

Platform

Building the New Transit Town

EDITED BY GLORIA OHLAND NOVEMBER 2008



There's growing consensus that we need to rethink America's transportation investments.

Hey Ho, Let's Go!

As I'm writing this message, the national election is just days away, and at least in my small part of the world there is a palpable feeling that change is coming. Of course, the presidential election is no small thing. But in reality, I see a shift that is far more significant than national politics – attitudes are changing. More people seem to be talking about living simpler lives, about being part of the solution to climate change, and about accepting that many of the assumptions we've made about what constitutes the American Dream need rethinking.

Here are some informal indicators that "our issues" are now "America's issues":

- A house for sale on my way home from work has a sign that reads: "WalkScore 75!" This is in reference to the website that lets you see how many destinations are within walking distance of any address. Walkable urbanism is now a selling point.
- A recent poll for the National Association of Realtors found that only 23 percent of Americans believed building more roads was a good way to combat traffic congestion, while 75 percent believed improving public transportation and being smarter about development was a better idea.
- A recent *New York Times* Style section story showed hipsters defining their identity by their choice of bicycle (it's no longer all about the car!).
- All signs point to stable, if not rising, home values in neighborhoods with transit connectivity – in sharp contrast to the shocking foreclosure rates and short sales in car-dependent suburbs.

- CTOD's Housing + Transportation Affordability Index has changed the discussion about the benefits of transit-oriented development (TOD), showing that people who live in neighborhoods with transit spend two-thirds less on transportation than those in neighborhoods where every trip must be made by car.

By Reconnecting America CEO Shelley Poticha

- Transit ridership is at a 50-year high and many agencies can't keep up with demand given the spike in fuel prices.
- When my husband and I took the subway to a fancy banquet in San Francisco recently, the other guests made comments like "Cool! I wish we'd thought of that!"

I know. This isn't a scientific analysis. Yes, I know the economy is tight. Yes, it may just be pre-election excitement. But I don't think so. I believe that it is becoming apparent that the messages we've been expounding – about the value of urbanism linked with transit, about the economic, energy, health and climate benefits of TOD, about the growing demand for significantly more investment in transit, walking and biking infrastructure – are now front-and-center in the minds of Americans and in the minds of policy-makers at all levels.

It seems to me as if the seeds we've sown are coming to fruition – at just the moment when America is ready. "Our" issues are no longer a sideshow; we are one of the main events. Our time is here and it is our responsibility to seize it.

This newsletter highlights recent work by the Center for Transit-Oriented Development, a partnership of Reconnecting America, the Center for Neighborhood Technology and Strategic Economics. We are focusing on providing resources for those who are making the case for TOD and we are providing tools for implementers. We have a strong and growing library of material to help convince skeptics that TOD is a win-win strategy that generates green jobs, helps reduce our dependence on oil, and helps us build communities with lasting value. This includes a wealth of materials that identify specific techniques for tailoring the principles of TOD to local conditions. We all need to become TOD advocates and experts if the next generation of TOD is to live up to its promises.

Transit-oriented development provides many of the answers to the challenges of these times. As practitioners, policy-makers and advocates, let's make our way the new reality. Hey ho, let's GO!

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NEWS *From The Frontlines*

UNITED STATES — In July the U.S. Department of Transportation said Americans drove 62.6 billion fewer miles in the nine-month period since November 2007 compared to the previous year. At the same time, transit ridership is up 11 percent, and in July Amtrak carried more passengers than in any single month in its history. As part of a new plan to improve intercity passenger rail service nationwide, U.S. Transportation Secretary Mary E. Peters announced that DOT will provide \$30 million to match local investments in 15 rail capacity enhancement projects that will reduce delays and expand capacity on existing intercity passenger rail routes and help establish new service where none exist today. (U.S. Department of Transportation, Sept. 30)

UNITED STATES — These ought to be great times for Amtrak, which will carry 2.2 million more passengers in 2008 than 2007, with trains running at almost full capacity and ticket revenues up 16 percent over 2007. But without a huge influx of federal dollars and a new national rail policy the peculiarities and penury of America's passenger rail system will continue. Amtrak is up for reauthorization, however, and the U.S. House has passed a bill providing \$15 billion for passenger rail over five years, including a modest increase for Amtrak. California, North Carolina, Illinois, Washington and Wisconsin are all anxious to get the money. Those states subsidize Amtrak, partner with the freight railroads, and purchase

their own trains. (Next American City magazine, americancity.org, Sept. 16)

UNITED STATES — A new nationwide survey by the HNTB Companies finds that 11 percent of adult Americans say they used public transportation more this year than last, and 16 percent say they expect to use it even more next year. Nearly one in three of those surveyed (32 percent) said the biggest motivator was high gas prices. Conventional wisdom holds that Americans won't give up the convenience of their cars, but the survey found the second biggest motivator was convenience (14 percent). Avoiding traffic was a distant third (5 percent), followed by concern for the environment (4 percent). The survey found more than twice as many men as women, and twice as many young Americans as older Americans, use public transit. (PRNewswire, Oct. 7)

SACRAMENTO — California Governor Arnold Schwarzenegger has signed a landmark bill allowing the state to use its annual \$5 billion pot of transportation money to reward regions that embrace compact residential development. Under Senate Bill 375, the California Air Resources Board is charged with coming up with regional targets to reduce GHG emissions by September 2010. The legislation relaxes CEQA requirements for housing projects that meet GHG reduction goals, providing homebuilders with an incentive to build at higher-densities near transit. Under a bill passed in 2006 the state must reduce emissions by 25 percent by

2020. (Sacramento Bee, Oct. 1)

