

# 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

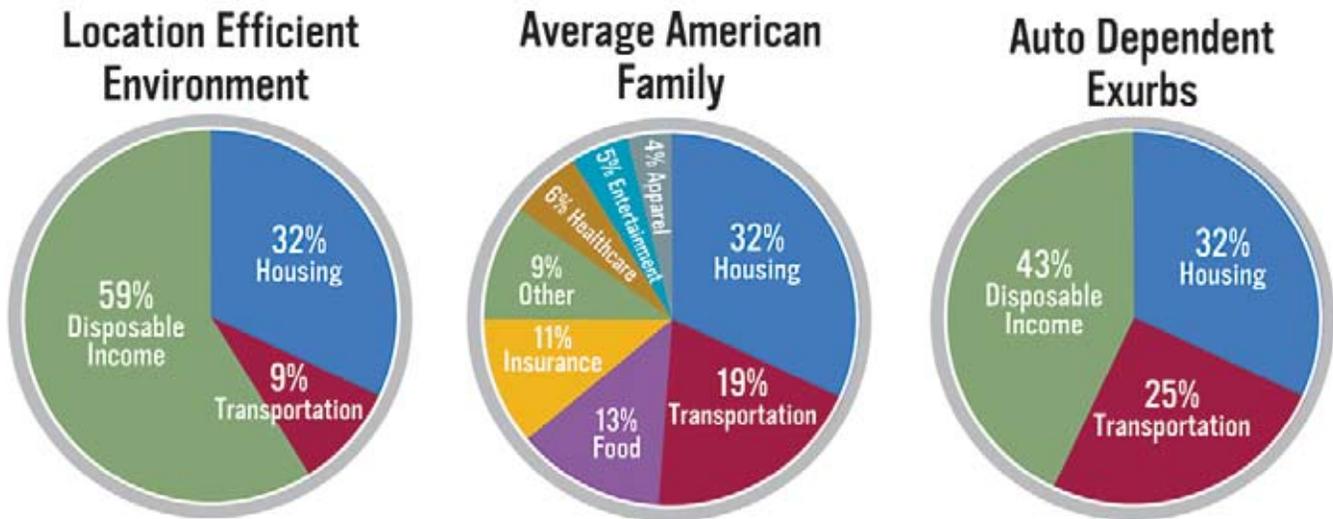
Affordability has never been just about housing costs. Researchers have long known it's the interaction between housing and transportation costs that provides a more meaningful measure of affordability -- especially now that transportation costs have increased to an average of 19 percent of household 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).

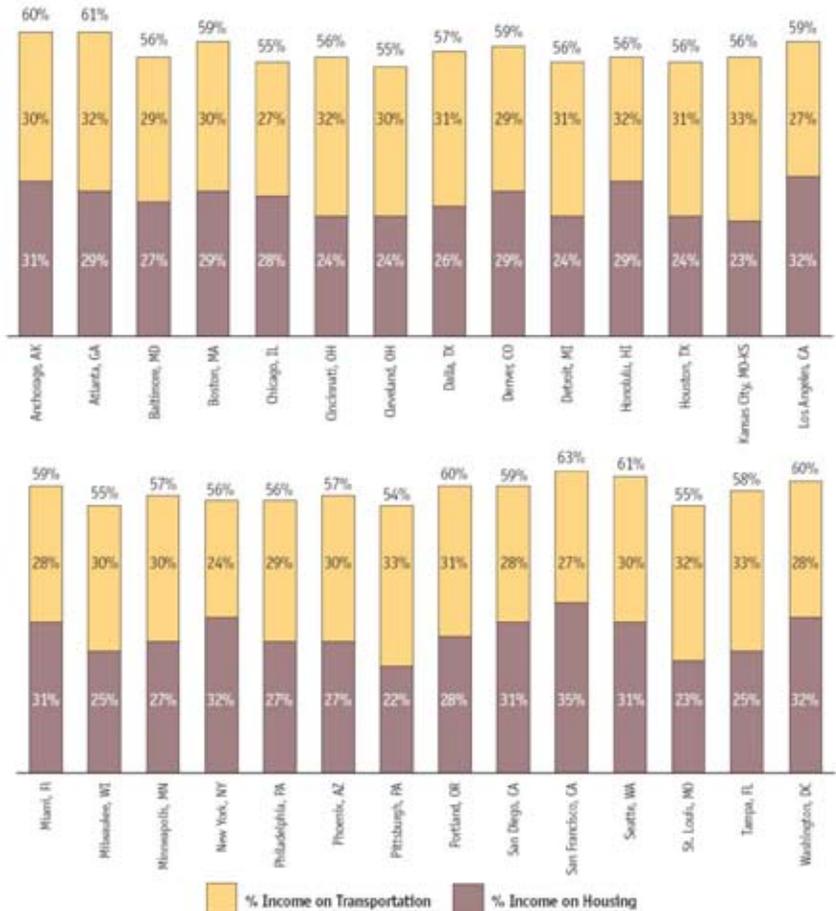
Our calculations of the affordability index in Southern California show similar results, as discussed later in this report.

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

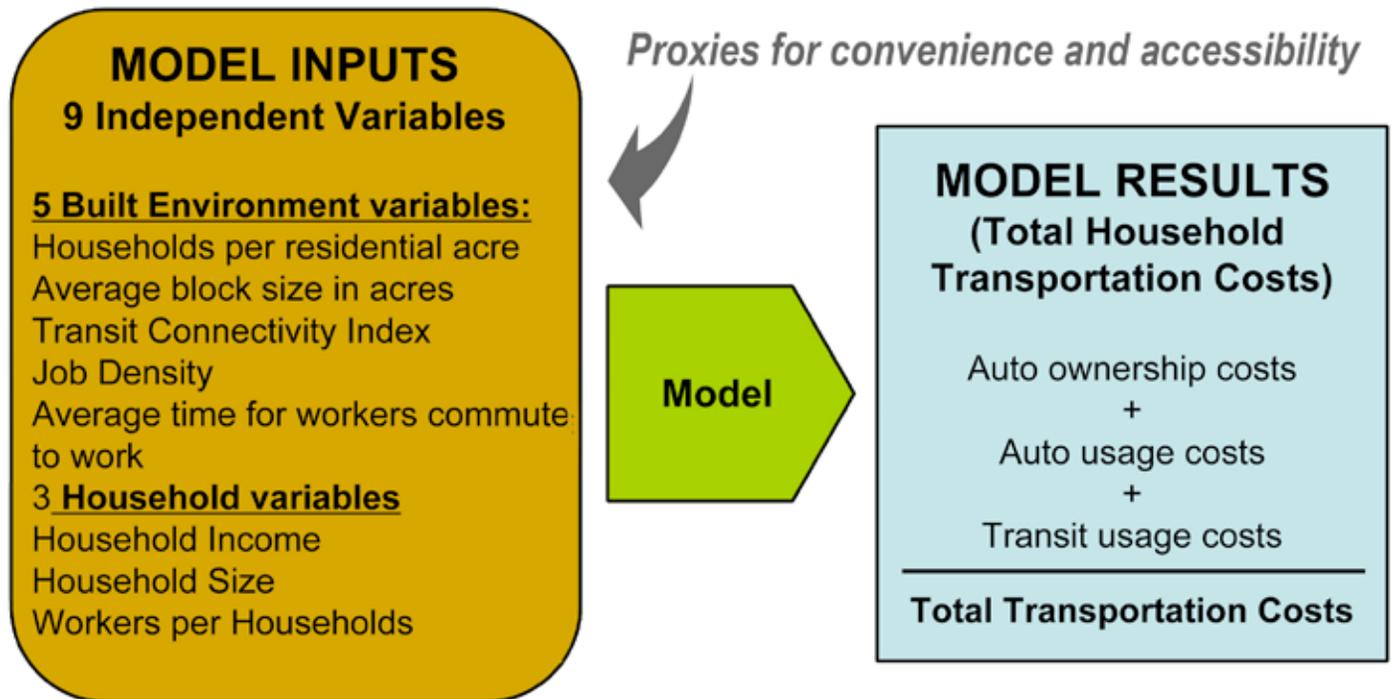
commute time. These two studies were then released as a joint report by the Center for Housing Policy called “A Heavy Load: The Combined Housing and Transportation Burden of Working Families.” The report was covered extensively by the media,

*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.

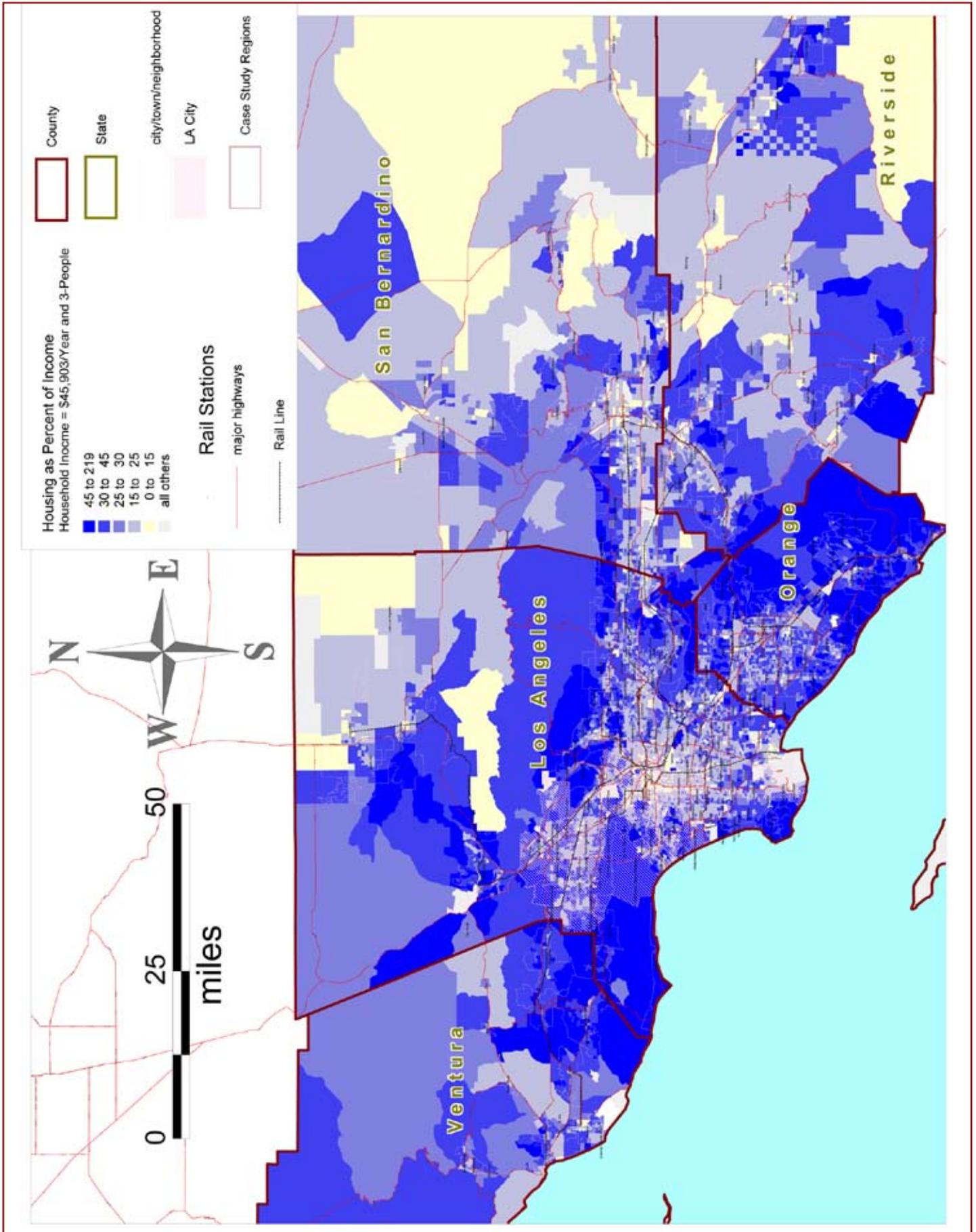
Lower-income families pay a higher percentage of their household income for transportation: For households earning 80 percent of AMI the percent of income spent on transportation ranges from a low of 9 percent in central L.A. County to a high of 48 percent in San Bernardino County. This is a very significant 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.

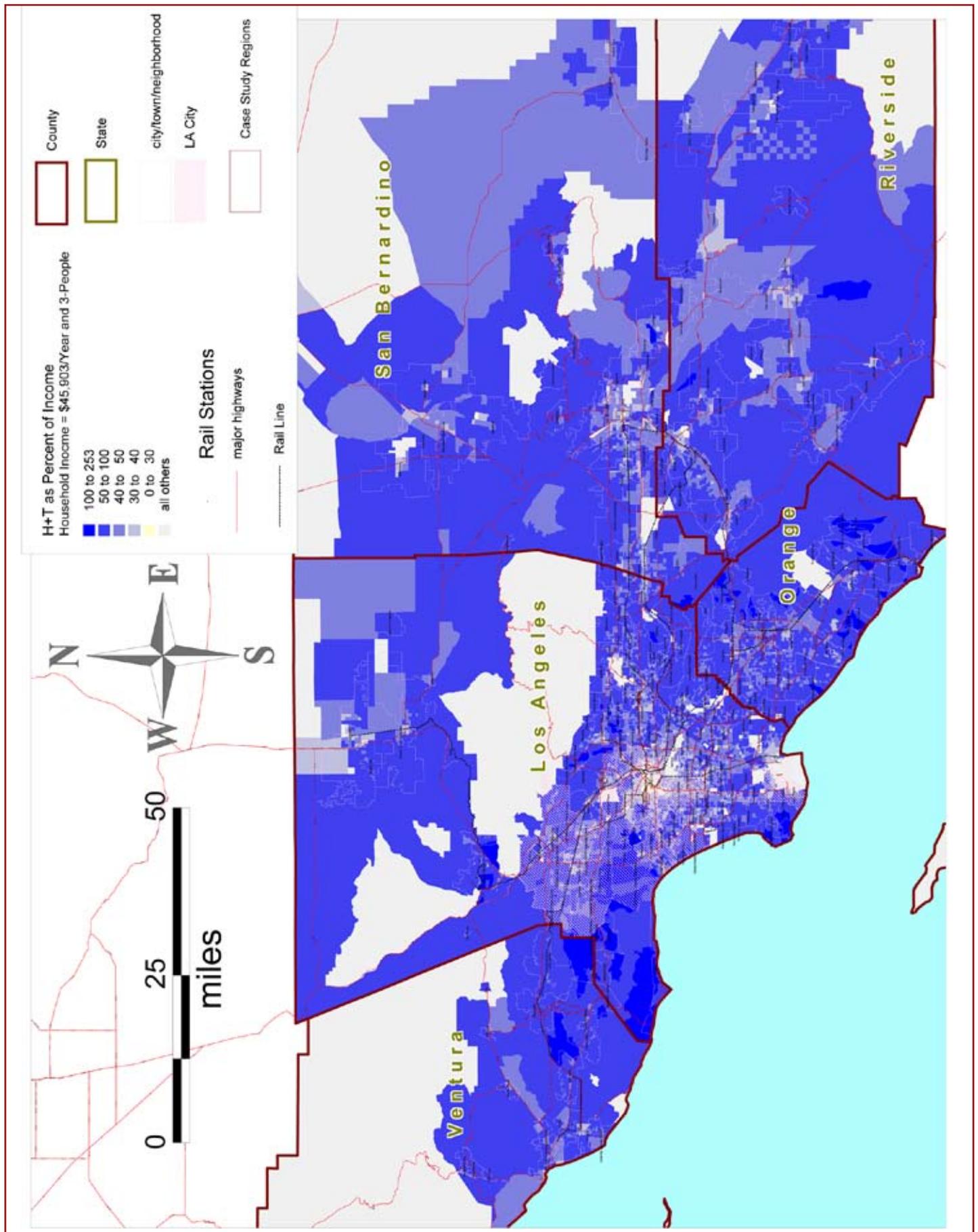
The majority of the areas that remain affordable are concentrated in L.A. County around rail lines and major bus corridors, in

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Map 1: Housing costs only.

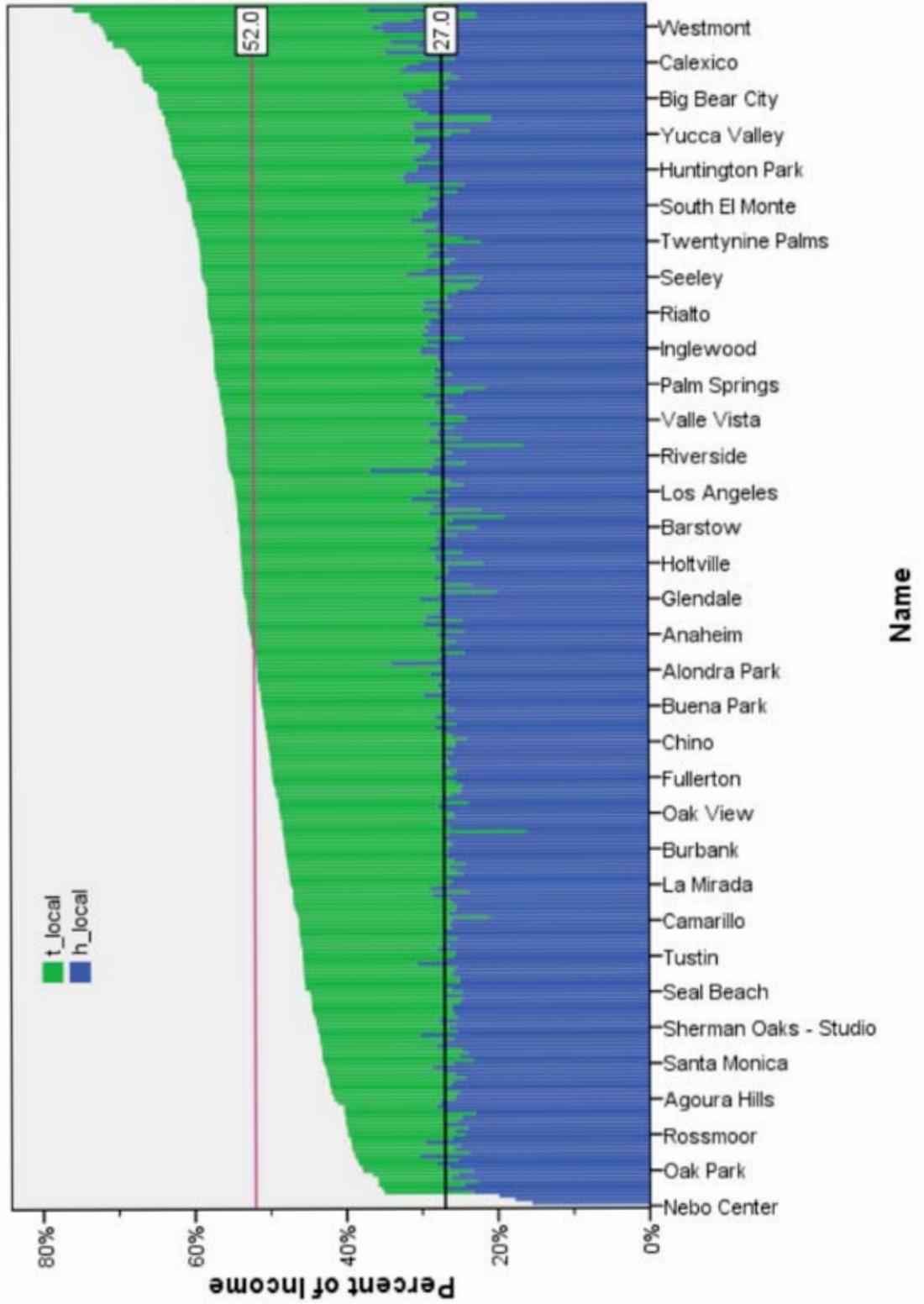


Map 2: Housing plus transportation costs.

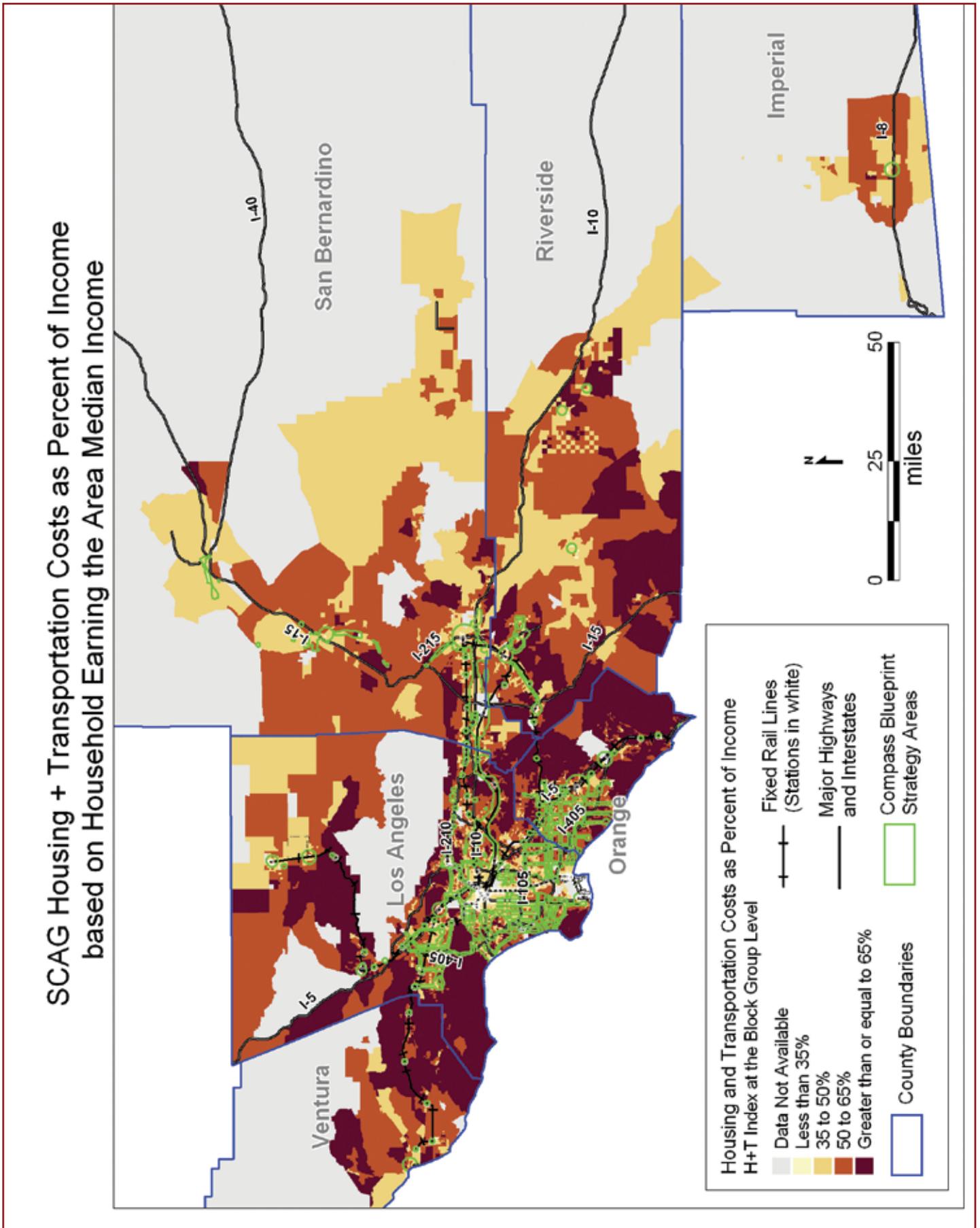


# H+T Across Communities

## 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

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

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

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

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

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

	<b>Platinum Triangle</b>	<b>City of Anaheim</b>	<b>Orange County</b>	<b>SoCal Region</b>
<b>H_ami</b>	27%	30%	36%	30%
<b>T_ami</b>	24%	25%	25%	24%
<b>HT_ami</b>	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

	<b>Downtown Glendale</b>	<b>Downtown San Bernardino</b>	<b>Koreatown</b>	<b>SoCal Region</b>
<b>H_ami</b>	20%	13%	14%	30%
<b>T_ami</b>	19%	23%	17%	24%
<b>HT_ami</b>	39%	36%	31%	54%
<b>Cars/HH</b>	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
<b>H_ami</b>	23%	30%	27%	30%	36%	30%
<b>T_ami</b>	23%	25%	24%	25%	25%	24%
<b>HT_ami</b>	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.

## 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

*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.*

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
<b>Autos/HH</b>	1.7	1.4	1.4	1.2	1.0	1.0	1.2	1.1
<b>VMT/HH</b>	33,371	17,630	22,782	15,166	20,656	17,911	15,637	15,006
<b>% Commute by Transit</b>	3%	9%	9%	14%	10%	13%	13%	14%
<b>Annual T Cost</b>	\$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
<b>P1</b>	Direct development to places that can be served by transit		X	X		X	
<b>P2</b>	Assess the potential redevelopment opportunity sites and potential areas of low-income household displacement at the corridor scale.		X				X
<b>P3</b>	Contain and connect areas of sprawl along a corridor using strategic transportation investments and land use planning.		X				X
<b>P4</b>	Manage parking effectively			X		X	X
<b>P5</b>	Open space preservation	X		X		X	X
<b>P6</b>	Proactive station area planning and zoning			X		X	X
<b>F1</b>	Land acquisition/land banking funds	X	X	X			X
<b>F2</b>	Create incentives for local jurisdictions to build at transit-appropriate densities	X	X			X	X
<b>F3</b>	Modify low income housing tax credits to offer greater incentive for locating near transit	X	X			X	X
<b>F4</b>	Target existing funding to support affordable housing preservation and creation of new affordable housing within transit corridors		X			X	X
<b>F5</b>	Tax increment finance districts (TIFs)			X		X	

<b>F6</b>	Facilitate the use of value capture tools for affordable housing	X		X			X
<b>F7</b>	Benefit assessment districts			X		X	
<b>D1</b>	Joint development	X				X	X
<b>D2</b>	Incentive-based zoning:			X		X	X
<b>D3</b>	Inclusionary housing or zoning			X			X
<b>D4</b>	Consider secondary transit network linking jobs and people to regional transit network	X	X	X		X	
<b>D5</b>	“Complete streets”			X		X	
<b>D6</b>	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 <sup>^</sup>	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

<sup>^</sup>Many-in, Many-out = boarding at many station, alighting at many stations

<sup>^</sup>Many-in, One-out = boarding at many stations, alighting mainly at one station downtown

<sup>^</sup>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](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](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](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](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](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](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](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](http://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](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](http://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.*

# SCAG Region: Compass Blueprint Case Study

## El Monte Transit Village



March 2008

*Clockwise from top: Transit Village Logo, from The Titan Group; Rendering of the proposed Rio Paseo in the Transit Village; the current El Monte Transit Center.*

*Sources: The Titan Group, Strategic Economics, 2008*

### Center for Transit-Oriented Development



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## THE EL MONTE TRANSIT VILLAGE

The City of El Monte is the tenth largest city in Los Angeles County with a population of nearly 114,000. The City of El Monte has worked extensively over the last several decades to revitalize key commercial areas, including Downtown El Monte. This case study focuses on one of the City’s efforts, the El Monte Transit Village, which is located between Downtown El Monte and Interstate 10.

### LOCAL CONTEXT

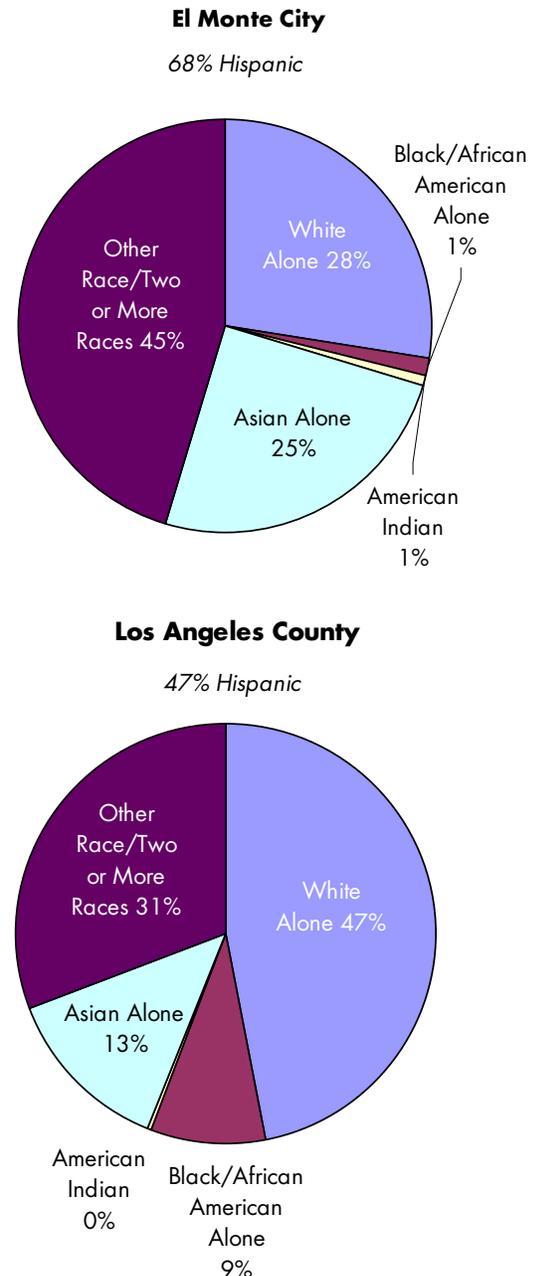
The City of El Monte is located in the central San Gabriel Valley, just to the west of the intersection of Interstates 10 and 605. The San Gabriel Valley represents nearly a cross-section of the regional Los Angeles population in terms of ethnic mix, income mix and jobs. While many consider the San Gabriel Valley to be a suburban feeder for the City of Los Angeles, it in fact accommodates 20 percent of the population of Los Angeles County, and 18 percent of the County’s jobs. Figure 2 shows that while job densities are not quite as high near the City of El Monte as they are in Pasadena or Los Angeles, they are sizable nonetheless.

