

# *MIXED-INCOME HOUSING NEAR TRANSIT*

**Increasing  
Affordability With  
Location Efficiency**



One in a series of best practices guidebooks from  
The Center for Transit-Oriented Development

**ON THE COVER:**

North Beach Place, HOPE VI  
mixed-income housing, San Francisco

*Photo by Bob Canfeild/Courtesy of Bridge Housing*

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**The Center for Transit-Oriented Development** (CTOD) is the only national nonprofit effort dedicated to providing best practices, research and tools to support successful transit-oriented development. CTOD is a partnership of Reconnecting America, Strategic Economics, and the Center for Neighborhood Technology. CTOD also partners with national experts to conduct research, publish books and reports, and provide technical assistance to cities, transit agencies and regions.

**Reconnecting America** is a national nonprofit organization that is working to integrate transportation systems and the communities they serve, with the goal of generating lasting and equitable public and private returns, giving consumers more housing and mobility choices, improving economic and environmental efficiency, and providing concrete solutions to climate change and dependence on foreign oil.

**The Center for Neighborhood Technology** is a creative think-and-do tank that combines rigorous research with effective solutions. CNT works across disciplines and issues, including transportation and community development, energy, natural resources, and climate change. The goal is urban sustainability – the more effective use of resources and assets to improve the health of natural systems and the wealth of people.

**Strategic Economics** is a consulting and research firm specializing in urban and regional economics and planning. The firm helps local governments, community groups, developers and nonprofit organizations understand the economic and development context in which they operate in order to take strategic steps towards creating high-quality places for people to live and work.

This best practices guidebook is one in an ongoing series explaining the theory and best practices of transit-oriented development. All the books in the series are available as downloadable PDFs at [www.reconnectingamerica.org/public/reports](http://www.reconnectingamerica.org/public/reports).

Other titles include:

TOD 101 Why TOD And Why Now?

TOD 202 Station Area Planning: How To Make Great Transit-Oriented Places

TOD 202 Transit & Employment: Increasing Transit's Share Of The Commute Trip



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# WHY THIS BOOK?

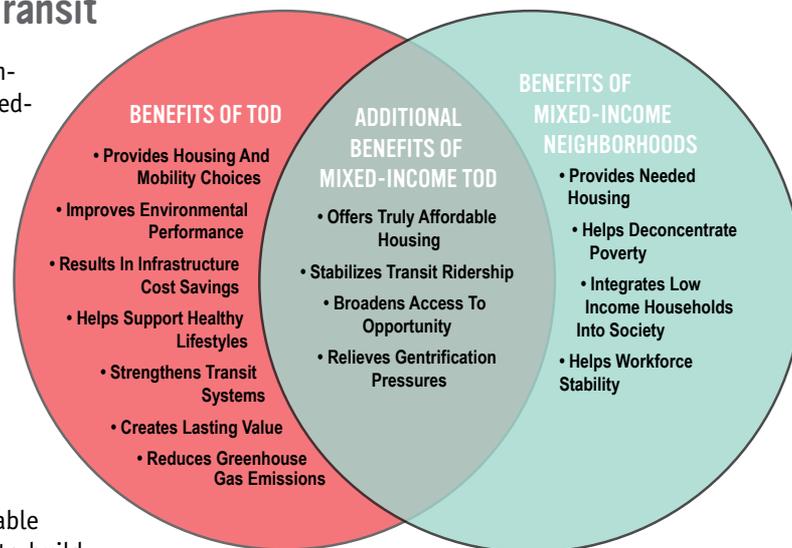
## The Importance of Locating Mixed-Income Housing Near Transit

**THERE IS A GROWING CONSENSUS** that communities that provide housing for a mix 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 people of all incomes to live in safe neighborhoods near well-funded schools and good city services, with greater access to a wider variety of jobs and opportunities. Providing housing for a mix of incomes also allows families to continue living in the same community, even as children grow up and look for their own apartments or homes, and parents grow older and want to down-size their living arrangements.

The socio-economic diversity that mixed-income housing provides for also enhances community stability and sustainability, and ensures that low-income households are not isolated in concentrations of poverty. 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 traditions. Mixed-income housing also helps stretch the limited resources available to address the affordable housing shortage. The inclusion of market-rate units can reduce the subsidies required to build the affordable units, and help ensure there will be high-quality design and construction.

These are just some of the reasons that housing policy in the U.S. has increasingly focused on mixed-income housing. The U.S. Department of Housing and Urban Development's HOPE VI program devoted \$4.5 billion over 10 years to demolish and redevelop distressed public housing projects as mixed-income developments, helping to demonstrate its viability and benefits ([www.hud.gov/offices/pih/programs/ph/hope6](http://www.hud.gov/offices/pih/programs/ph/hope6)). But while providing for a mix of incomes in communities in general is good, providing for a mix of incomes in walkable neighborhoods near transit is even better – for all of the reasons shown in the illustration to the right: Most importantly, in addition to the savings realized because housing is affordably priced, families living near transit can also own fewer cars – or no cars – and drive them less, which means significant savings on transportation costs.

However, we must act now to ensure that the housing built in these locations provides for a mix of incomes or a once-in-a-lifetime opportunity will be lost. Changing demographics and concern about traffic has boosted demand for housing near transit and the supply is not keeping up with the increased demand. Because of this, and because developing in these locations is more time-consuming, difficult and expensive, most new housing is being built for the high end of the market, and many of the low-income residents who already live in these locations are being forced out. The first half of this book makes the case for the importance of locating mixed-income housing near transit in order to increase affordability, and explain why the increased demand for housing in walkable neighborhoods near transit is making this so difficult. The second half discusses some of the strategies that are proving successful in addressing this problem and ensuring that housing near transit is affordable for all Americans.



### ***The Combined Benefits of Mixed-Income Neighborhoods And TOD***

*Providing for a mix of all incomes is good but providing for a mix of incomes in walkable neighborhoods near transit is even better because it lowers transportation costs, has the potential to reduce driving and greenhouse gas emissions, and to address the growing gap between rich and poor. (Source: the Center for TOD.)*

## Providing Housing Near Transit For A Range of Incomes Is Especially Important With Volatile Gas Prices

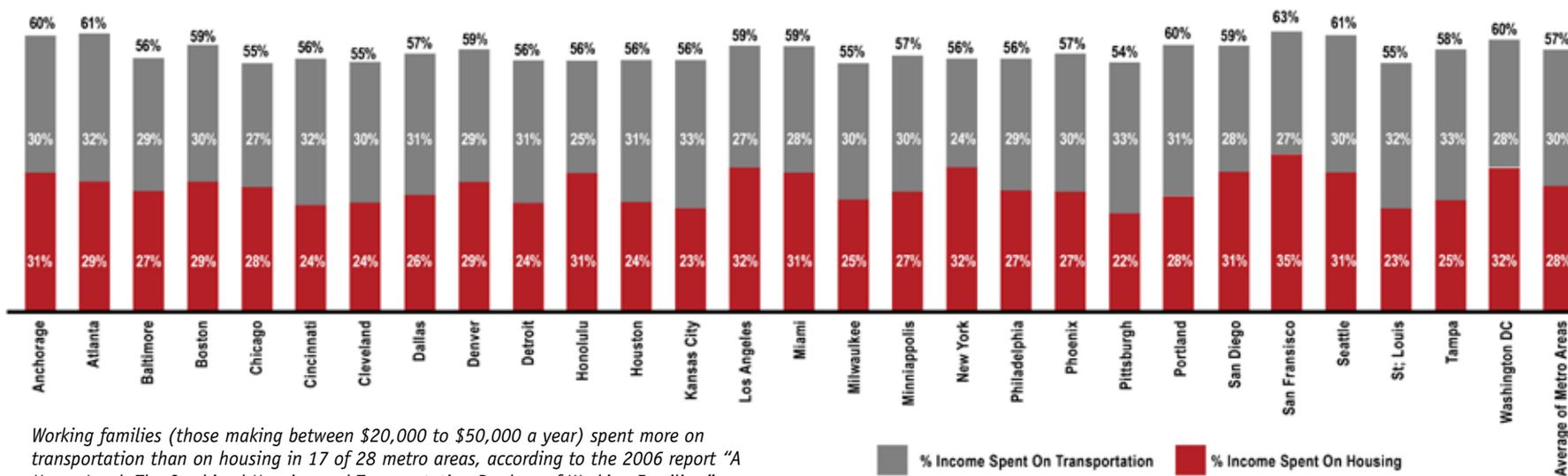
**BOTH HOUSING AND TRANSPORTATION** costs are on the increase in the U.S., seriously straining household budgets. One in three American households now spends more than 30 percent of income on housing, and one in seven spends more than 50 percent. Transportation costs, too, have risen to the point that the combined cost of housing and transportation consumes an average of 57 percent of household income, up from 3 percent of household income in the 1920s. According to a 2005 report by the Center for Housing Policy and the Center for Neighborhood Technology, average transportation costs for working families (defined as those households with an income of between \$20,000 and \$50,000) were as high or higher than housing costs in 17 of 28 metro areas in 2005 – before the steep climb in gasoline prices in 2008. The only way to protect families against rising gas prices is to make it possible for them to drive less or not at all – by building communities where it’s possible to get to jobs, schools and shopping on foot or by bike, bus or train. This argues for more investment in transit, for choosing transit alignments where there is ample development opportunity, for policies that ensure that some of the housing built near transit is affordable for low-income households, and that existing affordable housing is preserved. It also argues for policies that promote mixed-use development and a good jobs-housing balance, and for investments that promote walking and biking.



