable housing goals;
- The high costs associated with joint development parcels;
- Real estate challenges associated with local transit agency practices regarding sale or lease of transit agency-owned land; and
- Hesitation by many lenders to finance a project with a ground lease instead of ownership.

One way to encourage developers to take on development features that may have caused apprehension initially is to share the risk and reward. For agencies that own land or can lend funds in a flexible fashion, this can be done through either lease agreements or loan terms. This is often the most practical way to resolve debates over the "value" of transit to the developer and can help resolve debates about the marketability of either retail space or residential units that the developer may be uncomfortable with.

D2: Incentive-based zoning:

Incentive-based zoning provides developers with rewards such as increased density or floor-area bonuses for meeting certain housing objectives. Many localities and some states offer incentives as part of their joint development or TOD program activities. Incentive-based zoning can work over a very broad area such as

a bus corridor. Incentives typically require less up-front planning work than an area plan and they can be more effective in a political environment in which policymakers are apprehensive about or opposed to requiring either mixed-income or mixed-use. Any changes to zoning that allow higher densities should be accompanied with good planning. Well-designed, higher-density, mixed-use and mixed-income TOD will not occur simply by allowing greater densities. Some of HUD's HOPE VI redevelopment projects offer lessons on the value of good planning in similar types of developments. In a 2005 evaluation of a number of these projects, evaluators concluded the successful mixed-income projects demonstrated that "strong design and master planning matters." Cities and housing authorities that planned for amenities, safe or "defensible" public space, and a "pleasant, positive and useful environment" for contemporary families and seniors, and that did projects that were "firmly grounded in assessments of market trends" generally produced successful redevelopments.

D3: Inclusionary housing or zoning

Inclusionary housing or zoning is probably the most widely used planning tool in the country to create mixed-income development, either within an individual building or within a project. Most inclusionary policies are set up as mandatory requirements whereby new developments are expected to reserve between 10 and 25 percent of the new homes as inclusionary units that carry with them specific income qualifications (typically arrived at by a financial feasibility analysis). Depending on the market, income targets may be different for rental or ownership housing. It is fairly common in high-cost markets to see the income goal of moderate or low-income targets for ownership housing and very-low or low-income for rental housing developments. Inclusion of affordable units in new development can be achieved with no direct public agency financing, and it does not rely on land acquisition or assembly. Notwithstanding these strengths, however, local governments cannot expect inclusionary policies to address all of their affordable housing goals.

D4: Secondary transit network linking jobs and people to regional transit network

A bus or streetcar network may be well-suited to serve neighborhood-scale or suburban transit-oriented development. Streetcars are a finer-grained form of transit that supports high-density, focused development and reduces transportation costs for those within the transit zone. Streetcars are relatively inexpensive and are easily integrated into the built environment because they run in the street with mixed traffic and don't require stations, parking structures or exclusive rights of way. They provide the "last mile" connection that makes regional bus and transit more convenient to use.

D5: "Complete streets"

Streets should accommodate all forms of mobility—including pedestrians, transit such as streetcars, BRT, or LRT, bicyclists, and automobiles. A complete streets policy within a jurisdiction should be a cross-departmental effort, with both land use and transportation planners involved in implementation. Sample requirements might include dedicated traffic signals for bicyclists, enhanced pedestrian crosswalks, or separate lanes for bus or

streetcar traffic. Caltrans has a complete streets policy in place that requires state transportation planners to take into account a variety of modes when designing and engineering roadways. More information about the complete streets policy, including federal guidelines, can be found at <http://www.completestreets.org/>.

D6: Infill development or redevelopment in transit zones

Transit-oriented development is typically understood to be a higher-density mixed-use single project adjacent to a transit station, but it needs to be understood as something more: the creation of a neighborhood or district comprised of several projects and a rich mix of uses in an environment that promotes walking and transportation choices. These transit-oriented districts can be located around heavy rail, light rail, streetcars or even bus, and they can be in either urban or suburban locations. The goal is to make it possible for residents to live convenient, affordable, active lives by providing multiple housing and transportation choices including access to regional transit.