The City’s location in the region – adjacent to two major freeways and in close proximity to major job centers in Los Angeles and Pasadena as well as jobs throughout the San Gabriel Valley – ensures that residents enjoy shorter than average commutes (27 minutes on average, vs. the regional average of 29 minutes). Moreover, the City is directly connected to Downtown Los Angeles via its Metrolink Station and the El Monte Busway, which provides rapid service via the I-10 corridor.

In 2006, the City of El Monte’s population was 68 percent Hispanic compared with 47 percent in Los Angeles County. Whereas the County’s population was 13 percent Asian in 2006, the City’s population was 25 percent Asian. The City also has a greater share of lower income residents than the County, with 17 percent of individuals earning an income below the poverty level compared with the County’s 15 percent. However, poverty rates decreased significantly from 2000 levels, when 26 percent of the City and 18 percent of the County fell below the poverty line.

One of the challenges facing El Monte in the future is ensuring that local residents can continue to afford to live in the City as new development projects revitalize key commercial areas. The City is in a central regional location, and provides transit access and other public services to those who need them most. Current and future planning efforts are intended to take advantage of the City’s excellent regional access and help to revitalize struggling areas in a way that also serves current local residents.

**Figure 1. Distribution of Race, 2006**



Source: U.S. Census: American Community Survey



## THE TRANSIT VILLAGE PROJECT

In September 2007, the City of El Monte adopted the El Monte Transit Village Specific Plan, with the intention of creating a transit-oriented urban village adjacent to the downtown. The Transit Village in El Monte, CA is located immediately to the southwest of Downtown El Monte, at the intersection of Santa Anita Avenue and Interstate 10. The area currently features a major regional bus hub, and functions as a hub for both local and regional bus service. The El Monte Transit Center is a stop for many buses connecting to Downtown Los Angeles via the El Monte Busway on Interstate 10.

Uses in the 61-acre transit village area presently include the Transit Center and surface parking, storage sites for the California Department of Transportation (Caltrans), Pioneer Park and Fletcher Park (City-operated public parks with ball fields and other recreational space), the City Maintenance Yard and Fire Station, and several privately owned parcels with nonresidential uses. In addition to promoting transit-oriented development near the Transit Center, the El Monte Transit Village plans include improving parks and creating a public riverside walk along a portion of the Rio Hondo, which is just to the west of the site.

## NEIGHBORHOOD HISTORY

Hailed as the busiest bus station west of Chicago, the El Monte Transit Center serves buses from Foothill Transit, Metro, and Greyhound. The station was built in 1973 along with the 11-mile El Monte Busway that connects to Downtown Los Angeles. The station provides internal bus circulation, and adjacent buildings house subregional Metro offices. Presently there are more than 2,000 park-and-ride spaces in surface lots surrounding the station, though less than half of these are occupied on a typical weekday. As of 2005, an estimated 1,100 riders boarded buses at the El Monte Station each morning, only slightly lower than boarding estimates at the Mission/Meridian Gold Line Light Rail station in South Pasadena. With transfers from one bus to another, an estimated 20,000 riders pass through El Monte each day, making the Transit Center busier than every train station in the LA region except for Union Station.

Transit service was further enhanced at the El Monte Transit Center when Foothill Transit opened its Silver Streak service in March 2007, providing a one-of-a-kind rapid transit link between Montclair and Downtown Los Angeles via Interstate 10. The service offers state-of-the-art technology including on-board GPS to accurately track the location of the buses, free wireless

*“We want to build a destination around a transportation hub. The concept is to have housing, entertainment, retail and an open plaza all within walking distance of a transit station.”*

*- John Leung, President, Titan Group (from San Gabriel Valley Tribune, February 17, 2003)*

**Figure 3. The El Monte Bus Station**



*The El Monte Bus Station is a hub for many lines including the Silver Streak Bus Rapid Transit Line, which connects to Downtown Los Angeles via the El Monte Busway on I-10.*

service, and digital displays at station stops announcing bus arrival times. The Silver Streak and other bus lines can connect to Downtown Los Angeles in about 15 minutes, only two-thirds of the time it takes to commute by car.

**Figure 4. The El Monte Transit Center**



*The unique rotunda shape of the El Monte bus station was designed in the early 1970's to facilitate easy bus access. Buses from I-10 can directly access the station using an elevated ramp.*

Capitalizing on the area's excellent transit service, the goal of the El Monte Transit Village Specific Plan is to create a "regionally significant, mixed use community that integrates public transit, residential, retail, commercial, recreational, and entertainment uses." Planning efforts have involved unique collaborations between public agencies including the City of El Monte, the El Monte Community Redevelopment Agency, Caltrans, and the Los Angeles County Metropolitan Transit Agency (Metro), as well as extensive community outreach.

Efforts to promote transit-oriented development near the bus station were initiated in 1986, when the City entered into an agreement with Caltrans and Metro (then part of the Southern California Regional Transportation District) to study the feasibility of mixed-use development on and near the bus station. The following year, the City established the 212-acre Downtown El Monte Redevelopment Project Area, which included the transit village area. Implementation and planning of the transit village concept were slow to emerge in the 1980s and 1990s, in part due to the recession that hit the Los Angeles area in the early 1990s. Nonetheless the City continued to support the mixed-use concept, referencing it in the 1991 City General Plan.

During the initial 1986 process, the Community Redevelopment Agency purchased a 3-½ acre church property at the corner of Santa Anita Avenue and Interstate 10, and relocated the existing church to another site in the City. When plans for the transit village fell through, the Agency could not afford to continue paying for this costly land acquisition and relocation. Ultimately the Agency sold the site to an auto dealership, which is still an active use today.

The planning process was renewed in 2004 when the El Monte Community Redevelopment Agency was approached by a private property owner / developer known as the Titan Group, who was interested in undertaking a study of the area's development potential. One year later the City created a new agreement with Caltrans and Metro, and initiated the process of creating a transit village specific plan. Over the next several years, the plan would evolve with significant community input and environmental review. In September 2007, the plan and program level Environmental Impact Report were approved by the City Council.

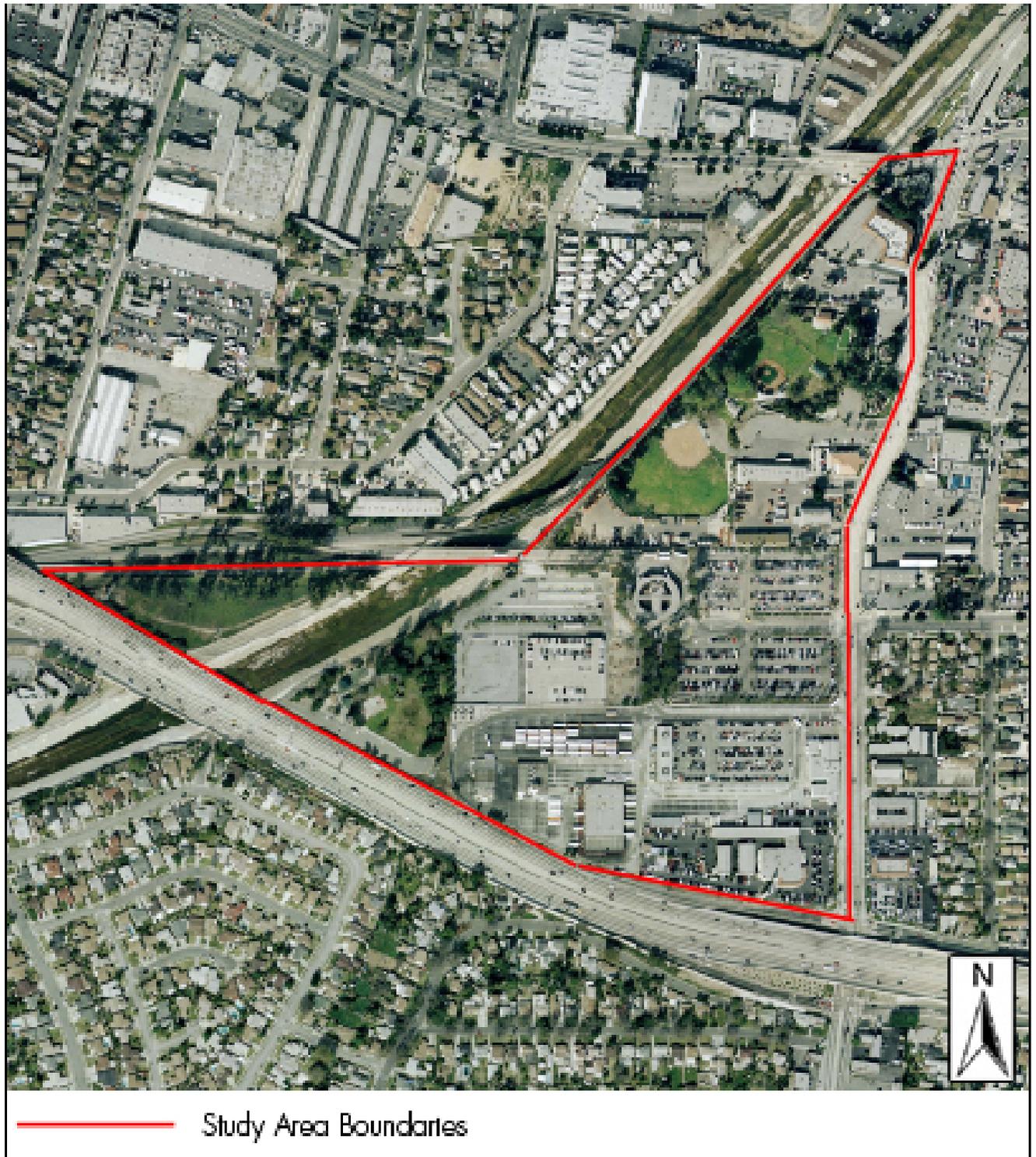
At build-out, the Transit Village Specific Plan could add over 1,800 housing units, 561,000 square feet of retail and a child

### **SCAG COMPASS DEMONSTRATION PROJECT**

In Winter 2006, SCAG awarded the City of El Monte a Demonstration Project grant to assist with economic development strategies and visualization services to supplement efforts already underway for the local General Plan update and the El Monte Transit Village Specific Plan.

The report will be completed in mid 2008.

**Figure 5. Aerial View of the El Monte Transit Villaae , 2007**



Source: AirPhotoUSA, Spring 2007; study area delineated by Strategic Economics

development center. Public improvements would include enhancing the existing Pioneer and Fletcher Parks, and creating a promenade along the Rio Hondo that would include amenities such as outdoor dining for new restaurants as well as public improvements. Representing nearly one third of the original Downtown Redevelopment Project Area, the Transit Village could have a catalytic effect in revitalizing other, smaller opportunity sites throughout the Downtown.

Plans for the Transit Village have evolved over the last several years. The Titan Group conducted an extensive, year-long community outreach process, which City Staff hail as a success in creating a plan that meets the community’s goals. The community outreach process brought local residents on board with the development concept, and resulted in some significant changes to the assumptions underlying the plan. For example, during the outreach process the community strongly emphasized the importance of keeping at least two ball fields open at all times during the construction process. The developer and City acknowledged this as a priority, resulting in changes to the phasing and design of the Transit Village concept.

**Figure 6. Community Outreach**

Community Outreach Activities	
Outreach Activity	Outreach Activity Description
1 One-on-One Meetings	Meetings with community leaders
2 Focus Group Meetings	Topic-related meetings with community members
3 Charrette	
4 Elected Official Briefings	Project briefings with elected officials
5 Group Presentations	Presentations to community/civic /business groups
6 Community Events/Festivals	Presentations at community events
7 Community Barbecues	Neighborhood barbecues/meetings in five adjacent neighborhoods
8 Newsletters	Mail distributed to residents

Source: Excerpt from Transit Village Specific Plan

**THE COMMUNITY OUTREACH PROCESS**

The Titan Group, together with the City of El Monte, undertook a multifaceted community outreach process in order to ensure that their vision for the development corresponded to that of the local residents. One of the key pieces of this process was ensuring that local decision-makers, residents, focus groups, and Staff were comfortable with the intensities of development that were proposed in the Transit Village.

Among the many steps outlined in Figure 6, the Titan Group sought out examples of well-designed projects throughout the Los Angeles region and used these local examples as visuals to help the community understand what development at different densities looked like. Rather than having the community guess at how a 35-unit/acre project differed from a 60-unit/acre project, the Titan Group showed examples of these projects fit in the context of similar older suburban communities. They additionally used both newer and older buildings as examples to show how buildings of the same density looked over time.

**FROM VISION TO REALITY**

**Transit Village Specific Plan**

The 2007 Transit Village Specific Plan creates several Sub-Districts within the Village boundaries. These include:

- A *Mixed-Use* Sub-District comprising over 30 acres. This is the focal point for new housing and commercial development, and includes all of the development currently in the planning stages. Homes in this area will be built at 60 units per acre. Other development includes retail, office, hotel, conference facility, a child development center, and 12 acres of parkland. The vision for this plan is to create unique, vibrant pedestrian-oriented areas such as a “Rio Paseo” or riverwalk area that is open to the public for recreational uses, but also enables development to take advantage of the river amenity with outdoor restaurant seating and river views from new homes in the Transit Village.
- A *Transit* Sub-District, which will include the current Transit Center as well as Metro offices and additional structured commuter parking.
- A *River* Sub-District that will be devoted to public and riverside uses such as parkland.

## **THE MARKET FOR TRANSIT-ORIENTED DEVELOPMENT AT EL MONTE TRANSIT CENTER**

The development of the Transit Village is yet another illustration that the development community is recognizing – and responding to – major demographic changes throughout the Los Angeles Region. The Titan Group, which has completed numerous other projects throughout El Monte, is highly familiar with the local market. “The San Gabriel Valley is very family oriented,” observed Bart Doyle, COO of the Titan Group, “People grow up here, their parents and grandparents live here.”

Housing at the Transit Village is designed to respond to the need for a wider variety of units serving this multigenerational community. Doyle notes that particularly in this maturing immigrant community, young Latino professionals are looking to return to El Monte several years following college in order to settle down, but cannot find high quality condominiums or townhomes.

On the commercial front, Doyle notes that El Monte has long been underserved, pointing out the lack of even a single chain grocery store in a city of around 115,000 residents. Residents head north to Temple City or Arcadia to purchase general merchandise goods and other basic retail necessities. This “retail leakage” opens up opportunities for typical chain tenants catering to middle-income households. There is no Target, TGI Friday’s or Claim Jumper near El Monte. The Transit Village could change all that.

*“You have all of these distinct population segments, and no housing has been produced for any of them.”*

*- Bart Doyle, Chief Operating Officer, Titan Group*



*Rendering of the Transit Village by The Titan Group*

### **Planning Timeline:**

1986 – Agreement between City, Caltrans, and Southern California RTD to study mixed-use development at station

1987 – El Monte Transit Village area is included in the Downtown El Monte Redevelopment Area

1991 – City General plan consistent with idea of transit village

2004 – Agency approached by a property owner interested in undertaking a new study of the transit village development

2005 – City initiated environmental review of TOD proposal

2006 – City and Agency Renewed Agreement with Caltrans and Metro to study development

2006 – Revisions to plan trigger the need for a new environmental review process

September 2007 – City Council adopts Specific Plan and EIR

March 2008 – City and Redevelopment Agency approve disposition and development agreement with the Titan Group

A *Gateway* Sub-District which is the current site of an auto dealership. Presently, the City is evaluating the option of a right-of-way in this area that could provide direct bus access to the station via Brockway Ave. This could reduce the need for bus access via Santa Anita Ave., thus reducing congestion at major intersections adjacent to the Transit Village.

### ***Affordable Housing***

At a minimum, 15 percent of the units in the Transit Village will be affordable to moderate income households, per Redevelopment requirements. However, a key concept of the Specific Plan is to make the Transit Village units available to all income levels, and it is the goal of the City to make at least 20 percent of the units affordable. Such a level of affordability will require a strong future financial commitment by the City or Community Redevelopment Agency. While funds have not been secured, but with the understanding that this will require a future financial commitment from the City / Agency. The Agency is intending to use affordable housing set aside funds from this and other project areas in order to ensure the affordability of a portion of the project.

Additionally, the Specific Plan states that at least 20 percent of the units in the development will be rental, thus ensuring that the development will include a variety of unit types. This was a particularly critical goal during the ownership-housing boom that overtook the region throughout the planning process.

### ***Parking Requirements***

To the extent possible, the parking requirements seek to encourage a “shared parking” strategy, where office and transit riders occupy spaces during one part of the day, and commercial, entertainment, and residential users occupy spaces the rest of the time. Over 8,700 underground parking spaces will be phased in over time to serve the Transit Village, of which about 2,000 will be designated for Transit Center commuters.

### ***Phasing***

Opening up sites for development will require strategically planned relocation of many existing public uses on the Transit Village site. The City and developer will not only need to relocate uses on their own land, including public water wells and the City’s Public Works yard, but will also need to provide replacement parking for Caltrans sites, keep two public ballparks in operational use throughout the development process, and consider the changing market conditions for various uses throughout the process. Timing of development will be of critical importance to ensure its success.

One of the next steps will be to consolidate 794 commuter parking spaces in a structure in order to free up the 5 acre

Caltrans site that sits between Santa Anita Avenue and the bus station. Caltrans policy requires that all parking spaces be replaced prior to the construction of new uses on the site. This is a key site in the development phasing process because it is highly visible and accessible from Santa Anita, and it is immediately adjacent to the station. Similar relocation issues, and their financing plans, will be a major consideration in the development phasing process.

***Financing Infrastructure Costs***

Implementing the newly approved specific plan will pose new, but surmountable challenges for the City of El Monte and the developer, the greatest of which are the costs associated with the relocation of many public uses as well as other improvements such as:

- Construction of a 794 space commuter parking garage on City property in order to free up a five-acre Caltrans parcel for development;
- Relocation and improvement of City of El Monte water wells and water treatment facilities currently occupying part of the site;
- Relocation of the City’s Public Works yard;
- Improvements to public parks;
- Restoration of the Rio Hondo;
- Cleanup of contaminated sites; and
- Street and bus right-of-way improvements, creating a more pedestrian-friendly street grid.

The City and developer are pursuing multiple financing options to help cover these tremendous infrastructure costs, including:

***Redevelopment Agency Funds***

The El Monte Community Redevelopment Agency will dedicate up to \$17 million in tax increment bonds to finance infrastructure improvements. The Agency is not directly subsidizing the development project.

***California Transit Village Development Planning Act (1994)***

The City and Agency hope to take advantage of the 1994 Transit Village Development Planning Act, in order to secure State and Federal funding for specified improvements that will enhance the pedestrian and bicycle connections throughout the Specific Plan area. This Act prioritizes state transportation funds for transit stations that have plans to incorporate high-density residential and mixed uses in adjacent areas.

***Proposition 1B, 1C***

Propositions 1B and 1C, which were approved by California voters in 2006, provide State bond funds to go towards infrastructure improvements and encourage infill development. A portion of these funds are allocated as grants to local governments throughout the State of California.

**Figure 7. Pioneer Park**



**Figure 8. Pioneer Park Ball Field**



*Keeping two ball fields operational is a major priority during the phasing and development of the specific plan.*

**Figure 9. Transit Village Concept Plan**

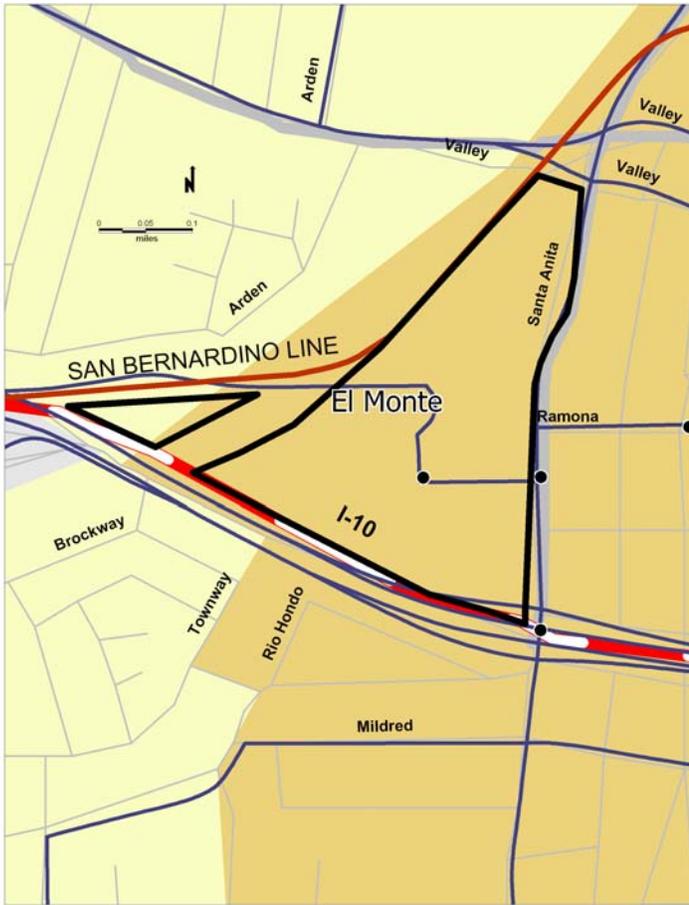


*Development plans will require many infrastructure improvements, including extending public services into the plan area (such as the existing wastewater lines, shown here)*

*Source: Excerpt from Transit Village Specific Plan*

# MEASURING SMART GROWTH: HOW DOES THE EL MONTE TRANSIT VILLAGE COMPARE?

**Figure 10. Housing Costs as a Percent of Income**



Housing Costs as Percent of Income

- 0 to 20%
- 20 to 30%
- 30 to 40%
- Greater than or equal to 40%

- Transit Hub
- MetroLink Station
- Bus Route
- Arterial Street
- Local Street
- Compass Blueprint Strategy Area

**Figure 11. Housing and Transportation Costs as a Percent of Income**



Housing and Transportation Costs as Percent of Income

- 0 to 35%
- 35 to 50%
- 50 to 65%
- Greater than or equal to 65%

Sources: Center for Neighborhood Technology, Southern California Association of Governments, U.S. Census 2000

The City of El Monte enjoys lower combined housing and transportation costs than other parts of the San Gabriel Valley. This is because housing costs are lower than other parts of the Valley, rather than because transportation costs are lower. The Transit Village itself has higher housing and transportation costs relative to other parts of the City because it lacks the residential densities, mix of uses, and walkability of other parts of the City. However, with the amenities of the transit village, local residents will enjoy lower transportation costs, lower auto ownership rates, higher rates of transit use, and thus fewer vehicle miles traveled each year (or "VMT").

# MEASURING SMART GROWTH: HOW DOES THE EL MONTE TRANSIT VILLAGE COMPARE?

## Comparison of Current and Future Housing, Transportation, and Combined Costs

	Current	Future
Cars per HH	1.4	1.2
% Transit to Work	9%	14%
Annual VMT per HH	22,782	15,166

	El Monte Transit Village Area	City of El Monte	Los Angeles County
% Income Spent on Housing	20%	22%	28%
% Income Spent on Transportation	24%	25%	23%
<i>Combined</i>	<i>44%</i>	<i>46%</i>	<i>52%</i>

El Monte Housing and Transportation Rank Relative to Other Communities:  
 Housing Cost: 72<sup>nd</sup> of 338  
 Transportation Cost: 91<sup>st</sup> of 338 (near Encino, Santa Ana, San Gabriel)  
 H+T: 71<sup>st</sup> of 338 (near San Bernardino, Paramount, Van Nuys)

Sources: Center for Neighborhood Technology, SCAG

### Smart Growth Scores

The table to the right shows some of the smart growth factors that affect the affordability of transportation, as reported above.

The Transit Village is shown to currently have six times better connectivity than the regional average. The area also scores well in the jobs per acre category, given its advantageous location in the San Gabriel Valley. As a result, journey to work times are lower on average. Again, land use mix and housing density are the two factors on which the transit village currently scores low.

As the Transit Village is developed, the site's land use mix and housing density will increase significantly, lowering transportation costs.

### Smart Growth Factors Affecting Transportation Affordability

	Average in the SCAG Region	El Monte Transit Village Area (Current)	How to Read:
Block Size	27.5 Acres	11.0 Acres	A smaller block size provides a more walkable environment
Transit Connectivity Index	1,804	12,251	The greater the transit connectivity, the more likely it is residents will take transit, developers will build near transit, etc.
Land Use Mix Index (0 = Least Diverse, 1=Most Diverse)	0.46	0.00	A greater mix of land uses enables local residents to access shopping and services without driving
Jobs per Square Mile in Nearby Areas	57,269	71,901	The closer a community is to jobs, the shorter the commutes. Shorter rides can also encourage commuters to use alternative transportation.
Households per Acre	6.5	7.0	More compact development can support a wider variety of retail and services, and make walking to these services easier
Average Journey to Work Time	28.5 Minutes	23.4 Minutes	Shorter commutes lead to cost savings in gas and other transportation expenditures (and reduce emissions)
Cars per Household	1.7	1.7	Car ownership rates can be influenced by local income levels, and by where you live

### SCAG Composite Score

#### El Monte Transit Village Current Scores

Transit Service:	6.7	of 10
Walkability:	4.0	of 10
Land Use Mix:	5.4	of 10
Composite Score:	5.3	of 10

Source: Fregonese Calthorpe & Associates

## LESSONS LEARNED

### **City involvement can make the difference in implementing complex joint development.**

The City of El Monte and Community Redevelopment Agency are in charge of relocating uses, piecing together financing, and facilitating negotiations with the developer at the Transit Village. With 95 percent of the land in different public uses, coordination of this project is no small effort. The process involved in implementing the Specific Plan will require close management of many complex steps over a long period of time, and the City has demonstrated its pro-activeness in managing this process. According to the Titan Group, “The City could not be more helpful” in this process.

### **Consider pursuing feasibility studies, even in complex situations.**

A site that is largely made up of public parks, public utilities, and commuter parking spaces owned by three separate public jurisdictions may not have seemed to be a likely candidate for private development. But a Memorandum of Understanding between the three public agencies was a small commitment to undertake in order to determine if the development was a possibility.

### **Up-front community outreach is critical.**

The Transit Village developers have found that engaging the community at the start of the process has been a key to ensuring that the project has lasting public support. In the case of El Monte, the community input process resulted in a surprising change to the plan: preserving two ballparks throughout the construction process. Without this input the City Council may never have approved the plan.

### **Key circumstances make bus transit-oriented development possible at El Monte Transit Center.**

Bus transit is not commonly thought of as the mode of choice in transit-oriented development. It is easier to draw a developer to a project on rail transit than bus because the high expense of construction, and the fixed nature of the train provide greater assurances that high quality transit service will be around for decades to come.

The El Monte example is more likely to succeed because of the high levels of bus transit already associated with the Transit Center, as well as its visibility and access from Santa Anita Avenue and Interstate 10. El Monte Transit Center functions as a transit hub, serving more than 20,000 riders per day. Additionally, **the dispersed nature of jobs and other destinations in the Los Angeles Region make bus an essential part of the transit network.** Buses at the El Monte Transit Center provide a service that no train station alone could: a network of transit that connects to multiple destinations throughout the San Gabriel Valley. As one City staff person noted, “this is bus country.” Lessons to take away for future TOD include:

*Consider bus TOD in places that already act as hubs for a larger bus network.*

*Intermodal connections are extremely important for both bus and rail hubs.*

*Commit funding to infrastructure improvements that guarantee the long-term stability of a bus route, such as dedicated lanes and rights-of-way.*

## ACKNOWLEDGEMENTS

The following individuals contributed to this case study:  
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# SCAG Region: Compass Blueprint Case Study

## Downtown Fullerton



*Evening commuters at the downtown Fullerton Metrolink station  
Photo by Strategic Economics, 2008*

**March 2008**

***Center for Transit-Oriented Development***



**STRATEGICECONOMICS**

A Project of



**SOUTHERN CALIFORNIA  
ASSOCIATION of GOVERNMENTS**



**Figure 1. Transit, Housing, and History in Downtown Fullerton**

## **DOWNTOWN FULLERTON**

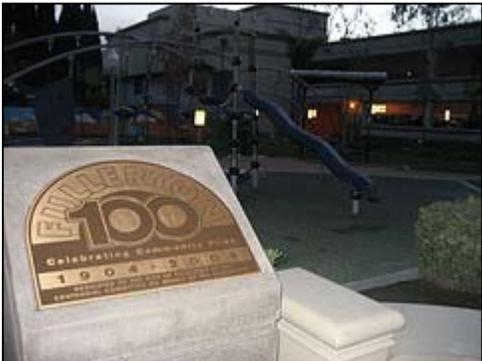
Fullerton is a city in north Orange County, just north of Anaheim and other major employment centers and destinations. The community began as a railroad town, and its historic downtown evolved around the City’s train station. In the last several years, downtown Fullerton has become a hot spot of activity, accommodating many restaurants, new housing, and stores. This case study examines the City’s efforts over the last two decades to revitalize the downtown by capitalizing on the district’s transit accessibility and rich legacy of historic buildings.