UNITED STATES — Critics have long contended the Institute of Transportation Engineers' trip-generation rates underestimate the traffic benefits of both TOD and mixed use — leading to higher impact fees and higher project costs due to unnecessarily high parking requirements. Earlier this year two studies offered proof: A study by PB PlaceMaking and Reconnecting America's Center for TOD found that housing in 17 TOD projects across the U.S. generated 44 percent fewer trips, and a study from the University of Connecticut found that when uses are mixed, 24 percent less parking is needed. Three new studies are underway: Researchers at the Texas Transportation Institute and at the University of Maryland are studying trip generation at mixed-use development, while transportation consulting firm Kimley-Horn is studying TOD for Caltrans. (New Urban News, September 2008)

PORTLAND, OR — The Office of Sustainable Development is creating "20-minute neighborhoods" to cut down on greenhouse-gas emissions. Portland was the first large city in the U.S. to adopt a plan to cut emissions back in 1993; per capita emissions have dropped 16.2 percent since 1990. The 20-minute neighborhood is one where it is possible to walk to essential amenities and services within 20 minutes. This is already true in many of the city's urban neighborhoods. The city will try to bring other neighborhoods up to this standard through redevelopment, infill, less parking, and more transit service.

STOCKTON — The central California city of Stockton has agreed to reduce greenhouse gas emissions by encouraging downtown growth instead of allowing development to sprawl. The agreement also requires developers to provide financial and/or other support for transit. California Attorney General Edmund G. Brown Jr. brokered the agreement after the Sierra Club sued the city because the Draft Environmental Impact Report for its General Plan failed to outline how the city would mitigate greenhouse gas emissions. (Environment News Service and California Attorney General's office, Sept. 17)

UNITED STATES — A National Association of Home Builders lawsuit that sought to block a rule requiring developers to minimize traffic-related emissions in the San Joaquin Valley in California has been tossed out of federal court. Under the rule, adopted by the San Joaquin Valley Unified Air Pollution Control District in 2006, developers must reduce emissions caused by their projects by building near transit, by building sidewalks and bike lanes, or by paying a mitigation fee to help reduce emissions elsewhere in the region. (Recordnet.com, Sept. 20, 2008.)

SACRAMENTO — Long-time foes -- developers

For TODs, Medium Density May Yield Best Value

IN MANY URBAN locations, medium-density wood-frame buildings are more feasible and profitable than taller, higher-density buildings because of the rapidly rising costs of steel and concrete, according to an analysis by Strategic Economics of Berkeley discussed in the September issue of *New Urban News*. The good news, says Strategic principal Nadine Fogarty, is that higher-densities are more feasible in TODs because lower parking requirements reduce costs and better place-making — including high-quality civic spaces and attractive streetscapes — increases sales premiums. She says developments with a density of 25 units per acre — the density of townhouses — can

help establish a market and pave the way for higher densities in the future.

Construction costs rose more than 10 percent in 2006 and 7 percent in 2007. While wood prices have declined with the housing slump, concrete and steel costs continue to rise. According to a 2006 report by Strategic Economics for Houston, without place-making or reduced parking requirements the most profitable TOD project in that city was townhouses at 25 dwelling units per acre. Assuming a 12 percent profit, a developer would likely be willing to pay about \$740,000 per acre for land to build these townhouses. In contrast, the developer of a six-story building at more than 100 units per acre would have to

be subsidized at a rate of \$4.8 million per acre to make a profit.

However, a 20 percent sales premium for place-making changes the picture dramatically. With good place-making the most profitable TOD in Houston would pencil at 90 units per acre, and the residual land value — the point at which a developer can achieve standard profits — rises to \$2.2 million per acre. Medium-density townhouses are also considerably more profitable. Reduced parking requirements make a significant though less dramatic impact on land value. Strategic Economics is a core partner in Reconnecting America's Center for TOD.

Build For America

THE TRANSPORTATION FOR AMERICA coalition launched its Build for America initiative Oct. 15 at six events around the country, including events in New York City, San Francisco and Chicago. Reconnecting America and Smart Growth America co-chair the Transportation for America campaign. New York City Transportation Commissioner Janette Sadik-Khan, also Reconnecting America board chair, spoke at the New York City event, telling the audience: "America's transportation system is facing a perfect storm of huge costs, declining infrastructure, dwindling resources and dependence on foreign oil. While we're struggling just to fix and maintain our roads,



A growing chorus of voices is calling for investment in transit. Hillary Clinton and Janette Sadik-Kahn at a September press conference

Photo By Sarah Goodyear

our global competitors are building world-class transportation systems." In San Francisco, a spokeswoman for U.S. House Speaker Nancy Pelosi (D-CA) joined Reconnecting America CEO Shelley Poticha and other California coalition partners at a press conference, offering Pelosi's endorsement of the Build for America platform, which advocates more funding for transit and road repairs, and less emphasis on building new roads.

An Associated Press story covered the Build for America endorsements of Virginia Governor Tim Kaine, Pennsylvania Governor Ed Rendell, and former Maryland Governor Parris Glendening. The three governors called for a new federal transportation policy that invests heavily in public transportation as a way to create jobs, stimulate the economy and reduce dependence on foreign oil. The U.S. House passed an economic stimulus measure in September, and the Transportation for America coalition is working hard to make sure that the package includes as many transit as highway projects.

