

Taking Advantage of the Opportunity: Tools for TOD



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Reconnecting America's Center for Transit-Oriented Development

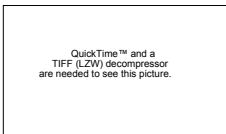


- Create a national marketplace for TOD, working with cities, transit agencies, developers, investors and communities.
- A collaboration with The Center for Neighborhood Technology, Strategic Economics, and real estate and transit experts
- www.reconnectingamerica.org

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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



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A Once-in-a-Generation Opportunity

- When transit systems were built in San Francisco, Atlanta, Dallas, and DC they didn't consider TOD.
- You have the chance to do more than move people.
- You can shape the livability and economic health of the region



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TOD: What is it?

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

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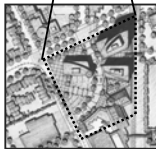
Development At Transit

Two types of projects:

- Transit-Oriented Development
 - Area w/in a 5 minute walk
 - Transit Villages / Town Centers/ urban infill / greenfield
- Joint Development
 - On publicly owned land
 - Primarily with rail systems



Santa Ana TOD



Santa Ana Joint Development

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TOD or TAD?

*Transit-Oriented Development or
Transit Adjacent Development?*

- 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, CA



Street Car TOD, Portland, OR

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Converging Trends Drive Demand for TOD

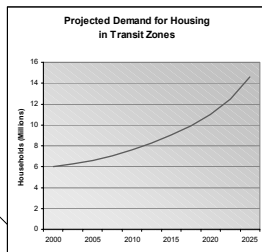


- Transit is in a building boom
- Urban and suburban reinvestment are on the rise
- Demographic changes mean that "who we are" is much more diverse than before
- Developers, investors and cities are recognizing that "place-making" creates value

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Demand for TOD by 2025 will more than double

- By 2025 demand TOD residential could grow from 6 million to 14.6 million households nationally.
- Regions with extensive and growing transit systems offer the greatest potential for TOD.
- Growth is likely to be modest through 2010 and accelerate in later years as more transit systems come on line.



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Significant Demand for TOD in Denver by 2025

	Number of Transit Stations	Class of Transit System	TOD Demand Capture Rate	Potential Demand for TOD Housing Units in 2025
Denver Today	27	Small Expanding	5%	45,000 in 2000
Denver with T-Rex & Fast Tracks	98	Medium-Large	12%-24%	144,200 to 288,400
Portland	17	Large Medium	28%	200,000
San Diego	12	Large	12%	174,000
Seattle	61	Small Expanding	7%	174,000

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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



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Metro Regions Including New Starts



How Does Denver Stack Up?

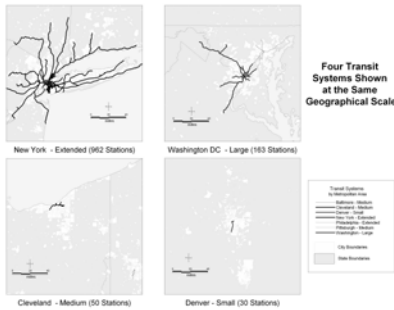
Compared with the region, TOD households:



- Are similar in size (2.5pp/hh)
- Have lower incomes (62% of regional average)
- Are mostly renters (64% vs. 33%)
- Own fewer cars (1.4 vs. 1.8)
- Walk, Bike or Take Transit to Work (31% vs. 12%)

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Network Coverage Drives Performance of TOD



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What Does it Take to Do Good TOD?

- Define Goals Upfront
- Partnerships!
- Let the Market Lead
- Design for Pedestrians and Users
- Get the Planning Right at the Region, Corridor and Place and Project Scales



Fruitvale Transit Village, Oakland

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At the Regional Scale

- Recognize the Value of TOD
- Address Affordability
- Support a Variety of Place Types



International Blvd, Oakland, CA

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The Value of TOD Leverages the Public's Investment



- Creates inexpensive ridership for transit
- Creates value for transit agencies, cities, citizens
- Shapes developer interest
- Can help finance the features that make TOD work

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Transit Attracts Private Investment

- **Dallas:** LRT \$800M 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)
- **Pittsburgh Busway:** 54 development projects valued at \$302 million. (Source: Port Authority of Allegheny County)



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Value Capture: Techniques and Uses

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

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TOD Helps Create Affordable Neighborhoods

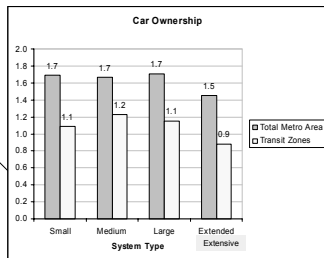
- Reduces transportation costs
- Helps build wealth
- Provides affordable access to jobs
- Can provide convenience if services are clustered.



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Car Ownership Rates are Lower in Transit Zones

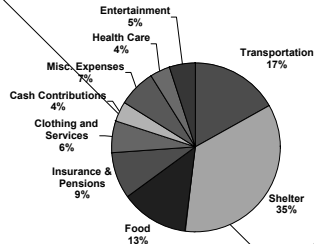
- Transit Zones HHs own an average of 0.9 cars.
- Metro-regions HHs own an average of 1.6 cars.



