

## Policy and Funding Tools for Creating Mixed-income TOD

- ⌘1) Inclusionary Housing
- ⌘2) Low-Income Housing Tax Credits
- ⌘3) Housing Incentive Programs

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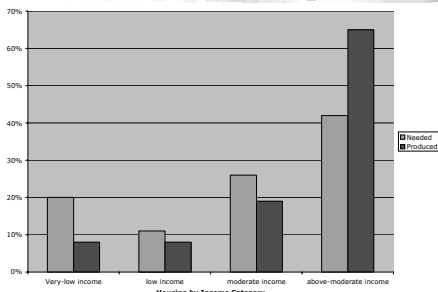
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## San Francisco Bay Area Housing

Housing Need vs. Production, 1990-2000



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## What is inclusionary zoning?

⌘A mandatory requirement or voluntary goal to reserve a certain percentage of housing units for very low, low and/or moderate-income households in new residential developments.

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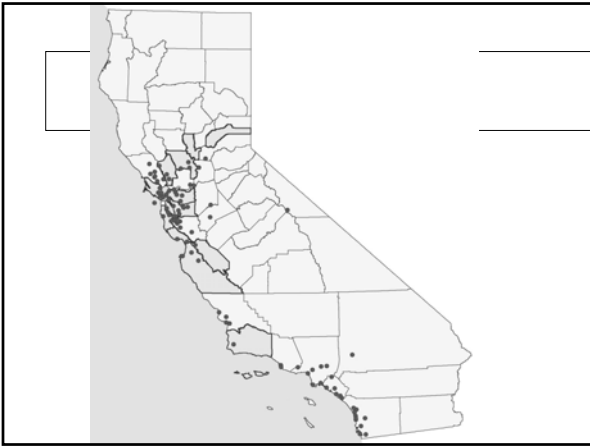
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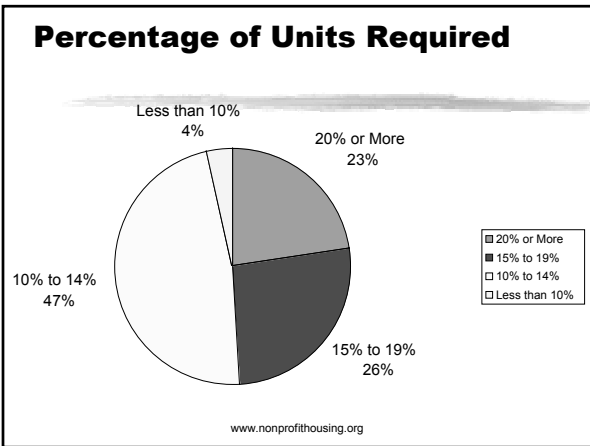
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### Income Targets

⌘ 48% of jurisdictions target homes to very-low income households

⌘ 87% of jurisdictions target homes to low income households

⌘ 76% of jurisdictions target homes to moderate income households

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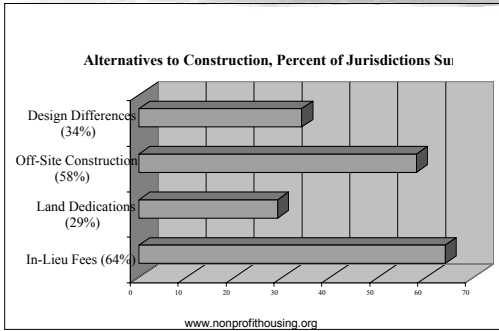
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## Alternative Compliance



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## Land Dedication: Davis Example



- 12 low-income rental units in 30-unit senior condominium project
- 8 For-sale affordable attached single-family houses
- 15 of 26 for-sale affordable co-housing townhouses
- 64 permanently affordable apartments

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## Popular Incentives

- ⌘91% offer density bonus
- ⌘45% offer fast-track entitlements
- ⌘43% offer subsidies
- ⌘40% offer design flexibility