These endorsements come on the heels of calls for increased transit funding from Nobel Prize-winning economist and *New York Times* columnist Paul Krugman and U.S. Senator Hillary Clinton. Clinton introduced a measure in Congress in September that would provide an additional \$1.7 billion to help transit systems keep fares down and prevent service cuts.

and environmentalists -- have joined together to promote increased support for transit. The North State Building Industry Association and the Environmental Council of Sacramento say that meeting emission-reduction mandates will require denser housing developments closer to jobs -- but that this can only work if neighborhoods are served by high-quality public transit. Architect David Mogavero of Sacramento's Environmental Council and developer Michael Winn of the Building Industry Association board have agreed to come up with a list of transit funding ideas and say they will work with transit agencies to implement them. (Sacramento Bee, Sept. 10)

GAINESVILLE — Florida's Alachua County is considering scrapping its extensive roadwork expansion plans and focusing on bus rapid transit instead. The plan envisions a network of bus rapid transit lanes and stations along major corridors linking outlying areas to urban Gainesville. If adopted, the plan would be the first of its kind in Florida. County staff suggests paying for the dedicated bus lanes and bridges -- which would be restricted to buses, bikes and pedestrians -- with fees on new development and incentives for developers to build at greater densities and with a mix of uses. These include a first-ever "mobility fee," which would be higher for developments in car-dependent suburbs than in transit-oriented neighborhoods. (www.gainesville.com, Sept. 28)

NEW JERSEY — The nonprofit Tri-State Transportation Campaign has won funder support for a transit-oriented development grant program to support initiatives in municipalities interested in fostering walkable, compact development within a half mile of transit in New York, New Jersey and Connecticut. The grant program is supported by the One Region Fund, a partnership of private funders in the three states. (www.tstc.org, Sept. 25)

INDIANA — The executive director of the Hoosier Environmental Council says the real antidote to rising gas prices is not offshore oil drilling but a focus on bringing down personal transportation expenses. Jesse Kharbanda says businesses should promote transit and bike riding because shifting our view of the energy problem from a focus on gas prices to a focus on transportation expenses will expand work-force mobility, protect nature, build safer and more attractive communities and accelerate a new era of American innovation. (Indianapolis Star, indystar.com, Sept. 14)

NEW ORLEANS — A sizable chunk of this city's population lacks access to cars -- one in four, according to the 2000 census. But the diaspora of residents following Hurricane Katrina means the Regional Transit Authority lacks income from fare revenues and other resources needed to provide service. Since Katrina ridership has dropped 75 percent. The RTA and city agree that when and if the system expands, new routes will serve the 17 target

zones where developers can earn tax credits for building mixed-income communities and homeowners are eligible for city-sponsored buyers' incentives. (Next American City Magazine, Sept. 11.)

AUSTRALIA — Working families living on the edges of Australia's urban sprawl are generating 10 times more transportation-related greenhouse gas emissions than those living in the inner city, according to a new study by Parsons Brinkerhoff and Curtin University. Report co-author Peter Newman from Curtin University said the impacts of poor urban planning and transportation are overwhelming marginal gains from households switching to low-energy lightbulbs and driving fuel-efficient cars. The report estimates the net cost of inner city development to be less than half the cost of expanding the suburbs -- when the cost includes GHG emissions, infrastructure, transportation, commuting times and health costs attributed to increased levels of obesity reported in the suburbs. (The Australian Online Newspaper, Sept. 19)

DUBAI — Ken Livingstone, London's occasionally controversial but always colorful former mayor, has some advice for Dubai and Abu Dhabi: in order to become important global cities they must get rid of cars. Livingstone, the architect of London's congestion pricing plan, told the World Architecture Congress that huge financial centers such as Dubai "must recognize a modern financial district requires a majority of workers to use public transport." (The National, United Arab Emirates, Oct. 6)

SWITZERLAND — More than a blot on the landscape, urban sprawl is spreading rapidly into Switzerland's pristine alpine regions, according to a Swiss National Science Foundation study that used new techniques to map human settlement. Once uninhabited areas in the Jura and the Alps are almost all inhabited, and the Science Foundation warned that in the absence of countermeasures, sprawl will continue. Under Switzerland's decentralized decision-making system, the country's 26 cantons and 2,700 local authorities have authority over planning. (SwissInfo.ch, Oct. 8)

OAKLAND — The Metropolitan Transportation Commission and the Association of Bay Area Governments have released a series of five narrated audio tours of transit corridors and transit-oriented developments in the Bay Area, featuring interviews with the planners, developers and stakeholders who made it all happen. At www.mtc.ca.gov/planning/smart_growth/TODcast/

For Your Reading Pleasure: A Catalog Of Upcoming Publications

RECONNECTING AMERICA AND THE CENTER FOR TRANSIT ORIENTED DEVELOPMENT have been funded by Congress to promote best practices in transit-oriented development, and are releasing a large number of publications in the next few months to aid us in this effort. The following list of reports and books reflect Reconnecting America's and CTOD's interest in promoting mixed-use housing and the understanding that it can help leverage other TOD goals and benefits including promoting transit ridership and deepening affordability. It also reflects our interest in promoting more transit and transit-oriented development now – as our country faces crises in affordability, and in national and economic security, and given the need to address climate change. How can we ensure that our transit investments are effective in promoting ridership, development and economic and environmental benefits, and that the development around stations accommodates households of all income levels and ages? These are the questions pondered in the following publications. The Center for TOD is a partnership of Reconnecting America, the Center for Neighborhood Technology, and Strategic Economics.

Jumpstarting the Transit Space Race: How the New Administration Could Make America Energy-Independent, Create Jobs and Keep the Economy Strong

By Reconnecting America

An assessment of the demand for new transit lines and systems and the cost, in order to make the case for a greater transit investment and for leveling the playing field between transit and highways.

