Reconnecting America’s Center for Transit-Oriented Development

- Creating a national marketplace for TOD, working with cities, transit agencies, developers, investors and communities.
- Non-profit research, policy, technical assistance initiative.
- CTOD is a strategic collaboration with the Center for Neighborhood Technology and Strategic Economics

http://www.reconnectingamerica.org
TOD = A Walkable Neighborhood

People within a half-mile radius are 5 times as likely to walk to a major transit stop than others. Those who live further from a transit node are less likely to bother with the train or bus.
TOD: What is it, Really?

TOD is development within a half mile of transit that delivers:

- **Walkability and Vibrancy**
- **Expanded Mobility, Shopping and Housing Choices.**
- **Financial Return and Value Recapture.**
- **Balance Between Place and Node**
- **Function, Not Formula**
TOD or TAD?

Transit-Oriented Development (TOD) or Transit Adjacent Development (TAD)?

- Majority of development at US transit stations not TODs
- TOD is still not allowed by zoning in most of US
- Not enough to be next to transit, must be shaped by transit

Cisco Systems TAD, San Jose
Streetcar TOD, Portland, OR
Scale of Opportunity

Two types of opportunities:

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

• **Joint Development**
  – On publicly owned land
  – Next to the station
# One Size Does Not Fit All: A Typology of Places

<table>
<thead>
<tr>
<th>TOD Type</th>
<th>Land Use Mix</th>
<th>Minimum Housing Density</th>
<th>Regional Connectivity</th>
<th>Frequencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban Downtown</td>
<td>OfficeCenter Urban Entertainment Multifamily Housing Retail</td>
<td>&gt;60 units/acre</td>
<td>High Hub of Radial System</td>
<td>&lt;10 minutes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urban Neighborhood</td>
<td>Residential Retail Class B Commercial</td>
<td>&gt;20 units per acre</td>
<td>Medium Access to Downtown Subregional Circulation</td>
<td>10 minutes peak 20 minutes offpeak</td>
</tr>
<tr>
<td>Suburban Center</td>
<td>Primary Office Center Urban Entertainment Multifamily Housing Retail</td>
<td>&gt;50 units/acre</td>
<td>High Access to Downtown Subregional Hub</td>
<td>10 minutes peak 10-15 offpeak</td>
</tr>
<tr>
<td>Suburban Neighborhood</td>
<td>Residential Neighborhood Retail Local Office</td>
<td>&gt;12 units/acre</td>
<td>Medium Access to Suburban Centers and Access to Downtown</td>
<td>20 minutes peak 30 minutes offpeak</td>
</tr>
<tr>
<td>Neighborhood Transit Zone</td>
<td>Residential Neighborhood Retail</td>
<td>&gt;7 units/acre</td>
<td>Low Access to a Center</td>
<td>25-30 minutes Demand Responsive</td>
</tr>
</tbody>
</table>
How Transit Shapes Regions

- In metro areas with transit, transit zones house 12% of the population on 1% of the land area.
- 14 million people and 6 million households live near fixed-guideway transit.
Car Ownership Rates are Lower in Transit Zones

- Transit Zones HHs own an average of 0.9 cars.
- Metro-regions HHs own an average of 1.6 cars.

<table>
<thead>
<tr>
<th>System Type</th>
<th>Total Metro Area</th>
<th>Transit Zones</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>1.7</td>
<td>1.1</td>
</tr>
<tr>
<td>Medium</td>
<td>1.7</td>
<td>1.2</td>
</tr>
<tr>
<td>Large</td>
<td>1.7</td>
<td>1.1</td>
</tr>
<tr>
<td>Extended</td>
<td>1.5</td>
<td>0.9</td>
</tr>
</tbody>
</table>

![Car Ownership Graph](chart.png)
Network Coverage Drives Performance of TOD

Four Transit Systems Shown at the Same Geographical Scale

- New York - Extended (962 Stations)
- Washington DC - Large (163 Stations)
- Cleveland - Medium (50 Stations)
- Denver - Small (30 Stations)
National TOD Database

- 3,341 existing fixed transit stations in 27 regions
- 630 additional stations in 15 regions with new systems
- 1/2 mile radii + metropolitan comparison
- Fixed Transit includes:
  - Subway and Heavy Rail
  - Light Rail Transit
  - Commuter Rail
  - Trolley and Streetcars
  - Bus Rapid Transit
QuickTime™ and a TIFF (LZW) decompressor are needed to see this picture.
What’s Going On? Why TOD?