This report by the Center for Housing Policy (the research affiliate of the National Housing Conference) and the Center for Neighborhood Technology (a partner in the Center for TOD) is at [www.nhc.org/index/heavyload](http://www.nhc.org/index/heavyload).

### The Housing and Transportation Trade-Off:

*Working Families Who Move Far From Work To Find Affordable Housing End Up Spending Their Savings On Transportation*



Working families (those making between \$20,000 to \$50,000 a year) spent more on transportation than on housing in 17 of 28 metro areas, according to the 2006 report "A Heavy Load: The Combined Housing and Transportation Burdens of Working Families."

## Location Matters When It Comes To Affordability – Households Near Transit Spend 16 Percent Less

**WHILE FINDING A MORE** affordable house in the suburbs used to be a strategy for making ends meet, recent studies show that the savings can be wiped out by increased cost of driving to and from jobs, schools and shopping in auto-oriented suburban communities, and the increased cost of maintaining more cars per household. The Center for Housing Policy quantified the trade-off, concluding that for every dollar a family saved on housing in 2005 it spent 77 cents more on transportation. So now we know that affordability isn't about housing costs alone, it's also about transportation costs. When it comes to affordability, location matters.

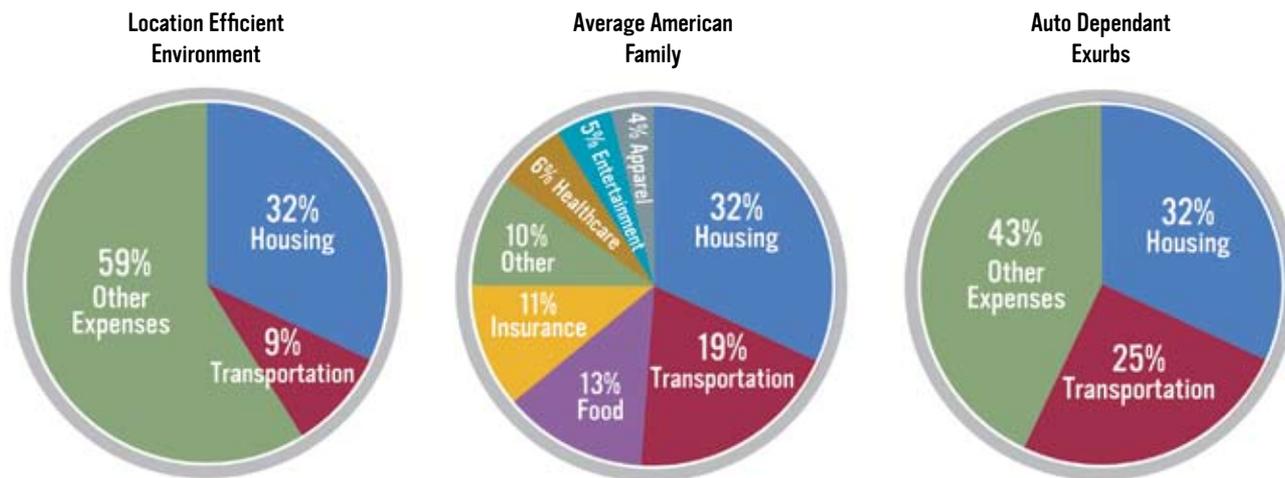
While the average family spends about 19 percent of the household budget on transportation, and households in auto-dependent neighborhoods spend 25 percent, households in walkable neighborhoods with good transit access and a mix of housing, jobs, and shops spend just 9 percent. This 16 percent savings can be critical for lower-income households that need to make every dollar count. Transportation costs as a percentage of total household income vary greatly, amounting to less than 9 percent of a high-income household's budget, but 55 percent or more of the budget in very-low-income households. This is why it is so critical to ensure that we build more walkable, transit-oriented neighborhoods where people can reduce their transportation costs.

### Consider This . . .

*According to the American Public Transportation Association, households could have saved an average of \$9,499 in 2008 if they used transit instead of driving, money that could instead be used to:*

- Buy food for a family for a year
- Pay off a 30-year \$150,000 mortgage 20 years early
- Pay for 75 percent of a health care policy
- Pay for community college tuition for two kids
- Pay for child care for one year
- Buy 3,168 mocha frappuccinos at Starbucks

*Source: American Public Transportation Association, Center For TOD*



### Costs in Transit-Oriented Vs. Auto-Oriented Neighborhoods

Living in a walkable neighborhood with a good mix of uses and good access to public transportation can provide a 16 percent savings over living in an auto-oriented environment, according to a report by the Center for Transit-Oriented Development entitled "Realizing the Potential: Expanding Housing Opportunities Near Transit." An executive summary is available at [www.reconnectingamerica.org/public/reports](http://www.reconnectingamerica.org/public/reports).

## Rethinking Affordability As Housing Plus Transportation Costs

**AFFORDABILITY IS TYPICALLY** understood as the cost of housing, but the interaction between housing and transportation costs provides a more meaningful measure. Transportation is the second highest expenditure after housing in most regions (though as noted on page 4, transportation costs are higher than housing costs for working families in 17 of 28 metro regions). While housing can cost less in the suburbs than in urban neighborhoods, transportation costs can consume almost twice as much in the suburbs.

People tend to discount the cost of transportation because 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 — and the amount changes from month to month. In

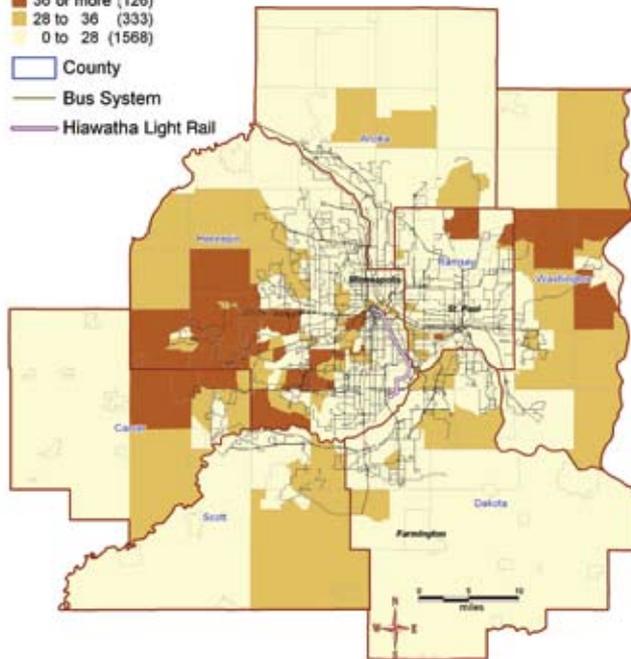
order to illustrate the trade-off that households make to find “cheaper” housing in the suburbs, the Center for Transit-Oriented Development created a new index of affordability that combines housing and transportation costs for a neighborhood or a region, and divides it by income. This affordability index is a tool for families who want to compare housing and transportation costs in different neighborhoods when they are making decisions about where to rent or to buy. It’s also a tool for planners and policy-makers that demonstrates the importance of building mixed-income housing in walkable, mixed-use neighborhoods near transit, and the importance of preserving existing affordable housing in neighborhoods with low housing and transportation costs. The index is available online for 52 metropolitan regions at [www.htaindex.org](http://www.htaindex.org)

### Housing Payment As A Percent Of Income

by Census Block Groups - for 80% Area Median Income - 3 Person Household

36 or more (126)  
28 to 36 (333)  
0 to 28 (1568)