CASE STUDY: *The Pennsylvania Transit Revitalization Investment District Act or TRID was initiated in 2005 to encourage municipalities and developers to plan for, implement, and develop transit-oriented development at the local scale. The legislation authorizes state public transportation agencies to work cooperatively with local governments and the private sector to establish TRID boundaries and prepare development plans. Municipalities collaborating on TRID projects receive priority consideration for grants, technical assistance, and funding from state entities such as the Pennsylvania Department of Community and Economic Development. The act is an attempt to overcome many of the barriers to TOD implementation faced at the neighborhood scale. TRID seeks to use TOD as a tool for redevelopment, community revitalization, and the enhancement of local character. To this end, TRID also enables the incremental tax revenues generated within TRID boundaries to be captured for local infrastructure costs, both for transit upgrades and maintenance and for site development costs, similar to the way in which Tax Increment Financing is used in many places. The act requires a collection of development projects to be completed through public-private joint development ventures, promoting the idea of a united front for community revitalization. TRID offers the prospect of increased transit ridership, support for local economic development, neighborhood renewal, and financing capital projects and maintenance through real estate tax revenue sharing.*

PLANNING & DEVELOPMENT RESOURCES

APTA: TOD briefing page

http://www.apta.com/research/info/briefings/briefing_8.cfm

Lessons and resources for TOD from transit agencies around the country.

ULI: Ten Principles for Successful Development around Transit (PDF)

<http://www.uli.org/AM/TemplateRedirect.cfm?template=/CM/ContentDisplay.cfm&ContentID=64862>

The Urban Land Institute's developer-oriented guide for TOD.

FTA Transit-Oriented Development/Joint Development
http://www.fta.dot.gov/planning/planning_environment_6932.html

Information and guidance from the Federal Transit Administration about TOD.

Smart Growth America
<http://www.smartgrowthamerica.org>
National organization focused on community-based smart growth strategies

Center for Transit-Oriented Development
<http://www.reconnectingamerica.org>
Best practices, tools, and research on TOD.

Realizing the Potential: A Look at Regional Efforts to Create Mixed-Income Communities near Transit <http://www.reconnectingamerica.org/public/reports>
National study funded by the FTA and HUD that examines five case study regions – Boston, Charlotte, Denver, Minneapolis, and Portland -- to better understand the proactive strategies being undertaken to create and preserve affordable housing near transit.

Parking Requirements Guide for Affordable Housing Developers (PDF)
http://www.cacities.org/resource_files/24076.ParkingGuide.pdf
Report from the Southern California Association of Nonprofit Housing detailing how innovative parking strategies can make affordable housing development more cost-effective.
What does Density Look Like?
<http://www.lacity.org/lahd/curriculum/gettingfacts/design/look-like.html>
Simple pictorial explanation of what housing looks like at different density levels. Prepared by the City of Los Angeles.

Smart Growth at the Frontier: Strategies and Resources for Rural Communities (PDF)
<http://www.nemw.org/RuralSmartGrowth.pdf>
Tools to assist rural areas to plan for regional growth, with an emphasis on open space preservation and retaining a sense of place.

Connecting Jobs to Public Transit (Good Jobs First)
http://www.goodjobsfirst.org/smart_growth/connecting_jobs.cfm
Information about location efficiency and economic equity in transit.
Inclusionary and Incentive-Based Zoning
http://www.housingpolicy.org/toolbox/strategy/policies/inclusionary_zoning.html
Information about how to use incentive-based and inclusionary zoning to encourage affordable housing development, and development of different densities.