*White paper, 8 pages; published October 2008;
at www.reconnectingamerica.org.*

THE DEMAND FOR TRANSIT in the U.S. has never been greater, with ridership at its highest levels in 50 years and almost 400 new rail, streetcar and bus rapid transit projects proposed in large and small regions from Massachusetts to Hawaii. Americans took 10.1 billion trips on transit in 2007, saving 1.4 billions of gallons of gasoline – the equivalent of a supertanker leaving the Middle East every 11 days. This spike of interest in transit offers huge opportunity for the U.S. to reduce dependence on foreign oil as well as household transportation expenditures -- thus increasing both national and economic security.

The number of transit projects authorized to begin the federal funding process increased from 220 in 1998 to 331 in 2004. At least 64 new projects have been proposed in the four years since, with regions from Cleveland to Tampa to Baltimore proposing construction of entire rail and bus rapid transit systems. So many projects have been proposed that the total investment required would be at least \$248 billion – roughly the same amount allocated for both highways and transit in the last federal transportation reauthorization, called SAFETEA-LU. Billions more are needed to modernize existing transit lines in cities with older systems – including New York, Chicago, Boston, Washington, D.C., and Atlanta.

SAFETEA-LU allocated \$248 billion for highways and transit for the



Building a 21st Century
transportation system.

six-year period from 2004 to 2010. But the federal government spends about 80 percent of federal transportation funding on highways and just 20 percent on transit. A relatively small portion of transit's 20 percent is spent on the construction of new fixed-guideway systems – about \$1.6 billion a year in the last six years – while the rest is spent on maintenance and on buses. The federal government typically pays for half of total project costs. This means that at the current rate of federal investment it would take 77 years to construct all the proposed projects.

The paper notes that transit investment in the U.S. lags far behind that of countries such as China, India, England and Canada, and that federal transportation policy in the U.S. remains essentially unchanged since the 1950s, when gas was a nickel a gallon and President Eisenhower launched the interstate highway system. The paper concludes that because the era of cheap gas is over, today's new reality demands a reassessment of federal transportation priorities and a new course of action that results in a 21st century transportation system to keep us competitive in the global economy and to boost national and economic security.



New transit systems are exceeding ridership projections.

Destinations Matter: Building Transit Success

By Reconnecting America

This paper discusses how to improve the evaluation of transit project proposals, and the importance of connecting destinations.

White paper, 40 pages; to be published November 2008.

DECISION-MAKERS AT ALL LEVELS of government pay close attention to the effectiveness of public investments in transit, and effectiveness is most often measured as ridership. Ridership projections are key in determining whether a project will get funded by the federal government. But the complex movements of people within a region make accurate predictions difficult. Indeed, three of the most successful lines that opened since 2003 received only a medium-low rating from the Federal Transit Administration; under current rules these lines would not have been funded. Of 19 lines examined in this paper, seven exceeded projections, eight are on track to beat projections, two did not meet projections, and data for three was unavailable. This paper analyzes the performance of these lines to promote understanding of the factors contributing to a line's success.

Much of the problem with using existing travel models is that they are based on transportation and land use inputs at the regional scale, which don't accurately reflect the density of development that occurs around stations or the walkability of the station area. Neither do these models predict the ridership increases that may occur over the entire system once a new line is constructed and provides better access to more destinations -- thereby making the use of transit more appealing. Neither does the analysis reflect a nuanced understanding of the importance of connecting to destinations.

For example, it may be more "cost-effective" to build a line down an existing railroad right of way. But these corridors are likely to skirt residential neighborhoods and high-density regional employment centers, and therefore can result in disappointing ridership. It's also more cost-effective to build lines down the middle of freeways, but again, the lack of easy pedestrian access and a pleasant walking environment makes taking transit a far less appealing alternative.

As the title suggests, the study concludes that lines that link multiple regional destinations and housing opportunities appear to be the most successful in generating ridership. The paper recommends that the funding decision-making process take into consideration a fuller range of the factors that make a new line successful. This paper recommends and demonstrates a job center analysis, for example.

Transit-Oriented Development and the Potential for VMT-Related Greenhouse Gas Emissions Reduction

By the Center for Transit-Oriented Development

This study examines the transportation-related greenhouse gas emissions of households in a variety of transit-oriented locations in comparison to households in auto-oriented locations.

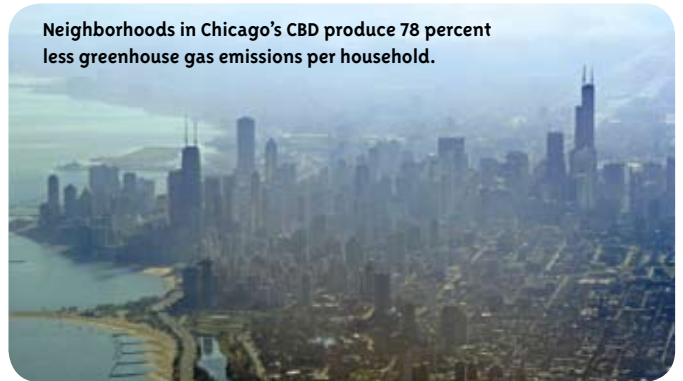
White paper, 45 pages; to be published in January 2008.

FOR ANY GIVEN HOUSEHOLD, the number of autos owned and vehicle miles traveled -- and, therefore, transportation-related greenhouse gas emissions -- is largely determined by location. This study examines the transportation-related emissions of households living in compact, mixed-use neighborhoods with good transit access in comparison to households living in more remote locations with no transit access. The conclusion: the households living near transit produce 43 percent less GHG emissions.

The study also compares the greenhouse gas emissions of households living in six different types of transit zones -- defined as the half mile radius around stations -- ranging from zones located in densely populated central business districts to zones in lower-density urban and suburban neighborhoods. The conclusion: The zones that are the most densely populated and are located in central business districts produce 78 percent less transportation-related greenhouse gas emissions, even though the total number of households in these transit zones is much higher.