### **LOCAL CONTEXT**

The City of Fullerton began as a railroad town, named after the agent of the Santa Fe Railroad Company who purchased the right-of-way for a new railroad that would run through the city. Fullerton’s economy boomed through most of the 20<sup>th</sup> century, fueled by food packing, oil fields, aviation and, following World War II, massive housing construction for returning veterans and their families.

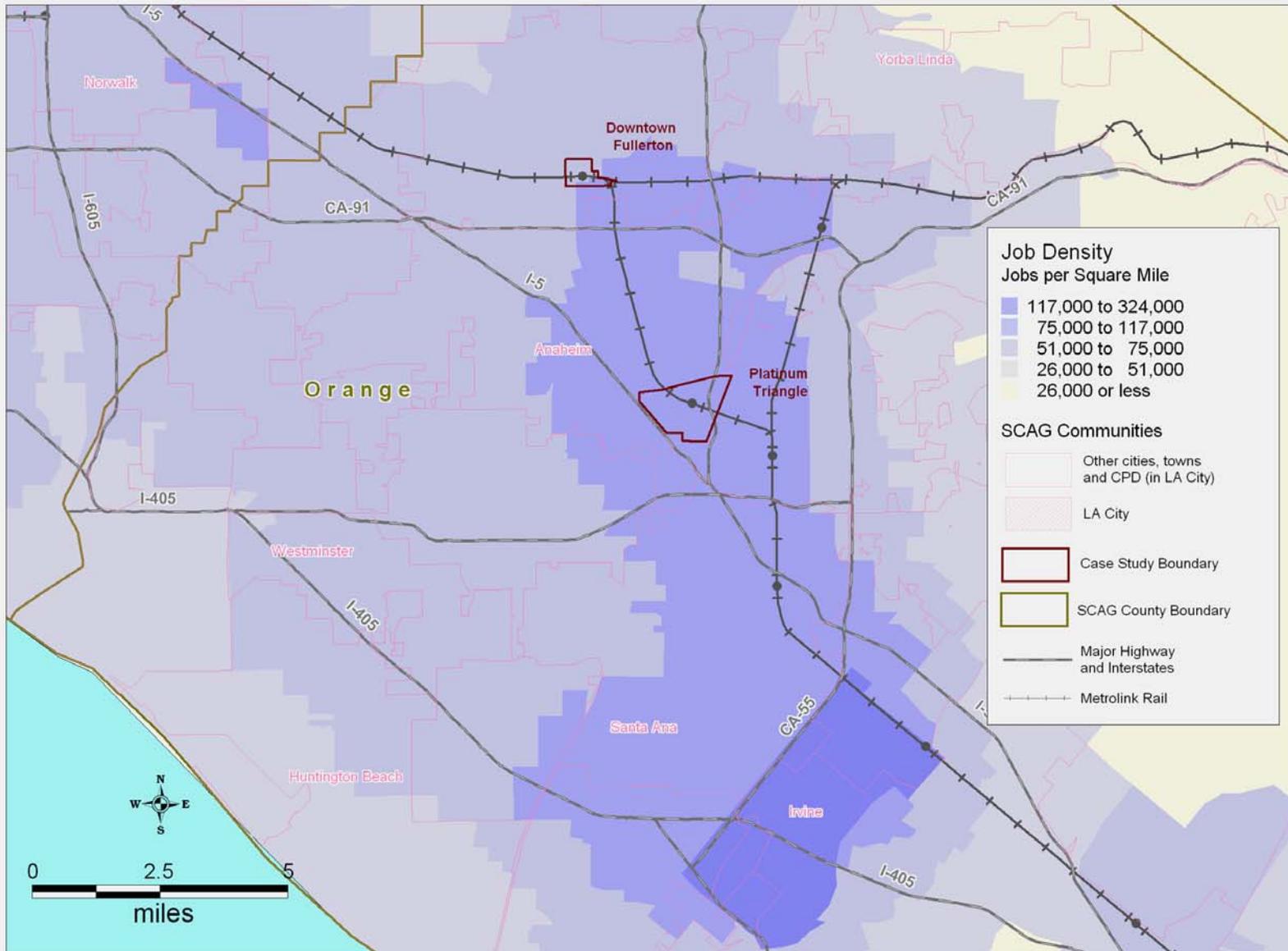
The City’s downtown sprang up around the Santa Fe Railroad Depot, which remains an important landmark and transportation hub. The station is now served by Metrolink and Amtrak trains, and is the busiest Metrolink station in Orange County. In addition, the station serves as a hub for Orange County Transportation Authority (OCTA) buses. These transit options allow residents to commute to and from Los Angeles, Irvine, and even San Diego. I-5, SR-91, and SR-57, as well as Harbor Boulevard, a major regional arterial that runs through the center of the downtown, further reinforce Fullerton’s accessibility.

Fullerton’s older housing stock, much of which was built in the decades following World War II, makes the City more affordable than many in Orange County. The City’s median income in 2006 was \$62,124, significantly less than the County median of \$70,232. However, incomes and housing prices are rising throughout Orange County, driving middle-income workers to live further inland and commute long distances. Fullerton has taken advantage of these trends as it has revitalized its downtown, building multi-family, infill development to attract young couples and seniors who might otherwise be priced out of the area, and drawing visitors from across the increasingly well-off region to its many restaurants and nightclubs.



Source: Strategic Economics, 2008

**Figure 2. Employment Densities in Orange County**



Source: Center for Neighborhood Technology

## REVITALIZING DOWNTOWN FULLERTON

Fullerton's downtown revitalization effort began to take off in the early 1990's, when the City enacted the first in a series of policies that helped attract new restaurants and residential developers. Over the last decade and a half, these policies have helped restore more than 70 historic buildings, attract approximately 40 restaurants and nightclubs, and produce four major mixed-use developments that added hundreds of units to the downtown housing stock.<sup>1</sup> The resulting influx of shoppers, diners, and residents has made downtown Fullerton a bustling center of activity. Currently, the City is focused on extending its success to southern downtown by expanding the Fullerton Transportation Center, which will be surrounded by a mix of residential, retail, office, and cultural facilities.

The study area for this profile encompasses the historic downtown as defined by the Redevelopment Agency, as well as the South of Commonwealth (SOCO) District and the site for the proposed Fullerton Transit Center (**Figure 4**).

## NEIGHBORHOOD HISTORY

Fullerton's downtown prospered from the City's founding in the 1880's through the first part of the 20<sup>th</sup> Century. In the 1970's, however, growth slowed and the downtown fell into decline as new suburban malls drew business away from the historic core. By the early 1990's, downtown was dominated by pawnshops, tattoo parlors, antique stores and vintage clothing stores.

In order to draw new life into the district, Fullerton focused on the downtown's assets, particularly the many historic, architecturally valuable buildings. Beginning in the early 1990's, the City conducted several planning efforts to guide future development. Led by an Ad Hoc Committee of volunteer citizens, Fullerton revised its design guidelines to ensure that the district's historic urban character would be preserved. At the same time, the City conducted an extensive outreach process and published a Transportation Center Study that developed land use, circulation, parking, urban design and public art concepts for the Metrolink/Amtrak station area. In 2005, the City published an updated Downtown Strategy that laid out new goals and strategies designed to build on the successes of previous efforts.

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<sup>1</sup> City of Fullerton, "Oranges and Oil – A Fullerton History," <http://www.ci.fullerton.ca.us/>; Interview with Charles Kovac, Redevelopment and Economic Agency Project Manager, Strategic Economics, January 14, 2008.

**Figure 3. Railroad Days**



Source: [www.trainweb.com](http://www.trainweb.com)

Every year, tens of thousands of people gather in downtown Fullerton to celebrate the City's colorful railroading history.

***“You go back to the origins of Fullerton, and it's centered around the railroads. Flash forward to today, and we've got the busiest rail station in Orange County.”***

***- Robert Zur Schmiede,  
Redevelopment Agency  
Executive Director (from  
Orange County Register,  
February 14, 2006)***

### **Planning Timeline:**

1991- Redevelopment Agency launches seismic retrofitting and commercial rehabilitation loan program

1995 – Agency adopts the Fullerton Transportation Center Study, providing guidelines for downtown development

1996 – Redevelopment Agency adds tenant improvements loan program

2002 – City Council creates Restaurant Overlay District (ROD), reducing parking requirements for certain restaurants

2005 – Redevelopment Agency publishes the Fullerton Downtown Strategy

*Fullerton's early planning efforts and commercial rehabilitation loan programs won several awards in the mid-1990's, including the League of California Cities' Helen Putnam Award in Economic and Community Development, an Achievement Award from the California Downtown Association, and an honorable mention from the National League of Cities in its annual James C. Howland Awards for Urban Enrichment. In 2007, the City won a SCAG's Compass Blueprint Program President's Achievement Award for the Fullerton Transportation Center expansion plans (see text box, below, for more information).*

Meanwhile, the City has implemented highly successful programs to attract new businesses. In the early 1990's, the Redevelopment Agency began offering loans to help local property and business owners with seismic retrofitting, commercial building rehabilitation, and tenant improvements. In 2002, the City established a Restaurant Overlay District that loosened parking requirements for certain downtown restaurants, thus further encouraging downtown businesses.

While the loan programs and reduced parking requirements attracted many new businesses, the downtown's success was greatly enhanced by the accompanying construction of new housing. Attracted by Fullerton's transit accessibility, retail, and restaurants, four private developers have built major mixed-use residential projects since 1991, adding over 640 housing units (most of them rental) and almost 26,000 square feet of retail to the downtown. In the meantime, the Redevelopment Agency constructed or rehabilitated a total of nearly 200 affordable and/or senior housing units.<sup>2</sup> The new residents are key to making downtown a vital urban environment, providing round-the-clock activity on the streets and a base of support for the new shops and restaurants.

Today, downtown Fullerton is becoming known as a regional hub for dining and nightlife. Diners can find anything from Mexican, Mediterranean, Japanese, French and Italian fine dining to British-style pubs and neighborhood bar and grills. The neighborhood has retained many of the funky vintage clothing and furniture stores that once dominated the area, while gaining new, higher-end boutiques. In addition to attracting visitors from throughout Orange County, the downtown serves as a community center, home to a seasonal farmer's market and annual events such as "A Night in Fullerton," a celebration of local cultural resources, and "First Night Fullerton" on New Year's Eve, and "Railroad Days" (**Figure 3**).

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<sup>2</sup> Fullerton Redevelopment Agency, January 2008.

**Figure 4. Downtown Fullerton**



Source: Southern California Association of Governments; study area delineated by Strategic Economics, 2008

## HOW DID THEY DO IT?

Since the early 1990's, Fullerton has focused on reinforcing downtown's historic urban character and attracting new businesses and residents. The city's successful strategies have included:

- **Restoring historic buildings**
- **Providing incentives for small businesses**
- **Improving infrastructure**
- **Attracting transit-oriented, mixed-use development**
- **Promoting downtown as a destination**



**Restoring historic buildings:** Fullerton's emphasis on restoring its historic buildings sets the city apart. The Redevelopment Agency's seismic and commercial loan program, launched in 1991, has been a major driver in preserving the district's unique historic character. The program provides matching loans for the rehabilitation and seismic retrofitting of downtown historic structures, particularly commercial buildings made of unreinforced masonry. Since its inception, the loan program has facilitated the rehabilitation of over 70 historic buildings. While most of downtown's historic buildings have now been reinforced, the seismic retrofitting program continues today. In 2006, the Agency approved a \$1.25 million seismic rehabilitation loan to renovate the eighty year old Fox Theater as a pedestrian-oriented cultural complex. The Agency has also taken direct responsibility for rehabilitating some buildings, including the Santa Fe Depot (**Figure 5**).

**Providing incentives for small businesses:** While the rehabilitation loan program helped property owners make their buildings safe and functional for modern uses, the City created additional incentives directly targeted at attracting small business tenants. In 1996, the Redevelopment Agency launched a Tenant Improvement Loan Program designed to attract businesses by providing assistance for tenant-specific improvements. In 2002, recognizing that on-site parking requirements posed a barrier for new and expanding restaurants, the City created a Restaurant Overlay District (ROD). The ROD relaxes the on-site parking requirements for restaurants with fewer than 200 seats. In order to accommodate the increased parking needs, the City built several free and low-cost parking structures, encouraging downtown visitors to "park once."

**Improving infrastructure:** In addition to building public parking structures, Fullerton has invested millions of dollars in improving downtown's appearance and safety. The Redevelopment Agency contributed two million dollars in public improvements and signage for the SOCO Walk project. Other projects include providing free wireless throughout

downtown and upgrading underpasses, sidewalks, lighting, and landscaping.

**Attracting transit-oriented, mixed-use development:** Every day, 3,000 people pass through the Fullerton Metrolink Station, making the station the busiest in Orange County and the third busiest in the Metrolink system.<sup>3</sup> Transit is a big draw for developers and residents alike, particularly since Metrolink is expected to substantially increase the level of service by 2009. Local apartment complexes advertise, “Commuting is as easy as a walk to the Metrolink train station across the street,”<sup>4</sup> and in 2005, Fullerton residents ranked the “rail station in [the] center of town” as their favorite downtown feature.<sup>5</sup>

Downtown’s transit accessibility and cultural amenities have attracted four major mixed-use development projects since 1991. Wilshire Promenade, City Pointe, and Pinnacle at Fullerton, three luxury complexes with ground floor retail, have collectively added 540 rental units to downtown. Most recently, the City partnered with the Olson Company to build SOCO Walk, a development of for-sale townhomes, live-work units and lofts located to just across the tracks from the Metrolink/Amtrak station (**Figure 6**). SOCO Walk forms the cornerstone of Fullerton’s new South of Commonwealth (SOCO) District, which also includes a number of restaurants, lounges and boutiques just north of the railroad tracks. The proposed Fullerton Transportation Center, a 35-acre project that will surround the existing Metrolink/Amtrak station and incorporate residential, retail, office, open space and cultural uses, will round out the development of the SOCO District.

**Figure 6. SOCO Walk**



Source: Strategic Economics, 2008

SOCO Walk, located just south of the train station, will include 120 townhomes, live-work units and lofts and 1,720 square feet of retail when completed. The Redevelopment Agency invested \$2 million dollars in the project for signage and other public improvements.

## PLANNING THE FULLERTON TRANSPORTATION CENTER

In 2007, the City of Fullerton won SCAG’s Compass Blueprint Program’s first *President’s Achievement Award for Visionary Planning in Mobility, Livability, Prosperity & Sustainability* for the Fullerton Transportation Center plans. Fullerton envisions “a vibrant and active mixed-use Transit Center with shops, restaurants, offices and housing located in high-quality contemporary buildings”<sup>\*</sup> which will serve as an anchor for the southern part of downtown. JMI Realty and The Morgan Group, two companies with experience building major downtown projects, have been selected to develop the 35-acre site surrounding the Metrolink/Amtrak Station. While the plans in progress, the Redevelopment Agency and developers are committed to preserving the site’s historic buildings, incorporating cultural and civic spaces, and providing bicycle, pedestrian and bus access.

<sup>\*</sup> City of Fullerton Redevelopment Agency, “Fullerton Downtown Strategy: Update to the 1995 Transportation Center Study.” December 2005.

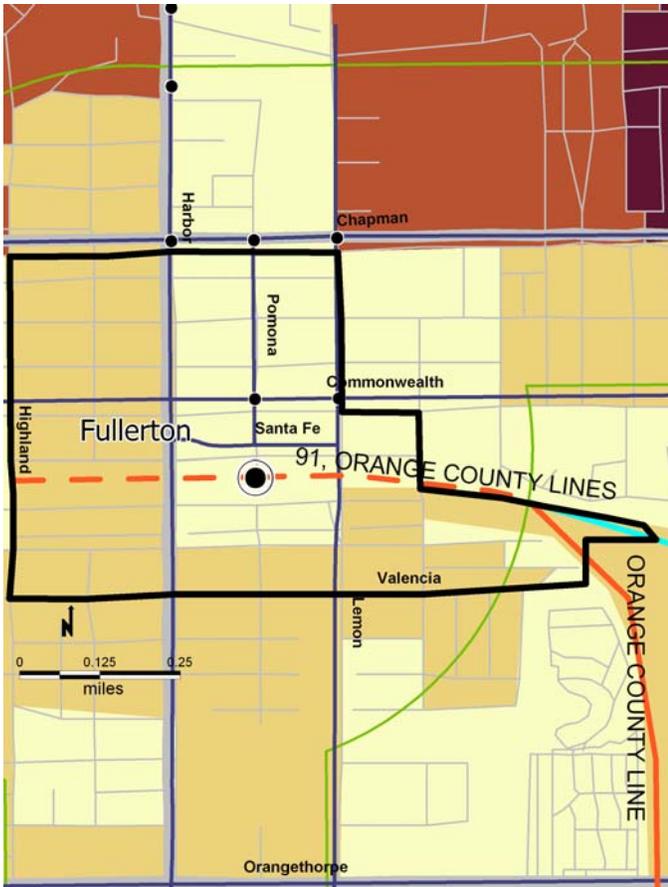
<sup>3</sup> City of Fullerton, “The Fullerton Transportation Center is Going Places,” *Focus On Fullerton*, January 2006.

<sup>4</sup> Pinnacle at Fullerton website, <http://www.pinnacleatfullerton.com/>.

<sup>5</sup> City of Fullerton Redevelopment Agency, “Fullerton Downtown Strategy: Update to the 1995 Transportation Center Study,” December 2005.

# MEASURING SMART GROWTH: HOW DOES DOWNTOWN FULLERTON COMPARE?

**Figure 7. Housing Costs as a Percent of Income**

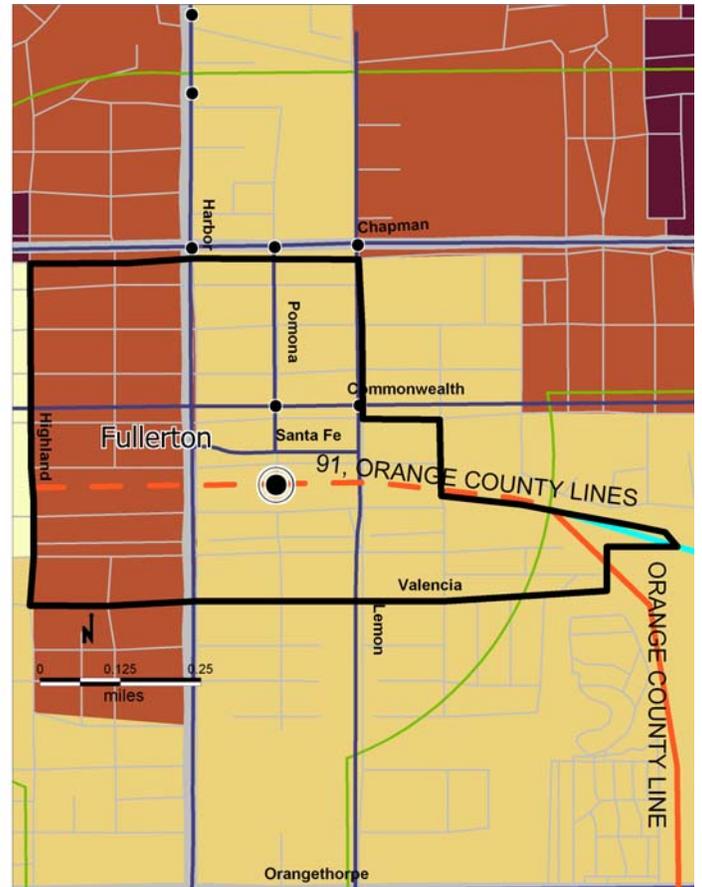


Housing Costs as Percent of Income

- 0 to 20%
- 20 to 30%
- 30 to 40%
- Greater than or equal to 40%

- Transit Hub
- MetroLink Station
- Bus Route
- Arterial Street
- Local Street
- Compass Blueprint Strategy Area

**Figure 8. Housing and Transportation Costs as a Percent of Income**



Housing and Transportation Costs as Percent of Income

- 0 to 35%
- 35 to 50%
- 50 to 65%
- Greater than or equal to 65%

Downtown Fullerton enjoys lower than average housing and transportation costs. While housing costs are typically similar in the City of Fullerton and the Orange County, the Downtown Area maintains significantly lower housing costs than the rest of the region, most likely because units are smaller rather than because they are more affordable overall. Downtown Fullerton's transportation costs are also lower than average. The neighborhood is served by both bus and rail service and the area enjoys a mix of employment, retail, service, and residential uses. New residential and mixed-use growth occurring in the area will further enhance this land use mix.

## MEASURING SMART GROWTH: HOW DOES DOWNTOWN FULLERTON COMPARE?

### Comparison of Current and Future Housing, Transportation, and Combined Costs

The City of Fullerton enjoys lower than average combined H+T costs for Orange County. Housing costs are particularly low. It is worth noting that average Orange County H+T costs are nearly ten percent higher than the SCAG regional average.

	Downtown Fullerton	City of Fullerton	Orange County
% Income Spent on Housing	23%	30%	36%
% Income Spent on Transportation	23%	25%	25%
<i>Combined</i>	<i>46%</i>	<i>55%</i>	<i>61%</i>
Fullerton Housing and Transportation Rank Relative to Other Communities: Housing Cost: 216 <sup>th</sup> of 338 (near Anaheim, Costa Mesa, Chino) Transportation Cost: 111 <sup>th</sup> of 338 (near San Fernando, Artesia) H+T: 208 <sup>th</sup> of 338 (near Palmdale, Los Alamitos, Carson)			

### Smart Growth Scores

The table to the right shows some of the smart growth factors that affect the affordability of transportation, as reported above.

Fullerton's transit connectivity is nearly twice the average for the region, jobs are relatively highly concentrated, and the neighborhood is highly walkable due to low block sizes and a diverse land use mix. As a result, the average journey to work is lower than average and households tend to own fewer cars.

By continuing to add high-density housing near transit, Fullerton will further lower transportation costs.

#### Smart Growth Factors Affecting Transportation Affordability

	Average in the SCAG Region	Downtown Fullerton	How to Read:
Block Size	27.5 Acres	10.5 Acres	A smaller block size provides a more walkable environment
Transit Connectivity Index	1,804	3,447	The greater the transit connectivity, the more likely it is residents will take transit, developers will build near transit, etc.
Land Use Mix Index	0.46	0.50	A greater mix of land uses enables local residents to access shopping and services without driving
Jobs per Square Mile in Nearby Areas	57,269	72,241	The closer a community is to jobs, the shorter the commutes. Shorter rides can also encourage commuters to use alternative transportation.
Households per Acre	6.5	10.2	More compact development can support a wider variety of retail and services, and make walking to these services easier
Average Journey to Work Time	28.5 Minutes	25.2 Minutes	Shorter commutes lead to cost savings in gas and other transportation expenditures (and reduce emissions)
Cars per Household	1.7	1.4	Car ownership rates can be influenced by local income levels, and by where you live

#### SCAG Composite Score Downtown Fullerton Current Scores

Transit Service:	7.9	of 10
Walkability:	5.2	of 10
Land Use Mix:	5.5	of 10
Overall Neighborhood Rank:	6.2	of 10

Source: Fregonese Calthorpe & Associates

## LESSONS LEARNED

### **Take advantage of historic buildings, surrounding opportunity sites, and other local resources.**

Fullerton has established a unique identity for its downtown by restoring the many historic buildings. The City has also taken advantage of the large opportunity sites that surround downtown. Many historic city centers are constrained by small parcel sizes that make it difficult to catalyze growth with large residential projects. Fullerton's railroading history, however, has left the City with many large industrial sites on the southern edge of downtown. By building significant, mixed-use housing projects such as SOCO Walk and the Fullerton Transportation Center on these sites, the City will help boost demand for transit and the shops and restaurants in the core of downtown.

### **Downtown revitalization is a complex long-term process.**

Downtown Fullerton's current success represents the fruition of decades of hard work. The community began planning and implementing incentive programs in the early 1990's, and the first significant multi-family housing project, the Wilshire Promenade, opened in 1991. Only in the last few years, however, has the downtown seemed to reach a critical mass of residents and commercial attractions.

### **Catalyst projects should be coupled with smaller scale investments, like supporting small businesses and tenant improvements.**

The Redevelopment Agency's seismic retrofitting, commercial rehabilitation, and tenant improvement loan programs were clearly a crucial component of the downtown's rebirth. Indeed, Fullerton's most significant projects have hardly had time to affect downtown; SOCO Walk has only just opened, and the Fullerton Transportation Center is still in early planning stages. The Agency's smaller scale programs, on the other hand, have assisted private property owners and merchants over the past decade and a half, slowly but steadily encouraging the creation of dozens of restaurants, nightclubs, and shops.

### **Parking management tools can facilitate infill development.**

In many cities, parking requirements hinder the growth of small business and drive urban form, forcing restaurants and stores to build parking at the expense of floor space. Parking is also a source of frustration to retailers, who require assurances that their customers will be able to find a convenient parking space. Fullerton's Restaurant Overlay District (ROD) and public parking lots alleviated these pressures, allowing businesses to grow without worrying about parking.

## ACKNOWLEDGEMENTS

The following individuals provided information for this case study:

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SCAG Region: Compass Blueprint Case Study  
**Downtown Glendale**



**March 2008**

*Center for Transit-Oriented Development*



A Project of



**SOUTHERN CALIFORNIA  
ASSOCIATION of GOVERNMENTS**





## DOWNTOWN GLENDALE

Located in Los Angeles County between Burbank and Pasadena, the City of Glendale has thrived as a center of employment and commerce for decades. In recent years, the downtown has begun to evolve from an almost entirely commercial district into a 24-hour center of activity. This case study follows downtown’s ongoing transformation.

### LOCAL CONTEXT

Glendale has one of the highest job densities in Los Angeles County (**Figure 2**) and attracts workers from all over the region. Although the city is somewhat less ethnically diverse than Los Angeles County as a whole (**Figure 1**), Glendale is home to a number of immigrant communities including Armenians (26.2 percent), Hispanics (19.7 percent), Iranians (2.7 percent), Filipinos (5.7 percent), English (4.9 percent), and Chinese (1.3 percent).<sup>1</sup>

The City’s historic success at attracting employers rests on its location at the center of a “Golden Triangle” of freeways – I-5, SR-2, and SR-134 – that defines the city and provides easy access for workers and customers from around the region. Glendale’s transportation options also include a Metrolink/Amtrak station, located about two miles south of the center of downtown, regional buses operated by the Los Angeles County Metropolitan Transportation Authority, and the locally funded “Beeline” bus system.

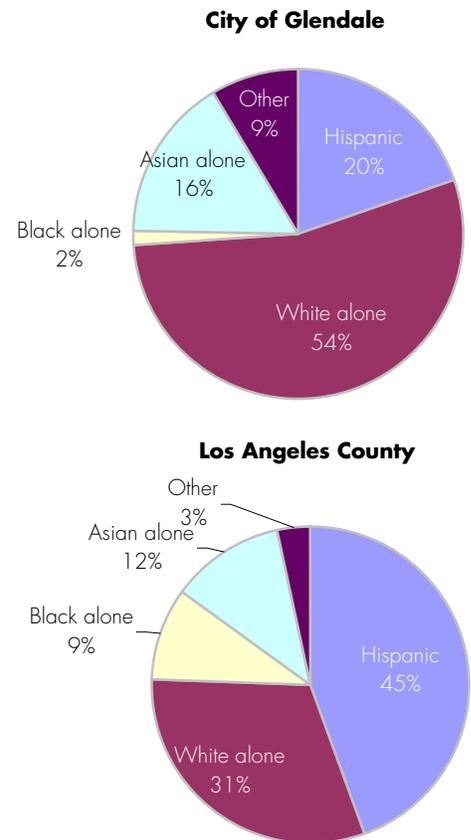
Although the bulk of the City’s 80,000 workers live either in Glendale or the neighboring cities of Los Angeles, Burbank and Pasadena, workers commute from as far away as Long Beach and even San Diego to access the City’s many professional and retail jobs (**Table 1**). Glendale’s residents also take advantage of the city’s excellent freeway and transit access to commute to nearby job centers; 72 percent of Glendale residents work outside of their city of residence, compared to 62 percent of Los Angeles County residents.<sup>2</sup>

Glendale’s central location and excellent accessibility not only attract employers and workers, but also make the city attractive to households who want to live, work, and shop locally. Since 2003, the City has begun to allow residential and mixed-use development in the downtown, opening the door for a strong but previously untapped market for condominiums and apartments.

<sup>1</sup> U.S. Census 2000.

<sup>2</sup> U.S. Census Longitudinal Employer-Household Dynamics (LEHD), 2004.