County  
Bus System  
Hiawatha Light Rail



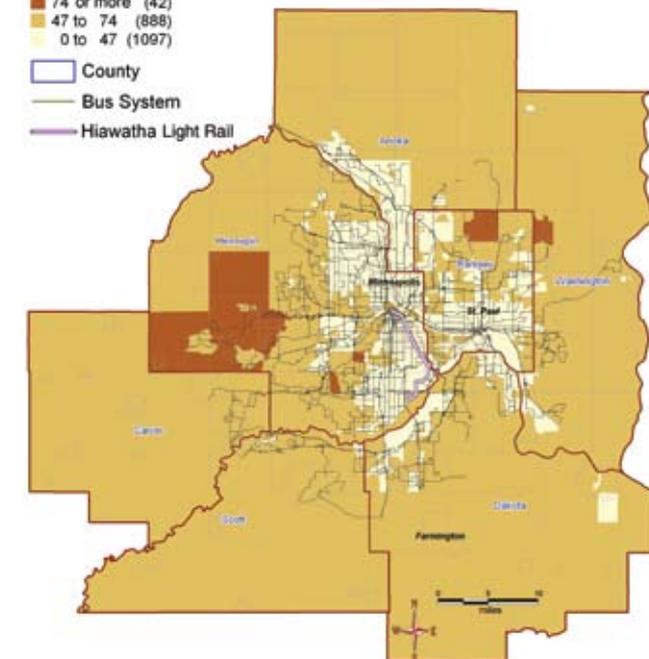
The Affordability Index map on the left shows in light yellow the area of the Minneapolis-St. Paul region that is affordable when one considers housing costs alone (calculated as 28 percent of income), and how much that area

### Housing + Transportation Costs As A Percent Of Income

by Census Block Groups - for 80% Area Median Income - 3 Person Household

74 or more (42)  
47 to 74 (888)  
0 to 47 (1097)

County  
Bus System  
Hiawatha Light Rail



shrinks when one considers the combined cost of housing and transportation (calculated as 47 percent of income). (Source: The Center for Transit-Oriented Development, “The Affordability Index,” 2005, for the Brookings Institution.)

## Demand For Housing Near Transit Is Growing, But Supply Isn't Keeping Up, Causing Prices to Escalate

**TRANSPORTATION HAS ALWAYS** been a factor in shaping development. Today, volatile gas prices, traffic congestion, and the changing demographics of the U.S. population are increasing the demand for housing near transit. While married couples with children made up the vast majority of households after WWII — boosting interest in single-family housing in the suburbs — single adults now comprise 43 percent of all U.S. residents aged 15 and over, according to U.S. Census, and they are interested in a more urban and more convenient lifestyle. All the demographic groups that are increasing in size — older, smaller households, including singles, and nonwhite households — have historically preferred urban living and used transit. As a result, the Center for Transit-Oriented Development estimates that overall demand for housing

near transit will grow from 6 million to 15 million households by 2030 — roughly 25 percent of all renters and buyers. However, these demand estimates were prepared before the run-up in gas prices in 2008. Now that people are concerned about the volatility of gas prices and the cost of driving the demand for TOD will likely be much higher. Moreover, this demand has remained relatively strong despite the recent downturn in the real estate market downturn. Despite the demand, only a small percentage of new housing is being built in these locations, for reasons discussed on page 10.

The fact that these neighborhoods are already more racially and economically diverse than other neighborhoods means that families who already live there may fall victim to gentrification and be pushed out by rising rents and housing

prices — even though they are the households that need and use transit the most. More than 40 percent of the demand for housing near transit is expected to come from low-income households (with incomes below 80 percent of area median income) and very-low-income households (with incomes below 50 percent of area median income). The CTOD also finds that:

- People want shorter commutes but the areas growing most quickly are 20 miles from central business districts.
- Single-family homes are 78 percent of new construction while the married couples with children who are most likely to want to live in single-family homes compose just 24 percent of the housing market and this percentage is quickly shrinking.
- There's an increasing need for rental units for immigrants, seniors, low-income households and Echo Boomers (the children of Baby Boomers) who are starting out on their own, but construction of rental units is falling far short of demand.

These factors underscore the importance of targeting resources to walkable, mixed-use, transit-oriented neighborhoods, and for preserving existing affordable housing in these locations.



*The demand for housing near transit is expected to grow to 15 million renters and buyers in 2030.*



*Early developers built streetcar lines to open up land outside the city for development by connecting it to jobs and services in the city.*



*The automobile reshaped development, making the connectivity of streets, neighborhoods and development less important. Driving became a necessity.*

## Projected Increase In Demand For Housing In Transit Zones: Top 30 Regions

REGION	Transit Zones 2005	System Size 2005	System Size 2030	HHs In TZs 2005	HHs In TZs 2030	% Change
New York	955	E	E+	2,876,160	5,371,866	87%
Los Angeles	113	L	E	261,316	1,708,447	544%
Chicago	401	E	E+	787,204	1,503,638	91%
San Francisco Bay Area	286	E	E+	409,497	832,418	103%
Philadelphia	370	E	E+	506,058	809,058	60%
Boston	288	E	E+	396,261	750,726	89%
Washington DC	127	L	E	234,202	688,582	194%
Portland	108	L	E	72,410	279,891	287%
Miami	60	M	L	62,595	271,326	333%
Dallas	48	M	L	46,429	270,676	483%
Atlanta	38	M	L	44,542	228,430	413%
Baltimore	61	M	L	70,303	198,594	182%
San Diego	56	M	L	65,743	187,300	185%
Houston	18	S	M	12,259	181,331	1379%
Seattle	29	M	L	29,492	159,781	442%
Phoenix	•	P	M	•	156,499	N/A
Denver	24	S	M	17,881	138,207	673%
Minneapolis-St. Paul	17	S	M	18,703	123,776	562%
Tampa Bay Area	10	S	M	3,024	117,012	3769%
Sacramento	55	M	L	51,179	107,442	110%
Pittsburgh	68	M	L	42,792	98,349	130%
St. Louis	28	M	M	21,438	94,475	341%
Cleveland	49	M	L	53,649	86,733	62%
Las Vegas	9	S	M	8,257	79,448	862%
Charlotte	10	S	L	3,752	76,931	1950%
Kansas City	•	P	M	•	72,084	N/A
Austin	•	P	M	•	64,397	N/A
New Orleans	18	S	M	31,685	64,160	102v
Salt Lake City	22	S	M	20,023	63,328	216%
Norfolk	•	P	M	•	61,822	N/A

\*Transit zone\* refers to the half-mile radius around stations. E = Extensive (200 or more stations)  
 E+ = Extensive (Expanding) L = Large (70-199) M = Medium (25-69) S = Small (1-24)  
 P = Proposed HHs = Households

(Source: Center for Transit-Oriented Development.)

Galen Terrace Apartments, home to many older adults in the Anacostia neighborhood of Washington DC, was poorly managed and in a downward spiral. The National Housing Trust/Enterprise Preservation Corporation helped the tenant association purchase the property and renovate it, turning a trouble spot into a neighborhood asset that is near public transit and many amenities.



PHOTO: LLOYD WOLF

## Why Are So Many People Interested In TOD?

**THE MARKET FOR HOUSING** near transit is growing concurrently with the surge of interest in public transportation. Transit ridership is up 25 percent since 1995, according to the American Public Transportation Association, and there are more than 700 new stations in development. This provides an unprecedented opportunity for cities and regions to accommodate significant population growth near stations, which is more environmentally and economically stable: Households near transit drive less, which means they cause less traffic and produce less transportation-related greenhouse gas emissions. TOD also focuses development and the tax base in a way that allows cities to capture the value that has been created with the transit investment through the use of strategies such as tax-increment financing or assessment districts, joint development or other public-private partnerships.

Mixed-income TOD appeals to different stakeholders for different reasons:

- *Developers know urban markets are hot, and sites near transit usually permit the higher densities and lower parking ratios that improve the financial feasibility of projects. "Emerging Trends in Real Estate," an annual report by the Urban Land Institute and PricewaterhouseCoopers, has ranked TOD as a "best bet" five years in a row (at [www.uli.org](http://www.uli.org)).*
- *Sophisticated transit agencies know TOD makes transit convenient and boosts ridership. Studies show people who live in TOD are 5 times more likely to use transit and that people who work in TOD are 3.5 times more likely to use it.*
- *Many cities have seen that TOD can spark economic development and increase the tax base, and leverage private investment in public benefits – including affordability and high-quality public space.*
- *Renters and buyers are looking for convenience, affordability, and the amenities they can find within walking distance in 24/7 neighborhoods.*

The chart on the left shows that most demand for housing near transit will occur in the regions with the biggest transit networks. Bigger systems draw more ridership because they provide access to more destinations. Bigger systems also have more stations, providing more opportunity for development. This underscores the need for more investment in transit to coincide with increased interest in transit-oriented development on the part of the public and private sector, as well as families looking for a more affordable way of life.