Lastly, the study looks at the transportation-related greenhouse gas emissions produced in each of three regional growth scenarios for the Chicago region. The first is a business-as-usual scenario. The second is a scenario in which all population and employment growth within the city of Chicago is accommodated in the half-mile radius around stations, while population and employment growth in the suburbs is not. The third scenario accommodates all population and employment growth in both the city and the suburbs in the half mile radius around transit

Neighborhoods in Chicago's CBD produce 78 percent less greenhouse gas emissions per household.



stations. The conclusion: That the second scenario would result in a 23 percent reduction in emissions, while the third scenario would result in a reduction of 36 percent.

The methodology employed in the study was conservative and assumes no additional investment in transportation or reductions in automobile ownership. Clearly, developing at higher densities in the half mile radius around stations is a strategy that will significantly reduce transportation-related greenhouse gas emissions. This study is the first in an ongoing series of investigations by the Center for TOD into the impact of land use decisions and transportation investments on reducing greenhouse gas emissions.

Mixed-income neighborhoods are good but mixed-income TOD is better.



Mixed-Income Housing: Increasing Affordability With Transit

By the Center for Transit-Oriented Development

This "TOD 202" manual, one in an ongoing series of booklets on the theory and best practices of TOD, makes the case for mixed-income TOD and discusses strategies to promote it.

Booklet, 28 pages; published October 2008; downloadable version available www.reconnectingamerica.org.

THERE'S GROWING CONSENSUS that communities that provide housing for a range of incomes produce better economic, social and environmental outcomes for all residents. Mixed-income housing – whether provided within a single project or a neighborhood – makes it possible for all families to live near well-funded schools and good city services, with greater access to a wide variety of jobs and opportunities. This socio-economic diversity enhances community stability and sustainability. Just as important, we are beginning to understand that the mixing and mingling of people from diverse backgrounds and experiences promotes innovation by increasing the opportunities for people to share and combine ideas from different perspectives and transitions.

But while providing for a mix of incomes in communities is good, providing for a mix of incomes in transit-oriented development is even better: In addition to the increased affordability that comes from lower-cost housing, families living near transit can own fewer cars – or no cars – and drive them less, which provides even greater savings. Mixed-income TOD also offers the potential to simultaneously address the problems of worsening traffic congestion, rising gas prices, and concerns about climate change and the growing gap between rich and poor. And it helps support other TOD goals including promoting transit ridership.

However, we must act now. The supply of housing near transit isn't keeping up with demand, driving prices up and current residents out – even though they may be transit-dependent. If we develop only for the high end of the market around stations, this once-in-a-lifetime opportunity to enhance affordability could be lost. This TOD 202 manual makes the case for mixed-income TOD, and discusses the policies, programs and financing tools being used to build mixed-income housing around the country, with case studies and photos illustrating successful examples.

The Mixed-Income TOD Action Guide

By the Center for Transit-Oriented Development

This guide walks users through a three-step process to determine the strategies most effective for promoting mixed-income TOD in specific contexts.

White paper; 55 pages; to be published November 2008.

AS TOD PLANNING processes proliferate, there is a broader understanding that mixed-income housing supports many TOD goals including ridership, which has helped to boost interest in mixed-income housing. For the past two years the San Francisco Bay Area's Great Communities Collaborative has been working to ensure that local TOD planning efforts promote truly walkable communities for households of all income levels. This guide was created for the GCC partners, and "walks" users through a three-step analysis to determine the most effective strategies and tools for creating and/or preserving mixed-income housing in a particular place.

The first step involves collecting data on the community's demographics and economic and physical conditions (an inventory of the housing stock and land supply, for example). The second step involves a needs and opportunities assessment that will result from asking questions such as: Which populations are currently underserved? Is the housing market hot or cold? Is the emphasis on housing preservation or production, or both? And is affordable housing currently being built? These two steps help users identify their community with one of three scenarios, and for each a particular suite of strategies and tools is recommended.

In scenario one, for example, the underserved population is households who need affordable housing, the market is "warmer," the emphasis is on development not preservation, and important policies



TOD is coming to Lake Merritt outside downtown Oakland.

to promote mixed-income housing are missing. Communities fitting this scenario could benefit from inclusionary zoning, land-acquisition assistance including public land dedication and write-downs, and joint public/private development. The cost of housing production could be reduced through lower parking requirements, fast-track permitting, fee waivers, and appropriate regulatory requirements for small sites. Housing preservation is also recommended, by limiting condo conversions and offering first right-of-refusal to nonprofits or limited-equity co-ops that could purchase existing multifamily housing. Also recommended is targeted affordable homeownership assistance for current residents in transit districts, continued assistance for existing subsidized housing, and that steps are taken to ensure that Section 8 contracts don't expire.

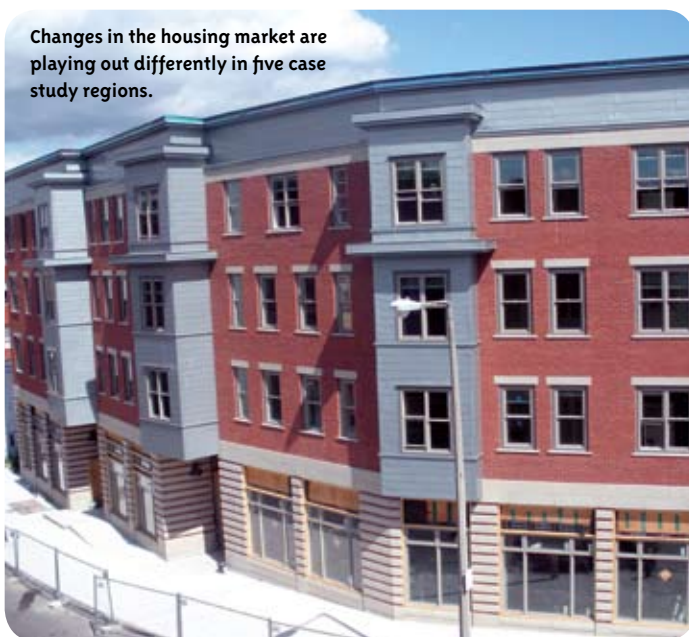
Realizing the Potential One Year Later: Housing Opportunities Near Transit in a Changing Market

By the Center for Transit-Oriented Development

This longitudinal analysis assesses the effectiveness of policies used to promote housing near transit in five case study corridors.