Complete Streets
<http://www.completestreets.org>

Information clearinghouse and advocacy group for streets that serve all modes of transportation

HOUSING RESOURCES

Southern California Association of Non-Profit Housing
<http://www.scanph.org>
Regional association dedicated to best practices and advocacy for affordable housing

A Heavy Load: The Combined Housing and Transportation Burdens of Working Families (PDF) http://www.nhc.org/pdf/pub_heavy_load_10_06.pdf
Policy recommendations for increasing affordability via reduced housing and transportation costs.

"The Affordability Index: A New Tool for Measuring the True Affordability of a Housing Choice" (PDF) http://www3.brookings.edu/metro/umi/20060127_affindex.pdf
Index linking overall housing affordability to transportation costs.

U.S. Department of Housing and Urban Development Office of Affordable Housing Preservation
<http://www.hud.gov/offices/hsg/omhar/index.cfm>
Federal preservation programs

Center for Housing Policy
<http://www.housingpolicy.org/>
The Center for Housing Policy recently launched this site, which takes a comprehensive look at affordable housing policy, including a toolbox of best practices and case studies of specific projects.

FINANCING RESOURCES

Knowledgeplex – Landbanking
<http://www.knowledgeplex.org/topic.html?c=262>
Collection of articles and resources about landbanking.

Value Capture – How to Get a Return on Investment in Transit and TOD (PDF)
www.reconnectingamerica.org/public/download/valuecap
Paper from the Center for Transit-Oriented Development

Using Benefit Assessment Districts to Provide Local Public Funding for Parks and Open Space in California (PDF)
http://www.tpl.org/content_documents/confin_BenefitAssessment.pdf
Information from the Public Land Trust on Benefit Assessment Districts.

PART 4:

CONCLUSIONS AND RECOMMENDATIONS

People who live in Southern California make decisions about where to live all the time using readily available information about the cost of housing. Almost everyone knows the rule of thumb for housing affordability: that it should cost no more than a third of income, or no more than 28 percent, according to the standard used by banks and lenders. This cost is easily measured in one lump sum -- the amount of money spent on monthly rent or mortgage. Moreover, it's a rule of thumb that's enforced by banks and lenders.

But the cost of transportation, and the fact that the amount of money spent on transportation varies dramatically depending on where one lives and works, is not so well-understood. This is partly due to the fact that transportation costs are disaggregated into monthly car payments and separate

payments for gas, insurance, repairs, tires, registration and general maintenance, and the total is hard to keep track of. Moreover, there is no standard of affordability for household transportation costs, and until the affordability index transportation costs were rarely tracked for different locations and different types of built environments. But now that transportation costs have risen dramatically and are continuing to rise, they must be factored in to the affordability equation.

This lack of understanding about the true cost of decisions about location has resulted in a distorted housing market: People make decisions about where to live without understanding the trade-off they may be making -- for example, lower housing costs in return for higher transportation costs. Low income housing tax credits, down-payment-assistance grants, and portable Section 8 assistance are all awarded and used without regard to the transportation cost burden, which outside of L.A. County and other urbanized places in the Southern California region can easily approach the cost of housing. Community, county and regional plan elements intended to address housing affordability are written without regard to the influence of transportation costs. And transportation plans and public budgets are all prepared without regard to the resulting cost of living burden.

A staggering amount of risk results, which has been highlighted recently in news about the number of foreclosures in parts of the region where people have moved in search of affordable housing. The largest concentrations of foreclosures are in the places that are less "location efficient" -- the places where transportation costs are highest due to low densities, single-use neighbor-

hoods, a lack of transportation options including public transit, walking and biking, and a jobs-housing imbalance -- all of which necessitates more driving and household ownership of two or more cars.

The cautious good news of our affordability index analysis is that millions of households in Southern California do have access to relatively affordable transportation and they live in places where the typical number of cars per household is 1.5 or less. The even better news is that maps that show the areas in Southern California where the combined costs of housing and transportation are the most affordable are the same areas that have already been identified in the Compass Blueprint 2 Percent Strategy as being the best areas to develop as higher-density

mixed-use transit-oriented neighborhoods.