- Traffic Isn’t Going Away..Ever!
- Transit is in a building boom.
- Demographics are Changing
- Consumers are asking for Livability, Choice, Affordability

Portland, OR
Lots of New Transit in the Works

United States Streetcar Projects

- **Existing Streetcar Systems**
- **Streetcar Systems Approved for Preliminary Engineering**
- **Streetcar Systems in Planning Stages**
- **FY 2007 Federal New Starts Projects**

**Sources:**
- Community Streetcar Coalition
- APTA Heritage Trolley Task Force
- Federal Transit Administration
TOD Responds to a Changing America

- Singles will soon be the new majority
- Old people will outnumber young people by mid-century
- By 2010 Echo Boomers will total 34% of the population
- Almost half the U.S. population will be non-white by 2050
- Demographic groups growing most quickly -- older, non-family, non-white households -- have historically used transit in higher numbers
TOD Responds to Changing Consumer Preferences

- Wall Street Journal: 2005 median sales price for condos tops price of single family homes for first time, 9th consecutive year of record condo sales
- Cover of *Dwell* magazine: “Small is the New Big”
- *Professional Builder*: 37% of households want small lots and clustered development
- *Business Week*: biggest homebuilders open infill divisions
- AARP: 71% of older households want to be in walking distance of transit
National demand for TOD will more than double by 2030

- Residential could grow from 6 million to 16.5 million households by 2025
- Regions with extensive and growing transit systems offer the greatest TOD potential.
- Growth is likely to be modest through 2010 and accelerate in later years as transit systems are constructed and expanded

**Projected Demand for Housing in Transit Zones**

- 2000: 6 million households
- 2005: 9 million households
- 2010: 12 million households
- 2015: 14 million households
- 2020: 16 million households
- 2025: 18 million households

**Households (Millions)**

**Years:** 2000, 2005, 2010, 2015, 2020, 2025
# TOP 10 METRO AREAS BY POTENTIAL DEMAND FOR TOD HOUSING

<table>
<thead>
<tr>
<th>Metro Area</th>
<th>Stations</th>
<th>Planned</th>
<th>HTOD2000</th>
<th>TOD HH/2025</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York</td>
<td>962</td>
<td>30</td>
<td>2,951,779</td>
<td>4,934,450</td>
<td>67%</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>124</td>
<td>40</td>
<td>332,919</td>
<td>1,751,841</td>
<td>426%</td>
</tr>
<tr>
<td>Chicago</td>
<td>418</td>
<td>9</td>
<td>816,351</td>
<td>1,447,012</td>
<td>77%</td>
</tr>
<tr>
<td>SF Bay Area</td>
<td>305</td>
<td>19</td>
<td>429,145</td>
<td>985,441</td>
<td>130%</td>
</tr>
<tr>
<td>Boston</td>
<td>280</td>
<td>7</td>
<td>417,393</td>
<td>839,500</td>
<td>101%</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>337</td>
<td>28</td>
<td>496,141</td>
<td>829,908</td>
<td>65%</td>
</tr>
<tr>
<td>Washington D.C.</td>
<td>169</td>
<td>9</td>
<td>252,227</td>
<td>650,417</td>
<td>158%</td>
</tr>
<tr>
<td>Portland, OR</td>
<td>110</td>
<td>22</td>
<td>87,465</td>
<td>269,074</td>
<td>208%</td>
</tr>
<tr>
<td>Dallas</td>
<td>54</td>
<td>23</td>
<td>57,017</td>
<td>264,532</td>
<td>364%</td>
</tr>
</tbody>
</table>
How Do We know We’re Successful?
It’s more than buildings

Del Mar Station, Pasadena
Challenges to TOD

- No Common Definition or Agreement on Goals and Outcomes
- Tension between Place-Making and Transit-System Needs
- Complexity, Time, Uncertainty, Costs.
- Transit Alone Does Not Drive Real Estate Investments
- Not Enough Sites, but Plenty of Money
- Few Incentives to Provide Mixed-Income Housing
Define TOD and Prioritize Activities
TOD is a District, Not a Site
Why A District Approach

- Creates Greater Critical Mass
- Allows Different Sites to Provide Different Functions
- Responds More Effectively to the Market
- District Connectivity Can Reduce Auto Dependency and Expands Transit Ridership
Techniques and Incentives for Implementing TOD Districts