White paper, 90 pages; to be published November 2008.

LAST YEAR CTOD published “Realizing the Potential: Expanding Housing Opportunities Near Transit,” a report that looked at the different strategies being employed to promote mixed-income housing near transit in five transit corridors. In the year since the report was released, there have been a number of changes, including the national downturn in the housing market, the increased number of foreclosures and a tightening of credit. Meantime, new transit lines have opened, stations have been improved, and cities and



Changes in the housing market are playing out differently in five case study regions.

regions have gained an understanding of the effect that transit can have on planning for affordable housing. This follow-up report looks at how these changes have affected opportunities for housing in the five corridors in order to assess the effectiveness of the investments and policies.

The five case study corridors are: Boston’s Fairmount/Indigo commuter rail corridor; Charlotte’s South Corridor; Denver’s West Corridor; the Twin Cities’ Hiawatha Corridor; the streetcar corridor in Portland, Oregon.

The study finds that changes in the real estate market have played out very differently in each region, largely depending on the strength of the local real estate market, the incomes of people living in the corridor, and the fact that transit in each case was introduced into a very different context. But in all case study regions the decline in housing prices has not been substantial enough to meet the needs of working families, and the reduction in market-rate home prices has also made it more difficult for developers to use profits from market-rate units to subsidize affordable units. It’s also clear the slowing pace of development is enabling cities to catch up and define land use policies and regulations that will better prepare them for the next growth spurt. And the importance of land acquisition tools has become clear.

Among the recommendations in the report: Low-income housing tax

credits should do more to prioritize affordable housing near transit. Inclusionary zoning policies need to be flexible to respond to variations in the housing market. Land acquisition and joint development are complementary tools for encouraging new development. Jurisdictions should focus affordable housing resources on an entire transit system and not just at a few stations along one line.



Contracts covering almost 75 percent of privately owned HUD-assisted housing units near transit are expiring.

Preserving Affordable Housing Opportunities Near Transit to Foster Successful Aging

By Reconnecting America and the National Housing Trust

This report, done for AARP, discusses the finding that contracts on more than 70 percent of all privately-owned HUD-subsidized housing units near transit are due to expire in 2014.

Report, 40 pages; to be published November 2008.

LOCATING HOUSING near transit can provide a significant savings for the people who live there. A study by the Center for Transit-Oriented Development found households in transit-oriented neighborhoods saved 16 percent on transportation compared to households in auto-oriented neighborhoods. The American Public Transportation Association reports the 2008 savings from taking transit instead of driving to be \$9,499 per household per year. This means that sites near transit are especially important locations for lower-income families and seniors because not only does the availability of transit deepen affordability but it makes it easier for residents to get to services and jobs.

This makes the results of this new report especially alarming: The good news is that this study finds there are 255,636 privately owned HUD-subsidized units within a half mile of existing or proposed rail stations in 20 regions – a number that increases dramatically when housing near bus lines with frequent service is included. But the bad news is that federal rental assistance contracts covering almost 75 percent of these units are due to expire before the end of 2014 – and nearly a quarter of this housing is designated for seniors. Once these contracts expire, the property owners can convert them into market-rate units, and because of the increased market interest in sites near transit it is likely that many of these affordable units will be lost.

The report concludes that policymakers at every level of government need to develop a more integrated approach to transit, housing, and the provision and location of community services and amenities. Among the recommendations: 1) Preserve existing affordable housing. 2) Prioritize sites near transit for the construction of new affordable housing. 3) Provide more transit to enhance affordability in more places. 4) Coordinate housing and transportation policies and investment to ensure a more sustainable and integrated approach to creating healthy communities.

Timing has a major impact on value creation and capture



Street Smart: Streetcars and Cities in the 21st Century

Edited by Reconnecting America

This book discusses how to plan, finance and build streetcar systems and includes case studies of the most robust new systems.

Book, 100 pages; an updated version will be printed in December 2008.

WE ARE REPRINTING this colorful and amply illustrated award-winning, coffee-table book, which is a how-to manual on planning, financing and building streetcar systems. Publication in November of 2006 coincided with a groundswell of interest in streetcars across the U.S., and all 5,000 copies were sold in a little over a year. This new edition will include an update on the outlook for funding under the next federal transportation reauthorization, a case study of the new Seattle streetcar, and an updated survey of planned streetcar projects and project sponsors with contact information.

Streetcars have had a difficult time getting funded under the federal government's new Small Starts program, because the federal funding process is set up to prioritize projects that move large numbers of people over long distances and result in "travel-time savings" — a key factor in the "cost-effectiveness" rating that determines whether a project will get built. Bus rapid transit projects have fared well using this criteria, but streetcars, because they are small and slow local circulators that typically serve a single district or neighborhood, are at a competitive disadvantage.