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Transportation is the Highest Household Cost After Housing

Typical American Household Budget



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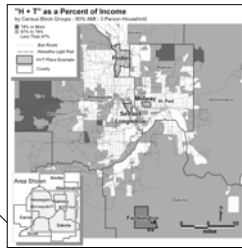
Comparing Affordability Indices

- Where can a 3-person household earning 80% of the Twin Cities AMI afford to live?

Considering only housing prices



Considering Housing prices and Transportation Costs

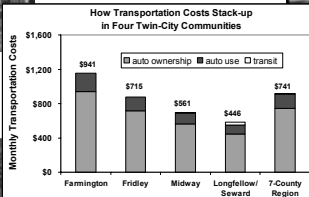


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Monthly Transportation Costs throughout the Region

Farmington
 \$941/month
 \$11,292/year

Midway, St. Paul:
 \$561/month
 \$6732/year



Fridley:
 \$715/month
 \$8580/year

7-County Region:
 \$741/month
 \$8892/year

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Tools for Affordable TOD

- Count Housing + Transportation Costs
- Help Renters become Owners
- Direct LIHTC to TOD
- Land Banking + Community Land Trust
- Reduce Parking Requirements



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One Size Does Not Fit All: A Typology of Places



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A Typology for TOD: Density and Service Levels



TOD Type	Land Use Mix	Minimum Housing Density	Regional Connectivity	Frequencies
Urban Downtown	Office Center	>60 units/acre	High	<10 minutes
Urban Neighborhood	Urban Entertainment Multifamily Housing Retail	>20 units per acre	Hub of Radial System	10 minutes peak 20 minutes offpeak
Suburban Center	Class B Commercial	>50 units/acre	Access to Downtown Subregional Circulation	10 minutes peak 15-18 offpeak
Suburban Neighborhood	Primary Office Center Urban Entertainment Multifamily Housing Retail	>12 units/acre	High Access to Downtown Subregional Hub	20 minutes peak 30 minutes offpeak
Neighborhood Transit Zone	Residential Neighborhood Retail	>7 units/acre	Medium Access to Suburban Centers and Access to Downtown	25-30 minutes Demand Responsive

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

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Techniques and Incentives for Implementing TOD Districts

Regulatory

Techniques:

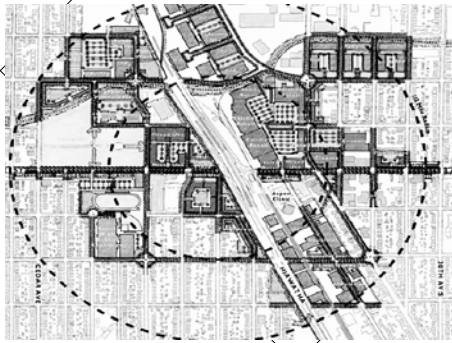
- Station Area Plans
- Framework Plans
- Relaxed parking stnds.
- Parking Management Tools
- Form-based zoning codes

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 Computer Parking

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Typical TOD Plan



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How Do You Get From A to Z?

A

Z



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Start with Opportunities and Work Toward Implementation



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Critical Factors in Assessing Opportunity in a Transit District

- Market activity/demand
- Large pieces of land
- Property owner interest
- Critical mass/anchors
- Use mix
- Transit/ Road Network/ Bike-Ped connections
- Political Will
- Capital
- Leadership (public and private)

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District-Wide Actions

District Action 1: Create District Connectivity/Infrastructure Open Space/ Public Realm Strategy.

District Action 2: Work with Hennepin County to expand streetscape improvements in station area.

District Action 3: Refine Current Zoning to Reflect TOD Overlay.



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District-Wide Actions

District Action 4: Create More Comprehensive Project Tracking Mechanism.

District Action 5: Formulate District-Wide Financing Strategy.

District Action 6: Investigate Coordinating and Targeting Programs for Small Businesses.



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Northeast Quadrant

NE Action 1: Develop Minnehaha Mall Area Special District Strategy.

NE Action 2: Address Environmental Concerns.



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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

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From Vision to Reality TOD in Arlington Co. Virginia (some final inspiration)

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Rosslyn-Ballston Transit Corridor, Arlington, VA

- Used Metrorail as catalyst for redevelopment of commercial spine
- Concentrated density and promoted mixed-use at five stations
- Preserved and reinvested in adjacent residential neighborhoods



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Rosslyn-Ballston: Results

- 73.3% of patrons walk to transit; over 58,000 trips daily; 38% of residents near stations take transit to work. Average County NH income is \$63,000
- 12% of Arlington County households don't own cars; regional average is 4% carless
- The R-B Corridor produces 32.8% of the County's real estate tax revenue from 7.6% of it's land area, allowing Arlington to have the lowest property tax of any major jurisdiction in Northern Virginia



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