The best news of all is that while it's often difficult to convince residents of these communities that higher densities, a mix of uses, and less investment in roads and parking are the right strategies, the fact that all of these strategies also enhance affordability helps provide planners and elected officials with a good sales pitch. Several recent national polls have shown unequivocally that personal economic security -- so-called "wallet issues" -- is the No. 1 concern today in America. Recent polling on transportation issues shows that in 2007 people cared far less about traffic congestion and air quality than about gas prices and this country's dependence on Middle East oil.

The sub-prime lending crisis is likely to reduce the cost of housing in the short term, but there will continue to be a gap in the region and the state between housing demand and supply, especially for housing in location-efficient communities. The rising cost of petroleum doesn't bode well for Southern California, and reducing exposure to continued high housing and transportation costs is critical

to the economic health of individuals and the region. Making information tools like the affordability index readily available to help reduce the risk will also help support demand for housing in more location efficient communities. Aligning the results of the affordability index with the recommendations of the Compass Blueprint 2 Percent Strategy can help reduce financial risk at the same time that it builds community support for difficult changes like increased density.

This shift in land use and housing demand is happening already, as is demonstrated in our case study examples. While

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travel by auto continues to dominate in Southern California, there is also a significant mode share for carpooling, and a significant share for those who indicate they “didn’t drive alone.” The real estate market, too, is changing as evidenced by the fact that “Emerging Trends in Real Estate” has called out a preference for infill, mixed-use and higher densities.

Higher densities of residents and workers also create higher densities of business activity and of purchasing power, which helps support the creation of destinations and jobs – all of which combine to result in a healthy mix of uses. Economies thrive on the benefits of agglomeration. Higher densities of people and activity create value and allow for focused value capture strategies – tried and true strategies include tax increment financing, business improvement districts, joint development and the use of development agreements – to help leverage private dollars for public improvements. In these places short trips on foot or on transit or bikes replace longer trips by car, reducing the demand for gas and the need for vehicle ownership. The end result is increased affordability.

But it is absolutely critical that housing built in these places offers opportunity for buyers and renters of all income levels. Lower-income households are hardest hit by rising housing and transportation costs since they spend a much higher percentage of household income on these expenditures than upper-income households. Many lower-income households already seek out and/or live in the very same neighborhoods that the affordability index and the Compass Blueprint 2 Percent Strategy are targeting for more development, and speculation and gentrification could push them out.

Changes in demographics in the U.S. – an increasingly larger share of older, smaller, unmarried households – are changing the housing market, causing increased demand for the higher-density mixed-use neighborhoods that are often located near transit. These neighborhoods have also become more desirable because traffic congestion has made them more convenient and affordable than farther-out locations. The increased demand is causing rents and the price of land and housing in these locations to increase. The result is that renters are being pushed out as absentee owners sell their properties and rental units are converted to ownership units.

Moreover, infill development near transit is also the most expensive and risky to build because the cost of land in these locations is higher, and land is often divided into small parcels, making it difficult for developers to assemble sites that are large enough to make mixed-income or affordable housing pencil out. Moreover, the zoning, parking regulations, and building codes in these places may not support higher-density mixed-use development – and there may be community opposition to an affordable housing component – leading to lengthy and costly permitting processes and entitlement delays. High parking requirements

also drive up construction costs. As a result the projects that are built typically target the high end of the market to cover the higher costs.

It’s especially important to ensure that sites near transit provide housing for lower-income households because they will provide a much more stable and reliable base of transit riders than upper-income households who aren’t pressed to ride transit because of income constraints. For this reason, making it possible for lower-income households to live near transit will help

protect the enormous public investment in transit. As infill sites near transit get bought and locked away for luxury housing a once-in-a-generation opportunity to preserve affordability and boost transit ridership will be lost. A focused effort will be necessary, with policies, programs and financing tools that support the creation of mixed-income communities.