Nonetheless, cities continue to plan for streetcars as a tool to promote high-density mixed-use development in neighborhoods where people don't need a car, and project sponsors have been creative in finding funding. Half the money for the new Seattle streetcar, for example, came from the private sector. The Seattle streetcar opened in December of 2007 and is already beating ridership projections with 1,000 riders a day, even though most of the South Lake Union development that it was intended to serve hasn't yet been built.

The streetcar book tells the success story of the Portland streetcar, which stimulated interest in streetcars across the country, and includes case studies of Tampa, Little Rock, San Francisco and Kenosha, Wisconsin. There are chapters on planning for private investment and for pedestrians, on financing strategies, travel impacts, economic development and the use of developer agreements to leverage public benefits, and on system design, cars, car barns and operations.

Capturing the Value of Transit

By the Center for Transit-Oriented Development

This report discusses value capture opportunities and strategies, and whether some of the value that will be created once transit is built can leverage private investment to pay for the construction of new lines and stations.

Report, 30 pages; to be published in December 2008.

DURING THE PAST DECADE it has become increasingly clear that the presence of transit can increase property values as well as create valuable development opportunities. In this era of constrained transit funding and widespread demand for new and expanded transit systems, policymakers, transit planners and elected officials are increasingly interested in capturing a portion of the increased value to fund transit infrastructure or related improvements. But confusion abounds. Where does the value come from? What is the best way to measure it? And, most importantly, what is the best way to capture this value?

It's no wonder transit agencies are intrigued by the concept of value capture. Rising construction costs and competition for scarce federal dollars make it increasingly difficult to fund transit construction and operating costs. But transit agencies aren't the only ones hoping to capture the increased value. Local jurisdictions need help paying for neighborhood improvements around stations, while property owners and developers are looking to maximize profits to offset the higher costs of complex transit-oriented projects.

This paper summarizes the findings of previous studies that measure the impact of transit on property values; discusses the roles of property owners and developers in various value capture strategies; offers examples of the tools currently being used by transit agencies to capture the value of transit to help defray capital costs; and provides a framework for thinking about what kinds of value capture strategies are possible in a given situation.

Among the report's conclusions: The most successful value capture strategies incorporate multiple tools and leverage existing resources. Timing has a major impact on the potential for value capture. The most appropriate value capture strategy depends on who owns the land. And the potential for capturing value is maximized when the value capture tools can be used in the entire area that benefits from the transit investment.

We are updating and reprinting our sold-out streetcar book.



Transit + Employment: Increasing Transit's Share of the Commute Trip

By the Center for Transit-Oriented Development

This TOD 202 manual, one in an ongoing series of booklets on the theory and best practices of TOD, discusses the commute trip and its impact on communities, and strategies to increase transit's share of the commute trip.

Booklet, 24 pages; published July 2008; downloadable version available www.reconnectingamerica.org.

THE DAILY COMMUTE is a fact of life for 90 million Americans. While some commuters value the “down time” this trip provides them, others experience financial, emotional and physical stress. The societal cost is also significant – the freedom and flexibility provided by the automobile exacts a high price in terms of environmental and climate impacts, infrastructure costs, accidents and injuries, and dependence on foreign oil. Rising gas prices make commuting by car a heavy personal financial burden.

A great deal of practical and academic activity in the past several decades has been devoted to understanding how land use can support robust transit ridership and realize transit's potential benefits. But to date most research and discussion has been about residential and retail development at stations. Clearly, in order for TOD to deliver the most riders for transit, the discussion about TOD needs to be more comprehensive, extending to considerations of where the people who live in transit-oriented development work, how they travel to work, and whether they'll need a car to get to meetings and to lunch once they're at work. The goal is an increasingly efficient and complementary land use pattern that provides more mobility and accessibility and that responds to consumer demand for fast, convenient public transportation.

This book discusses why the impact of the commute trip is greater than the numbers suggest, and how the commute mode determines the look and design of buildings. Also discussed is how transit's share of the commute trip is highly correlated with population and employment density, and how some jobs are more transit-oriented than others. The authors conclude there are five essentials for capturing commute trips by transit, and offer seven strategies for increasing transit's share.



The impact of the commute trip on communities is huge.

Philadelphia's rail stations are surrounded by auto-oriented uses.



Transit-Oriented Development in Weak Markets: Challenges, Opportunities, and Strategies for Success

By the Center for Transit-Oriented Development

This paper explains how TOD can be used to leverage economic and social benefits in weak-market cities.

White paper, 40 pages; to be published February 2009

THERE HAS BEEN A wealth of excellent research and strategy papers written about the issues facing older industrial cities, core cities, and weak markets in recent years. These reports have all eloquently addressed the challenges of revitalizing America's older industrial cities, including the impacts of decentralization, sprawl, economic shifts, and sustained regional inequalities (Fox and Treuhart, 2006); the potential of state-level policies to address the problems of decaying infrastructure and an eroding middle class that affect older industrial cities (The Brookings Institution, 2007); housing challenges in weak markets (Mallach, 2005); and the challenges of weak market cities and the promise of market-based strategies (Brophy and Burnett, 2003).

However, these reports have not explicitly addressed the role of transit and transit-oriented development in spurring revitalization and reinvestment. As more and more cities around the country look to transit to address regional traffic, health, and affordability crises, there is an opportunity for weak markets to use this renewed interest in transportation investments to leverage economic and social benefits in the form of revitalized economies and neighborhoods.

Most of the literature and practice of TOD has focused on locations where strong growth and development pressure can direct and leverage growth along transit, on the one hand, and also help address gentrification and displacement by providing subsidies for equitable development. Weak markets present unique challenges. Some of the strategies that work in strong markets are applicable, but some are not.