Regulatory Techniques:
• Station Area Plans
• Framework Plans
• Relaxed parking standards
• Parking Management Tools
• Form-based zoning codes

Incentives:
• Relaxed on-site parking standards
• Park Once Programs
• Density bonuses (for affordable housing)
• Public funding for place-making amenities
• Land Assembly (public + private)
• Creative Placement of Commuter Parking
Recognize Transit’s Value

- **Dallas:** LRT $1B in development, $3.7B in economic activity, 32,000 jobs. (Source: University of North Texas)
- **Portland:** MAX $2.4B in new development value. Downtown Streetcar: $1.6B (Source: Tri-Met, Portland, OR)
- **Santa Clara, CA:** 45% premiums for TOD residential, 23% premiums for TOD commercial. (Source: Cervero, 2002)
- **SF Bay Area:** BART estimates that 50 mixed-use developments have been built or are under construction along the region's six rail systems, with double that number planned.
# The Value-Creating Power of Streetcars

## Streetcar Benefits to Investment

<table>
<thead>
<tr>
<th></th>
<th>Start of Service</th>
<th>Initial Track Miles</th>
<th>Initial System Cost Per Track Mile (Millions)</th>
<th>Initial System Cost (Millions)^</th>
<th>Development Investment (Millions)*</th>
<th>Return on Investment (%)</th>
<th>Expansion Planned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenosha</td>
<td>2000</td>
<td>2.0</td>
<td>3.00</td>
<td>6.00</td>
<td>150</td>
<td>2400.00</td>
<td>Yes</td>
</tr>
<tr>
<td>Little Rock</td>
<td>2004</td>
<td>2.5</td>
<td>7.84</td>
<td>19.60</td>
<td>200</td>
<td>920.41</td>
<td>Yes</td>
</tr>
<tr>
<td>Tampa</td>
<td>2003</td>
<td>2.3</td>
<td>23.04</td>
<td>53.00</td>
<td>1000</td>
<td>1786.79</td>
<td>Yes</td>
</tr>
<tr>
<td>Portland</td>
<td>2001</td>
<td>4.8</td>
<td>11.85</td>
<td>56.90</td>
<td>2300</td>
<td>3942.18</td>
<td>Yes</td>
</tr>
</tbody>
</table>

^ This represents the total costs of the project including maintenance facilities and in Tampa's case, land acquisition.

* This represents planned and existing development investments directly related to the lines. Numbers were through interviews in Little Rock and Kenosha, a development study in Portland, and calculations of new planned development located three blocks or less from the streetcar in Tampa.
## Capture Value to Create High Performing TOD

### Techniques
- Tax revenue growth -- sales, property
- Joint development of transit properties
- Tax increment financing/Special assessment districts
- Bulk Transit Pass Purchases
- Parking fee revenues
- Program Related Investments

### Uses
- Transit Facilities and Operations
- “Placemaking” Features
- Affordable Housing
- Local Services and Destinations
Know Your Local Market

Recent Developments Along Hiawatha Light Rail Line

Legend
- Hiawatha Light Rail Stations
- Hiawatha Light Rail Alignment
- Half Mile Radius
- Built, Under Construction or Planned Development

*Planned development locations are not precise

Source: City of Minneapolis, Center for Transit Oriented Development, Keyhole.
Housing Strategies

- Mixing Housing Types: Market Resilience
- Mix Price Points: Not all sites have the same strength
- Mix Unit Sizes: singles, couples, families
- Think long term to the next market cycle

Evanston, IL
Get the Details Right!

- Link “Access Priorities to Design
- Create Immersive Environments
- Always Think about the Consumer

16th Street BART

Tacoma, WA
Strategically Locate Parking

Fruitvale Transit Village/BART
Strategically Locate Parking

Fruitvale Transit Village/BART
Think Carefully about Retail

- Know your market: Transit riders don’t make retail markets
- Not all retail has to be at the station: Grocery stores generate substantial pedestrian trips, but need auto visibility
- Cluster regional retail at one or two stops
Address Income + Household Diversity Up Front

- 21% of all households in transit regions will have a potential demand for living near transit
- 58% of these households will be single person households
- 49% of the households with a potential demand for living near transit make less than $35,000 a year
- 30% of the households with a potential demand for living near transit make less than $20,000 a year