## Ensuring Continued Affordability Requires Proactive Housing Preservation

### Privately Owned HUD-Subsidized Housing Units Near Transit: Top 20 Regions

REGION	Total Units	Near Transit	% of Total	Elderly Units	Expire 2014
San Francisco	26,710	25,341	95%	6,750	19,392
New York	71,764	54,156	75%	12,260	36,192
Portland	5,648	4,247	75%	1,123	3,784
Denver	9,759	7,300	75%	1,329	4,382
Baltimore	13,278	9,873	74%	2,719	6,804
Chicago	43,778	31,894	73%	6,724	20,825
Boston	38,325	25,810	67%	3,614	12,098
Seattle	9,328	6,139	66%	1,596	5,781
Salt Lake City	2,104	1,380	66%	658	788
Los Angeles	48,433	30,490	63%	7,341	24,929
Philadelphia	20,788	12,875	62%	5,791	9,777
Cleveland	15,661	8,498	54%	2,077	4,490
Atlanta	10,027	5,314	53%	724	3,376
Miami	13,900	6,784	49%	2,652	5,699
Washington DC	23,779	10,569	44%	1,282	7,072
Twin Cities	15,661	5,962	38%	670	4,156
Charlotte	2,103	753	36%	25	717
Phoenix	6,601	2,069	31%	666	1,442
Houston	9,652	2,689	28%	480	2,217
St. Louis	13,276	3,493	26%	986	2,026
<b>TOTAL</b>	<b>400,780</b>	<b>255,636</b>	<b>64%</b>	<b>59,467</b>	<b>175,947</b>

A study by Reconnecting America and the National Housing Trust for AARP shows that contracts on a majority of privately owned HUD-subsidized housing units near transit stations are due to expire in 2014, endangering the affordability of 175,947 units near transit, almost a quarter of which are designated for seniors.

**ONE WAY TO KEEP** rents and home prices affordable is to increase the overall housing supply; another is to ensure the preservation of existing affordable units. According to a recent study by Reconnecting America and the National Housing Trust for AARP, there are 255,636 privately owned HUD-subsidized units within a half mile of existing or proposed rail stations in 20 regions. This number increases dramatically when housing near bus lines with frequent service is included. The study found that about 75 percent of the units – 175,947 of them – have government rental assistance contracts due to expire before the end of 2014. Almost a quarter of these units – about 59,467 units – are designated for seniors; approximately 40 percent of all federally assisted households are headed by seniors.

Preserving this affordable housing means much more than simply saving a building — it means preserving opportunities for these families and seniors to find housing and to be able to get to jobs and services. Preserving these opportunities means that planning for land use and transit services must be done in a coordinated and collaborative fashion. Cities and metropolitan planning organizations (MPOs) should integrate their planning and investments for housing and transportation, promoting investment in public transit in neighborhoods where housing is affordable, and discouraging highway investments in sprawling neighborhoods where transportation costs will be high. Regional “blueprint” planning exercises and growth scenario modeling are good exercises for developing long-term visions that integrate planning for housing and transportation.

*The National Housing Trust acquired 124 units of affordable housing in four buildings in the walkable, transit-rich and highly desirable Dupont Circle neighborhood of Washington DC, thereby avoiding a luxury condo conversion and retaining workforce housing adjacent to downtown.*



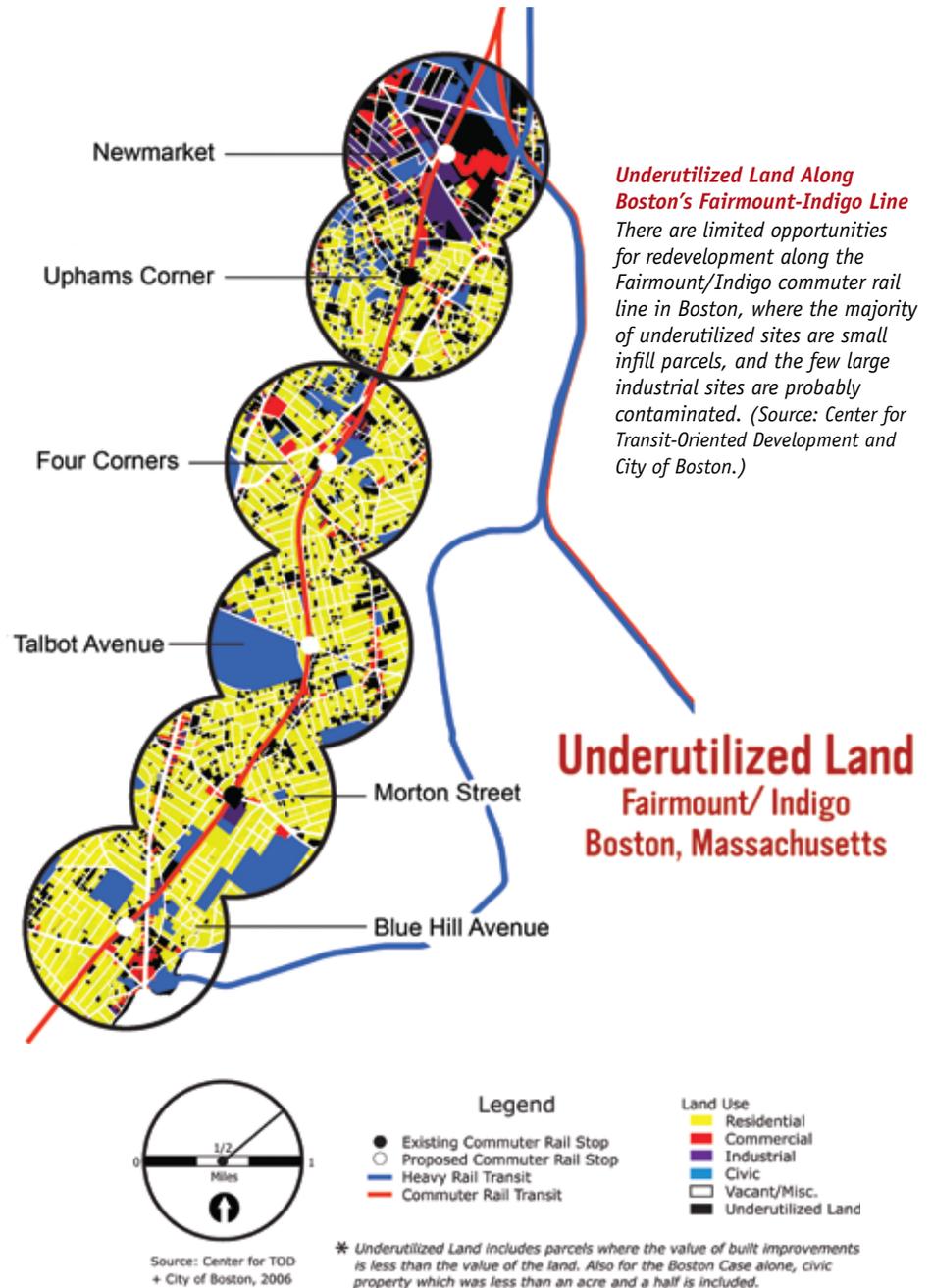
## There Are Many Obstacles to Building Mixed-Income Housing Near Transit

**TRANSIT-ORIENTED DEVELOPMENT** is often difficult, time-consuming and therefore expensive, which is why so much of the new housing going up near transit is being built for the high end of the market. Some of the obstacles to building mixed-income housing near transit include the following:

- Land prices around stations are high, or increase because of speculation when a new transit line is planned.
- Affordable housing developers don't have the capital to acquire land before the prices go up and hold it until it's ready to be developed.
- Funding for affordable housing is limited.
- Mixed-income and mixed-use projects require complex financing structures.
- Sites often require land assembly and rezoning, leading to lengthy acquisition and permitting processes that increase costs.
- Community opposition to density and affordable housing can be challenging. Community outreach and education up front can be very helpful, but also time-consuming and costly.
- Affordable development at these sites requires collaboration among the public, private and nonprofit sectors, which can be difficult to coordinate given the different needs, constraints and schedules of each partner.

Moreover, cities and transit agencies may not understand the importance of ensuring that some of the housing near transit is affordable, and they may lack the tools and experience to direct affordable housing resources to these locations. Existing single-use zoning and suburban style parking minimums can reduce the development potential and make construction of affordable units financially infeasible. Often there aren't many development sites to begin with because neighborhoods around stations are already built up. Available parcels may be small and fragmented and require assemblage, as shown in the map to the right.

In strong housing markets affordable housing developers have an especially hard time getting their projects financed. Some jurisdictions have inclusionary zoning ordinances requiring a percentage of affordable units in all development. But these ordinances often allow the affordable units to be built offsite – and not near transit.