The paper concludes that:

- TOD can help address many of the challenges of weak markets.
- But weak market cities have a hard time stimulating market interest in TOD.
- Successful strategies for TOD require action at the scale of the region, corridor, neighborhood and site.
- Successful TOD strategies also require that the public and private sectors and the community reach consensus on goals.

It's Time to Invest in Transportation For America

By Reconnecting America Policy Director Mariia Zimmerman

CHANGE IS IN THE AIR: The climate is changing, political candidates are talking about change, the economy is changing in frightening and unforeseeable ways, and there is a growing recognition that we need to change the kinds of investments we make in our communities. Our economy is over a barrel, literally and figuratively. Americans want to reduce dependence on foreign oil, and are looking for ways to cut back on driving. We'd like to be able to walk and bike and take transit. But only 54 percent of households have access to transit, according to a 2005 survey by the U.S. Department of Housing and Urban Development and U.S. Census Bureau, and only 25 percent have what they would consider to be a "good option."

With so much on the line – both national security and personal financial security – now is the time to invest in a 21st century transportation system for a 21st century America. A new national coalition named Transportation For America has formed to demand a better transportation system – one that will keep us competitive in the global economy and make our communities more affordable and sustainable. This coalition is unprecedented in its breadth and diversity, and includes housing, environmental, public health, urban planning and other interests, and organizations ranging from the National Association of Realtors to the American Public Health Association to the American Institute of Architects to PolicyLink.

Reconnecting America is co-chairing the campaign with the national nonprofit Smart Growth America. The goal is to influence the debate over the next federal transportation bill, which Congress will take up next year. The last bill, SAFETEA-LU, authorized \$248 billion for highway and transportation projects over six years. Eighty percent of the money goes to highways; only 20 percent is for transit and for pedestrian and bicycle improvements. The federal government typically provides 80 percent of funding for highway projects, and just 50 percent for transit. The Transportation For America coalition is calling for parity in the way transit and highway projects are funded and planned.

The coalition isn't alone in calling for greater accountability for the hundreds of billions of taxpayer dollars that are invested in transportation projects, and asking that these investments be tied to national goals such as improving public health and safety, and lowering greenhouse gas emissions and household transportation costs. Earlier this year, a blue-ribbon panel convened by Congress to examine the status of our transportation infrastructure and the federal role in maintaining, expanding and financing it, strongly recommended that there should be a greater emphasis on building transit and intercity passenger rail.

America has invested in a stunning national highway system, but lags far behind other nations in building the transit and high-speed rail that would diversify and complete our national transportation system. Our transportation system is in crisis. In auto-oriented regions many working families now spend more on transportation than they do on housing, especially in those regions where families have to "drive until you qualify" in order to find affordable housing. Families who do have access to transit fare much better: The American Public Transportation Association estimates the 2008 savings from taking transit instead of driving to be \$9,499 per household per year – money that would pay for food for a family for an entire year.

APTA also says that public transportation already saves the U.S. 1.4 billions of gasoline annually, and a total of 4.2 billion gallons annually when one considers the savings due to the more compact, walkable growth promoted by transit. Properties in communities where people can walk and bike and take transit are also proving to hold their value relative to conventional suburban development in spite of the market downturn. In contrast, communities with the longest and most expensive commutes are seeing steep declines in housing prices, skyrocketing foreclosure rates, and little buyer interest.

America has a long history of visionary transportation investments that have left an indelible imprint on our landscape and world standing. Our canals, railroads, bridges, and highways have shaped settlement patterns and served as the backbone of our economy. While these investments have shaped who we are today, it is time now to demand the kinds of investments that will reduce transportation costs for families, reduce dependence on foreign oil, and reduce the threat of climate change. Please join us. Become a member of the Transportation for America campaign. To learn more about the campaign and the five-point plan to Build for America, please visit www.t4america.org.

Build for America is a five-point plan to get the economy moving by building transit.



**RUNNING
ON EMPTY**



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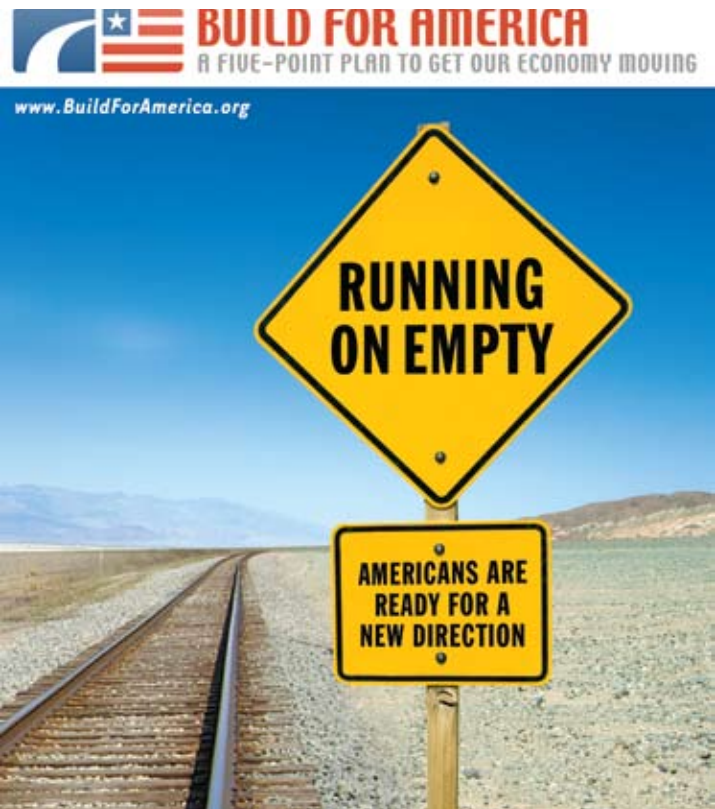
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