In sum, building mixed-income housing near transit is a key tool to meaningfully address the region’s affordability crisis by tackling housing and transportation costs together, meantime expanding access to jobs, educational opportunities, and prosperity for all income groups. Mixed-income housing near transit holds the potential to address the seemingly intractable problems of worsening traffic congestion and rising unafford-

ability and the growing gap between lower-income and higher-income households by offering: 1) affordable housing that’s made even more affordable because transit and pedestrian access to destinations lowers household transportation costs; 2) a stable and reliable base of riders for transit, which can help justify further transit improvements; 3) broader access to opportunity for households across the income spectrum; 4) protection from displacement for lower-income residents.

Fortunately, the affordability index is an important tool that can be used to make the case for locating mixed-income housing near transit.

The best news of all is that while it’s often difficult to convince residents of these communities that higher densities, a mix of uses, and less investment in roads and parking are the right strategies, the fact that all of these strategies also enhance affordability helps provide planners and elected officials with a good sales pitch. Several recent national polls have shown unequivocally that personal economic security – so-called “wallet issues” -- is the No. 1 concern today in America.

RECOMENDATIONS:

1) MAKE THE RESULTS OF THE AFFORDABILITY INDEX AVAILABLE TO THE PUBLIC. ADD THE AFFORDABILITY INDEX SCORE TO THE “4D” SCORES (DENSITY, DIVERSITY, DESIGN, DESTINATIONS) THAT ARE BEING CALCULATED FOR NEIGHBORHOODS IN SOUTHERN CALIFORNIA AS PART OF THE COMPASS BLUEPRINT 2 PERCENT STRATEGY.

It’s not enough to talk about affordability in terms of housing costs: Rising transportation costs and the fact that these costs vary significantly depending upon where one lives necessitates factoring transportation costs into the affordability equation. The affordability index shows that “location-efficient” communities

– which are dense and walkable with a mix of uses including jobs and good transit access – are also the most affordable. Making the results of the affordability index known will enable people to make more well-informed choices about where to live, and also help build support for the increased density, mixed use and transit access advocated in the Compass Blueprint 2 Percent Strategy. This should help reduce the risk from the sub-prime lending crisis and increasing gas prices.

2) USE THE AFFORDABILITY INDEX TO HELP IDENTIFY THOSE PLACES THAT SHOULD BE DEVELOPED MORE INTENSELY BECAUSE OF THEIR LOW TRANSPORTATION COSTS. HELP INCENTIVIZE DEVELOPMENT IN THOSE PLACES.

The affordability index should be referenced in SCAG's 2 Percent Strategy and the Suite of Services being offered to communities to encourage densification, mixed use, walkability and transit-orientation. The affordability index is particularly effective as an incentive to communities to make these changes because it makes the link to so-called "wallet issues" -- recent polling shows that personal economic security is at the top of the list of concerns today. Polling also shows that concern about rising gas prices is much greater than concern about traffic congestion. The affordability index will make it clear that developing neighborhoods near transit is one of the best and most important ways to enhance affordability in a region of extremely high housing costs.

3) MAKE IT CLEAR THAT THE SOLUTION TO THE HOUSING AFFORDABILITY PROBLEM, THE PROBLEM OF INCREASING TRANSPORTATION COSTS, AND TO THE PENDING PROBLEM OF COMPLIANCE WITH AB 32, WHICH SEEKS TO ROLL BACK GREENHOUSE GAS EMISSIONS TO 1990 LEVELS, ARE ALL THE SAME SOLUTIONS.