**Figure 1. Ethnic Mix, 2000**

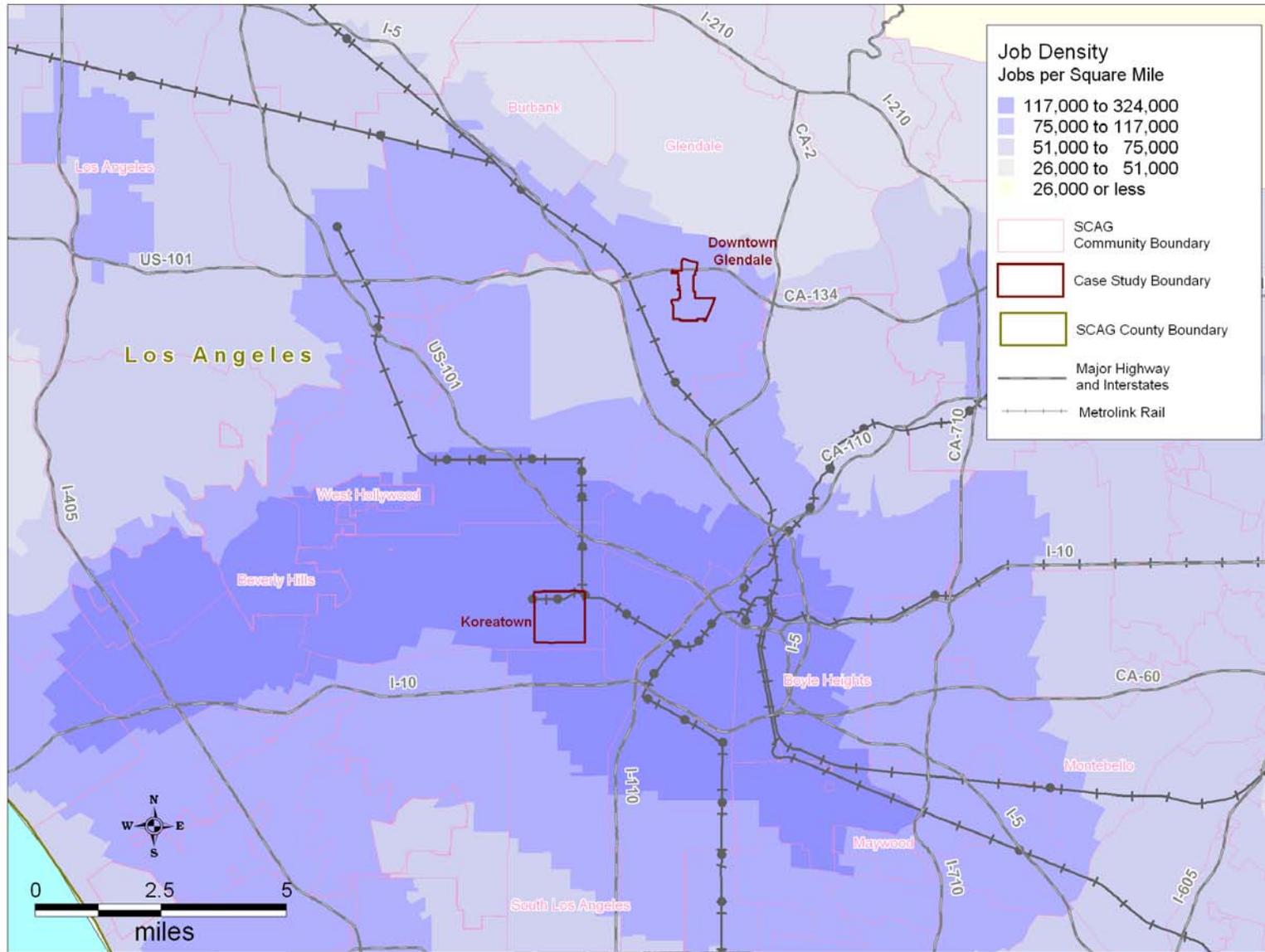


**Table 1. Top Ten Cities Where Glendale’s Workers Live**

City	Percentage of Workforce
1. Los Angeles	28.9%
2. Glendale	15.6%
3. Burbank	3.5%
4. Pasadena	2.2%
5. Santa Clarita	1.7%
6. La Crescenta-Montrose	1.4%
7. Long Beach	1.0%
8. San Diego	1.0%
9. La Canada Flintridge	0.9%
10. Alhambra	0.8%
<i>All Other Locations</i>	<i>43.0%</i>

Source: LEHD, 2004.

**Figure 2. Employment Densities in Los Angeles County**



## TRANSFORMING DOWNTOWN

While downtown Glendale has been highly successful since the 1970's at attracting employers and retailers, the City has begun to transform its downtown from a district defined by commerce into an active, 24-hour, urban environment with housing as well. The City envisions "an exciting, vibrant urban center which provides a wide array of excellent shopping, dining, working, living, entertainment and cultural opportunities within a short walking distance."<sup>3</sup> In order to realize this goal, Glendale recently adopted two innovative plans, the Downtown Specific Plan and Downtown Mobility Study, which open the door for significant mixed-use development. Together with catalytic redevelopment projects, Glendale's new planning tools are creating a more balanced, vibrant community.

Currently, Glendale's downtown (**Figure 5**, below) is characterized by at least three, broadly defined districts that have formed around Brand Boulevard, the city center's main street. High-rise office buildings dominate the northern end, where Brand Boulevard intersects SR-134. Southern downtown is distinguished by large-scale commercial uses, including the luxury car dealers that make up the "Brand Boulevard of Cars" and the Glendale Galleria mall, a regional shopping attraction located a one block west of Brand. The mid-Brand section is home to the historic Alex Theatre and many small businesses, and has more of a traditional "Main Street" feel (**Figure 3**).

## NEIGHBORHOOD HISTORY

Glendale was a boomtown of the early 20<sup>th</sup> century, a Los Angeles suburb that developed a distinctive urban feel as its population ballooned in the 1920's and 30's. In the mid-century, however, growth slowed and the City's once prosperous downtown became characterized by undesirable uses, low rents, and high vacancy rates. In response, the City established a Redevelopment Agency in the 1970's. At the same time, the state finished construction on two freeways, SR-2 and SR-134, which connected Glendale to thriving regional economic centers including downtown Los Angeles, Pasadena, and Burbank. The new freeway access immediately gave Glendale a regional advantage, a position that the newly formed Redevelopment Agency capitalized on with a series of projects that made downtown a regional employment and shopping hub.

Among other projects, the Redevelopment Agency partnered with developers to build the Glendale Galleria shopping mall, which quickly drew shoppers from Burbank, Pasadena, North

***"Downtown Glendale will be an exciting, vibrant urban center which provides a wide array of excellent shopping, dining, working, living, entertainment and cultural opportunities within a short walking distance."***

*- Glendale Downtown Specific Plan, November 2006*

**Figure 3. Taste of Glendale**



Source: Downtown Glendale Merchant's Association, 2008

The Glendale Downtown Merchant's Association hosts a number of events in the mid-Brand section of downtown, including a weekly farmer's market and annual events like the Taste of Glendale, a benefit program for Glendale Healthy Kids, and Cruise Night, which attracts 40,000 people every July.

<sup>3</sup> Glendale Downtown Specific Plan, November 2006.

**Figure 4. Alex Theatre**



Source: City of Glendale, "Major Projects," 2006

The Alex Theatre's distinctive spire anchors the mid-Brand entertainment, shopping and dining district. Glendale's Redevelopment Agency renovated the 1,381-seat performing arts facility in the early 1990's at a cost of \$6.2 million.

***"We started thinking about how you make a place with its own identity that will be economically viable over the long-term. We wanted to accommodate our projected growth while cutting down on vehicle trips and maintaining the character of our established residential neighborhoods. . . . Mixed-use development was the solution."***

***- Hassan Haghani, Glendale Planning Director***

Hollywood, and Los Angeles. The Galleria became an economic driver, generating significant sales tax revenue and business for surrounding restaurants and hotels. Attracted by Glendale's increasingly successful economy and central location, private developers built a series of high-rise office buildings in northern downtown in the 1980's. Then, in the early 1990's, the Redevelopment Agency renovated the 1920's-era Alex Theatre (**Figure 4**), creating a center for the regional performing arts that made the mid-Brand district an entertainment and dining destination. By the beginning of the 1990's, downtown's three distinctive commercial districts were largely formed.

In recent years, the Redevelopment Agency has continued to build on its successes by building additional catalytic projects. The centerpiece of the Agency's current efforts is the Americana at Brand project, a mixed-use lifestyle center that will link Brand Boulevard and the Galleria mall, providing an active, pedestrian-oriented center for the south Brand neighborhood. Philip Lanzafame, Director of Development Services (the department that oversees Glendale's Redevelopment Agency), explains, "Americana at Brand will create a southern anchor for downtown. It will add an economic engine to compliment the Galleria, but it will also be a community center where people can meet friends and hang out."<sup>4</sup>

While the Redevelopment Agency has been very successful in its task of revitalizing the downtown, the redevelopment project area expires in 2015, and the City and community have long recognized the need to plan for the future. Following the fast-paced change of the 1980's, the regional recession in the early 1990's provided the perfect opportunity to begin reflecting on the scale and velocity at which change had been occurring. In 1993, the City and Glendale Partners, a group of local business leaders, initiated a visioning exercise that led to the Greater Downtown Strategic Plan. The Strategic Plan focused on the need to maintain a sustainable balance between new growth and development and quality of life, and identified the need to incorporate housing. The City expanded on the Strategic Plan's vision in the late 1990's and early 2000's. Glendale's Planning Director, Hassan Haghani, recalled, "We started thinking about how you make a place with its own identity that will be economically viable over the long-term. We wanted to accommodate our projected growth while cutting down on vehicle trips and maintaining the character of our established residential neighborhoods. . . . Mixed-use development was the solution."<sup>5</sup>

<sup>4</sup> Interview with Strategic Economics, January 23, 2008.

<sup>5</sup> Interview with Strategic Economics, January 23, 2008.

In order to test the market viability of mixed-use development and educate the community about its benefits, the City introduced mixed-use zoning to the East Broadway neighborhood in the southwestern part of downtown. Developers began proposing projects almost immediately, and civic leaders, property owners, downtown merchants, and homeowner groups from adjacent neighborhoods endorsed the idea. Following the success of this initiative, the Planning Department began to look at implementing flexible, non-traditional zoning in the rest of downtown. The result was the 2006 Downtown Specific Plan, which created the potential for adding 4,000 residential units and included a flexible, form-based code and incentives for affordable housing, sustainable design, and public space. The Downtown Mobility Study, adopted in early 2007, will support the Specific Plan by introducing mobility strategies aimed at mitigating the traffic impacts of new development.

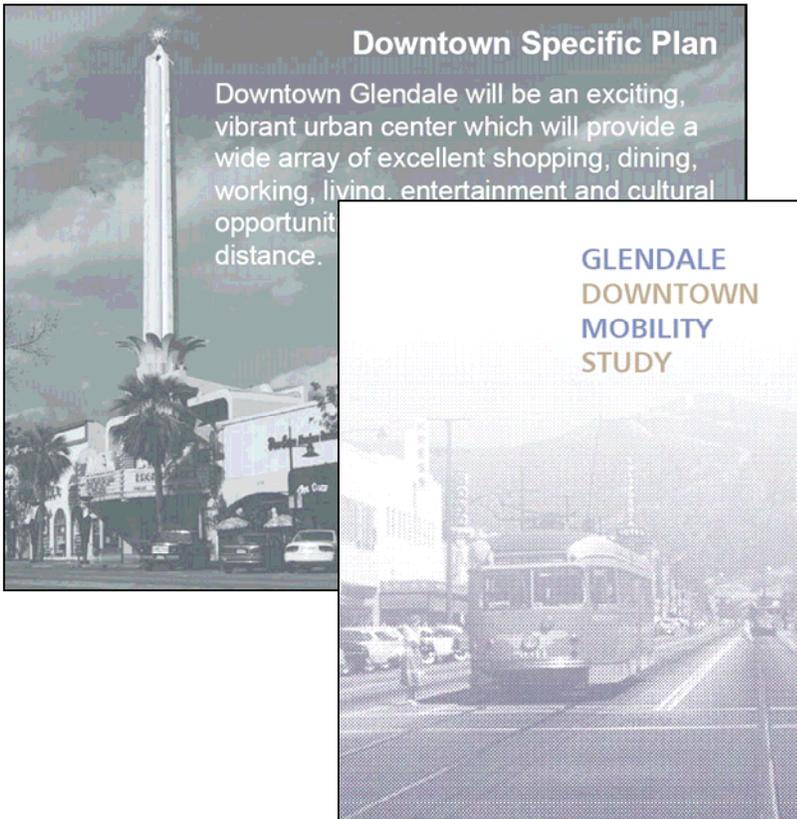
**Planning Timeline:**

1970's – Glendale Redevelopment Agency created; Glendale Galleria opens; Freeways 2 and 134 completed.

1996 – Greater Downtown Strategic Plan published

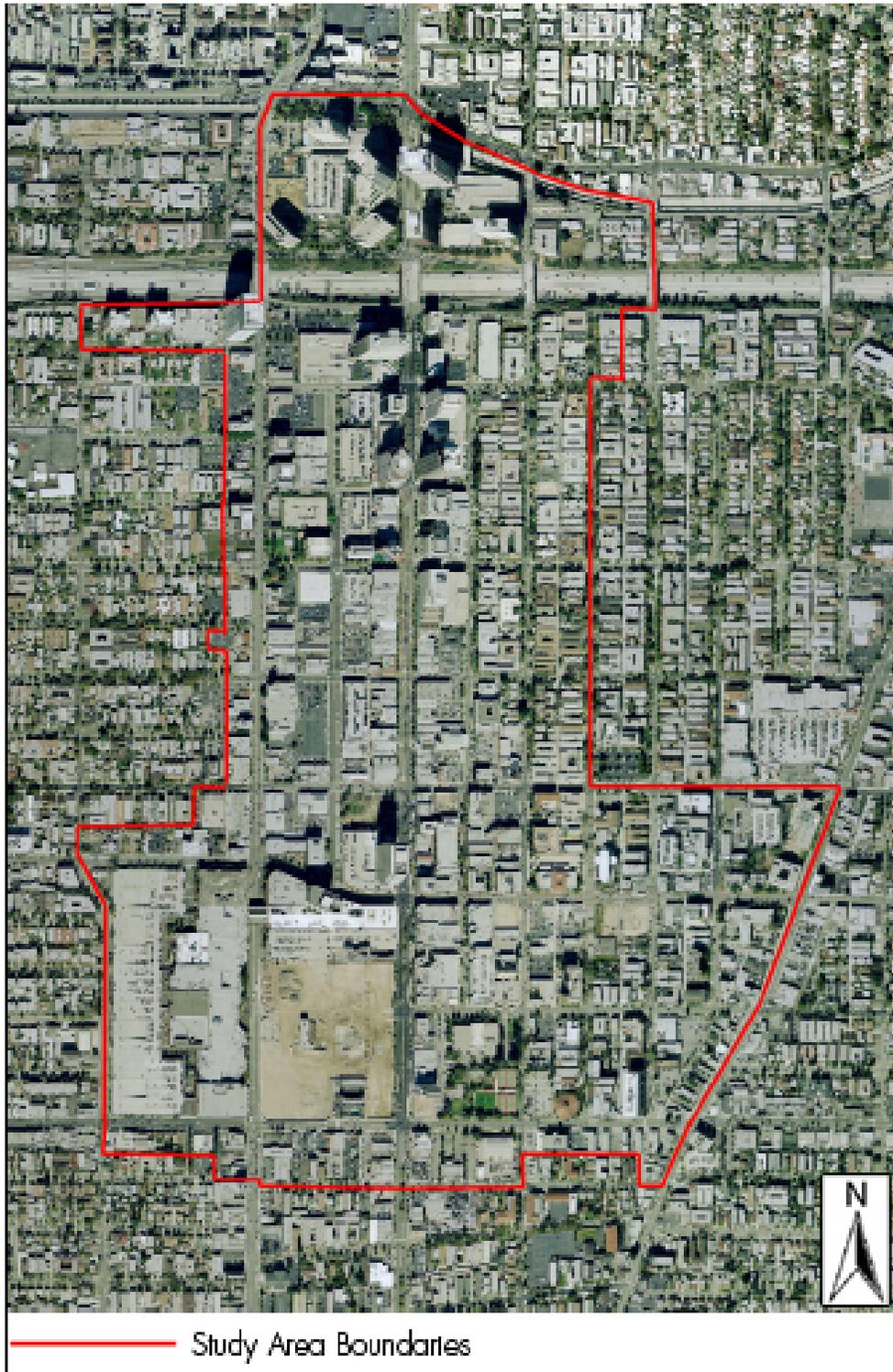
2006 – City Council adopts Downtown Specific Plan; Americana at Brand breaks ground

2007 – City Council adopts Downtown Mobility Study



*In 2007, Glendale received SCAG's Compass Blueprint President's Excellence Award and the American Planning Association, Los Angeles Section's Comprehensive Plan Award for the Downtown Specific Plan and Downtown Mobility Study.*

**Figure 5. Aerial View of Downtown Glendale**



Source: Southern California Association of Governments; study area delineated by Strategic Economics, 2008

## RECENT SUCCESSES

**Catalyzing new growth:** The Redevelopment Agency began acquiring property between Brand Boulevard and the Glendale Galleria as far back as the 1970's, recognizing that the area's many surface parking lots and warehouses cut the Galleria off from the rest of downtown. After years of community discussion about the best use for the 15-acre site, the City adopted a Town Center Specific Plan that envisioned public gathering space, housing, and retail targeted to local residents as well as regional shoppers. In 2001, City Council awarded the project to Caruso Affiliated Holdings, a developer with significant experience building pedestrian-oriented shopping centers throughout the region. Caruso broke ground on the project, named Americana at Brand (**Figure 6**), in 2006 and is planning a grand opening in the spring of 2008. The Agency predicts that the project will generate at least \$3.8 million annually in sales and property tax, and add up to 2,400 construction-related jobs and 1,700 full-time equivalent jobs to the City's employment base.<sup>6</sup> In addition, the project has the potential to catalyze additional residential development and locally-serving retail on south Brand.

As Americana at Brand nears completion, the City has turned its attention to other potentially catalytic projects. Recognizing that Glendale had only one business-class hotel, not enough to support downtown's economy, the Redevelopment Agency partnered with a private developer to build an Embassy Suites in the northern part of downtown (**Figure 7**). The project broke ground in 2005 and is expected to generate \$800,000 to \$1 million to the General Fund in transient occupancy taxes, and approximately \$600,000 in tax increment revenues. In the last few years, the Agency and Public Works department have also completed major infrastructure improvements along Brand Boulevard, from Milford to downtown's southern border, Colorado Street. Improvements included repaving sidewalks and streets, relocating utilities, modifying the median island, and adding new bus shelters and street furniture.

**Testing mixed-use zoning:** Americana at Brand compliments the City's broader effort to introduce mixed-use zoning throughout downtown. Before 2003, downtown was zoned only for commercial uses.<sup>7</sup> Adding residential units started to become a priority in the early 2000's, however, as the City started considering ways to make downtown's growth more sustainable.

<sup>6</sup> City of Glendale Department of Development Services, "Major Projects," November 2006.

<sup>7</sup> With the exception of the 15-acre site governed by the Town Center Specific Plan.

**Figure 6. Americana at Brand**



Source: City of Glendale, 2007.

The Americana at Brand, due to be completed in spring 2008, will include 475,000 square feet of retail, 238 apartments, 100 luxury condos, and 3 acres of public open space.

**Figure 7. Embassy Suites**



Source: Strategic Economics, 2008

Glendale's new Embassy Suites, a joint project of the Redevelopment Agency and a private developer, will add 272 business-class hotel rooms to the downtown's northern business district.

In response to community concerns that increased residential density might increase congestion and strain city services, the City decided to start slowly. In 2003, City Council adopted mixed-use residential zoning for the East Broadway neighborhood, bounded roughly by Wilson and Colorado to the north and south and Glendale Avenue and Louise to the east and west. Several developers immediately proposed condominium projects with ground floor commercial space, demonstrating the existence of a viable market.

### FORM-BASED CODE

Traditional zoning codes define the permitted uses – residential, commercial, or industrial – for individual parcels of land. In contrast, form-based codes focus on building design, setting standards for buildings’ architecture, heights and shapes, and relationship to the street. Within broad categories, property owners may devote the building to whatever uses they please. Thus, the form-based code gives developers the flexibility to determine a building’s use based on market conditions, while allowing the city to maintain control over the neighborhood’s appearance and character.

As these projects began construction, the City used them as examples to help civic leaders, downtown merchants, and property owners envision the benefits of downtown housing. Business owners began to buy into the idea of creating a local customer base. Several community groups from surrounding neighborhoods also endorsed the East Broadway zoning change, encouraged by the idea that adding downtown housing would allow Glendale to accommodate future population growth without significantly expanding city infrastructure or compromising the character of established residential neighborhoods.

***Downtown Specific Plan:*** As consensus gathered around mixed-use zoning in the East Broadway neighborhood, the City found support to extend the use of untraditional zoning throughout downtown and using other planning tools to help accommodate as much of the City’s future growth as possible in the downtown area. Intensifying downtown will both mitigate the impact on Glendale’s existing residential neighborhoods and reduce the need for building additional infrastructure. As the City considered how much residential density would be needed to concentrate population growth downtown, staff relied heavily on SCAG’s population growth forecasts. The SCAG 2004 Regional Growth Forecast predicted that Glendale will add approximately 5,000 households by 2020; the Specific Plan creates the capacity for adding nearly 4,000 housing units downtown, nearly 80 percent of the anticipated growth.<sup>8</sup>

**Form-Based Code:** A form-based code dictates land use regulations in the Downtown Specific Plan (see sidebar). The Plan divides downtown Glendale into 11 distinct districts<sup>9</sup> with

<sup>8</sup> City of Glendale Planning Department, *Final Program Environmental Impact Report for the Glendale Downtown Specific Plan*, October 2006.

<sup>9</sup> The 11 districts formally identified in the Downtown Specific Plan (DSP) are smaller and more narrowly defined than the three, more informal districts that this case study uses to describe downtown. However, the 11 DSP districts fit generally within the broader characterization of north, south, and mid-Brand. For example, the Specific Plan’s “Gateway District” falls within the northern end of downtown and is characterized by high-rise office buildings, while the “Alex Theatre District” falls within

defined architectural characters and roles, lists the broad range of uses permitted in each, and then specifies standards for heights, floor area ratio (FAR), building design, sidewalks, open space, and public art. Property owners can earn height and density bonuses by including desired features, such as affordable housing, historic preservation, hotels, public open space, and sustainable design.

**Streamlined Review:** In addition to creating a flexible, form-based code that allows for significant density increases, the Specific Plan streamlines the development review process. So long as a proposal meets the design requirements, minimal review is needed. Smaller projects can be approved at the staff level, while larger projects go directly to the Redevelopment Agency Board<sup>10</sup> (if the project falls within the boundaries of the redevelopment project area) or the City Council. The Plan is user-friendly – standards are laid out in a series of tables and checklists – and the City hired an urban designer to assist developers in preparing plans that conform.

According to Planning Director Haghani, developers responded immediately to the Plan’s flexibility and simplicity. “We had developers following the staff’s steps in drafting the Specific Plan and formulating their projects based on our work.” Several applications were submitted immediately after the Plan was adopted, including City Center II (**Figure 8**), two towers with a total of 180 residential units, 150 hotel rooms, and 4,500 square feet of retail, and the Alexander Towers, a 201 unit condominium building with 3,000 square feet of ground floor commercial space.

**Downtown Mobility Study:** The Mobility Study, adopted in March 2007, supports the Downtown Specific Plan by helping to accommodate downtown’s growth without significantly increasing traffic congestion. The Study encourages walking, bicycling and taking transit by designating a primary transportation mode for each of downtown’s major streets and identifying multiple strategies for accommodating the specified mode. For example, buses are given signal priority on Primary Transit Streets and traffic calming and streetscape improvements are prioritized on Primary Pedestrian Streets, while traffic capacity improvements may be required on Primary Auto Streets. In addition, the Mobility Study identifies more general strategies to improve traffic circulation and accessibility, such as

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the mid-Brand neighborhood of theaters, restaurants and small businesses. Eleven districts enable the plan to provide for a nuanced design that may change even from block to block.

<sup>10</sup> The Redevelopment Agency Board is made up of the five members of the City Council.

**Figure 8. City Center II**



Source: City of Glendale, 2006

City Center II, one of the first projects to take advantage of the Downtown Specific Plan’s form-based code and streamlined review process, will add 180 residential units, 150 hotel rooms, and 4,500 square feet of ground-floor retail to downtown Glendale.

*“The city has asked for community input in every step. Many merchants participated in the public discussion period for both the Mobility and Specific Plans, expressing concerns and delight. They were very vocal about how they feel downtown should evolve over the next 15-20 years so that it will benefit them.”*

*-Elissa Glickman, Downtown Glendale Merchant’s Association*

creating a “Park Once” district, improving transit and adopting other transportation demand management policies.

“Park Once:” A “Park Once” strategy aims to “[transform] motorists into pedestrians” by encouraging visitors, residents and commuters to park once and walk or take transit to their various destinations. In order to help drivers find a convenient parking space without searching extensively, the Mobility Study plans to maximize the efficiency of existing parking facilities. Currently, Glendale is perceived to have a parking shortage, but only 53 percent of the downtown’s parking spaces are occupied at peak hours. In order to achieve a goal of 85 percent occupancy of all parking facilities at peak hours, the Mobility Study proposes:

- Installing a wayfinding system to efficiently direct drivers to available spaces
- Encouraging private parking facilities that serve workers during the business day to open to residents and visitors in the evening and on weekends.
- Implementing demand-responsive parking prices, making parking most expensive at peak hours and managing the difference in price between on-street, metered parking and parking garages and lots.

Transit Improvements: Good transit options not only support a “Park Once” strategy by providing an alternative means of travelling around downtown, but also reduce the need to drive to downtown in the first place. The Mobility Plan proposes making several improvements to downtown’s transit accessibility, including:

- Creating a east-west bus route to connect downtown Glendale with the Gold Line in Pasadena and the Red Line in North Hollywood. The proposed bus route would operate on HOV lanes on Highway 134.
- Providing a downtown shuttle (“The Glendale Buzz Shuttle”) to connect the Glendale Metrolink/Amtrak station with downtown’s major destinations and the east-west bus route.

Transportation Demand Management: In addition to improving transit options, the Mobility Study recommends that the City Council strengthen its existing Transportation Demand Management (TDM) Ordinance, which was originally approved in 1993. The new ordinance would require all employers to join a Transportation Management Association and pay membership dues based on the number of employees and/or number of auto trips taken by employees. The Ordinance would also require that employers and developers provide all downtown workers and residents with discounted transit passes, enable employees who

**Figure 9. Glendale Beeline Bus Service**



Source: Strategic Economics, 2008

The Beeline bus system provides transit service every ten minutes on some of Glendale’s busiest corridors. The Downtown Mobility Study proposes expanding bus service to include a downtown shuttle and regional east-west connector.

***“The Downtown Mobility Study works synergistically with the Downtown Specific Plan. Not only will the Downtown Mobility Study help downtown grow without significantly increased congestion, the growth envisioned by the DSP will create an ideal environment to implement a coordinated multi-modal transportation system with higher use of alternative modes.”***

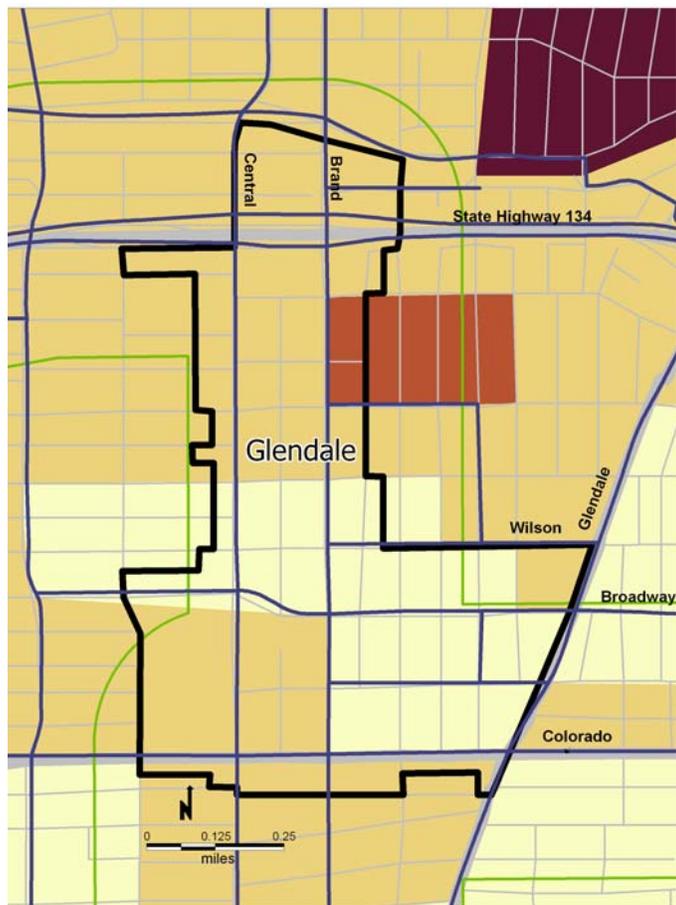
***-Glendale Downtown Mobility Study,  
March 2007***

commute on foot, bicycle or transit to “cash-out” their reserved parking space, and make bicycle facilities mandatory in new developments.

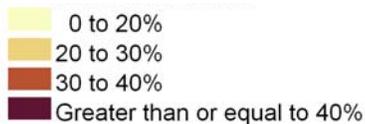
Financing Improvements: The Mobility Study identified a menu of options to finance improvements to parking, bicycle, and pedestrian infrastructure, as well as ongoing transportation programs. Sources identified in the plan for infrastructure improvements include development impact fees, a community facilities district, Federal earmarks, and Proposition 1b (which provides local allocations of State funds for infrastructure improvements that promote infill development). Other possible financing options for ongoing programs included parking taxes, in-lieu fees, and Transportation Demand Management dues.