## Place-Based Strategies To Create and Preserve Mixed-Income Housing

**THE CENTER FOR** Transit-Oriented Development has released a report on the strategies being used to create and preserve mixed-income housing near transit in five case study regions – Boston, Charlotte, Denver, Minneapolis-St. Paul, and Portland. The report was called “Realizing the Potential: Expanding Housing Opportunities Near Transit.” The strategies used can be grouped into five broad categories of action:

- *identify and utilize TOD opportunities;*
- *provide incentives to catalyze the market for mixed-income TOD;*
- *remove regulatory barriers to higher-density, mixed-income development at TOD sites;*
- *coordinate housing, transportation plans and investments;*
- *improve local capacity, partnerships and data collection.*

The regions chosen as case studies vary in size, the extent and maturity of their transit systems, and the strength of their housing markets. All of these factors affect the degree to which TOD can serve as the organizing framework for growth, and whether a significant number of households can benefit from the reduced transportation expenditures. Each region employed a set of tools tailored to its particular real estate markets, land use patterns, transit systems, and available resources. Some of these tools will be described on the following pages.

Different challenges and opportunities exist for a region such as Boston, with its well-established densely populated urban neighborhoods and mature 288-station system, than for Denver, with its small, new, rapidly expanding system and its fast-growing auto-dependent suburban communities. In Portland, where there is careful coordination of transportation investments and land-use decisions at all levels of government, billions of private-sector dollars have been invested in mixed-income development along its streetcar system. In Boston, the state has taken leadership with an incentive-based approach to increasing housing production, particularly in areas served by transit. Charlotte is a fast-growing region where local government has crafted a strategy for reinvigorating the city and curbing sprawl by channeling growth and investment along a brand new transportation system. Both Denver and the Twin Cities are rediscovering the power of rail to shape development.

This report was published in 2007. An update to the report in 2008 found that the downturn in the economy has played out very differently in each region, largely dependent upon the strength of the local real estate market and the incomes of people living in the corridors. But in all case study regions the decline in housing prices was not substantial enough to meet the needs of working families, and the downturn in the market has meant fewer developers can use profits from market-rate units to subsidize affordable units. The “Realizing the Potential” report and its executive summary are downloadable at [www.reconnectingamerica.org/public/reports?page=2](http://www.reconnectingamerica.org/public/reports?page=2).

*In Portland, the careful coordination of transit investments and land use decisions leveraged \$3.5 billion in two new mixed-income neighborhoods along the streetcar route. As the result of public-private partnerships, a quarter of the housing in these neighborhoods is affordable and there is high-quality public space and parks.*





### Attention

Fare must be paid, and passes and farecards activated, prior to boarding. While on the vehicle, proof of payment must be retained for inspection.

Fares to provide valid proof of payment after receipt will result in a violation fare and possible criminal prosecution.  
11.30.12, 2012 PM

*The new bus rapid transit system along Cleveland's Euclid Corridor is proving attractive to developers of both market-rate and affordable housing, and land and property values have been increasing even as values elsewhere have declined.*

# 11 STRATEGIES

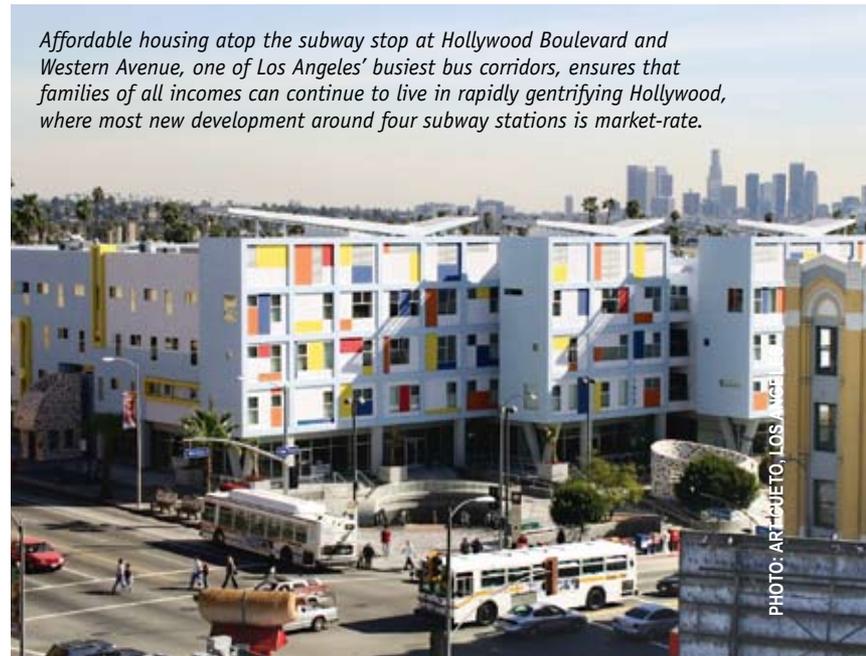
## *A Toolbox For Encouraging Mixed-Income, Transit-Oriented Housing*

**THE FOLLOWING PAGES OFFER** planning, finance, policy and implementation tools that have been used to promote affordable housing around the U.S., organized according to the scales — region, corridor, city/local jurisdiction, neighborhood/site — at which they are typically implemented. Some tools rely on capturing the momentum of a strong real estate market. In communities without market momentum, a comprehensive planning process can help define goals, tools, and partnerships that will help create opportunities for mixed-income development near stations and stimulate the market. This requires a consensus-building process involving neighbors, developers, policy makers and community organizations.

Different tools are appropriate at different scales:

- **STATE AND/OR REGION:** State government, metropolitan planning organizations (MPOs), and regional land-use planning agencies can be clearinghouses for technical assistance, and offer innovative programs to help communities plan for mixed-income housing, transit, and connectivity. While states and regions usually lack jurisdiction over local land use, they can partner with local jurisdictions to promote mixed-income TOD.
- **CORRIDOR:** Implementing policies at the corridor level requires integrated planning across jurisdictional boundaries and the coordination of multiple government entities. Moreover, each transit corridor serves a distinct function in the regional transit network. Some bring commuters long distances into employment centers, while others serve as local circulators. The corridor type will influence the potential and market for mixed-income TOD.
- **CITY/LOCAL JURISDICTION:** Cities and towns are defined by geography, land-use patterns and populations, and tools must be chosen carefully to help advance local goals. Most federal and state housing programs are implemented by cities. Local jurisdictions are most effective when they consider the broader context of major transportation corridors and the region at large when deciding where to direct development. This can help limit competition and enhance synergies among station areas.
- **NEIGHBORHOOD/SITE:** Neighborhoods and station areas are the building blocks upon which cities, corridors and regions are built, so careful planning at this level is essential to ensure success at all scales. Input from all the stakeholders in a community can help determine housing and transportation needs. At the site scale there are tools to provide creative financing options for both nonprofit and for-profit developers looking to leverage the value created by transit.

*Affordable housing atop the subway stop at Hollywood Boulevard and Western Avenue, one of Los Angeles' busiest bus corridors, ensures that families of all incomes can continue to live in rapidly gentrifying Hollywood, where most new development around four subway stations is market-rate.*



# 1

## Incentives For Proactive Station Area Planning And Zoning – A Strategy For The State Or Region

**STATE AND REGIONAL AGENCIES** are in the best position to offer incentives for proactive planning and zoning in station areas. A visioning process can help set standards and expectations before projects are proposed, smoothing the way for the approval of appropriate development. Once the plans and appropriate zoning are in place, development proposals for individual sites can be more easily evaluated and expeditiously approved. Projects approved without the guidance or input of residents can encounter community opposition, resulting in preventable delays and increased development costs. With high-priority sites it is especially important to conduct detailed station area planning

efforts. In the San Francisco Bay Area, the Metropolitan Transportation Commission engages low-income neighborhoods in a community-based planning process that provides a framework for thinking about their mobility and affordability goals, and how their needs fit into the larger regional context. Finalized plans are forwarded to the metropolitan planning organization and local policy boards (<http://www.mtc.ca.gov/planning/cbtp/>.)

*The surrounding community provided significant input on the design of 27-acre Highlands Garden Village, a mixed-income, mixed-use project near downtown Denver on the site of an abandoned amusement park. The mix of uses and design of sidewalks and roadways encourage walking and biking, there's a car-sharing program, and on-site bus stops provide real-time information about service.*



PHOTO: PERRY ROSE, LLC

Philadelphia has the third largest rail system in the U.S. (behind New York and Chicago) but stations are dominated by auto-oriented uses, as here at the Temple University station. The state's Transit Revitalization Investment District (TRID) provides up to \$75,000 for community planning around stations, and allows the creation of "value capture areas" where tax revenues can help pay for improvements.