Household transportation costs consist of a combination of the costs of auto ownership, auto use and public transit use. But these costs are determined by variables that describe the built environment – residential and job density, distance to employment centers, access to transit, access to amenities, and walkability – as well as by household size and income. No one variable – such as transit access or household income -- by itself completely explains transportation costs. Rather, it is the combination of these variables. These are the same variables that determine vehicle miles traveled (VMT), which serves as a proxy for transportation costs. Reducing VMT reduces transportation costs, leaving more money for housing, educating, savings

or other expenditures. Reducing VMT will also be key to meeting the mandate of AB 32.

4) TARGET EXISTING RESOURCES AND PROGRAMS FOR AFFORDABLE HOUSING TO NEIGHBORHOODS WITH LOW TRANSPORTATION COSTS. TARGET JOBS AS WELL AS A MIX OF OTHER USES TO NEIGHBORHOODS WITH LOW TRANSPORTATION COSTS.

Housing costs are likely to continue to be a serious problem in Southern California, and resources for affordable housing are limited. Targeting affordable housing programs to places where transportation costs are low can help leverage constrained resources to create even more affordability without finding additional funding. Locating jobs in these neighborhoods will also help reduce transportation costs and increase the earning power of lower-income families. And ensuring that lower-income households live near transit, where transportation costs are lower, will also create a stable and reliable base of transit ridership, which helps protect the public investment in transit systems. Twenty percent of the housing at the El Monte Transit Village will be affordable, and the cities of San Bernardino and Fullerton are locating affordable housing near transit.

Higher densities of residents and workers also create higher densities of business activity and of purchasing power, which helps support the creation of destinations and jobs – all of which combine to result in a healthy mix of uses. Economies thrive on the benefits of agglomeration. Higher densities of people and activity create value and allow for focused value capture strategies – tried and true strategies include tax increment financing, business improvement districts, joint development and the use of development agreements – to help leverage private dollars for public improvements.

5) USE THE AFFORDABILITY INDEX TO MAKE IT CLEAR THAT IT ISN'T ENOUGH TO HAVE HOUSING DEVELOP-

MENT AT A RAIL STATION – DENSITY, A DIVERSITY OF USES INCLUDING JOBS, DESIGNING FOR WALKABILITY, AND LINKING DESTINATIONS (INCLUDING JOBS AND HOUSING) BY TRANSIT ARE ALL KEY.

The affordability index makes it clear that while accessibility to a rail station or high-quality bus service is important, all of the other elements that enhance location efficiency – density, proximity to a significant number of jobs, a mix of uses, walkability -- are important too. Of the case study cities, for example, only Koreatown has excellent access by both bus and rail.

6) CONSIDER HOUSING, EMPLOYMENT AND TRANSPORTATION POLICIES AND INVESTMENTS TOGETHER.

Making better links between housing, jobs and transportation will demand collaboration within and among departments of local governments that transcend the usual boundaries that exist between planning, economic development, redevelopment and public works. Collaborations will also be necessary between local governments to better reflect the realities of contemporary regional economies. There also needs to be better coordination

between local, regional, state and federal agencies, given the many parties involved in the planning and funding of transit, and between agencies with land use authority and transit operators. Glendale's Downtown Strategic Plan, which planned to accommodate 80 percent of the projected increase in the number of households downtown, was supported by a Mobility Study that seeks to limit the increased traffic by promoting transit, walkability, mixed use, traffic calming, a "park once" strategy, transit demand management and more transit investments.

7) INVEST IN TRANSIT, AND CONTAIN AND CONNECT AREAS OF SPRAWL. CONSIDER MAKING TRANSPORTATION INVESTMENTS CONTINGENT ON PLANS THAT SUPPORT INCREASED DENSITY AND MIXED INCOME HOUSING – LIKE THE METROPOLITAN TRANSPORTATION COMMISSION DOES IN THE SAN FRANCISCO BAY AREA.

Reliable, good quality transit is important for suburb-to-suburb commuting as well as for helping families in the outer suburbs get into central cities. But substantial and visible improvements in transit service are needed in order to make it competitive with the automobile. Given that the annual user costs of public transit are generally far less than the capital and operating costs of owning a car, investing in transit makes sense in locations where activity patterns and densities support increased transit investments.