## MEASURING SMART GROWTH: HOW DOES THE DOWNTOWN GLENDALE COMPARE?

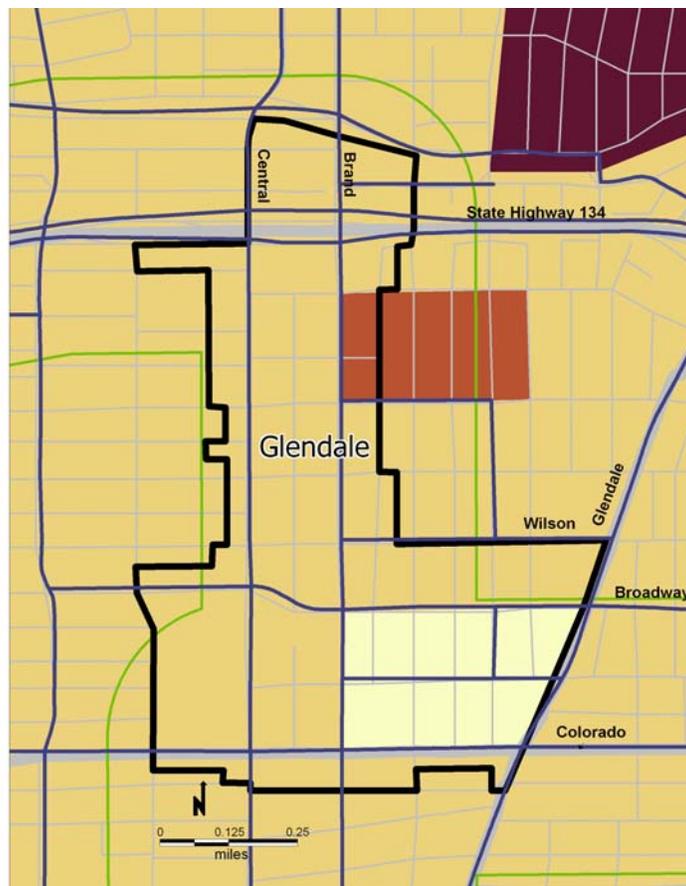
**Figure 10. Housing Costs as a Percent of Income**



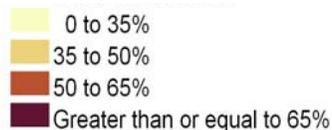
Housing Costs as Percent of Income



**Figure 11. Housing and Transportation Costs as a Percent of Income**



Housing and Transportation Costs as Percent of Income



Downtown Glendale enjoys lower than average housing and transportation costs. While housing costs are typically higher than average in the City of Glendale, the Downtown Area maintains significantly lower housing costs, most likely because units are smaller rather than because they are more affordable overall. Downtown Glendale's transportation costs are some of the lowest in the SCAG region. While Downtown Glendale only offers bus service, transit is high frequency and the area enjoys a mix of employment, retail, service, and residential uses. New residential growth occurring in the area will further enhance this land use mix.

# MEASURING SMART GROWTH: HOW DOES DOWNTOWN GLENDALE COMPARE?

## Comparison of Current and Future Housing, Transportation, and Combined Costs

The City of Glendale maintains average combined H+T costs, although Glendale residents spend slightly more on housing, and less on transportation than average. The Downtown has both lower housing and transportation costs than the City as a whole.

	Downtown Glendale	City of Glendale	Los Angeles County
% Income Spent on Housing	20%	29%	28%
% Income Spent on Transportation	19%	22%	23%
<i>Combined</i>	<i>39%</i>	<i>52%</i>	<i>52%</i>

Glendale Housing and Transportation Rank Relative to Other Communities:  
 Housing Cost: 203<sup>rd</sup> of 338 (near Whittier, Palm Desert, Westminster)  
 Transportation Cost: 31<sup>st</sup> of 338 (near Long Beach, East Los Angeles)  
 H+T: 154<sup>th</sup> of 338 (near Venice, Highland, Monrovia)

## Smart Growth Scores

### Smart Growth Factors Affecting Transportation Affordability

The table to the right shows some of the smart growth factors that affect the affordability of transportation, as reported above.

Downtown Glendale currently scores high on almost all indices, enjoying walkable block sizes, above average transit, nearby jobs, and thus fewer cars per household. The district's land use mix is lower than average because the area is still largely commercial. As more residential units are built downtown, the land use mix will increase.

By concentrating its growth Downtown, Glendale is both preserving the character of its existing single-family neighborhoods, and enabling new residents to take advantage of lower transportation costs and the wealth of amenities that Downtown offers.

	Average in the SCAG Region	Downtown Glendale	How to Read:
Block Size	27.5 Acres	6.8 Acres	A smaller block size provides a more walkable environment
Transit Connectivity Index	1,804	8,276	The greater the transit connectivity, the more likely it is residents will take transit, developers will build near transit, etc.
Land Use Mix Index	0.46	0.23	A greater mix of land uses enables local residents to access shopping and services without driving
Jobs per Square Mile in Nearby Areas	57,269	99,899	The closer a community is to jobs, the shorter the commutes. Shorter rides can also encourage commuters to use alternative transportation.
Households per Acre	6.5	29.3	More compact development can support a wider variety of retail and services, and make walking to these services easier
Average Journey to Work Time	28.5 Minutes	27.2 Minutes	Shorter commutes lead to cost savings in gas and other transportation expenditures (and reduce emissions)
Cars per Household	1.7	1.3	Car ownership rates can be influenced by local income levels, and by where you live

### SCAG Composite Score Downtown Glendale Current Scores

Transit Service:	6.9	of 10
Walkability:	5.3	of 10
Land Use Mix:	6.1	of 10
Overall Neighborhood Rank:	6.1	of 10

Source: Fregonese Calthorpe & Associates

## LESSONS LEARNED

### **Introducing mixed-use zoning one step at a time can help build community support.**

Community members initially feared that allowing housing in Glendale's downtown would worsen traffic congestion and tax city services. By introducing mixed-use zoning slowly, beginning in the East Broadway neighborhood, the City was able to demonstrate the benefits of including housing in the downtown, eventually convincing neighboring homeowners that building housing downtown would allow Glendale to accommodate future growth without impinging on existing neighborhoods. This early educational process was a crucial part of winning community support for the Downtown Specific Plan later on.

### **Parking management tools can facilitate infill development.**

In many urban environments, parking requirements determine the density and design of a project. Developers may need to build fewer units in order to fit the required amount of parking, or even abandon a project all together if fitting the number of required parking spaces is impossible. Parking is also a crucial consideration for retailers who need their customers to be able to find convenient parking near their stores. Glendale's reduced parking minimums and "Park Once" policy helps reduce these pressures by managing all shared public parking, allowing developers to build projects most appropriate to the site and assuring business owners that employees and customers will be able to find parking.

### **Balance planning to consider all transportation modes, including walking, bicycling, driving, and transit.**

The needs of buses, pedestrians, bicycles and cars can sometimes conflict, particularly in busy areas like downtown Glendale. The Downtown Mobility Plan addresses this problem by designating a primary transportation mode for each street and identifying strategies to maximize efficiency for the designated mode. The "Park Once" District will encourage drivers to park quickly and then leave their cars and walk or take transit, while transit improvements and other transportation demand management strategies will help encourage people to use alternative modes to get to downtown in the first place. Together, these strategies will create safer, more active streets and reduce the congestion impacts of new development.

### **Plan ahead for major changes to your implementation plan.**

Glendale's Redevelopment Agency has had a hugely beneficial impact on downtown, but California state law mandates that the project area end in 2015. The Downtown Specific Plan and Mobility Study set a vision for the future, and will help smooth downtown's transition from the jurisdiction of the Redevelopment Agency to that of the Planning Department. As Redevelopment Agency Director Philip Lanzafame explains, the Downtown Specific Plan "will take the place [of the Redevelopment Agency], ensuring that development is ongoing and that downtown is constantly being upgraded and remains vibrant."

## ACKNOWLEDGEMENTS

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# SCAG Region: Compass Blueprint Case Study

## Koreatown



*Pedestrians boarding Bus Rapid Transit at the Western and Wilshire Metro stop.  
Photo by Strategic Economics, 2008*

**March 2008**

### ***Center for Transit-Oriented Development***



**STRATEGICECONOMICS**

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**Figure 1. Ethnic Mix, 2000**

## KOREATOWN

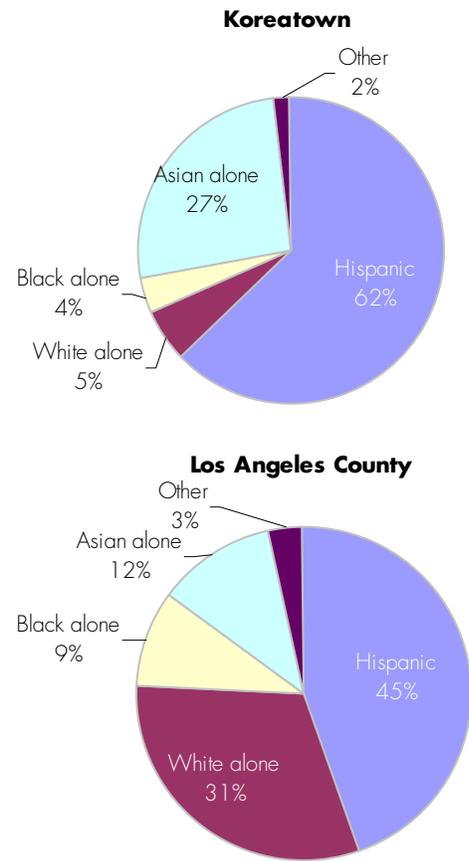
Koreatown is a culturally vibrant neighborhood in the Wilshire area of the City of Los Angeles, bookended by Downtown Los Angeles on the east and Hollywood on the north. This case study examines how the neighborhood is both intensifying and expanding, fueled by a building boom and large-scale public investment.

## LOCAL CONTEXT

Koreatown is one of the most diverse and densely populated neighborhoods in Los Angeles. Although the neighborhood is still primarily associated with Koreans and Korean Americans, Koreatown is home to concentrations of other ethnicities as well, including Hispanics, Chinese, Japanese, Filipino, and other Asian Americans (**Figure 1**). The neighborhood's population density is said to be second only to Manhattan<sup>15</sup> and the employment density is one of the highest in the SCAG region (**Figure 3**). Koreatown's diverse population and density support not only Korean restaurants, stores and cultural facilities, but also everything from taquerias to karaoke bars with songs in English, Korean, Chinese, Japanese, Tagalog and Spanish. The neighborhood serves as a cultural center for Koreans, Korean-Americans, and Hispanics in particular, and attracts diners and tourists from all over the region.

The neighborhood's prime location and excellent transit connectivity also contribute to its vibrancy. Koreatown's central location in Los Angeles is reinforced by its major thoroughways and centrality within the Metro rail and rapid bus systems (**Figure 2**). Wilshire Boulevard, which runs through the northern part of the neighborhood, is one of the most heavily traveled east-west arterials in Los Angeles. In Koreatown, Wilshire is densely developed with high-rise office buildings and, increasingly, luxury condominiums. Olympic Boulevard, another of the region's principal arterials, forms the backbone of the Korean community in the southern part of the neighborhood. Rapid bus routes and three subway stops also connect Koreatown to regional destinations.

Koreatown's residents have historically had lower incomes compared with the rest of Los Angeles – in 2000, the neighborhood's median income was approximately \$16,200, compared with \$42,000 in Los Angeles County as a whole – but low housing and transportation costs have sustained low income populations. Recently, however, Koreatown has begun to change, fueled by a massive influx of both private and public investment. New development in the neighborhood is attracting wealthier residents and increasing population densities, while the area's cultural influence is spreading east to west from the historic core. As Koreatown evolves, its residents are both welcoming the new development and creating new mechanisms to strengthen their unique community.



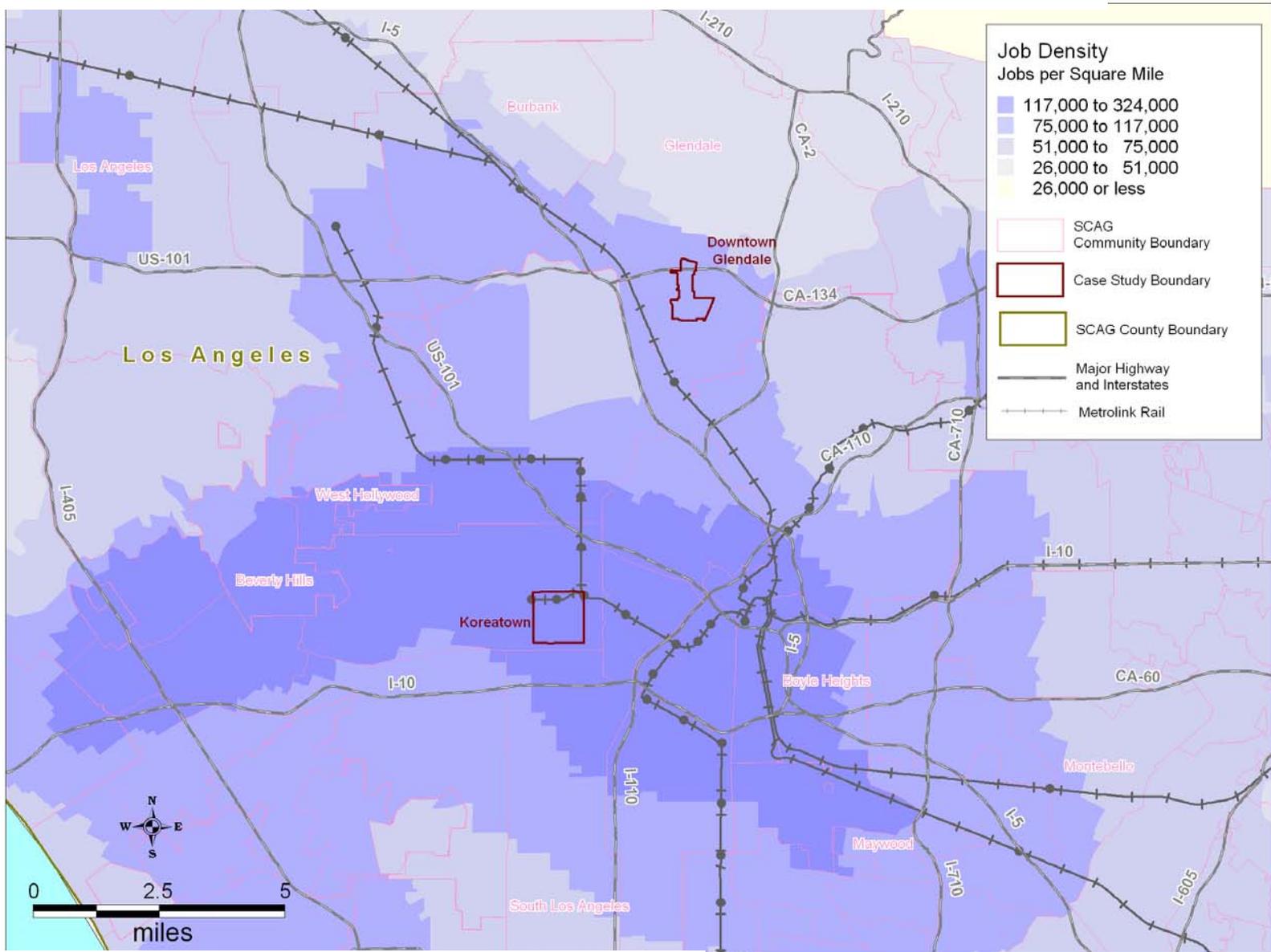
Source: U.S. Census 2000

**Figure 2. Koreatown's Bus and Subway Service**



Source: LA County Metropolitan Transportation Authority, "Metro Bus and Metro Rail System Map"

<sup>15</sup> Lee, Booyeon, "LA's Seoul Takes Flight," *LA Business Journal*, March 30, 2007



## INTENSIFYING KOREATOWN

Since the late 1990's, Koreatown has experienced an unprecedented building boom. The neighborhood's prominent location and excellent accessibility have started to attract new luxury condominiums, high-end retail and entertainment centers, and trendy restaurants and nightlife. This rapid private development has also spurred public investment. Tax increment revenue from the Wilshire Center/Koreatown Redevelopment Project Area has increased 900 percent over the past five years, allowing the Community Redevelopment Agency of the City of Los Angeles (CRA/LA) and its community partners to invest unprecedented sums in affordable housing and community services.

While Koreatown is spreading east and west, the historic core of the neighborhood spans approximately one square mile, from approximately 6<sup>th</sup> Street on the north to 12<sup>th</sup> Street on the south, and from Western Avenue on the west to Vermont Avenue on the east (Figure 5).

## NEIGHBORHOOD HISTORY

The boom of the last decade represents a turnaround from the neighborhood's history over the last half-century. Beginning in the 1970's, when Koreatown's first Korean grocery opened, Koreatown was dominated by a mix of Korean restaurants and retail centered on Olympic Boulevard, and high-rise office buildings along Wilshire Boulevard. The neighborhood was deeply affected by the 1992 riots, which damaged thousands of Korean-owned businesses in South Central Los Angeles and Koreatown and drove away many Korean American residents.

The decade following the riots brought transformation throughout the City of Los Angeles in the form of new land use policies and infrastructure investments. The riots brought a sense of urgency to stimulating reinvestment in the most damaged areas, so the City created the Wilshire Center/Koreatown Redevelopment Project area in 1995. Simultaneously, the City completed an extensive General Plan Framework element which designated Koreatown as a portion of a "Regional Center" that extended along Wilshire Boulevard, from Western Avenue to the western edge of Downtown Los Angeles. The plan described this Regional Center as "A focal point of regional commerce, identity, and activity and containing a diversity of uses such as corporate and professional offices, residential, retail commercial malls, government buildings, major health facilities, major entertainment and cultural facilities

**Figure 4. Dedication Ceremony for the Koreatown Pavilion**



Source: Los Angeles Neighborhood Initiative

Under the management of the Los Angeles Neighborhood Initiative, the Korean Chamber of Commerce, the CRA/LA, and a number of City departments constructed a new gateway into Koreatown, the Koreatown Pavilion. The Pavilion opened in 2005

<sup>2</sup> Lee, Booyeon, "L.A.'s Seoul Takes Flight," *Los Angeles Business Journal*, April 30, 2007.

### **Planning Timeline:**

1992 – Riots damage thousands of Korean-American businesses

1995 – Wilshire Center/Koreatown Redevelopment Project Area created. General Plan Framework designates Koreatown as a “Regional Center”

1996 – Three Red Line subway stops open in Koreatown

1998 – City Council adopts Mixed-Use Overlay District Ordinance, creating height, density, and parking incentives for developers to build affordable housing and mixed-use residential near transit.

2000 – MTA begins operating rapid buses on Wilshire Boulevard.

2001 – City adopts Wilshire Community Plan and the Vermont/Western Transit Oriented District Station Neighborhood Area Plan (SNAP)

2007 – CRA/LA’s budget for Koreatown reaches \$46 million, an increase of 900 percent from 2002

and supporting services... characterized by 6- to 20- stories (or higher).” The City further encouraged high-density, mixed-use development in 2001 with the adoption of the Wilshire Community Plan and Vermont/Western Transit Oriented District Station Neighborhood Area Plan (SNAP).

At the time that the General Plan Framework and Redevelopment Project Area were created, the City was on the brink of a new era in transit as well, enabling planners to envision land use intensities that Los Angeles had not experienced in decades. The L.A. County Metropolitan Transportation Authority (MTA) opened the Red Line subway system<sup>3</sup> in 1996, and launched a rapid bus program in 2000. The new transit service supported the City’s land use policies by allowing land use intensification without corresponding increases in congestion.

The new subway and rapid bus lines also reinforced Koreatown’s proximity to Downtown Los Angeles, sparking a building boom. Taking advantage of the neighborhood’s central location, transit access, and high-density zoning, developers began proposing high-end residential, mixed-use, and commercial projects in the late 1990’s. Between 2000 and 2006, 5,335 housing units were constructed in the Wilshire Center/Koreatown Redevelopment Project Area,<sup>4</sup> and another 2,000 luxury condominiums and several shopping and entertainment complexes are slated to be built over the next three years.<sup>5</sup> The wide variety of uses planned in the area will sustain investment over the next several years, even in light of recent downturns in the ownership housing market.

While transit construction and land use policies were key to Koreatown’s renaissance, local demographic factors also played an important role. Koreatown has benefited from its position as the traditional center of Korean life in L.A. New development has drawn wealthy Korean American residents and professionals from other areas of the region, and South Korean real estate investment dollars have flowed into the neighborhood since the country’s foreign investment restrictions were eased in 2006.

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<sup>3</sup> Koreatown’s three subway stations – Wilshire/Western, Wilshire/Normandie, and Wilshire/Vermont – were originally part of the Red Line, L.A.’s first subway line, when they opened in 1996. In 2006, the branch of the subway that ran from Koreatown to downtown was named the Purple Line. The other branch of the line, which runs from North Hollywood to downtown, is still known as the Red Line. Koreatown’s Wilshire/Western and Wilshire/Normandie Lines are served only by the Purple Line, but riders can transfer to the Red Line at Wilshire/Vermont.

<sup>4</sup> Figures provided by CRA/LA, March 2008.

<sup>5</sup> Lee, Booyeon, “L.A.’s Seoul Takes Flight,” *Los Angeles Business Journal*, April 30, 2007.

Koreatown's population density also enhanced business attraction: the neighborhood's high cumulative buying power helped retailers and commercial developers overcome their initial concerns about residents' low incomes.<sup>6</sup>

The community has largely welcomed the new development and the wealthier demographic attracted by the new luxury condos and high-end shopping centers. Most of the new projects are adaptive reuses of old office buildings, thus few if any community members have been displaced. And while the upper-end projects may eventually cause rents and housing costs to rise throughout Koreatown, gentrification has not been a problem to date.<sup>7</sup> Indeed, the new development has impacted the community in some very positive ways. Because of the City's incentives, requirements and direct subsidies for building affordable housing, nearly 40 percent of the total multi-family units built between 2000 and 2006 were affordable.<sup>8</sup> And as a result of the ongoing building boom, the Community Redevelopment Agency of the City of Los Angeles (CRA/LA)'s tax-increment revenues from the Wilshire Center/Koreatown Redevelopment Project area have increased 900 percent over the past five years. The Agency is investing that money in affordable housing projects and business improvement initiatives, and partnering with a number of community organizations to provide community services and resource centers.

*[Over] the past five years, the tax revenue from Koreatown in L.A. increased 900 percent as the redevelopment of commercial-residential buildings has been activated. . . . CRA/LA [is supporting] the redevelopment . . . [by] returning the revenue to the community.*

*- Cecilia Estolano, CEO of CRA/LA (from Korea Daily, January 18, 2008)*

**Figure 5. Bus Rapid Transit on Wilshire Boulevard**

MTA began operating rapid buses on Wilshire in 2000 as part of a demonstration project. The trial was highly successful – on the Wilshire corridor, operating speeds increased by 29 percent and ridership increased by 42 percent – and the transit agency expanded the program. By 2008, MTA will run 26 rapid bus lines.

Source: Strategic Economics, 2008



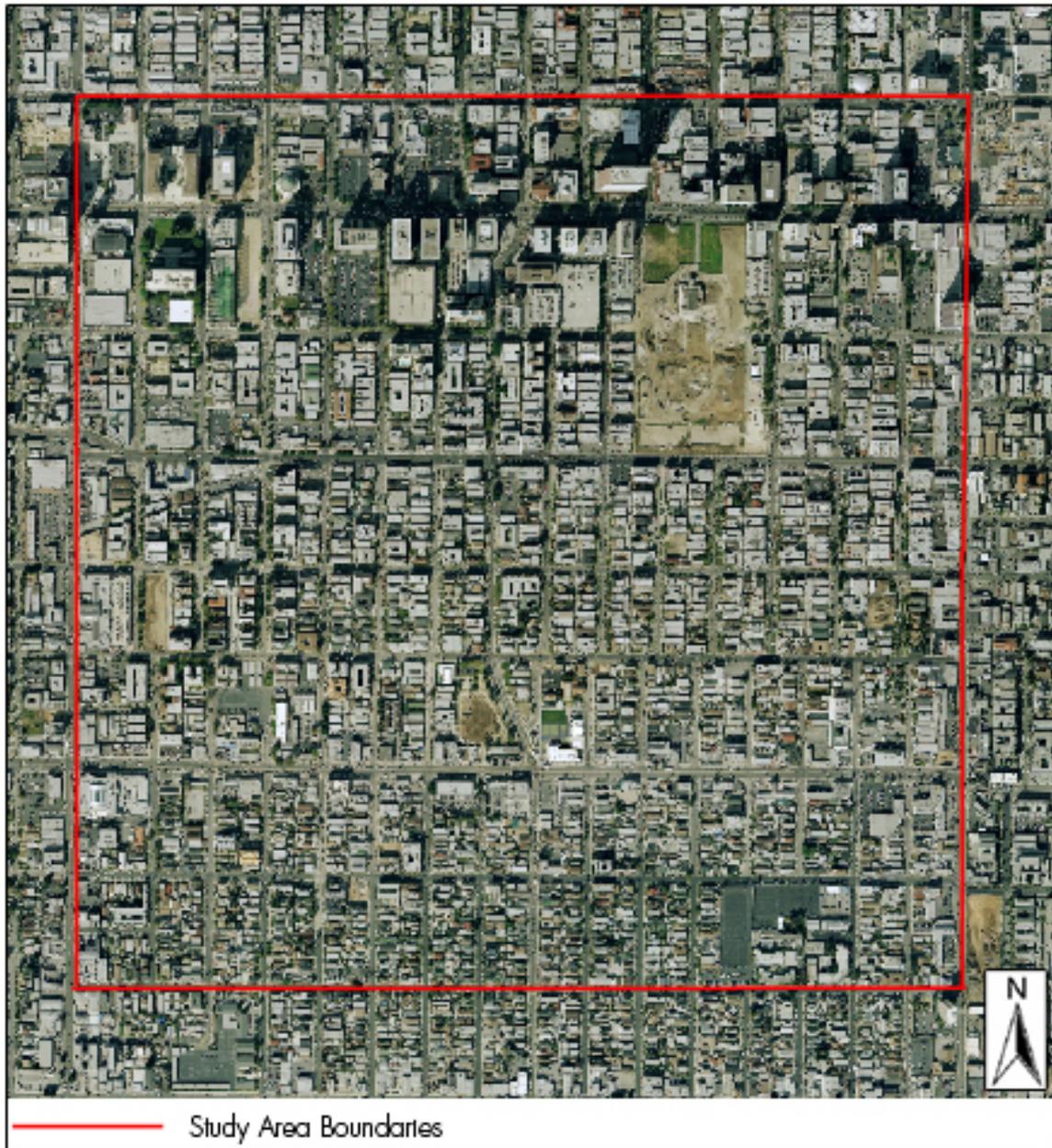
<sup>6</sup> Interview with Christopher Pak, Principal of Archeon and Koar Wilshire Western, LLC, Strategic Economics, January 9, 2008.

<sup>7</sup> Interview with Michelle Banks-Ordone, Redevelopment Agency Project Manager, Strategic Economics, January 18, 2008.

<sup>8</sup> Figures provided by CRA/LA, March 2008.

<sup>9</sup> Lee, Booyeon, "L.A.'s Seoul Takes Flight," *Los Angeles Business Journal*, April 30, 2007.

**Figure 5. Koreatown Study Area**



Source: Southern California Association of Governments; study area delineated by Strategic Economics, 2008

## HOW DID THEY DO IT?

The City, CRA/LA, the MTA, and local community groups have all contributed to Koreatown's revitalization. Strategies include:

- **Planning for land-use intensification**
- **Investing in bus and rail transit**
- **Reinvesting redevelopment dollars in affordable housing and community services**
- **Reinforcing a unique identity**
- **Partnering with private developers to build catalytic projects**

**Planning for land-use intensification:** The City of Los Angeles set the stage for rapid development in Koreatown with the 1995 General Plan Framework. The Framework established citywide categories to guide the local community plans which, in L.A., serve as the land use element of the General Plan. The Framework designated Koreatown as part of a "Regional Center," a "focal point of regional commerce, identity and activity" characterized by high-density and a major transportation hub. Although the document left decisions about specific height and parking restrictions to community plans, the Framework established a vision that would guide future planning efforts and development projects. In 1998, the City Council provided further guidance for communities near transit, adopting a Mixed-Use Overlay District Ordinance that rewarded developers building affordable housing and mixed-use residential near transit with height and density bonuses and parking reductions.

In 2001, the City followed up on the Framework with two local plans for the Koreatown area. The Wilshire Community Plan, adopted in September 2001, serves as the General Plan Land Use Element for Koreatown and several adjacent neighborhoods. The Plan designated most of Koreatown (between Olympic and 3<sup>rd</sup>, Hoover and Western) as a mixed-use district, meaning that developers would have access to the incentives provided in the Mixed-Use Overlay District Ordinance.

The Vermont/Western Transit Oriented District Station Neighborhood Area Plan (SNAP), adopted at the beginning of 2001, is a specific plan that resulted from a coordinated effort between the City Planning Department and CRA/LA. The plan covers the Red Line corridor stretching north and west from the Wilshire/Vermont station area to Hollywood and Western. SNAP permits greater heights and densities for mixed-use and residential projects, and reduces parking requirements by 15 percent for projects built within 1,500 feet of a Red Line station. The specific plan further reduces the cost of building transit-oriented, mixed-use development by eliminating the requirement that developers provide additional parking when they change the

**Figure 6: The Mercury**



Source: Strategic Economics, 2008

The 22-story Mercury was one of Koreatown's first luxury condominium projects. The building was originally built in 1963 as the headquarters of the Getty Oil Company, and represents the apex of modern architectural design. The building now includes approximately 240 condos, 23,000 square feet of retail, and a rooftop pool and fitness center.