PHOTO: SETH BURDICK

### CASE STUDY

In Massachusetts, state law (Chapter 40 R) rewards municipalities that adopt transit village overlay zoning. Cities receive grants based on whether they:

- Submit comprehensive plans outlining housing development;
- Zone for a minimum density of 8 units/acre for single-family homes, 12 units/acre for duplexes and triplexes, and 20 units/acre for multifamily buildings — all "as of right," which means development does not require discretionary action;
- Require that at least 20 percent of residential units be affordable in projects with more than 12 units.

In return, cities receive:

- From \$10,000 for projects with 20 units or less to \$600,000 for 501 or more units;
- Bonus payments of \$3,000 for each unit of new housing that actually gets permitted;
- Eligibility for favorable treatment when state discretionary funding is disbursed for water and sewer improvements, traffic control and environmental cleanup.



# 2

## Public-Private Partnerships – A Strategy For The Site

*Higher-income residents subsidize lower-income residents at the Townhomes on Capitol Hill HOPE VI project in a historic walkable Washington DC neighborhood near transit. Nineteen units were sold at market rate, while 134 are part of a housing co-op where residents pay a fixed monthly housing payment equal to 30 percent of income.*

**PUBLIC-PRIVATE PARTNERSHIPS** can leverage private investment in mixed-income housing. Local governments can help by acquiring and assembling land, rezoning, and funding environmental remediation through EPA grants, and by providing in-kind matches, in-lieu fees, or other government funding. Tax-increment financing (TIF), business assessment districts and development agreements can be implemented. Public infrastructure improvements can improve transit access and make development feasible. Local governments can also engage the public in a transparent development review process that reduces the time and cost of development.

Local government can also help mitigate four key risks encountered during the development process — entitlement, construction, financing and marketability. Construction risk can be reduced through programs that prioritize inspection services and vet contractors for mixed-income development. Governments can encourage local banks to provide lower-cost mezzanine loans for multifamily construction. Government can also help by investing in parks, sidewalks, streetscape improvements, and transit stop enhancements — which enhances the curb appeal and marketability of larger developments.

Predevelopment costs are especially hard to finance, especially if land has to be held for several years until it is developable because of zoning or design issues. Local governments can provide patient capital from redevelopment funds or other sources. Government can also become an equity partner in the development by funding a public parking structure. Value-capture strategies and zoning incentives such as density bonuses allowing developers to build more units if some are affordable can also help provide for affordable housing and infrastructure.

### CASE STUDY

*Charlotte, NC, established an Affordable Housing Trust Fund to provide public funding to private developers in exchange for affordable units using a competitive bid process. The City Council set aside \$10 million for the fund in 2001, and voters then approved another \$35 million. The city has the flexibility to make the funds available as either a loan or grant for land acquisition or construction. By 2007 the fund had enabled the construction or rehabilitation of more than 2,800 units, more than half of which were for households earning below 30 percent of area median income. This number included 223 units of new affordable ownership housing, more than 900 new multifamily rental units, nearly 600 rehabilitated multifamily rental units, and more than 1,100 units for households with special needs. The average subsidy per unit was less than \$14,000 (and sometimes included other affordable housing funds).*

*Schermerhorn House is the product of an unusual public-private partnership that involves two nonprofits, the Actors Fund of America, and two for-profit developers. It will add balance to the economic geography of walkable, transit-rich Brooklyn, which has seen a wave of market-rate development. Half the 217 units will be reserved for the formerly homeless and individuals with special needs, while half will be for low-income working tenants, including actors and artists.*



Coggins Square provides workforce housing for commuters using the nearby BART station. It was a public/nonprofit/for-profit partnership, and affordable housing (below) shares the site (and pool, play area and landscaped open space) with market-rate lofts (right). Pedestrian improvements were funded by a program intended to provide incentives for walkable development near stations.



PHOTOS: DAVID BAKER + PARTNERS ARCHITECTS

# 3

## Target Existing Funding To Preserve And Create Affordable Housing Along Transportation Corridors – A Strategy For The Corridor

**EXISTING FUNDING FOR** affordable housing should be targeted along transportation corridors since these corridors provide increased affordability — because of lower transportation costs — without increased funding. Resources should be used to preserve existing affordable housing, to purchase rental properties for permanent use as affordable housing, and/or to build new affordable housing in these locations.

### CASE STUDY

In an effort to prevent the displacement of elderly, low- and moderate-income rental households, Washington DC enacted the Tenant Opportunity To Purchase Act in 1980. The act gives tenants of all rental housing in the District of Columbia the right to purchase their units or to assign that right to a third party when the rental property is put on the market. Tenants are given 120 days to negotiate the purchase and secure financing. Several large apartment complexes have been transferred to shared-equity ownership through this process. For example, when the Capitol Manor Cooperative was put up for sale in 2001, tenants formed a tenants association and a limited-equity cooperative with the assistance of two developers. They bought the property, a group of several apartment buildings near transit that were built in 1908 and totaled 102 units. This has made it possible for residents to continue to live in the buildings as well as secure funding for needed repairs and improvements.



Housing (atop office space atop groundfloor retail) along the Third Street Promenade and Transit Mall in Santa Monica is all market-rate, but housing on adjacent streets is affordable, providing for a mix of incomes at the beach.



*Syracuse Village is an island of affordability in Stapleton, Denver's huge urban infill community. Master developer Forest City agreed to make 10 percent of for-sale units and 20 percent of rental units affordable shortly before Denver finalized a less-stringent inclusionary ordinance requiring 10 percent affordability or an in-lieu fee. Ten minutes from a bus transfer station, Stapleton is slated for a rail line.*

# 4

## ***Inclusionary Housing— A Strategy For The Region***

**INCLUSIONARY HOUSING** or zoning requiring that a share of new construction be affordable is the most widely used planning tool for mixed-income development because it harnesses the momentum of the local real estate market to provide affordable units without public funding, land acquisition or land assembly. Most inclusionary policies are enacted via a zoning ordinance or other regulation, and require that 10 percent to 25 percent of units in a development be affordable. Specific income qualifications are typically determined by a financial feasibility analysis, and may be different for rental vs. ownership housing. It is common in high-cost markets to require that ownership housing be affordable for low to moderate-income households and that rental housing be affordable for very-low to low-income households. Inclusionary zoning works best when implemented over a large area rather than on a project-by-project basis. It is often applied only to projects of a certain type or size. Some inclusionary policies allow fees to be paid in lieu of providing affordable housing on-site. But the advantages and disadvantages should be weighed carefully: It may mean that affordable units are not built near transit since sites further away may be less expensive. On the other hand, if the land is less expensive, the developer may be able to build more affordable units. In-lieu funds are often used for the management of affordable housing and other tenant services.

### **CASE STUDY**

*Montgomery County, MD, adopted the first inclusionary zoning ordinance in the U.S. in 1976. The Moderately Priced Dwelling Unit Ordinance requires developers of all mixed-use projects with 20 or more residential units to make 12.5 percent to 15 percent affordable for lower-income households in exchange for a 22 percent density bonus. This ordinance has resulted in the construction of more than 11,800 affordable units since it was enacted. For example, a garden apartment community across the street from the Glenmont Metro station in Silver Spring has been redeveloped with a mix of 1,550 apartments, condominiums, live-work units and townhomes – 12.5 percent of which are “moderately priced” workforce housing. The development includes a retail center with restaurants, a gym and services, and a landscaped central park connecting to a linear park along a nearby stream, which provides appealing public space for active and passive recreation. The development, station, surrounding neighborhoods and nearby community attractions — including a regional park — are all linked with walkways. The provision of on-street and structured parking and a pedestrian-scaled streetscape helps create a sense of place, increase pedestrian activity and transit ridership, and reduce vehicle trips.*

# 5

## Modify Low Income Housing Tax Credits To Offer Incentives For Locating Near Transit – A Strategy For The State Or Region

**THE LOW INCOME** Housing Tax Credit program (LIHTC) is the greatest single source of funding for affordable housing at both the state and regional levels. Twenty-eight states already give preference to or require proximity to transit as one criteria. This criteria is established by the state, so any changes must be negotiated with state housing finance agencies. If there were federal rule changes the LIHTC program could play an ever bigger role in promoting mixed-income TOD housing. The state or region can promote TOD by: offering points for transit proximity to help TOD projects score more competitively; offering a basis boost for TOD to increase available funding; increasing the project allotment cap to make larger projects at TOD sites eligible; prioritizing the preservation of existing affordable housing; consolidating the underwriting processes to allow developers to apply for tax credits and other resources simultaneously; requiring that projects be in mixed-use neighborhoods with good transit access; providing funding for community centers and daycare to encourage a mix of uses.