8) IDENTIFY AND UTILIZE TOD OPPORTUNITIES. MAKE COMMUNITIES AWARE OF OPPORTUNITIES FOR JOINT DEVELOPMENT PROVIDED BY THE FEDERAL TRANSIT ADMINISTRATION'S NEW JOINT DEVELOPMENT POLICY.

A significant percentage of regional growth should be targeted around stations and along mixed-use corridors that are well-served by public transportation. Publicly owned properties around stations and along these corridors should be utilized for affordable and mixed-income housing. As these projects catalyze the real estate market employment and other uses can also be developed. The Federal Transit Administration's joint development policy can help emphasize and facilitate the construction of housing in transit zones. Real estate that's been acquired for rights of way, stations, parking lots, staging areas, and even air rights can provide significant development opportunity. FTA's new joint development policy provides unprecedented flexibility for leasing and even selling this property for transit supportive purposes.

9) PROVIDE INCENTIVES TO HELP CATALYZE THE MARKET FOR MIXED-INCOME TOD.

Create incentives to build at transit-supportive densities. Both transit and affordable housing represent significant public investments. Some regions make funding for new transit projects contingent on TOD-supportive planning and zoning (including density bonuses and lower parking requirements) in a proposed transit corridor. The San Francisco Bay Area's Metropolitan

Transportation Commission's Housing Incentive Program, for example, makes "livability infrastructure" grants to jurisdictions based on the number of housing units that are planned and built close to transit. To be eligible, projects must be at least 30 dwelling units per acre. Grant amounts are tied to the density and affordability of the project.

10) HELP COMMUNITIES REMOVE REGULATORY BARRIERS TO HIGHER DENSITY MIXED-USE DEVELOPMENT.

Removing barriers helps reduce the higher costs of infill and transit-oriented development. Zoning codes should support higher density mixed-use development, parking requirements should be lowered, and the entitlement and approvals processes should be shortened and simplified. Proactive station area planning and zoning should be encouraged to help provide certainty for developers and for existing residents and to minimize opposition to new projects. Koreatown illustrates how density can attract significant investment in retail, even in a community with lower incomes, since the neighborhood's cumulative buying power helps retailers and developers overcome concerns about low incomes. The planned density at the El Monte Transit Village will likely have the same effect, drawing national retailers into a community that has been underserved. And planned densities in the Platinum Triangle will be able to support more and better transit service than currently exists in Anaheim – densities that have supported the creation of streetcar systems in other cities.

11) ENCOURAGE PUBLIC PRIVATE PARTNERSHIPS AND TRACK THE DATA.

Engaging communities as full partners in the planning process makes it possible to build trust, achieve community goals, and reduce resistance to change. Partnering with developers, realtors and business can also help facilitate an understanding of the changes that will be supported by the market, which helps to leverage private dollars for community benefits. Community change is always difficult. Monitoring and tracking data on development activity, property values, demographic trends is a powerful tool to help keep lines of communication open with all the planning partners and to minimize rumors and reduce community opposition. Glendale, for example, was able to overcome initial opposition to mixed-use zoning by engaging the community and, in acknowledgment of their concerns, introducing the zoning gradually until opposition dissipated.

12) CREATE TOD LAND ACQUISITION/LAND BANKING FUNDS.

These funds can be used to purchase land and housing near stations before the market heats up. Development fees, flexible state transportation and housing funds and foundation funding can be used to create these funds.

13) CREATE A TOD AFFORDABLE HOUSING ACQUISITION FUND.