***“One of the things that makes this community unique is that it’s a mixture of everything Los Angeles is trying to accomplish, a mixture of luxury, workforce and affordable housing, retail and office. Residents can live, work, and play within close proximity.”***

***-- Christopher Pak, architect and managing partner of Solair Wilshire condo project***

use of a building. This policy has facilitated the adaptive reuse of old office buildings as condos, a strategy that has played an important role in Koreatown's revitalization (**Figure 6**).

**Investing in bus and rail transit:** The Los Angeles County Metropolitan Transportation Authority (MTA) opened three Red Line subway stops in Koreatown in 1996 (two of which became part of the Purple Line in 2006). A few years later, in 2000, MTA implemented a demonstration bus rapid transit program on Wilshire Boulevard and one other trial corridor, increasing frequency of service and giving buses traffic signal priority. The demonstration project was highly successful. On the Wilshire corridor, operating speed increased by 29 percent and ridership increased by 42 percent, with one-third of the ridership increase coming from passengers who had never previously taken transit.<sup>10</sup> Over the following years, MTA expanded the rapid bus program. By December 2007, rapid buses were operating on Wilshire, Olympic, Vermont, Western, and dozens of other major thoroughways.<sup>11</sup>

***“The community has been mostly happy to see the new development. The traffic is quite manageable compared to the rest of west Los Angeles, because of Koreatown’s proximity to jobs.”***

***- Kee Whan Ha, President of Koreatown Neighborhood Council***

This infusion of transit has been a crucial component of Koreatown's successful revitalization. The Red and Purple Lines and the rapid bus lines have linked the neighborhood with downtown L.A. and Hollywood, helped reduce congestion along Wilshire, and attracted investors who saw a demand for residential units with convenient access to major employment centers. Developers are constructing numerous transit-oriented condominium and apartment projects with ground floor retail. The Mercury (**Figure 6**) was one of the first such projects to be completed. Other projects range from the Gardens at Wilshire, a 6-story, 158-unit apartment building with 7,500 square feet of retail that will open in spring 2008, to the 3670 Wilshire, a 40-story, 378-unit luxury condominium complex proposed by the South Korean developer ShinYoung.

**Reinvesting redevelopment dollars in affordable housing and community services:** Koreatown's development boom has fueled a rapid increase in the CRA/LA's tax-increment revenues for the Wilshire Center/Koreatown Redevelopment Project Area. As a result of this rapid revenue growth, CRA/LA budgeted \$46 million for the project area in the 2007-08 fiscal year, almost 7 percent of the Agency's overall budget. Community members, particularly low-income residents and small businesses, are seeing the benefits. Among other initiatives, CRA/LA is currently building or rehabilitating over 200 affordable and senior housing units, supporting local businesses, funding open space improvements and community services, and conducting studies of traffic conditions and other local issues.

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<sup>10</sup> Los Angeles County Metropolitan Transportation Authority, "Final Report: Los Angeles Metro Rapid Demonstration Program," 2002.

<sup>11</sup> [http://www.metro.net/projects\\_programs/rapid/rapid.htm](http://www.metro.net/projects_programs/rapid/rapid.htm)

The Agency is partnering with private businesses and community organizations on several of these projects.<sup>12</sup> For example, CRA/LA is partially funding the Korean Resource Center's senior apartment project, which will create 100 units of affordable housing just to the west of the case study area, on Crenshaw. The Korean American Chamber of Commerce is spearheading an effort to establish a business improvement district (BID) along Olympic Boulevard that will provide funding for streetscape improvements; the Agency contributed \$4 million towards the streetscape improvements, as well as \$25,000 to help set up the BID. The Agency has also provided funding to the Korean Federation to build and operate the Koreatown Senior Center, and to the Koreatown Youth and Community Center to plant and maintain street trees.

In addition providing much-needed services, these programs are helping the City address Koreatown's crime rate, one of the community's major concerns. For example, the streetscape improvements will improve safety by providing additional lighting, and the KYCC runs a graffiti removal program and provides mentoring and intervention services for youth at-risk of delinquency.

**Reinforcing Koreatown's unique identity:** Much of Koreatown's success in attracting new development and business activity rests on its unique cultural identity. The neighborhood supports numerous Korean restaurants and retailers selling everything from ethnic groceries to music, clothes and stationary, as well as a number of social service and cultural organizations like the Korean American Museum and Korean Cultural Center. Yet while Koreatown is primarily known as the cultural hub for the region's Korean American community, the neighborhood is extremely diverse and is now home to more Hispanics than Koreans. Many Korean businesses employ mostly Latino workforces, and Korean grocery stores and restaurants are beginning to cater to Latino customers.<sup>13</sup> At the same time, the neighborhood is becoming known for its Mexican, Chinese, Japanese, Vietnamese, and Filipino restaurants and entertainment.

Community members, civic organizations and the City are working hard to maintain and reinforce the neighborhood's cultural identity in the face of the building boom. So far, most of this effort seems to be concentrated on preserving the traditional

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<sup>12</sup> Interview with Michelle Banks-Ordone, Redevelopment Agency Project Manager, Strategic Economics, January 18, 2008; CRA/LA Wilshire Center/Koreatown Redevelopment Project Area, 4<sup>th</sup> Quarter Report, 2007.

<sup>13</sup> Yi, Daniel, "The Immigration Debate: Koreatown Immigrants Blending In," *Los Angeles Times*, May 6, 2006.

## KOREATOWN YOUTH AND COMMUNITY CENTER

The Koreatown Youth and Community Center (KYCC) is one of the many community organizations that support the neighborhood's families and small businesses. KYCC offers childcare, youth tutoring and mentoring, and technical assistance for small businesses. The organization also provides several environmental services, such as planting trees, removing graffiti, and installing free water conservation devices.

KYCC's history reflects Koreatown's changing demographics. The organization was founded in 1975 as the Korean Youth Center. Following the 1992 riots, the Center changed its name twice – first to Korean Youth and Community Center and then to the Koreatown Youth and Community Center – in order to recognize both the organization's expanding mission and Koreatown's increasing ethnic diversity. By 2007, 65 percent of the 80-member staff was non-Korean, and a majority of the families served by the KYCC were Latino.

Sources: K. Connie Kang, "Koreatown after-school center serves a diverse clientele," *Los Angeles Times*, December 20, 2007; <http://www.kyccla.org/>.

## INTERNATIONAL INVESTMENT

Much of Koreatown's new growth is credited to South Korean investment, which has flowed in the the community since the country lifted its foreign investment cap in May 2006. Together with the strength of the won against other currencies, the increased investment cap was expected to drive nearly \$4 billion worth of overseas home sales worldwide in 2007, much of it in LA because of the city's large Korean population. Developers are also attracting Korean investment by building high-density condominiums and shopping and entertainment complexes, in the style of major South Korean cities. Korean developers are planning at least one condominium project, the 3670 Wilshire, and sales offices of current projects have reported selling dozens of units to Korean investors. International investment may also help the neighborhood withstand the current decline in the U.S. housing market.

Sources: Adelman, Jacob, "Los Angeles drawing real estate investors from Korea after lifting of overseas cap," International Herald Tribune, January 8, 2007; Lee, Booyeon, "L.A.'s Seoul Takes Flight," Los Angeles Business Journal, April 22, 2007.

Korean aspect of the neighborhood. For example, in 2005, the Los Angeles Neighborhood Initiative, the Korean Chamber of Commerce, the CRA/LA and the City of Los Angeles opened the Koreatown Pavilion, a landmark on Olympic Boulevard designed to serve as a gateway into Koreatown. The Pavilion will soon be linked to the Korean Resource Center's Senior Apartments by a ma'dong, a Korean term for front yard or courtyard, that will create a new focal point for the community.<sup>14</sup>

Meanwhile, Koreatown's businesses and developers are importing South Korean trends and business models, hoping to continue attracting the Korean American professionals and the South Korean immigrants and investors (see text box) who have driven so much of the neighborhood's growth. The Wilshire Aroma Center, for instance, is one of several new, high-end health and entertainment centers modeled after South Korean "well-being centers." Built in 2001, the Aroma Center includes an indoor golf course, restaurants, shopping, a spa, and a bank.<sup>15</sup> Several entrepreneurs have recently opened themed coffee shops in the neighborhood, another South Korean trend. Café Jack, a coffee house shaped and decorated like the Titanic, and Coffee House Heyri, modeled after a Buddhist temple, are fast becoming meeting places for business people and friends.<sup>16</sup> The City is supporting businesses' efforts to reinforce the neighborhood's South Korean influences; for example, the Planning Department is reexamining its approach to signs and billboards, which are a very prominent feature of South Korean urban environments.<sup>17</sup>

**Partnering with private developers to develop key opportunity sites:** The CRA/LA and MTA have each invested millions of dollars in joint development projects that will anchor new centers of activity. The Redevelopment Agency invested \$10 million in the recently opened Wilshire/Vermont Station apartment complex (**Figure 7**), which includes 90 affordable units and a public middle school. The apartment complex occupies the northeastern corner of the Wilshire and Vermont intersection, and the Agency is working with the Korean Consulate to build a Korean Trade and Cultural Center on the northwestern corner. These projects will create a base of activity around the Wilshire/Vermont subway station.

<sup>14</sup> Interview with Michelle Banks-Ordone, Redevelopment Agency Project Manager, Strategic Economics, January 18, 2008.

<sup>15</sup> Del Barco, Mandelit, "Koreatown a Bustling Part of L.A.," *Morning Edition*, National Public Radio, August 13, 2004.

<sup>16</sup> Song, Jason, "Java perks up Koreatown," *Los Angeles Times*, February 14, 2008.

<sup>17</sup> Interview with Michelle Banks-Ordone, Redevelopment Agency Project Manager, Strategic Economics, January 18, 2008.

Meanwhile, the MTA recently granted a ground lease to Koar Wilshire Western to build the Solair Wilshire, a 22-story housing and retail building on the Wilshire/Western subway station, across the street from the Mercury. Together with the Ma'Dong Courtyard, a new shopping and entertainment complex, and the Wilten Theater, a newly rehabilitated performing arts center that dates back to 1929, the Solair Wilshire and Mercury projects will remake the Wilshire and Western intersection into a local and regional attraction.

**Figure 7: Wilshire/Vermont Station**



Source: Strategic Economics, 2008

*The Wilshire/Vermont Station, a joint endeavor between LA's Redevelopment Agency and Urban Partners, LLC, includes 450 apartments (20% affordable), 30,000 square feet of commercial space, and an 800-student public middle school.*

# MEASURING SMART GROWTH: HOW DOES KOREATOWN COMPARE?

**Figure 8. Housing Costs as a Percent of Income**

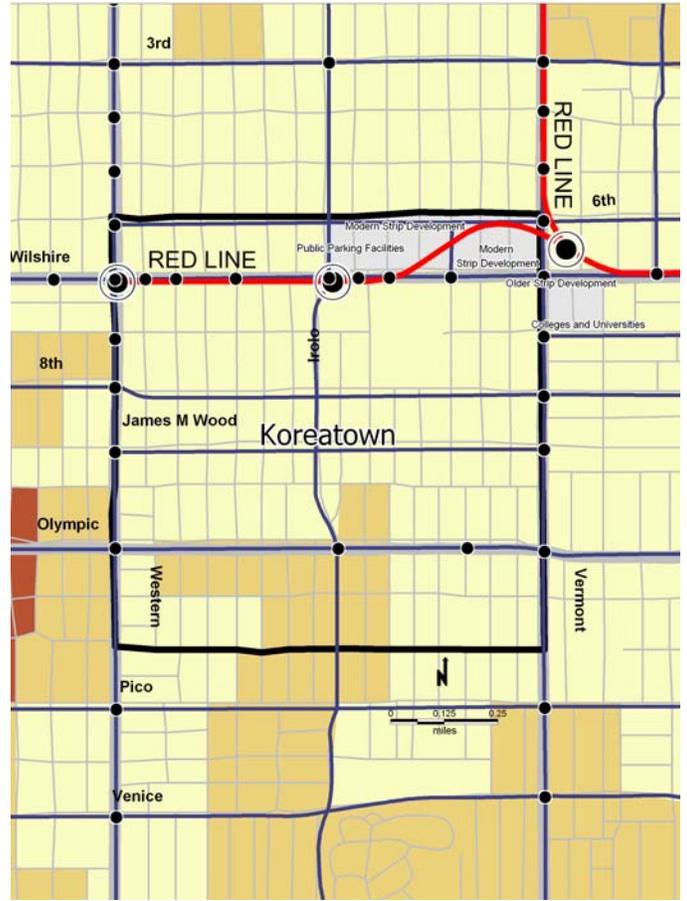


Housing Costs as Percent of Income

- 0 to 20%
- 20 to 30%
- 30 to 40%
- Greater than or equal to 40%

- Transit Hub
- MetroLink Station
- Bus Route
- Arterial Street
- Local Street
- Compass Blueprint Strategy Area

**Figure 9. Housing and Transportation Costs as a Percent of Income**



Housing and Transportation Costs as Percent of Income

- 0 to 35%
- 35 to 50%
- 50 to 65%
- Greater than or equal to 65%

Koreatown has some of the lowest housing and transportation costs in the SCAG region. The neighborhood's transit connectivity is superior, benefitting from high density, excellent land use mix, and a wide range of transit options. Housing costs are also significantly lower than average, although these costs will probably increase with the rapid new construction that Koreatown is now experiencing.

## MEASURING SMART GROWTH: HOW DOES KOREATOWN COMPARE?

### Comparison of Current and Future Housing, Transportation, and Combined Costs

The Red Line subway and bus rapid transit provide savings throughout the Wilshire area, and as a result the district has the 9<sup>th</sup> lowest transportation costs in the region. Koreatown's housing and transportation costs, however, are even lower than the rest of the Wilshire neighborhood because of the area's extremely high density.

	Koreatown	Wilshire Neighborhood	Los Angeles County
% Income Spent on Housing	14%	23%	28%
% Income Spent on Transportation	17%	19%	23%
Combined	31%	41%	52%
<b>Wilshire Neighborhood Housing and Transportation Rank Relative to Other Communities:</b> Housing Cost: 96 <sup>th</sup> of 338 (near Paramount, Loma Linda, Van Nuys) Transportation Cost: 9 <sup>th</sup> of 338 (near West Hollywood, Vernon) H+T: 21 <sup>st</sup> of 338 (near Vernon, East Los Angeles, Needles)			

### Smart Growth Scores

The table to the right shows some of the smart growth factors that affect the affordability of transportation, as reported above.

Koreatown's transportation costs are so much lower than average because the neighborhood is highly walkable and extremely dense, both in terms of employment and households per acre. These factors allow households to own just one car on average. The average journey to work is longer in Koreatown than the rest of the region, probably because west Los Angeles is fairly congested, although less so than it would be without excellent transit connectivity.

### Smart Growth Factors Affecting Transportation Affordability

	Average in the SCAG Region	Koreatown	How to Read:
Block Size	27.5 Acres	5.8 Acres	A smaller block size provides a more walkable environment
Transit Connectivity Index	1,804	20,300	The greater the transit connectivity, the more likely it is residents will take transit, developers will build near transit, etc.
Land Use Mix Index	0.46	0.50	A greater mix of land uses enables local residents to access shopping and services without driving
Jobs per Square Mile in Nearby Areas	57,269	163,592	The closer a community is to jobs, the shorter the commutes. Shorter rides can also encourage commuters to use alternative transportation.
Households per Acre	6.5	44.2	More compact development can support a wider variety of retail and services, and make walking to these services easier
Average Journey to Work Time	28.5 Minutes	33.5 Minutes	Shorter commutes lead to cost savings in gas and other transportation expenditures (and reduce emissions)
Cars per Household	1.7	1.0	Car ownership rates can be influenced by local income levels, and by where you live

### SCAG Composite Score Koreatown Current Scores

Transit Service:	7.9	of 10
Walkability:	9.3	of 10
Land Use Mix:	7.7	of 10
Overall Neighborhood Rank:	8.3	of 10

Source: Fregonese Calthorpe & Associates

## LESSONS LEARNED

### **Appropriate land use regulations can catalyze significant new investment.**

Plans that are responsive to existing market conditions and provide incentives for developers to include desired community amenities can help attract significant private investment. The City of Los Angeles's community plans for the Wilshire area capitalized on Koreatown's central location and accessibility, providing incentives for building affordable housing and allowing developers to change building uses and construct tall, high-density buildings near transit with reduced parking requirements. Developers responded rapidly, constructing projects that met the City's goals for affordable housing, transit accessibility, and ground-floor retail.

### **High-frequency, well-planned transit opens up new possibilities for intensifying land uses without increasing congestion.**

The Red and Purple subway lines and rapid bus lines helped trigger new development in Koreatown because they connected the neighborhood to key destinations such as downtown L.A. and Hollywood. Because the transit lines allow people to get where they need to go, they reduce congestion and the necessity for vehicle ownership, allowing the City to increase density allowances and reduce parking requirements near Koreatown's transit stations.

### **Planning and development should acknowledge a place's ethnic diversity in order to reinforce its unique identity.**

Los Angeles has successfully built on Koreatown's unique identity as the center of L.A.'s Korean community. The new luxury condominiums, shopping complexes, and trendy nightclubs are drawing wealthy Korean American retirees who left the neighborhood after the 1992 riots, as well as Korean investors attracted by a style of high-density development that resembles land use patterns in South Korea's cities. The Redevelopment Agency is continuing to learn from South Korea and considering how to further replicate the country's impressive shopping malls, high-tech advertising, and other hallmarks.

### **A critical mass of private investment can help leverage public funds for much-needed neighborhood and community services.**

While high-end developments can certainly contribute to displacement issues, and increase housing costs and rents, cities may be able to leverage private investment to provide neighborhood amenities. Los Angeles's Redevelopment Agency has been able to do just that, using gains in tax-increment revenues to fund affordable housing, community centers, parks, and much-needed services.

## ACKNOWLEDGEMENTS

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# SCAG Region: Compass Blueprint Case Study

## The Platinum Triangle in Anaheim, CA



*Clockwise from top left: Angel Stadium of Anaheim; The Honda Center of Anaheim; the Grove of Anaheim; and Stadium Lofts. All of these fall within the Platinum Triangle.*

**March 2008**

### **Center for Transit-Oriented Development**



A Project of





## THE PLATINUM TRIANGLE

For over 50 years, Anaheim has been a center of activity in Orange County as the home of major destinations including Disneyland, Angel Stadium of Anaheim, the Honda Center, the Grove of Anaheim, and the Anaheim Convention Center. The City has a long history of public-private partnerships that have helped support many of these destinations. Over the last 40 years the City has successfully maintained its reputation as a destination area in the SCAG region. This case study describes the City's vision of The Platinum Triangle as the next step in this rich planning history.

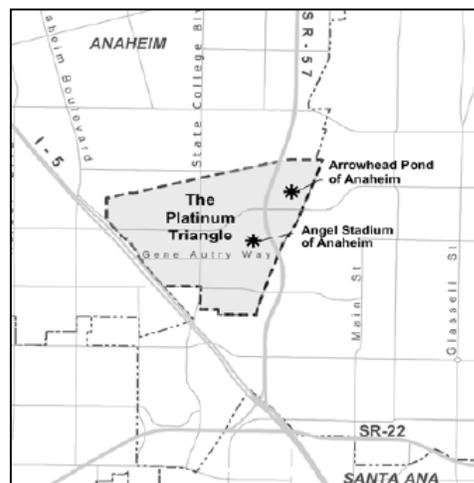
### LOCAL CONTEXT

The City of Anaheim was founded in the mid 19<sup>th</sup> Century, although its major growth spurt occurred during the postwar industrial boom that swept Los Angeles in the 1950's. Anaheim was quickly transformed from an agricultural town to a large residential suburb offering homes to the region's workers, reaching over 100,000 residents by 1960.

The City's major economic growth occurred during this period as well, catalyzed by the premiere of Disneyland in 1955. Anaheim quickly became a major regional family destination, and the park spurred major residential and economic growth throughout the City. Civic leaders secured Anaheim's position as a major year-round family friendly destination by developing Angel Stadium on Katella Avenue in 1966 with the help of franchise owner Gene Autry, and the Anaheim Convention Center in 1967. By the 1960's Anaheim was quickly becoming landlocked by rapid growth throughout Orange County, and the City saw a need to reserve key areas for industrial uses. The City designated the land aligning the Santa Ana River and the newly opened State Route 57 as an industrial zone to help diversify the local economy beyond reigning hospitality and tourism industries. A portion of this area would later become the site of The Platinum Triangle.

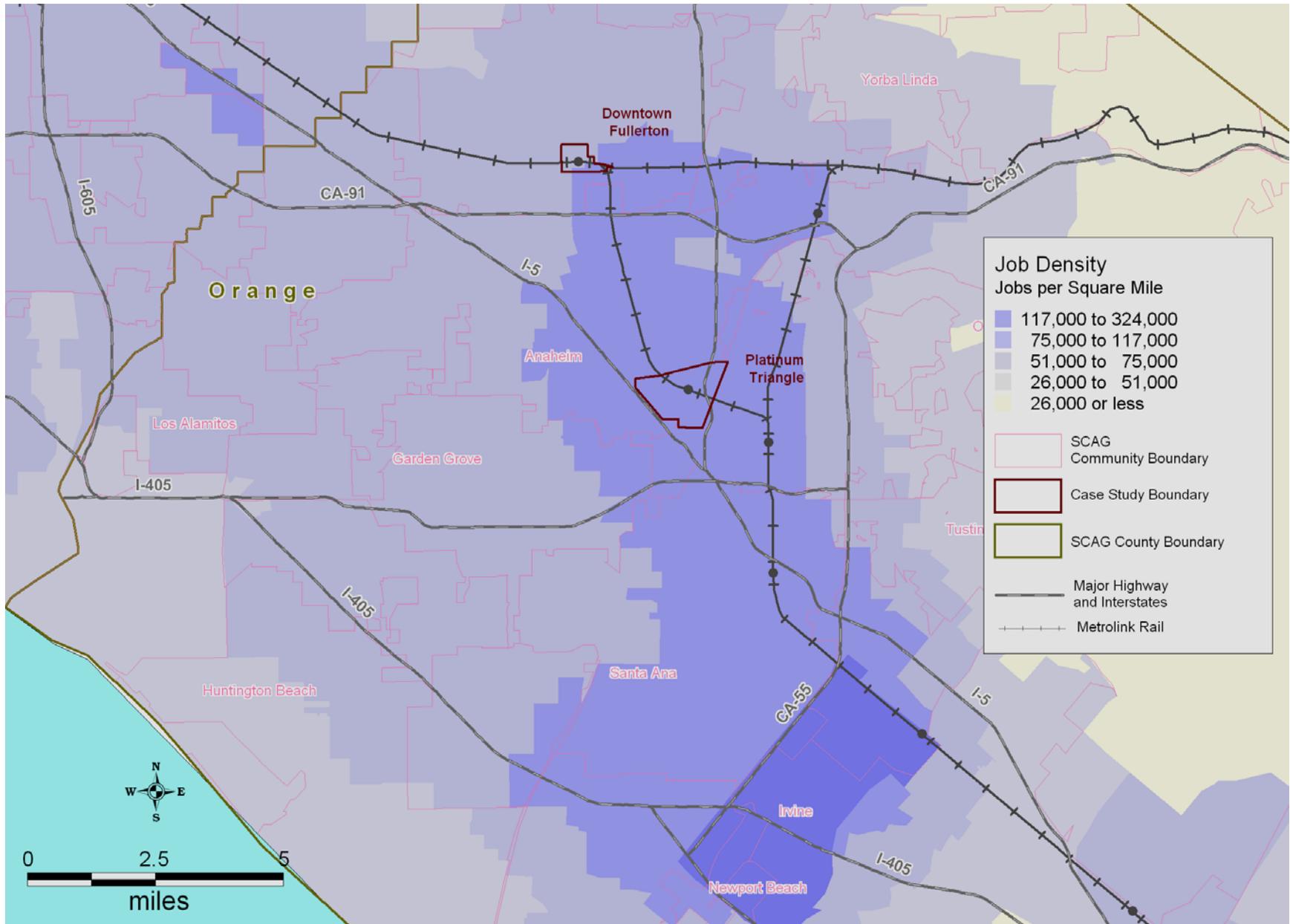
Today, the City of Anaheim is located centrally to Orange County's residents and jobs, making it a desirable location to live and work. It is traversed by three of the busiest freeways in the region: State Route 57, State Route 91 (connecting to the Inland Empire), and Interstate 5 (connecting to Los Angeles). Its older neighborhoods make Anaheim one of the more affordable communities in Orange County, with a median household income of \$55,720 in 2006 compared with the County median of \$70,232. Nonetheless, incomes continue to rise in thriving Orange County, and some local workers are moving to the Inland Empire in search of lower cost housing. Infill residential development is a key strategy to ensuring that workers in Orange County can live close to their jobs.

**Figure 1. Map of The Platinum Triangle in Anaheim, CA**



Source: City of Anaheim

**Figure 2. Employment Densities in Central Orange County**



Source: Center for Neighborhood Technology

## WHAT IS THE PLATINUM TRIANGLE?

The Platinum Triangle is an 820-acre area at the southern edge of the City of Anaheim bordered by the Santa Ana Freeway (I-5) to the west, and the Santa Ana River to the east. The area has excellent transit and freeway access with service from Metrolink, I-5, and State Route 57 which crosses through The Platinum Triangle's eastern edge.

The Platinum Triangle offers the City of Anaheim tremendous potential for future development and transformation. The City envisions creating a vibrant, mixed-use district where residents, visitors, and employees can live, work, and play. The area has significant regional advantages to attract new investment, including:

- Ample, contiguous tracts of land that are ready for new development;
- A location that is central to Orange County residents and jobs;
- Good freeway and public transit access; and
- Proximity to major international destinations including Angel Stadium of Anaheim, the Honda Center, the Grove of Anaheim, and close proximity to Disneyland and the Anaheim Convention Center.

Once the plan is fully built-out, The Platinum Triangle will offer new housing and jobs for the regional workforce, will enhance Anaheim's existing status as a resort destination by bolstering tourism with new attractions, will create new public spaces for the community's enjoyment, and will encourage the use of public transit including local buses, expanded Metrolink Service, and potentially major inter-regional connections to other parts of California and Las Vegas, via the proposed High-Speed Rail and Maglev corridors.

## NEIGHBORHOOD HISTORY

The Platinum Triangle was until recently comprised of a variety of industrial, office and commercial land uses; an Amtrak/Metrolink station; and, the City-owned venues of Angel Stadium of Anaheim, the Grove of Anaheim and the Honda Center. During the 2004 General Plan update, the City determined that The Platinum Triangle was underutilized, and that the area would be appropriate for a much more intensive mix of uses including residential development. As a result Anaheim incorporated into its General Plan a vision for transitioning The Platinum Triangle towards a new mix of uses that are supportive of a variety of transportation modes, and that further enhance the City's reputation as a multifaceted destination resort area.

### Planning Timeline:

2004 – A General Plan update redesignates The Platinum Triangle from less intensive office and industrial uses to mixed-use and higher intensity office development

2005 – General Plan Amendment adds 325 residential units and 200,100 additional commercial square feet to Platinum Triangle area

Summer 2007 – General Plan Amendments add 766 residential units to maximum development intensity

2008 – General Plan Amendment approved to increase maximum development intensity to more than 18,000 residential units and over 20 million square feet of office and retail space

*“[Transit] connectivity is being mentioned as insignificant to the overall scheme and plan, but that’s why this level of density works.”*

*- City of Anaheim Mayor Curt Pringle,  
from the Los Angeles Times,  
December 17, 2007*



*The Platinum Tower, approved in October 2007, is a 20-story office building encompassing nearly 600,000 square feet.*

Source: City of Anaheim, Steadfast Business Properties

The General Plan Update established a vision for The Platinum Triangle that included development of up to 9,825 dwelling units, 5 million square feet of office space, over 2 million square feet of commercial uses, and industrial and institutional uses at a higher FAR than previously allowed. This vision for The Platinum Triangle was further detailed in the Platinum Triangle Master Land Use Plan and the Platinum Triangle Mixed Use Overlay Zone. The overlay zone enabled existing uses to remain without being nonconforming. The introduction of residential mixed-use development was accepted in part because the existing uses did not involve heavy industry or other noxious processes that would have compatibility issues with new residential development. This rezoning effort almost immediately generated interest and new investment from developers, who started to privately assemble parcels in the area for new development.

Interest from the development community was in fact so strong that the development applications the City received proposed to develop all of the residential development intensity allotted to privately owned properties. After much consideration, the City responded to this issue by initiating a series of General Plan amendments between 2005 and 2007 that could allow for a total of 18,363 homes, 16.8 million square feet of office space, and 5.7 million square feet of commercial space in The Platinum Triangle.

While the mixed-use overlay zone allows for a substantial change in the land use patterns that dominate The Platinum Triangle, the City found that the community was generally supportive of the idea of a new mixed-use area. Most area property owners agreed that long existing uses in The Platinum Triangle were rapidly becoming obsolete, and were ready for the change. Simultaneously, there was little resistance from current residents because the area was isolated from Anaheim’s residential neighborhoods. Additionally the entire community also perceived the greater need for a larger housing supply to accommodate area workers. Certainly, the City’s long history of successful involvement in large-scale projects such as Angel Stadium and the Convention Center has provided an underlying sense of security in moving forward with this next phase of growth.