*Light rail has come to Los Angeles' historic Boyle Heights neighborhood, where developers planned to demolish the hotel where musicians stay while working in the adjacent Mariachi Plaza. The nonprofit East L.A. Community Corporation won a fierce competition with a for-profit developer to purchase the hotel. Low-income housing tax credits will be used to renovate and restore the hotel for its low-income tenants.*



### CASE STUDY

*California's LIHTC program provides additional points for projects that take on additional expenses while furthering public policy objectives. The program grants transit-accessible projects up to 7 out of 15 total points in its amenities category. Scoring is as follows (at [www.treasurer.ca.gov/ctcac](http://www.treasurer.ca.gov/ctcac)):*

- 7 points: The project is part of a transit-oriented development strategy where there is a transit station, rail station, commuter rail station, or bus station, or bus stop within a quarter mile of the site, with service at least every 30 minutes during the hours of 7-9 a.m. and 4-6 p.m. The project's density must exceed 25 units per acre.
- 6 points: The site is within a quarter mile of a transit station, rail station, commuter rail station or bus station, or bus stop with service at least every 30 minutes during the hours of 7-9 a.m. and 4-6 p.m.
- 5 points: The site is within a third of a mile of a bus stop with service at least every 30 minutes during the hours of 7-9 a.m. and 4-6 p.m.
- 4 points: The site is within 500 feet of a regular bus stop, or rapid transit system stop.
- 3 points: The site is within 1,500 feet of a regular bus stop or rapid transit system stop.

PHOTO: MIGUEL GANDERT; COURTESY OF THE ARTIST



# 6

## *Infill Development Or Redevelopment In Transit Zones – A Strategy For The Corridor, Neighborhood And Site*

**TRANSIT-ORIENTED DEVELOPMENT (TOD)** can help alleviate blight, stop neighborhood decline, stimulate economic development, and leverage private investment in public benefit. TOD is typically defined as higher-density mixed-use development adjacent to a station, but the definition should be broadened to include the district or neighborhood within easy walking distance of a transit station – typically understood to be the half-mile radius. TOD boosts affordability

*The combination of a strong housing market, new stations and better service on Boston's Fairmount commuter rail line has prompted developers to build market-rate housing in what had been high-poverty transit-dependent neighborhoods. Four community development corporations are working together to ensure residents aren't displaced by building mixed-use transit-oriented projects like Dudley Village, which will provide 50 mixed-income units in three 4-story buildings with groundfloor retail.*

because residents can own and operate one less car or no cars. Transit-oriented projects and districts can be built around heavy rail, light rail, streetcars or bus, in either urban or suburban locations. Brownfields, underutilized commercial and industrial sites are opportunities for mixed-income TOD.



### CASE STUDY

A redevelopment plan was used to create the 303-acre Mission Bay project along San Francisco's waterfront adjacent to the Giants baseball stadium, in a walkable neighborhood served by commuter rail, light rail, streetcar and electric bus. At build-out Mission Bay will include 6,000 housing units, 5 million square feet of corporate offices and bio-tech space, a new campus for the University of California-San Francisco, a hotel and conference center, 750,000 square feet of retail and 49 acres of parks and open space. As part of the development agreement with the city's redevelopment agency, the property owner agreed to dedicate 14 parcels of land for affordable housing. The agency competitively selected developers and provided land and tax increment financing to help build the affordable projects — 28 percent of the housing will be affordable to very-low-, low-, and moderate-income households. Market-rate projects will be allowed to maximize the building envelope and profitability while the affordable sites are zoned for a height of 50 feet, which allows the use of less expensive wood-frame construction. Parking minimums were relaxed and there's a parking maximum of 1 space per unit. Setbacks were reduced and design guidelines encourage ground-floor retail. A master environmental impact report expedites the approval process for individual projects, allowing them to move forward quickly and inexpensively.

### Mission Bay



# 7

## Facilitate Use of Value Capture To Fund Affordable Housing – A Strategy For The Corridor, Neighborhood And Site

**BUILDING IN NEIGHBORHOODS** around transit can result in high infrastructure costs, land assembly, brownfield clean-up, and lengthy permitting processes. This results in a cumbersome and expensive development process. The addition of income-restricted housing makes it even more expensive. 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 greater community. In most states an administering agency can issue bonds against projected revenue streams to finance public improvements up front — such as new sewers, streets, sidewalks, site clearance, removal of hazardous conditions, site assembly, shared parking and parks. By upgrading local infrastructure and preparing sites for development, an urban renewal authority or other similar local entity can lower the cost of private development, making affordable housing easier to finance.

### CASE STUDY

*A community plan, urban renewal plan, assessment district, tax-increment financing and zoning incentives were all used to create the Pearl, a popular new high-density mixed-income neighborhood in downtown Portland where more than a quarter of all housing is affordable. A developer agreement between the Portland Development Commission and the largest property owner in this formerly industrial neighborhood specified that the city would remove an on-ramp that made the property unbuildable, and then construct a streetcar line to the property. The developer, in turn, agreed to meet minimum residential density thresholds, to help fund the streetcar, and to provide land for parks and open space, rights of way and affordable housing. An assessment district was also used to help fund construction. The Pearl illustrates how public improvements can create value and leverage private investment in affordable housing, parks and open space, while helping local governments achieve affordable housing and economic development goals.*

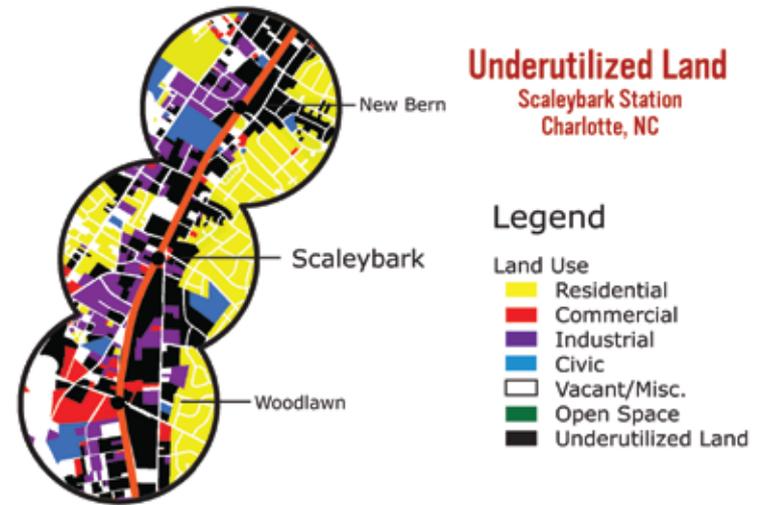
*In 1968 protesters in Boston's South End pitched tents in a parking lot to protest urban renewal and the displacement of residents. The result was this project, Tent City, which became a national model of mixed-income housing -- a quarter of all units are reserved for low-income tenants and half are for moderate-income tenants. The rest are market-rate, and attract tenants because of location and transit proximity – which have contributed significantly to Tent City's continued financial feasibility.*



# 8

## Land Acquisition/Land Banking Funds – A Strategy For The Corridor, City And Neighborhood

A **LAND ACQUISITION** or land-banking fund can enable the early purchase of land around transit facilities or along transit corridors targeted for affordable and mixed-income housing — while this land is still affordable. This helps to ensure that affordable housing can be included in projects built on these sites, and that these projects will be financially feasible. These funds can also be used to acquire existing housing in order to preserve affordability in neighborhoods where gentrification is a threat. Development fees, flexible state transportation and housing funds, and grants from philanthropic organizations are often used to create land acquisition funds. In the Minneapolis-St. Paul region, for example, the Metropolitan Council partnered with Minnesota Housing and the Family Housing Fund to establish the Land Acquisition for Affordable New Development fund to help meet the state’s affordable housing and strategic growth goals. The Met Council has also authorized \$3.6 million for a revolving loan fund allowing metro-area communities to buy land for the 51,000 new affordable units needed by 2020.



The City of Charlotte purchased property at Scaleybank station to ensure that development remains affordable. The station is surrounded by large industrial and commercial sites, making it well-suited for a catalytic project that is pedestrian-oriented, mixed-use, and mixed-income.

### CASE STUDY

The City of Charlotte has established an acquisition fund to purchase land near the stations planned along its South Corridor light rail line to ensure the development of mixed-income, mixed-use TOD. The City Council capitalized the fund with an initial grant of \$5 million. It is jointly managed by Coldwell Banker Commercial, the Charlotte Area Transit System, and several city departments (Economic Development, Planning, Neighborhood Development and Engineering). The first site, the Scaleybank station area, was purchased with the help of the city’s Housing Trust Fund, and development is required to meet a minimum affordable housing threshold.