Hiawatha Line, Minneapolis
Transportation is the Second Highest Household Cost

Typical American Household Budget

- Shelter: 35%
- Transportation: 17%
- Food: 13%
- Insurance & Pensions: 9%
- Clothing and Services: 6%
- Cash Contributions: 4%
- Health Care: 4%
- Misc. Expenses: 7%
- Entertainment: 5%
- Health Care: 4%
Monthly Transportation Costs in the Twin Cities Region

<table>
<thead>
<tr>
<th>Community</th>
<th>Monthly Cost</th>
<th>Annual Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmington</td>
<td>$941/month</td>
<td>$11,292/year</td>
</tr>
<tr>
<td>Midway, St. Paul</td>
<td>$715/month</td>
<td>$8580/year</td>
</tr>
<tr>
<td>Midway, St. Paul</td>
<td>$561/month</td>
<td>$6732/year</td>
</tr>
<tr>
<td>7-County Region</td>
<td>$741/month</td>
<td>$8892/year</td>
</tr>
</tbody>
</table>

How Transportation Costs Stack-up in Four Twin-City Communities

- **Farmington:** $941/month, $11,292/year
- **Fridley:** $715/month, $8580/year
- **Midway, St. Paul:** $561/month, $6732/year
- **7-County Region:** $741/month, $8892/year
Reasons to locate affordable housing near transit:

- Residents use transit, thereby reducing cost of living
- Low income residents use transit more frequently than any other income group
- Developers can build less parking thereby reducing project cost and leave funds for affordable housing
- Developments have reduced traffic impacts
Challenges for Low Income Households in TOD

- Already being pushed to neighborhoods with low quality housing stock.
- Renters may be pushed out of Transit Districts as absentee owners sell and areas become attractive.
- TOD housing market is strong enough that developers don’t need to build full income diversity.
- Very low income renters are most at risk, as they are the most difficult to provide housing for and they are the most transit dependent.
Tools for Creating New Affordable Housing in TOD

- Count Housing + Transportation Costs
- Direct LIHTC to TOD
- Land Banking + Community Land Trusts
- Reduce Parking Requirements
- Increase Densities

Jameson Square in Portland’s Pearl District
PREMIUMS FOR HIGH FLOORS WITH DRAMATIC VIEWS CAN PAY FOR AFFORDABLE UNITS AND AMENITIES

Floors

Condominium Value At Each Height

$400-$500 PER SQ. FT.

$500-$600 PER SQ. FT.

$600-$800 PER SQ. FT.

$800-$1200 PER SQ. FT.

This slide courtesy of David Dixon, Goody Clancy, Boston
Tools for Preserving Affordable Housing in TOD

• Tax breaks for rental owners
• Downpayment Assistance for 1st time Homebuyers
• Rehab Revolving Loan funds
• Property tax exemptions for existing homeowners
• Land Trusts

CTOD
Consumer-Oriented Transit

- Coffee allowed on board
- Hangers for Dry Cleaning and Shopping
- Passes provided by Universities, Employers (and real estate developers)
- Timed Transfers
- Downloadable schedules to PDA’s
- Free WiFi
- Java-Based Bus Tracker

CTOD
Seattle, WA
Partnerships are Key to Success

- **Transit Agencies**: TOD-supportive alignments & station sites, strategic parking locations, linkages to surrounding neighborhoods, context-sensitive infrastructure investments.

- **Cities**: comp plans, zoning, design goals, community support, public investment, land assembly tools

- **Developers**: ready to accept the market and its changing dynamics, able to provide housing and retail options

- **Communities**: have a clear vision of what they want.

- **Lenders**: Will they step up to the plate and support the TOD product?

- **Regional Agencies**: Regional vision, implementation strategies that cut across jurisdictional lines, data
What Does it Take to Do Good TOD?

- Define Goals Upfront: The Vision
- Leadership!
- Partnerships
- Let the Market Lead
- Design for Pedestrians and Users
- Get the Planning Right at the Region, Corridor and Place and Project Scales
CTOD: Unlocking the Power of Transit-Oriented Development

• Pinpointing the Demand for TOD in Regions and Corridors
• Making TOD Easier by Removing Barriers
• Devising Innovative Implementation & Financing Strategies
• Educating Leaders, Developers and Practitioners
• Acting as a Clearinghouse for Best Practices

www.reconnectingamerica.org