Sheri Vander Dussen, the City of Anaheim Planning Director, noted that the City’s greatest triumph so far has been anticipating the market for more intensive housing and commercial uses in Anaheim. By planning ahead for this type of growth, the City was able to ensure that the appropriate regulatory framework, infrastructure improvements, and transit plans could be in place to serve new housing and commercial development. Without the extensive General Plan update and EIR processes, the City could

have been left in a situation of reviewing piecemeal development applications without understanding the overall consequences of the larger scale changes on the City's infrastructure and service provision.

## FROM VISION TO REALITY

### **Major Development Projects**

The scale of new development proposed for The Platinum Triangle could potentially take decades to complete, but the City of Anaheim is moving forward at a rapid pace. The City has received 16 development applications totaling over 9,000 housing units, over 1.3 million square feet of commercial space, and several public parks on nearly 150 acres of land. While many of these applications are still in process, construction is underway throughout the area. Some of the major approved development projects include:

#### Stadium Lofts

Stadium Lofts is the first completed mixed-use project in The Platinum Triangle. This development is located at the corner of Katella Avenue and State College Boulevard and includes 390 condominium units and approximately 10,000 square feet of ground floor retail on Katella Avenue. The first condominium units were offered in August 2006 by developer Windstar Properties.

#### A-Town Metro

Parcel assembly is often considered a daunting barrier for the reuse of parcels and typically requires public involvement. The market in The Platinum Triangle was so strong that developers found this barrier to be surmountable. Lennar, the master developer for The Platinum Triangle's largest proposed project known as the A-Town Metro, privately assembled more than 20 parcels to create its 40-acre site.

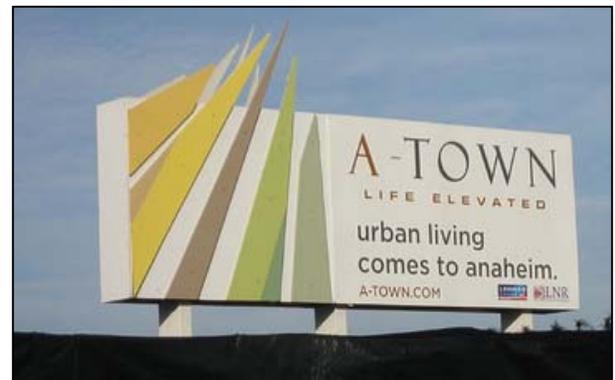
At completion A-Town Metro will become a mixed-use community, with nearly 2,700 dwelling units in townhomes, live/work lofts, and residential towers spanning from 24 to 35 stories. Additionally the A-Town Metro will create an open-air pedestrian shopping district with approximately 230,000 square feet of commercial space, as well as two public parks.

#### Platinum Tower

There are currently mid-rise office buildings in The Platinum Triangle, but the Platinum Tower will rise above them all at 20 stories. Steadfast Properties, the developer, is the first applicant to propose such a large-scale office tower. The building will encompass 600,000 square feet with a small increment of ground floor retail space, and a parking structure with over 2,000 spaces. The higher construction costs associated with such a building



*Stadium Lofts is the first completed project in the Platinum Triangle*



*A-Town, the Platinum Triangle's largest proposal to date, has been delayed due to the housing downturn but developers are optimistic that it will be completed in the next several years.*



*View from the Metrolink station across the Angel Stadium parking lot. Projects such as the one under construction 2100 at Platinum Triangle will surround this city-owned surface lot with transit-oriented development.*



*Anaheim Resort Transit Service now connects to the Anaheim Metrolink station, which is adjacent to Angel Stadium, the Grove, and various commercial uses.*



*Anaheim Resort Transit Service is an entirely privately funded circulator system that connects commercial uses in the Anaheim Resort area. Source: Anaheim Transportation Network*

will require higher than typical rents for the Anaheim office market, but developers are confident that as The Platinum Triangle is built out with a mix of uses, the area will command a premium office rent. In addition, Platinum Tower is expected to be Orange County's first building of its size to seek Silver LEED certification.

## **IMPLEMENTATION STRATEGIES**

The City of Anaheim is pursuing a variety of implementation strategies to prepare The Platinum Triangle for a large scale of new development. These strategies include:

- Establishing a **Community Facilities District** to finance infrastructure improvements;
- Pursuing a variety of **regional and local transportation improvements**;
- Evaluating citywide issues through the **environmental review** process; and
- Coordinating a series of **joint development** projects.

### **Community Facilities District**

One of the challenges of accommodating so much new growth is addressing the need for infrastructure improvements, and ensuring that development would pay for its own required public improvements. Typically a single developer would pay impact fees or be required to construct and fund their project-specific improvements. However, because the City planned for district-wide growth, it was able to pursue a more efficient and centralized infrastructure finance strategy. After a lengthy study and review period, the City is in the process of establishing a Community Facilities District (CFD) to allow the City to issue approximately \$260 million in bonds to finance the full range of capital improvements over time. These bonds will be financed through an annual set of fees that are incurred on a per-unit and per-commercial-square-foot basis for property within The Platinum Triangle. This district will ultimately create a special tax estimated to range from \$585 to \$2,750 per residential dwelling unit, and \$1.46 per square foot of non-residential space.

### **Regional and Local Transportation Improvements**

While Anaheim's key tourist destinations and supporting uses such as hotels and restaurants have historically been auto-oriented, the City has been working over the past decade to encourage a more pedestrian and transit-oriented framework. The nonprofit Anaheim Transportation Network (ATN) was founded by the City 15 years ago to improve circulation throughout The Anaheim Resort. ATN initiated the Anaheim Resort Transit system (ART) in 2002, which is a local shuttle circulator that connects Angel Stadium of Anaheim, Disneyland,

**Figure 3. Aerial View of The Platinum Triangle, 2007**



Source: Southern California Association of Governments; study area delineated by Strategic Economics, 2008

the Anaheim Convention Center, and hotels and restaurants along Harbor Boulevard and Katella Avenue, also known as the Anaheim Resort corridor. ATN has become a part of the mitigation monitoring program for both The Anaheim Resort and The Platinum Triangle, meaning the City requires all new commercial and office development to join and financially participate in the ATN. In The Anaheim Resort, local businesses pay about 30 percent of the operating cost of ART, while the remainder of the cost is recovered from ticket sales. The ability of ART to recover such a high percentage of its costs from the farebox is unusual, and likely due to the fact that short-term visitors rather than daily commuters use the service.

Transit service in The Platinum Triangle will be extended incrementally as new development occurs. ATN and the City are still in the preliminary stages of understanding what service will look like and how it will be funded. Given that the ATN will have some responsibility for mitigating potential transportation impacts as a result of new development, it is likely that developers will be required to pay a fee to support transit service in some way. The first step towards transit service in The Platinum Triangle occurred in 2007, when ART extended service to connect to the Metrolink station in The Platinum Triangle.



*The streetcar that runs through the Pearl District, in Portland, OR, was funded using tax increment dollars resulting from increased development in the Pearl District. Models such as this offer examples of transit options for The Platinum Triangle.*

The vision for The Platinum Triangle is intended to further push Anaheim towards a more transit-friendly land use pattern, by incorporating an intensive mix of residential, office, retail, and entertainment uses that can support greater levels of transit service than currently exist today. Proposed development could potentially be built at intensities that have supported streetcar networks in other localities such as the Pearl District in Portland; thus one of the potential transit options that the City is considering is a rail-based circulator<sup>1</sup>. The City is currently pursuing funds from Measure M and other sources in order to construct a circulator rail system that would connect points throughout The Platinum Triangle with The Anaheim Resort. This service could support up to 2.6 million passengers a year.

Regional transit connections are the other critical piece to ensuring that new residents and workers have the option of leaving their cars at home. There are plans proposed to improve regional transit connections by doubling Metrolink service by 2010, and constructing a new intermodal transit station known as ARTIC (Anaheim Regional Transportation Intermodal Center) by 2012 using joint development partnerships (which is

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<sup>1</sup> Densities in the Pearl District are on average about 100 units to the acre. Current development applications in the Platinum Triangle range from 40 to 99.5 units to the acre.

discussed below). These transit improvements will be the keystone to realizing The Platinum Triangle's full smart growth potential.

### Environmental Review Process

The General Plan update and subsequent amendments required the preparation of environmental impact reports (EIRs), which were critical in helping the City understand and mitigate the various impacts resulting from the full potential development in The Platinum Triangle. The environmental review process afforded the City the opportunity to fully evaluate the potential environmental, infrastructure, service, transportation, and community impacts of the development. The three EIRs that have been prepared offer a precursor to strategies that the City will pursue during the phasing of development in order to mitigate long-term impacts of development, including the Community Facilities District and transportation improvements discussed above.

### Joint Development Partnerships

Certain sites in the Platinum Triangle are publicly owned, including most of the Platinum Triangle's Stadium District, which contains Angel Stadium of Anaheim and the existing Metrolink/Amtrak Station. To this end, the City is pursuing specific joint development projects with varying degrees of public involvement and complexity. These include:

#### Development of City-Owned Parking Lot

A portion of the parking area on the northwest side of Angel Stadium of Anaheim is currently owned and controlled by the City. In 2006, the City Council issued a Request for Information and Qualifications to sell this site, which is approximately 50 acres, to a qualified developer. The objective is to develop a dynamic, mixed-use project of an urban character. As a result of this process, the City has entered into exclusive negotiations with a single developer for development of this site. The private developer will ultimately act as lead agent on this project.

#### Public-Private Partnership for ARTIC Station

The City and the Orange County Transportation Authority (OCTA) have had long range plans to collaboratively build the Anaheim Regional Transportation Intermodal Center (ARTIC). In late 2007, the City and OCTA initiated the process of selecting a private partner with whom they will jointly develop a



Source: Orange County Transportation Authority, City of Anaheim. Available at: [http://www.octa.net/pdf/ARTIC\\_brochure.pdf](http://www.octa.net/pdf/ARTIC_brochure.pdf)

15-acre site that is just to the southeast of the current Anaheim Metrolink Station. Through this joint development process, the partners would build an intermodal transit station with the capacity to serve both current and future planned transit systems, potentially including a stop on the California High Speed Rail and the proposed Maglev corridor connecting Los Angeles to Las Vegas. Additionally, private development on the site would include a 10-acre parcel that could potentially accommodate more than 3.3 million square feet of office and commercial space. OCTA and the City are intending to leverage the private development potential of the parcel in order to at least partially fund the ARTIC station. The U.S. Secretary of Transportation, Mary Peters, commended the ARTIC project for its innovative use of public-private partnerships.

## **FUTURE CHALLENGES**

While the City of Anaheim and the development community have made a great deal of headway in planning for and implementing smart growth in The Platinum Triangle, it will take years for the market to build and absorb up to 18,000 new housing units and over 20 million square feet of office and retail space. The City is in its preliminary stages of implementing its plan; as the project proceeds, the City will need to:

- Endure multiple cycles of the real estate market;
- Ensure that housing opportunities are available to households at all income levels in the long term.

## **Real Estate Market Resiliency**

With over 9,000 new housing units in the entitlement process, there is no question that the recent boom in the national ownership housing market has influenced the pace of development in The Platinum Triangle. As the market has weakened in recent years, several housing projects have been put on hold for the time being. Meanwhile, however, the markets for rental housing and office uses have experienced resurgence. In addition to its smart growth benefits, the mix of uses planned in The

Platinum Triangle will ensure its ability to endure these types of fluctuations in the real estate market.

## **Maintaining Workforce and Affordable Housing**

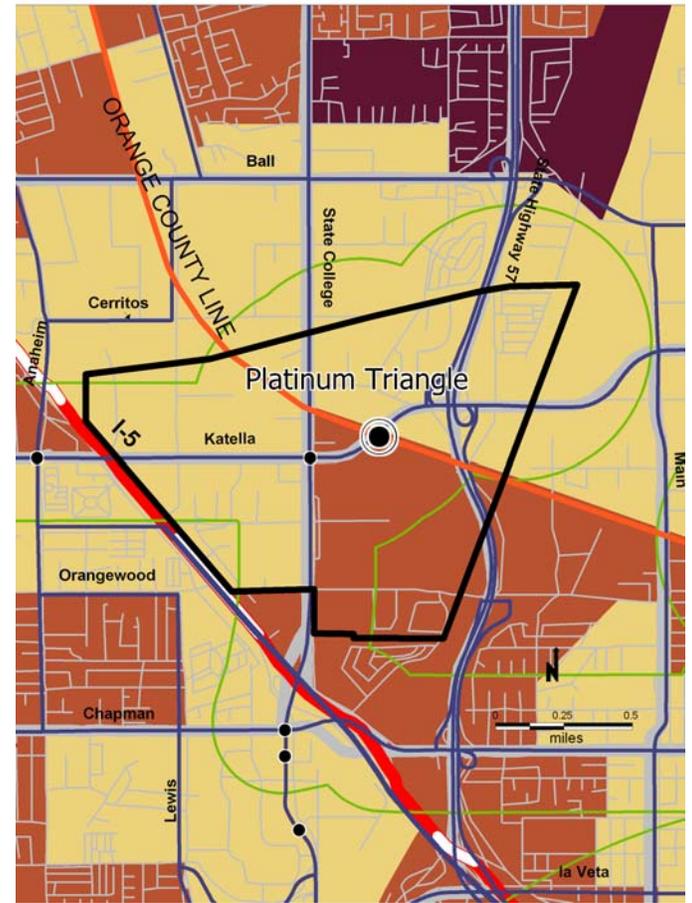
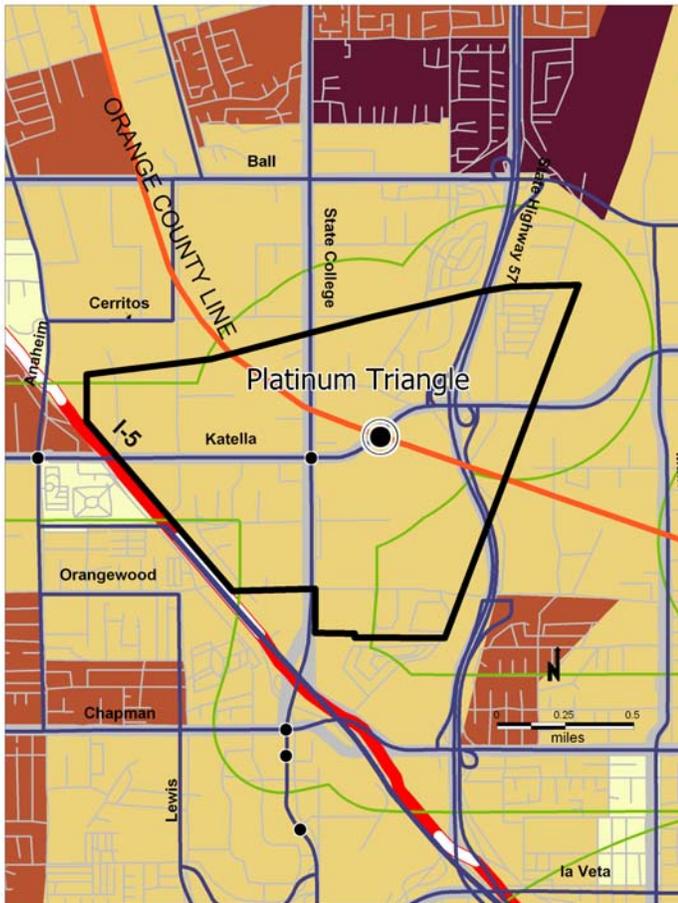
The City of Anaheim has established some of the most innovative and progressive citywide affordable housing programs in Orange County. Its Senior Citizens' Apartment Projects and Density Bonuses ordinances provide incentives to developers for the construction of affordable housing. Additionally, the City's Affordable Housing Strategic Plan, adopted in 2006, established the goal of constructing over 1,328 new affordable family rental units by 2010.

The Affordability Index demonstrates that transportation costs are lowest in areas with good transit service, a mix of uses including housing, retail, jobs, and entertainment, and walkability. The implementation of The Platinum Triangle plans – including mixed-use zoning areas, transit hub planning and improved pedestrian and auto circulation – will create a neighborhood with some of the lowest transportation costs in Orange County.

# MEASURING SMART GROWTH: HOW DOES THE PLATINUM TRIANGLE COMPARE NOW?

**Housing Costs as a Percent of Income, 2000**

**Housing and Transportation Costs as a Percent of Income, 2000**



Housing Costs as Percent of Income

Housing and Transportation Costs as Percent of Income

- 0 to 20%
- 20 to 30%
- 30 to 40%
- Greater than or equal to 40%

- Transit Hub
- MetroLink Station
- Bus Route
- Arterial Street
- Local Street
- Compass Blueprint Strategy Area

- 0 to 35%
- 35 to 50%
- 50 to 65%
- Greater than or equal to 65%

Neighborhoods surrounding the Platinum Triangle offer some of the more affordable housing in Anaheim, and in Orange County. Transportation costs are high in spite of the presence of Metrolink and bus service because the frequency of these services is relatively low, there is a limited mix of uses in the area, and there is limited residential density. The Platinum Triangle plan, coupled with transit service improvements, will have a significant effect in reducing the need to drive in the area. Note that the land use changes that have recently occurred in the Platinum Triangle will greatly improve transportation costs and other variables in the area. This is particularly true given the area's historically industrial nature.

# MEASURING SMART GROWTH: HOW DOES THE PLATINUM TRIANGLE COMPARE NOW?

## Current Housing, Transportation, and Combined Costs – Before Changes to Land Use Plans

Once the Platinum Triangle is developed as a mixed-use, pedestrian oriented neighborhood, it could cut vehicle miles traveled per year, reduce car ownership, and decrease transportation costs. As local residents are able to shop and work locally or take transit more, they have an opportunity to drive less.

	Platinum Triangle	City of Anaheim	Orange County
% Income Spent on Housing	27%	30%	36%
% Income Spent on Transportation	24%	25%	25%
<i>Combined</i>	<i>51%</i>	<i>55%</i>	<i>61%</i>

Anaheim Housing and Transportation Rank Relative to Other Communities:  
 Housing Cost: 217<sup>th</sup> of 338 (near Pasadena, Fullerton, Citrus)  
 Transportation Cost: 106<sup>th</sup> of 338 (near Huntington Beach, San Fernando)  
 H+T: 202<sup>nd</sup> of 338 (near Fontana, South Pasadena, Fullerton)

## Smart Growth Scores

The Platinum Triangle currently has a lower than average block size, though blocks are still larger than the typical pedestrian-oriented scale in the region. The area scores well in the jobs per acre category, given its central location to Orange County. As a result, journey to work times are lower on average than the rest of the region.

Transit connectivity, housing density, and land use diversity are the factors on which the site currently scores low. Implementing the Platinum Triangle plan and increasing transit frequency will improve these factors and reduce transportation costs. Vehicle miles traveled per year could be cut by almost half for households in the area, and reduce average cars per household from 1.7 to 1.4. The share of workers commuting by transit could increase from its current levels of 3 percent, to an estimated 8 percent total.

## Smart Growth Factors Affecting Transportation Affordability – Before New Land Use Plans

	Average in the SCAG Region	Platinum Triangle	How to Read:
Block Size	27.5 Acres	22.1 Acres	A smaller block size provides a more walkable environment
Transit Connectivity Index	1,804	1,346	The greater the transit connectivity, the more likely it is residents will take transit, developers will build near transit, etc.
Land Use Mix Index	0.46	0.16	A greater mix of land uses enables local residents to access shopping and services without driving
Jobs per Square Mile in Nearby Areas	57,269	105,522	The closer a community is to jobs, the shorter the commutes. Shorter rides can also encourage commuters to use alternative transportation.
Households per Acre	6.5	7.6	More compact development can support a wider variety of retail and services, and make walking to these services easier
Average Journey to Work Time	28.5 Minutes	22.7 Minutes	Shorter commutes lead to cost savings in gas and other transportation expenditures (and reduce emissions)
Cars per Household	1.7	1.7	Car ownership rates can be influenced by local income levels, and by where you live

### SCAG Composite Score Platinum Triangle Current Scores

Transit Service:	7.5	of 10
Walkability:	7.0	of 10
Land Use Mix:	7.1	of 10
Overall Neighborhood Rank:	7.2	of 10

Source: Fregonese Calthorpe & Associates

## LESSONS LEARNED

### **Long range planning enables localities to consider options that may not seem feasible in the short-term.**

The concept of The Platinum Triangle has required local policymakers to envision a completely different set of land uses and circulation patterns than currently exist in the area. Many implementation issues remain unresolved – such as securing funding for a rail-based circulator system – but the City recognizes the long-term nature and vision of this plan and understands that circumstances will evolve as The Platinum Triangle is built-out over time.

### **Zoning for a mix of uses can help projects sustain fluctuations in the market.**

There is concern that in the recent housing downturn, development in The Platinum Triangle will stall. However, the area maintains a balance of ownership residential, rental residential, office, and retail projects that will be phased in as the market allows. While work on ownership projects may have slowed, the rental housing market is entering resurgence and the office market in Anaheim continues to be strong.

### **Understand the bigger picture implications of new development.**

By establishing the vision for The Platinum Triangle in the context of its General Plan update, the City was able to consider bigger picture goals and issues as part of the process. The City had experienced much faster population growth than housing growth, suggesting a significant need for new housing. The City was also able to consider its economic future, realizing that the industrial area known as “The Canyon” was a much more economically viable industrial area than The Platinum Triangle, and thus conversion to office and residential uses would not have an adverse effect on its economy.

### **Public-Private partnerships can be applied in a variety of circumstances.**

The Platinum Triangle involves a complex set of negotiations and partnerships between the City, other public agencies, and private property owners or businesses. Historic and current examples of the public-private partnerships that have been applied in The Platinum Triangle include:

- Construction of a public stadium and lease to the Angels franchise;
- Financial contributions to the nonprofit-run Anaheim Resort Transit service from hotels and other benefiting private businesses;
- Requests for proposals and joint development on the City-owned parking lot adjacent to Angel Stadium;
- Future joint development partnerships in constructing ARTIC and adjacent private commercial development;
- Agreements between developers and the City to a Community Facilities District in order to collectively bond finance infrastructure improvements up front, rather than using a pay-as-you-go impact fee system.



## ACKNOWLEDGEMENTS

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# SCAG Region: Compass Blueprint Case Study

## Downtown San Bernardino



*Clockwise from top: an Omnitrans bus in downtown San Bernardino; pedestrians on E Street; the San Bernardino Metrolink station.*

*Photos by Strategic Economics, 2008*



**March 2008**

***Center for Transit-Oriented Development***



**STRATEGICECONOMICS**

A Project of



**SOUTHERN CALIFORNIA  
ASSOCIATION of GOVERNMENTS**



**COMPASS  
BLUEPRINT**  
building partnerships. serving communities.



## DOWNTOWN SAN BERNARDINO

The City of San Bernardino is the county seat of San Bernardino County and part of the Inland Empire, one of the largest, fastest-growing metropolitan areas in the U.S. While San Bernardino and Riverside Counties are known for their rapid, low-density, suburban growth patterns, many Inland Empire communities are now reexamining this growth model in the face of concerns about air quality and climate change and the growing demand for walkable, transit-accessible neighborhoods. San Bernardino is one City at the forefront of this trend, taking advantage of the growing interest in downtown living to draw new public and private investment into its historic core. The City’s downtown revitalization efforts are the subject of this case study.

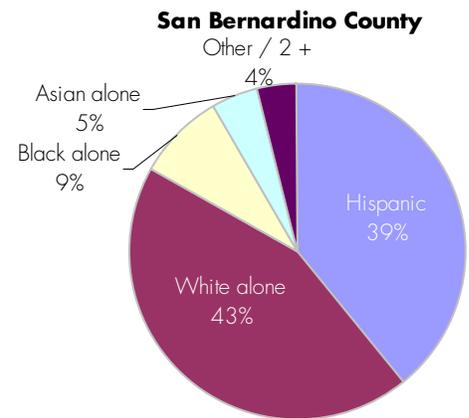
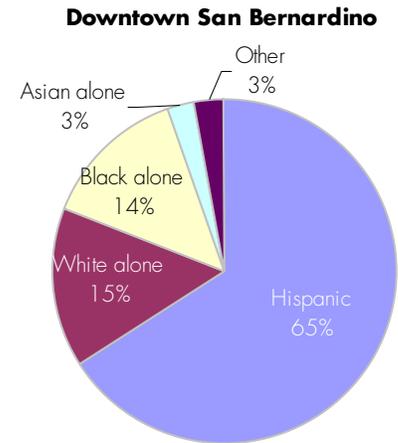
### LOCAL CONTEXT

In its efforts to revitalize the downtown, San Bernardino is capitalizing on a strong public sector employment base and high transit ridership rates. San Bernardino was once the economic and cultural heart of San Bernardino County, and although the City’s regional centrality has declined over the past 20 years, it remains one of the most important job centers in the region (Figure 2). As the county seat, San Bernardino is home to numerous local, state and federal government offices which draw 15,000 to 20,000 office workers a day into the downtown.

San Bernardino also has a historic commitment to public transportation. The San Bernardino Metrolink and Amtrak station, located just to the west of downtown, is the terminal stop on the most widely used line in the Metrolink system, which connects the City to downtown Los Angeles. San Bernardino is also served by local Omnitrans bus routes and a number of regional bus systems. In part because of San Bernardino’s lower incomes, the City’s residents take public transit to work more often than the rest of the county and own fewer cars. Public transit ridership is particularly strong in the downtown area (Table 1).

Downtown San Bernardino is poised to experience a renaissance in the coming decades, as a number of catalytic redevelopment projects and transit improvements are completed. The City is focusing on increasing homeownership opportunities, concentrating employment in the downtown, and engaging downtown’s ethnically and culturally diverse population.

**Figure 1. Ethnic Mix, 2000**



U.S. Census 2000

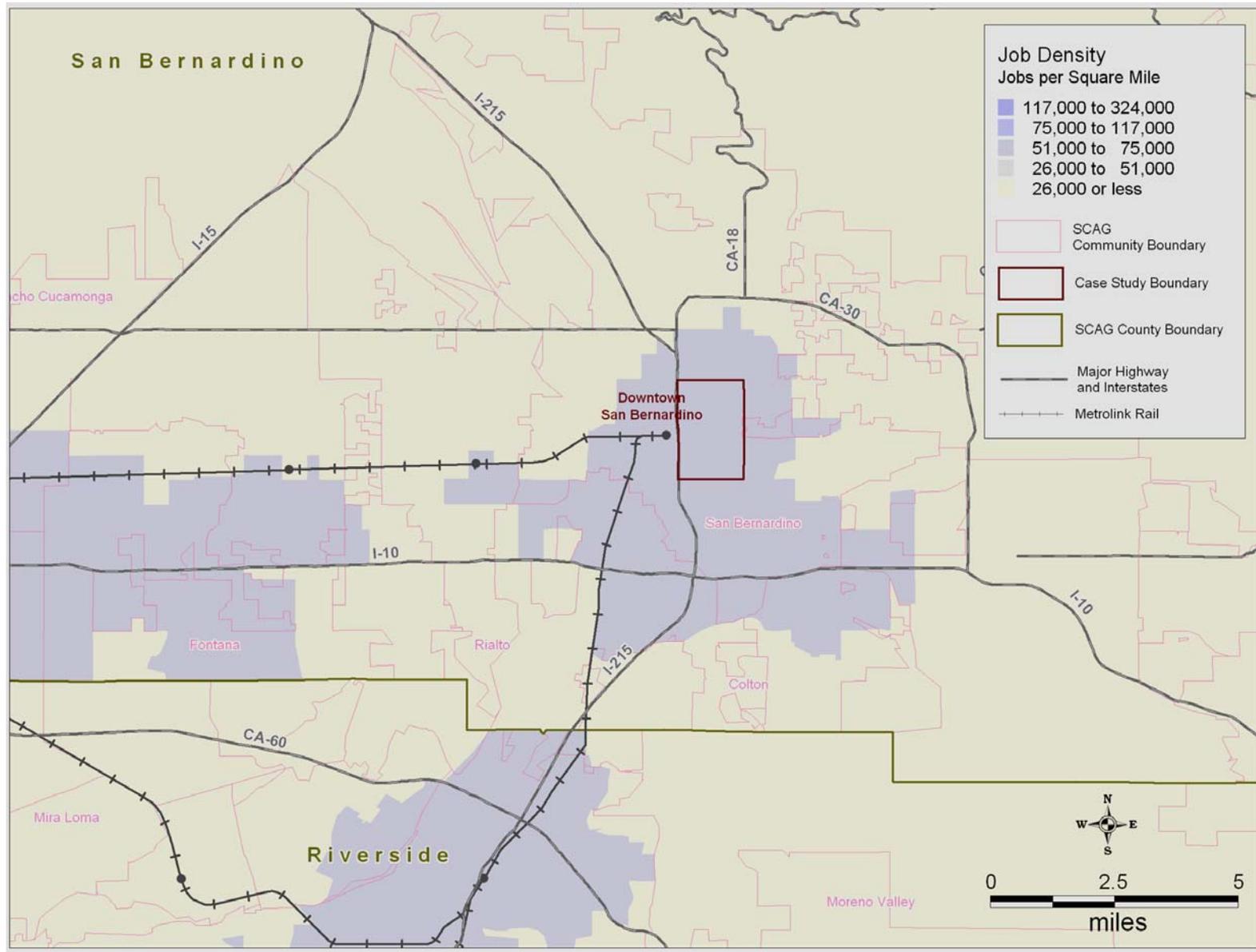
**Table 1. San Bernardino Transit Use and Demographics, 2000**

	Half-Mile Radius of E Street Station*	City	County
Households with no vehicles available	39%	10%	8%
Households living below the poverty level	37%	24%	13%
Workers 16 years and older using public transit	7%	3%	2%

Sources: SANBAG, Gruen Associates, 2007; U.S. Census 2000

\*The City, SANBAG and Omnitrans are planning to build the E Street Intermodal Transit Station downtown at E Street and Rialto (see “Partnering to plan for the future” section, below)

**Figure 2. Employment Densities in San Bernardino and Riverside Counties**



Source: Center for Neighborhood Technology

## REVITALIZING DOWNTOWN SAN BERNARDINO

While downtown San Bernardino has struggled over the past few decades and lost its dominance in the region's economy, it is now on the cusp of change. Civic leaders are drawing new investment into the historic core, taking advantage of a resurging interest in walkable communities and the growing "healthy cities" movement in the Inland Empire. A number of redevelopment projects and transit expansion plans are on the horizon, the fruits of the City's partnerships with a variety of other agencies and organizations, including SCAG, the Urban Land Institute, the San Bernardino Association of Governments (SANBAG), San Bernardino County and Omnitrans. As San Bernardino Mayor Pat Morris describes downtown's renaissance, "We have the bones of a major urban center, and we're building on those historic strengths. Downtown San Bernardino is on its way to becoming a largely New Urbanist community, with intensified land use and several thousand middle class workers living downtown."