# 9

## Incentive-Based Zoning – A Strategy For The Region

**INCENTIVE-BASED ZONING** rewards developers with density bonuses or floor-area bonuses if they meet affordable housing objectives. Many localities and some states offer these incentives as part of their joint development or TOD programs. Incentive-based zoning can work well over a broad area such as a bus or light-rail corridor. Any zoning changes that allow higher densities should be accompanied by good planning and market analysis, however. Well-designed TOD will not result simply by allowing greater densities. And the bonus must be attractive to the market. For example, a 2005 evaluation of HUD’s HOPE VI projects for the Brookings Institution’s Metropolitan Policy Program concluded that the successful mixed-income projects demonstrated that “strong design and master planning matters.” The evaluation found the most successful projects were those where local governments planned for amenities, safe or “defensible” public space, and a “pleasant, positive and useful environment,” and where projects were “firmly grounded in assessments of market trends,” were the most successful.

### CASE STUDY

The Metropolitan Transportation Commission (MTC) in the San Francisco Bay Area is partnering with local governments and transit operators to produce more housing near stations at densities that support transit. MTC’s Housing Incentive Program provides capital funding for transportation improvements if the net density is at least 30 units/acre. Grant amounts increase based on density and affordability: The program provides \$1,000 per bedroom at 25 units/acre and up to \$2,000 per bedroom for 60 units/acre, with an additional \$500 per bedroom if the units are affordable. Qualifying projects must be within a third of a mile of bus stops, or within a half-mile of rail stations, and service must be relatively frequent, with headways of 15 minutes during peak. The funds are for “livability infrastructure” including bike and pedestrian paths, pedestrian amenities, streetscaping, traffic calming and transit stops.

*The popular Bookmark Apartments in Portland -- the city with the greatest percentage of library cardholders -- combines a public library, coffee shop and 47 apartments, 19 of which are affordable to households earning 60 percent of area median income. The complex was approved following zoning changes that allow greater density through increases in building height and size for mixed-use projects near transit. It’s the city’s most popular branch library, and is near light rail and bus.*



PHOTO: FRED WILSON



PHOTO: RAYTON CHUNG/FLICKR

# 10

## Tax-Increment Financing – A Strategy for the Corridor And Neighborhood

**TAX-INCREMENT FINANCING** (TIF) is an important tool for creating and preserving affordable housing, though not all states allow it. TIF funds are generated by the increase in property and/or sales tax revenues that occur within a designated TIF district once new development and other improvements have occurred. TIF funds are calculated off a baseline year and are generated by new development as well as the enhanced assessed value of existing development. In many states, the power to adopt a TIF zone is granted if localities meet a test for addressing a public goal such as eliminating blight or spurring economic development. In some cases, the authority to create a TIF district is coupled with an obligation to create and/or preserve affordable housing. In California, for example, redevelopment agencies are required to spend at least 20 percent of the tax increment on creating or preserving housing that is affordable to low and moderate-income households, and at least 15 percent of housing in the overall area must be affordable.

Archer Court was a dilapidated and dangerous 147-unit public housing project in Chicago's Chinatown when it was bought for \$650,000 in 1997 by two lawyers who renewed the project's Section 8 contract and then launched a \$6.5 million renovation. Forty-three townhomes were built during Phase Two; 34 were sold at market rate and five were made affordable with a TIF subsidy. There is a rail station three blocks away.

### CASE STUDY

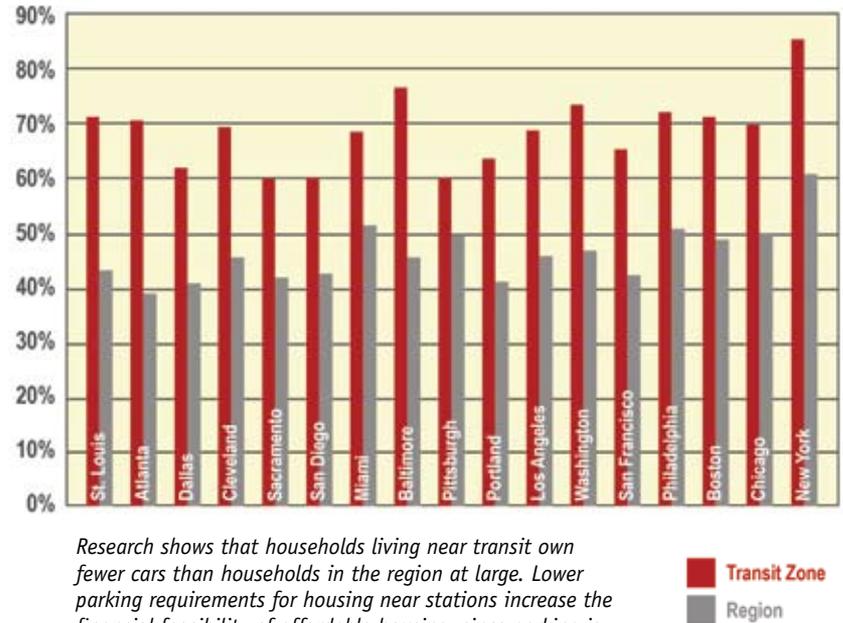
Texas authorizes municipalities to form TIF districts to finance public improvements and stimulate private investment in declining areas or on raw land on the suburban fringes. This power is divorced from traditional redevelopment powers such as eminent domain; TIF boards can choose to partner with redevelopment authorities, but this isn't required. A law called the Homestead Preservation Act authorizes the city of Austin to create "Homestead Preservation Reinvestment Zones" where all tax increment is dedicated to the preservation of affordable housing. A traditional TIF district and a homestead preservation reinvestment zone can be used in tandem. A TIF district around a station can generate revenue for infrastructure improvements while the homestead preservation district prevents displacement in the surrounding neighborhood. The Homestead Preservation Act authorizes a Homestead Land Trust to acquire and hold land for affordable housing in the reinvestment zone district. The act also authorizes a Homestead Land Bank to expedite the process of clearing title to vacant and abandoned lots with delinquent taxes in order to make these sites available for affordable housing.

# 11

## Reduced Parking Requirements – A Strategy For The Neighborhood And Site

**REDUCING PARKING** requirements increases the feasibility of mixed-income and mixed-use TOD because parking is expensive. From a design perspective, parking ratios largely determine whether there will be space for retail, child care or other non-residential uses, and whether there will be money for quality design and building materials. From a cost perspective, parking drives the development budget and is a key factor in determining housing prices. Concerns about reducing parking requirements can be addressed with transportation demand management strategies. For example, zoning can require less parking in projects with car-sharing facilities (for example, Zip Car). Transit agencies and local governments can also help reduce the need for parking by providing space for car-sharing facilities in public parking structures.

Percent Of Housing Units With One Or No Vehicles: Transit Zones Vs. Region



Research shows that households living near transit own fewer cars than households in the region at large. Lower parking requirements for housing near stations increase the financial feasibility of affordable housing, since parking is a significant expense for developers. (Source: Center For TOD)

**Parking is Expensive** Parking is a significant cost for developers and parking ratios may determine whether an affordable project is even feasible. For example, if a 1-acre parcel zoned for up to 100 units of residential development requires 2 spaces/unit, parking will need to be provided in multilevel garage at a cost of \$20,000 to \$40,000 per space. If the same parcel is zoned at 1 space/unit, parking can be located in a groundfloor podium, saving the development as much as \$2 million. If the same parcel is zoned at 0.75 spaces/unit, there will be enough groundfloor space to include child care and 10,000 square feet of retail.

Folsom + Dore in San Francisco serves tenants with special needs including chronic homelessness in Northern California’s first multifamily building to earn LEED (Leadership in Energy and Environmental Design) Silver certification. Parking was greatly reduced to 0.31 spaces per unit, making room for a hybrid car-share vehicle and 28 protected bicycle parking spaces. There are 98 studios and 1- and 2-bedroom apartments on a half acre.



PHOTO: DAVID BAKER + PARTNERS ARCHITECTS

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16. Abstract (Limit: 200 words)  This booklet is part of an ongoing series of “100” and “200” manuals by the Center for Transit-Oriented Development that explain the theory and best practices of transit-oriented development. This 201 discusses how providing for a mix of incomes in all communities is good, but that providing for a mix of incomes in walkable, mixed-use neighborhoods near transit is even better because of reduced transportation costs. Mixed-income TOD deepens the affordability of housing because families can get by with one less car or no cars – resulting in the savings of thousands of dollars per household annually. The book includes 11 strategies for encouraging mixed income TOD housing, with case studies and photos illustrating successful examples.			
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