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## Low-Income Housing Tax Credit (LIHTC)

- Available for both mixed income and 100% affordable deals
- Often combined with tax exempt bonds for mixed income projects
- TOD incentives: according to Global Green USA, 28 of the states have rewards or requirements for transit access

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## LIHTC eligibility

- ⌘ Rental Housing only
- ⌘ At least 20% of the units must be affordable to be eligible
  - Choice between 20% of the units at 50% Area Median Income (AMI) or 40% at 60% AMI
- ⌘ Credits only available for the affordable units

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## LIHTC Challenges for mixed-income

- For mixed-income deals, investors have different motivations than for 100% affordable deals
- For some markets, the market rents are not high enough to pass up on the credits
- Can be used more easily with side-by-side market and affordable projects
- More info: <http://www.enterprisecommunity.com>

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# Housing Incentive Program

- ⌘ Metropolitan Transportation Commission
- ⌘ Transportation for Livable Communities
- ⌘ Housing Incentive Program
- ⌘ Station Area Planning Grants
- ⌘ <http://www.mtc.ca.gov>

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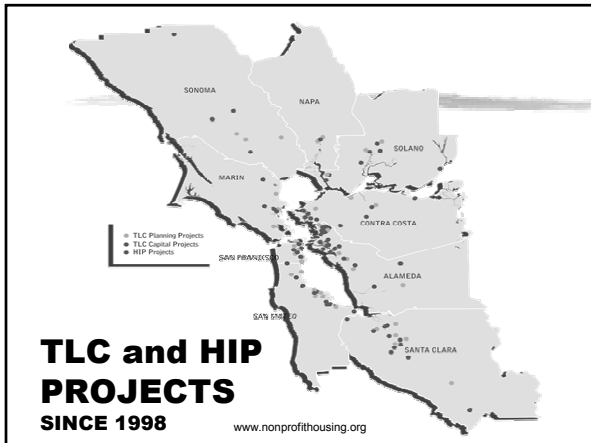
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## HIP Objectives

- ⌘ Increase housing supply
- ⌘ Locate new housing strategically
- ⌘ Establish supportive residential densities around transit



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## Allowable Uses of HIP Grants

- ⌘ Bicycle and pedestrian paths and bridges
- ⌘ On-street bike lanes
- ⌘ Pedestrian plazas
- ⌘ Pedestrian street crossings
- ⌘ Streetscaping
- ⌘ Traffic calming design features
- ⌘ Transit stop amenities

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## Eligible HIP Fund Recipients

- ⌘ Local government agencies are eligible
- ⌘ Housing developers may partner with a local government agency, but cannot receive the funds

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## Important HIP Deadlines

- ⌘ Housing Groundbreaking Deadline: 2 years to break ground on the housing project
- ⌘ Fund Obligation Deadline: 1 year thereafter to obligate the federal funds through the federal-aid process

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## Eligibility Requirement: Density

⌘ 30 units per  
acre  
minimum

North  
Counties:  
20 units  
per acre  
minimum

⌘ Based on  
net units  
per acre  
available to  
develop.



Example of approx. 50 units per acre

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## Eligibility Requirement: Proximity to Transit

1/3  
mile to  
the  
transit  
stop

1/2  
mile  
from a  
rail



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## Eligibility Requirement: Transit Headways

⌘ 15-minute headways during peak  
commute hours for transit

Northern Counties –  
Downtown Projects: 30  
minute headways

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**Eligibility Requirement:  
Planning Status of Housing Project**

⌘ Currently in the zoning and entitlement process with local jurisdiction

⌘ May not have received either a zoning permit or building permit

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**HIP & TLC Project**

**Fruitvale Transit Village**

One of first of new generation of Bay Area transit villages. Library, clinic, senior center, retail and 47 rental units in phase 1. Three hundred plus housing units in phase 2.

**Oakland  
Alameda County**

**TLC planning: \$47,000**

**TLC Capital Grant: \$2 million**



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