Ensuring that sites near transit continue to provide housing opportunities for lower income families is critical since land speculation and the higher cost of developing these sites means that new development could target the high end of the market, forcing lower-income families out. Moreover, lower-income families are more likely to use transit regularly, thereby providing a steady source of transit ridership. A dedicated acquisition fund can provide the kind of “patient capital” that’s currently unavailable in the commercial market to finance the acquisition and holding of property for affordable housing – before the market heats up at these sites. This fund is well-suited for communities where market forces are gentrifying neighborhoods near transit, and where developers might lock up an entire TOD site for market-rate or commercial development.

14) TARGET FUNDING TO SUPPORT THE CREATION AND PRESERVATION OF AFFORDABLE HOUSING IN TRANSIT CORRIDORS.

Access to transit can be critical for lower-income households since they spend a far higher percentage of household income on both housing and transportation. Existing resources should be targeted to those places where the most affordability can be leveraged, and the affordability index makes it clear that these places are near transit.

15) FACILITATE THE USE OF VALUE CAPTURE TOOLS FOR AFFORDABLE HOUSING NEAR TRANSIT.

Infill and transit-oriented development can be expensive because of the time, cost and complexity of these projects, and adding the cost of affordable units can make projects infeasible. Value capture tools such as tax increment financing, business improvement districts and developer agreements can all be used to help underwrite mixed-income TOD. For example, the building boom in Koreatown has fueled a 900 percent increase in tax increment revenues in the past five years, and the redevelopment agency is investing some of the money in affordable housing. Both the redevelopment agency and L.A. Metro are investing millions of dollars in joint development projects at stations, many of which include a significant number of affordable units.

16) INCREASE THE NUMBER AND EFFECTIVENESS OF LOCAL INCLUSIONARY HOUSING ORDINANCES.

Inclusionary housing ordinances require developers to

make a percentage of housing units in new development affordable to lower-income households in return for cost offsets and/or other compensation or incentives including density bonuses. Inclusionary housing ordinances can be a powerful tool for involving the private sector in producing affordable housing near transit. It is useful to apply inclusionary zoning to rental housing as well as for-sale units, and to require longer-term affordability.

17) UTILIZE THE FREE COMPASS BLUEPRINT PLANNING SERVICES TO HELP PROMOTE DEVELOPMENT IN DOWNTOWNS AND NEAR TRANSIT. USE THE CALOTS WEBSITE, WHICH PROVIDES AN INTERACTIVE MAPPING TOOL TO SUPPORT INFILL DEVELOPMENT.

The “suite of services” offered at www.compassblueprint.org/tool/services includes:

- a “tipping point analysis” to help determine what will make redevelopment and infill financially feasible by considering parking requirements, floor area ratios, allowed uses, building setbacks, density, construction costs and local market conditions;
- infill analysis to determine the obstacles to redevelopment and strategies to overcome the obstacles;
- development code assistance to help support development goals;
- urban design solutions to help generate an urban design strategy;
- custom-designed public involvement campaigns;
- photorealistic visualizations, video fly-throughs and visual preference surveys to help community residents understand what result-

ing development will be like:

- “Toolbox Tuesdays” training classes to provide planners and stakeholders with the necessary skills and software to use the above described tools.

The Land Opportunity Tracking System, or CALots, supports planning efforts by enabling all the planning and development partners to analyze development opportunities at the parcel, neighborhood and regional scales. CALots includes information about public transit usage that can be used to make the case for lower parking requirements; allows users to find parking lots that can be developed as denser mixed use; to identify underutilized parcels (with low improvement to land value ratios) and industrial sites that may be rezoned for residential uses; and to demonstrate the need for affordable housing by identifying the levels of overcrowding and the rent burden in surrounding neighborhoods. At <http://lots.ucla.edu/Master.cfm>.

For a household with limited financial resources, making a careful decision about where to buy or rent necessitates weighing the relative costs of living in different neighborhoods – costs that cannot be fully understood unless one combines the cost of housing with the cost of transportation in a particular neighborhood. But until the affordability index there has been no tool that provides a benchmark for transportation affordability similar to the universally recognized housing affordability standard of 28 percent.