Downtown San Bernardino covers approximately 2.5 miles of the city's center and is bounded on the west by I-215 (Figure 3). The district is part of the Central City Redevelopment Project Area.

## NEIGHBORHOOD HISTORY

In its heyday up through the 1970's, downtown San Bernardino was the civic, economic, and entertainment hub of the Inland Empire, a thriving business district that was home to government offices and surrounded by middle-class residential neighborhoods. Route 66 brought travelers directly through downtown and allowed hotels and large department stores to thrive. Locals cruised along E Street on Fridays and Saturdays.

Beginning in the 1960's and 70's, however, downtown began to change. As the Inland Empire rapidly expanded and suburbanized, Riverside and Ontario replaced San Bernardino as the region's major economic centers. Urban renewal projects tore down many of the historic buildings, disrupted the street grid, and replaced the one-time town center with the Central City Mall (now known as Carousel Mall). The economic downturns of the 1980's and 90's brought further disruption. Several major employers closed or relocated, and the construction of a new branch of I-15<sup>1</sup> through Ontario redirected traffic away from San

<sup>1</sup> The original eastern branch of I-15, which ran through San Bernardino, is now known as I-215 and forms downtown's western boundary (see Figure 3).

*"We have the bones of a major urban center, and we're building on those historic strengths.*

*Downtown San Bernardino is on its way to becoming a largely New Urbanist community, with intensified land use and several thousand middle class workers living downtown."*

*- Mayor Pat Morris*

**Figure 3. Route 66 Rendezvous**



Source: Stater Brothers Route 66 Rendezvous

Every year since 1990, the San Bernardino Visitors & Convention Bureau (SBVCB) has hosted the Route 66 Rendezvous, a four-day long classic car show that encompasses 37 downtown blocks. The event was conceived as an economic development project, and regularly draws 500,000 people.

**Figure 4. Carousel Mall Redevelopment**



Source: City of San Bernardino

The 45-acre Carousel Mall is one of downtown's largest and most central opportunity sites, and the City is focused on developing the property into a mixed-use center that will form the cornerstone of the downtown's revitalization process over the long-term

***“The challenge is not to go back to being a power center, but recovering our urban vibrancy and creating a mix of residential, business, institutional, and retail uses that coexist and contribute to each other’s successes. We need to create an environment where people want to live, and where they opt to walk and take public transportation ”***

***- Emil Marzullo, Economic and Community Development Advisor to the Mayor***

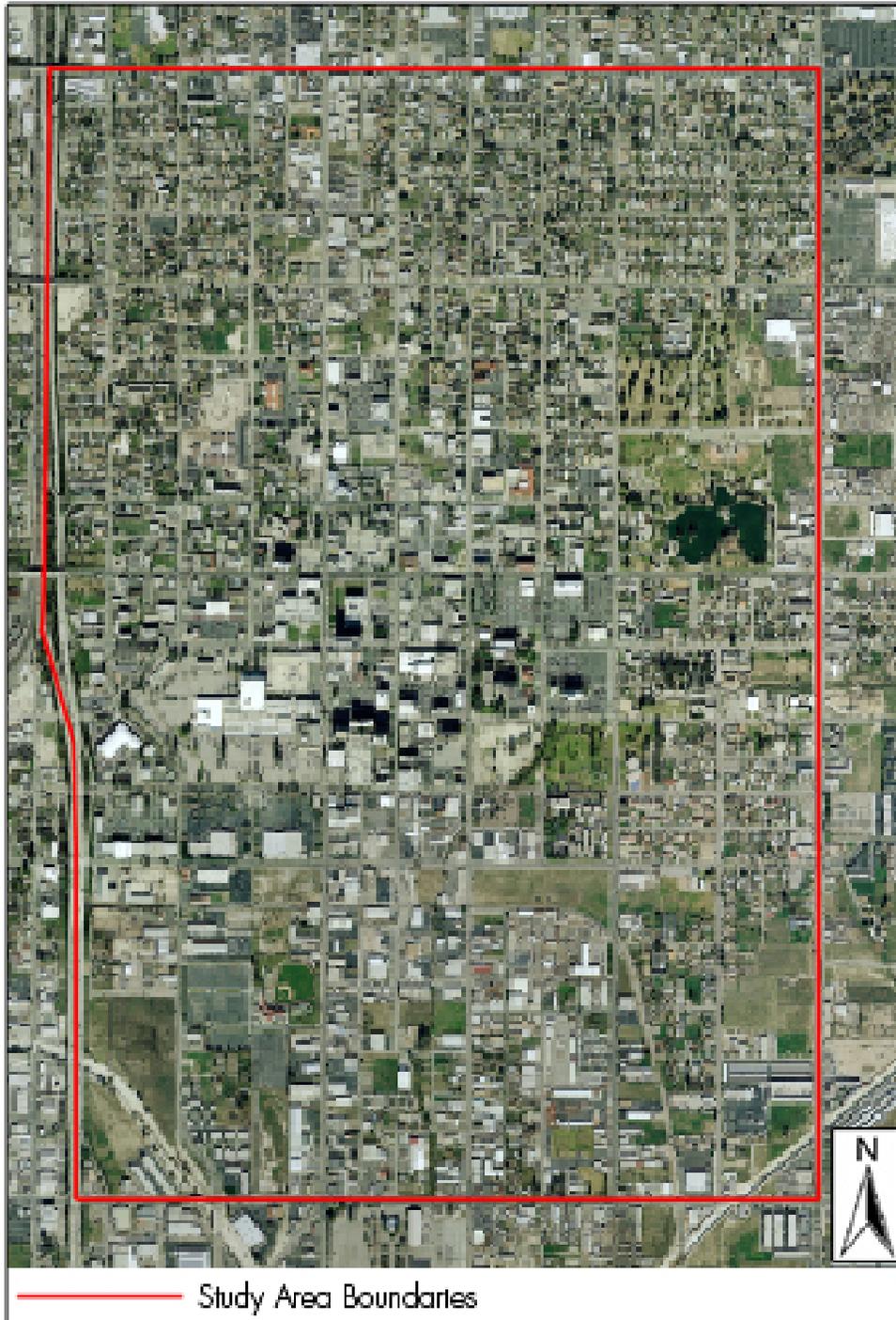
Bernardino. Meanwhile, the development of Hospitality Lane, a district of office buildings, retail, restaurants, and hotels several miles southeast of downtown along I-10, drew shoppers and businesses away from downtown and the mall. The real estate recession in the early 1990's resulted in the further devaluation of downtown property. As a result of the job losses and economic downturn, many homeowners sold or lost their houses.

Today, the city of San Bernardino is entering a new phase, reexamining its past and investing in its future. As Emil Marzullo, the mayor's economic and community development advisor, puts it, “The challenge is not to go back to being a power center, but recovering our urban vibrancy and creating a mix of residential, business, institutional, and retail uses that coexist and contribute to each other's successes. . . .” Downtown is already home to tens of thousands of stable, well-paying jobs, and the City recognizes that in order to achieve its goals, it needs to capture spending from these workers and create an environment in which people want to live, work, and play.

The City is focusing on redeveloping key opportunity sites, getting people out of their cars and into the streets and public transit, and building affordable, compact homeownership opportunities. The Economic Development Agency, San Bernardino's redevelopment agency, has already built a new minor league baseball stadium, renovated the historic California Theater, and partnered with developers to build affordable ownership and senior housing. Major upcoming projects include redeveloping the 45-acre Carousel Mall site, redesigning the 55-acre Seccombe Lake Park, and bringing major new office and educational uses into the downtown.

Partnerships play a crucial role in the City's plans. The City is working with the County to build a new, centralized county office complex, and with Omnitrans and SANBAG to build a new transit center, establish an express bus system, and extend the San Bernardino Metrolink line to include a new downtown station. To help refine its vision for the future, the City enlisted help from SCAG's Compass Blueprint Program and the Urban Land Institute Advisory Panel to study the area's potential. Both organizations released their reports in 2007, setting the stage for further, city-led planning efforts.

**Figure 5. Aerial View of San Bernardino Study Area**



Source: Southern California Association of Governments; study area delineated by Strategic Economics, 2008

## RECENT SUCCESSES

**Figure 6. Phoenix Center**



Source: City of San Bernardino

San Bernardino's new community center, serves as the headquarters of Operation Phoenix and a resource and activities center for local families.

### ABUNDANT WATER IN THE HEART OF SOUTHERN CALIFORNIA

The City of San Bernardino sits on one of the largest groundwater reservoirs in Southern California, the Bunker Hill Basin. Each spring, snowmelt and rainfall flow down from the San Bernardino Mountains in dozens of streams and rivers, recharging the aquifer. Over the City's history, many of these streams were channelized or diverted to underground pipes and culverts. Now, the City is discussing the prospect of restoring the streams and creating a linear park that would wind through downtown and into the surrounding neighborhoods, providing pedestrians and bicyclists with a beautiful way to travel through San Bernardino's historic core.

The City and Economic Development Agency's efforts to date, combined with recent planning efforts, have set San Bernardino's downtown on a course towards revitalization. Past successes include:

- **Attracting visitors and residents**
- **Creating affordable ownership and senior housing**
- **Partnering to plan for the future**

**Attracting visitors and residents:** Many of San Bernardino's efforts to date have focused on creating a more attractive downtown environment. Over the last decade, the Economic Development Agency has built or renovated several cultural facilities designed to bring more people downtown in the evenings and on weekends, including a new movie theater, a minor league baseball stadium, and the historic California Theatre, home of the San Bernardino Symphony and Theatrical Arts International.

Other efforts have centered on safety and appearance, such as streetscape improvements and new wayfinding signage. Most recently, Mayor Pat Morris has spearheaded Operation Phoenix, a crime reduction initiative that focuses on the neighborhood just to the north of downtown. As part of Operation Phoenix, the City has hired additional police officers and created new job training and afterschool programs (**Figure 6**). The program has been credited with reducing crime 38 percent between 2005 and 2006, and was recently labeled a model by the state's Director of Gang and Youth Policy.<sup>2</sup>

**Creating affordable ownership and senior housing:** One of the City's official goals for downtown is to "Provide incentives and strategies to promote home ownership . . . by encouraging infill housing and apartments to condo conversions."<sup>3</sup> In order to assist first-time, low-income homebuyers, the Economic Development Agency offers loans for down payments and closing costs. The loans are deferred with no monthly payments, and are forgiven if the owner remains on the property for a set number of years.

In addition to the mortgage assistance program, the City has worked to directly increase the supply of available ownership

<sup>2</sup> Richard, Chris, "State official praises San Bernardino's Operation Phoenix," *Press-Enterprise*, January 17, 2008; Operation Phoenix, "2007 Presentation to the Mayor and Common Council," [http://www.ci.san-bernardino.ca.us/depts/mayor/operation\\_phoenix/updates\\_and\\_news.asp](http://www.ci.san-bernardino.ca.us/depts/mayor/operation_phoenix/updates_and_news.asp).

<sup>3</sup> City of San Bernardino, "Mayor/Council Set 2007-08 City Goals," [http://www.ci.san-bernardino.ca.us/home\\_nav/city\\_goals.asp](http://www.ci.san-bernardino.ca.us/home_nav/city_goals.asp).

housing. The Economic Development Agency recently partnered with ANR Homes to replace several blocks of disinvested housing units in the Meadowbrook Park neighborhood, just east of downtown, with over 40 new affordable single-family homes. Over the last five years, the City has also built two affordable senior housing complexes.

***Partnering to plan for the future:*** By taking advantage of outside resources, San Bernardino has begun to plan for the future of its downtown. The most recent planning efforts began with the 2005 update of the City’s General Plan, which embraced smart growth principles for revitalizing downtown. The Plan laid out 13 strategies for the downtown strategic area designed to “encourage mixed use development and pedestrian friendly uses . . . adjacent to transit stops.”

Following the vision laid out in the General Plan, the City began working with other agencies and organizations to help generate more concrete strategies for transforming the downtown. In 2006, the City and County jointly requested that the Urban Land Institute’s Advisory Services Program assess the downtown’s development potential. The panel conducted a market analysis and reviewed existing plans for the Carousel Mall redevelopment and other upcoming projects. The final report<sup>4</sup> recommended strategies for attracting more residents and visitors, financing development projects, and leveraging leadership within the community and City.

Together, the City, Economic Development Agency, Omnitrans and the San Bernardino Association of Governments (SANBAG) are planning a new, intermodal transit station at E Street and Rialto Avenue, just south of the current Carousel Mall. The E Street Intermodal Transit Station will serve existing local and regional bus lines, as well as a new bus rapid transit system and a proposed Metrolink extension (discussed in the “**Expanding transit**” section, below). In 2006, Omnitrans published a final site selection report that proposed building 32 bus bays and 83,000 square feet of commercial space.<sup>5</sup> SANBAG followed in January 2007 with a study that examined the entire ½-mile radius surrounding the site and pushed for high-density, mixed-use development.<sup>6</sup>

### **Planning Timeline:**

2004 – San Bernardino Express (sbX) bus rapid transit system planning begins

2005 – General Plan update identifies principals for revitalizing downtown

2006 – Omnitrans releases site selection report for the E Street Transit Station

January 2007 – SCAG Compass 2% Blueprint and SANBAG release E Street Station Area reports

June 2007 – ULI Advisory Services Panel publishes report on downtown San Bernardino

2008 – Carousel Mall site sold to M&D Properties

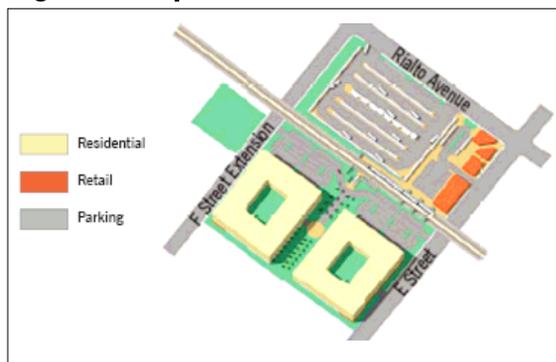
2010 – Estimated operational date for the first sbX line

<sup>4</sup> Urban Land Institute, “San Bernardino California: Crossroads of the Southwest,” June 2007.

<sup>5</sup> Omnitrans, “San Bernardino Transcenter Project Site Selection – Final Report,” April 2006.

<sup>6</sup> SANBAG, Gruen Associates, “Redlands Passenger Rail Station Area Plan,” Draft Report, January 2007.

**Figure 7: Proposed E Street Transit Station**



Source: SCAG, Compass Blueprint Program, January 2007

SCAG's Compass Blueprint Program, Omnitrans, and SANBAG have all created plans for developing the proposed station area into a transit village with various mixes of residential, retail, and office uses. The scenario illustrated above, the preferred alternative from the SCAG study, envisions 252 housing units, 31,000 square feet of retail, and over 100,000 square feet of open space.

***“I looked at SCAG’s  
Compass Blueprint Plan  
when I first came into  
office, and they got it  
right. We need to be smart  
in our development  
policies and create better  
mass transit down the  
spine of the valley.***

***--Mayor Pat Morris***

In the meantime, the proposed E Street Station was selected as one of SCAG's Compass Blueprint Program Demonstration Projects. The resulting study<sup>7</sup> examined the development potential of the station site and the surrounding area. The study recommended developing the station area with a mix of housing, retail and open space (**Figure 7**), and laid out a series of key next steps including rezoning, revising parking guidelines, and creating development incentives.

Most of these reports were finished at the end of 2007, and the city is now in the process of evaluating the results and planning next steps.

## **WHAT ARE THEY PLANNING?**

Downtown San Bernardino is on the cusp of major change, with many exciting new projects in the works. Ongoing efforts include:

- **Expanding transit**
- **Revitalizing key opportunity sites**
- **Increasing affordable homeownership opportunities**
- **Concentrating employment opportunities**
- **Engaging the community**

***Expanding transit:*** The City of San Bernardino is working with SANBAG and Omnitrans, the area's bus operator, to bring more residents, workers, and visitors downtown by increasing the area's transit accessibility (See Figure. Omnitrans has purchased the 13-acre site for the E Street Intermodal Transit Station, and Omnitrans, SANBAG and SCAG's Compass Blueprint Program have all proposed designs for developing the new station area into a mixed-use transit village with residential and retail space.

In addition to existing bus lines, the E Street Station will serve Omnitrans' new bus rapid transit system, the San Bernardino Express (sbX), and a Metrolink extension. The sbX project recently received initial approval from the Federal Transit Administration's Small Starts program, and the first line is expected to open in 2010. The first sbX line will travel along the E Street corridor, connecting California State University at San Bernardino in the north with the Loma Linda Medical Center in the south, and bringing students and workers through the core of downtown. Omnitrans is also considering an sbX corridor that would link downtown San Bernardino with the Fontana Metrolink station.

<sup>7</sup> SCAG, Compass Blueprint Program, "From Transit Station to Transit Village," January 2007

Meanwhile, SANBAG is leading the early planning stages of an effort to add a ten-mile light rail line to end of the San Bernardino Metrolink Line, adding seven new stations between San Bernardino and the University of Redlands. Currently, the line ends at the San Bernardino Metrolink Station, located approximately one mile east of downtown San Bernardino. The proposed Redlands Rail Extension would include a stop at the future E Street Intermodal Transit Station, making downtown San Bernardino a hub for travelers making their way across the region by rail, local bus, and express bus.

**Redeveloping key opportunity sites:** Another key component of recovering downtown’s vibrancy is replacing underutilized and vacant areas with uses that catalyze investment throughout the downtown. The scale of potential change in downtown San Bernardino is very significant. SANBAG’s 2007 station area plan found that over 25 percent of the land within ½ mile of the proposed E Street Station is vacant or industrial (**Figure 6**). These potential opportunity sites could accommodate as many as 8,900 residential units and 29,800 residents (**Table 2**), in an area where fewer than 2,000 people currently live.

The City has already identified several large-scale sites that have the potential to bring considerable change to the neighborhood. The 45-acre Carousel Mall is one of downtown’s largest and most central opportunity sites, and the City is focused on developing the property into a mixed-use center that will form the cornerstone of the downtown’s revitalization process over the long-term. LNR Corporation purchased the bulk of the property in February 2006 with the intention of developing a high-density residential and commercial project, but after the national housing market began to decline, proposed a lower density housing project that did not meet the City’s goals. The property was sold in January 2008 to M&D Properties, a company with experience in redeveloping shopping malls that is eager to incorporate the City and the community’s goals into its plans.

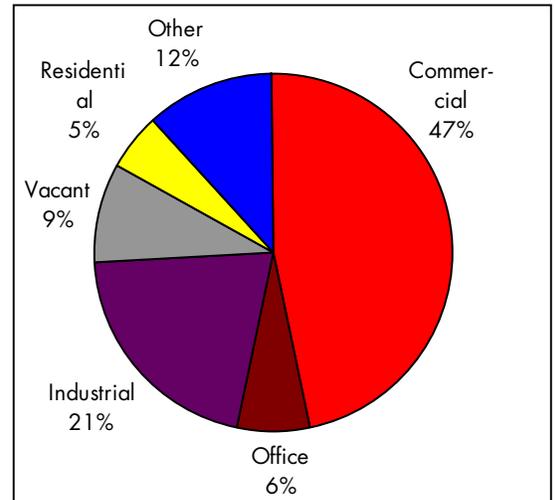
In the meantime, other redevelopment projects are moving forward. For example, the Economic Development Agency is in the process of acquiring and clearing several blocks for development near the intersection of 5<sup>th</sup> and G Streets, which has long been a high-crime area.

**Table 2. Development Potential within ½-Mile of the E Street Transit Station**

Potential population	29,800
Potential employment	27,900
Proposed dwelling units	8,900

Source: SANBAG, Gruen Associates, 2007

**Figure 8. Existing Land Uses within ½-Mile of the Proposed E Street Transit Station**



Source: SANBAG, Gruen Associates, 2007



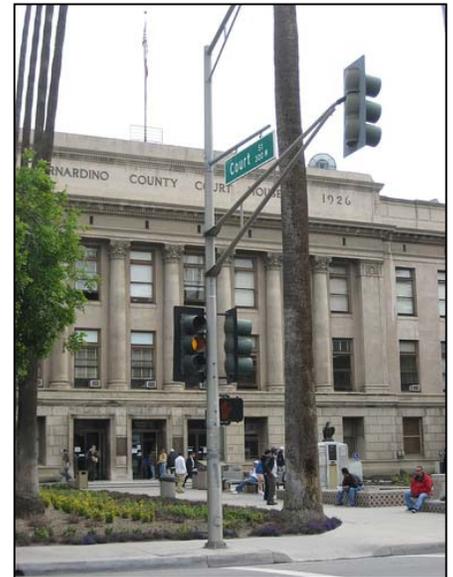
**Increasing affordable homeownership opportunities:** While some opportunity sites are being replaced with office and retail space, others will be used to address the need for affordable ownership housing. ANR Homes recently submitted a proposal to build 312 townhomes at the Seccombe Lake Park, which was once the jewel of the city’s park system but in recent years has become a haven for crime and homelessness. ANR also just completed 12 live/work lofts with ground floor commercial space, located a few blocks from city hall.

**Concentrating employment opportunities:** Various government and private employers are planning to build new office space downtown, and the City has encouraged them to concentrate their facilities around the proposed E Street Intermodal Transit Station. Although the plans are not finalized, San Bernardino County intends to build a \$400 million, 35-acre campus that will allow it to centralize its offices, and the State of California has allocated initial funding for a new, \$250 million justice complex on land donated by the City. These two projects have the potential to bring thousands more office workers into downtown, and to attract businesses that work closely with government offices – such as title companies, engineers, and attorneys – back into downtown.

In addition to these public sector projects, the Arrowhead Credit Union is moving forward with a 145,000 square foot office complex just south of the proposed transit station, and American Sport University is considering expanding its downtown facilities to serve up to 550 students. The increased concentration of office workers and students will both enhance the ridership base for the new sbX line and proposed Metrolink extension and boost the demand for new shopping and services in downtown San Bernardino.

**Engaging the community:** While downtown property owners, the San Bernardino Downtown Business Association and local, county, and state officials have all participated in the planning process for San Bernardino’s revitalization, engaging the broader community remains a persistent challenge. The ULI study recommended a number of strategies for soliciting community input, and the City and Economic Development Agency are planning several community outreach initiatives, including creating a citizens advisory committee, presenting at neighborhood council meetings, and adding relevant programming on the City’s public access television station.

**Figure 10: San Bernardino County Courthouse**



Source: Strategic Economics, 2008

San Bernardino’s downtown is a center for local, regional, state and federal government offices. A new county office campus and state courthouse will bring thousands of additional workers downtown.

# MEASURING SMART GROWTH: HOW DOES DOWNTOWN SAN BERNARDINO COMPARE?

**Figure 11. Housing Costs as a Percent of Income**



Housing Costs as Percent of Income

- 0 to 20%
- 20 to 30%
- 30 to 40%
- Greater than or equal to 40%

- Transit Hub
- MetroLink Station
- Bus Route
- Arterial Street
- Local Street
- Compass Blueprint Strategy Area

**Figure 12. Housing and Transportation Costs as a Percent of Income**



Housing and Transportation Costs as Percent of Income

- 0 to 35%
- 35 to 50%
- 50 to 65%
- Greater than or equal to 65%

Downtown San Bernardino enjoys significantly lower than average housing and transportation costs, compared to both the rest of the City and the SCAG region. Most of the savings come from low housing costs, which are in part due to the area's older, disinvested housing stock. The San Bernardino Metrolink station and Omnitrans bus system and downtown's small block size do, however, provide somewhat lower transportation costs than average. New residential growth occurring in the area will enhance the land use mix and further decrease transportation costs.

# MEASURING SMART GROWTH: HOW DOES DOWNTOWN SAN BERNARDINO COMPARE?

## Comparison of Current and Future Housing, Transportation, and Combined Costs

Downtown San Bernardino enjoys significantly lower than average combined H+T costs compared to the City as a whole and especially the County. These savings are mostly from lower-cost housing rather than from transportation savings.

	Downtown San Bernardino	City of San Bernardino	San Bernardino County
% Income Spent on Housing	13%	20%	25%
% Income Spent on Transportation	23%	25%	27%
<i>Combined</i>	<i>36%</i>	<i>45%</i>	<i>53%</i>

City of San Bernardino Housing and Transportation Rank Relative to Other Communities:

Housing Cost: 63<sup>rd</sup> of 338 (near Indio, Huntington Park, Lennox)  
 Transportation Cost: 143<sup>rd</sup> of 338 (near Duarte, Azusa, Lake Forest)  
 H+T: 70<sup>th</sup> of 338 (near El Monte, Van Nuys, Inglewood)

## Smart Growth Scores

### Smart Growth Factors Affecting Transportation Affordability

The table to the right shows some of the smart growth factors that affect the affordability of transportation, as reported above.

San Bernardino's transit connectivity is particularly high, and the small block sizes make the environment walkable. By concentrating more jobs downtown, building additional housing, and adding new transit options like bus rapid transit and a Metrolink extension, the City is projected to reduce the number of vehicle miles traveled per household every year by nearly 3,000 and increase the share of workers taking public transit to work from 10.5 percent to 13 percent.

	Average in the SCAG Region	Downtown San Bernardino	How to Read:
Block Size	27.5 Acres	10.8 Acres	A smaller block size provides a more walkable environment
Transit Connectivity Index	1,804	6,246	The greater the transit connectivity, the more likely it is residents will take transit, developers will build near transit, etc.
Land Use Mix Index	0.46	0.51	A greater mix of land uses enables local residents to access shopping and services without driving
Jobs per Square Mile in Nearby Areas	57,269	38,704	The closer a community is to jobs, the shorter the commutes. Shorter rides can also encourage commuters to use alternative transportation.
Households per Acre	6.5	6.0	More compact development can support a wider variety of retail and services, and make walking to these services easier
Average Journey to Work Time	28.5 Minutes	29.6 Minutes	Shorter commutes lead to cost savings in gas and other transportation expenditures (and reduce emissions)
Cars per Household	1.7	1.0	Car ownership rates can be influenced by local income levels, and by where you live

### SCAG Composite Score

#### Downtown San Bernardino Current Scores

Transit Service:	5.3	of 10
Walkability:	5.7	of 10
Land Use Mix:	6.3	of 10
Overall Neighborhood Rank:	5.8	of 10

Source: Fregonese Calthorpe & Associates

## LESSONS LEARNED

### **Downtown revitalization requires complex, long-term solutions.**

After years of pursuing isolated projects designed to attract new investment, San Bernardino is now taking a multi-faceted approach to downtown revitalization, focusing simultaneously on employment, housing, transit, and community engagement and considering the long-term impact of new projects like the Carousel Mall redevelopment. Assistant City Manager Lori Sassoon reflected, “Quick fixes don’t work. Building a movie theater or a stadium or redeveloping a mall is not going to be the panacea. Cities need to think about combinations of uses that will help things happen organically, over time.”

### **Mixed-use zoning is critical for creating a sustainable neighborhood.**

Residential, retail, office, entertainment, and civic uses are all crucial components of an economically healthy downtown. Emil Marzullo, the mayor’s economic and community development advisor, says that San Bernardino’s goal is to “have a mix of residential, business, institutional and retail uses that coexist and contribute to each other’s successes – I buy the house because it’s 5 blocks from work, I eat at the restaurant because it’s where I get out of work, I shop at the store a few minutes from home. Downtown’s economy cannot be sustained solely by a single use like government offices.”

### **Identify and take advantage of all your resources.**

Although San Bernardino is no longer the economic and cultural center of the Inland Empire, the downtown has many assets that the City is leveraging to help trigger a renaissance. For example, the City is making use of its uniquely abundant water resources by considering the creation of a linear park. The City is also taking advantage of its position as the county seat, working with the County and State to bring back government jobs that have dispersed across San Bernardino over the years. And whereas many historic downtowns have small parcels that are difficult to assemble and redevelop, San Bernardino is able to capitalize on the many large opportunity sites that have resulted from the city’s industrial railroading past (such as the largely vacant land at the future site of the E Street Transit Station) and previous redevelopment efforts (such as the Carousel Mall site).

### **Consider partnering with regional organizations.**

Many governmental and non-governmental organizations offer planning expertise and other resources to cities looking to reinvest in their downtowns. San Bernardino has partnered with SCAG, ULI, SANBAG and Omnitrans to plan for the future, and worked closely with the county and state to bring in new employment. These partnerships have helped the City play a central role in regional transit expansion and leverage its investments.

## ACKNOWLEDGEMENTS

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