

TOD in Distressed Communities



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Center for Transit-Oriented Development

- *Creating a national marketplace for TOD, working with cities, transit agencies, developers, investors and communities*
- *Best practices, technical assistance, research, policy reform*
- *A collaboration of Reconnecting America, The Center for Neighborhood Technology, and Strategic Economic*
- *Sponsors include: FTA, HUD, EPA, Ford, McKnight, Surdna, Brookings, Enterprise Community Partners, Corporate Sponsors, Transit Agencies, Cities*



- *Walkability and Location Efficiency*
- *Expanded Mobility, Shopping and Housing Choices.*
- *Regional Connectivity*
- *Financial Return and Value Recapture.*
- *Place-Making and Community Revitalization*

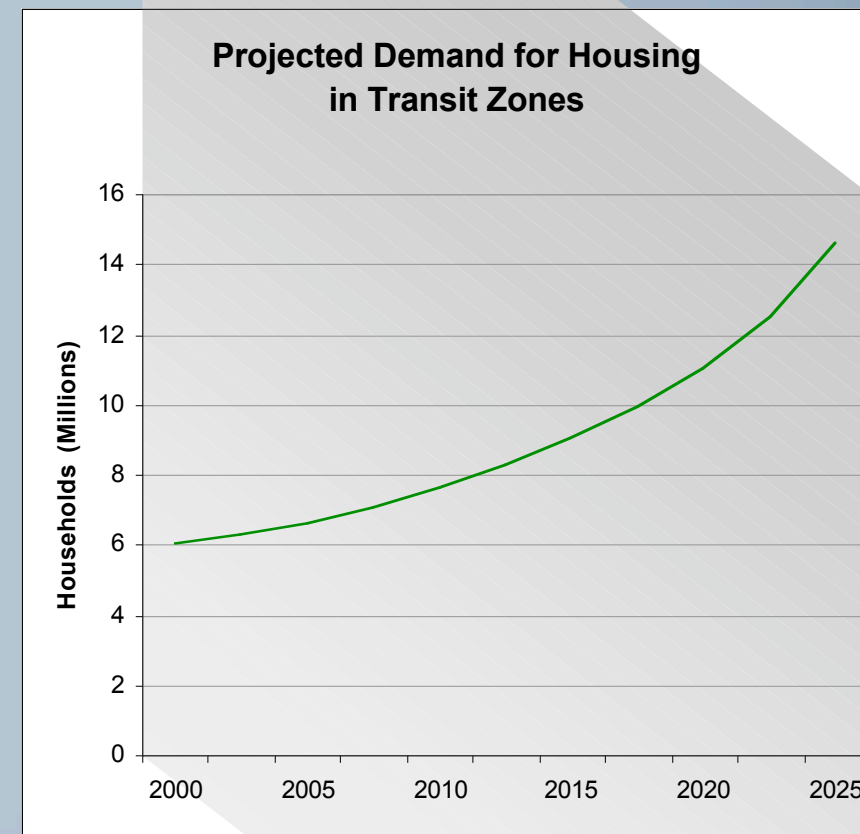
TOD Goals

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.



National demand for TOD will more than double by 2030

- Residential demand could *grow from 6 million to 16 million households* by 2030
- 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
- TOD Capture Rates are driven by household type and system size



Changing Demographics are Forcing A New Housing Market



Baby Boomers



Echo Boomers

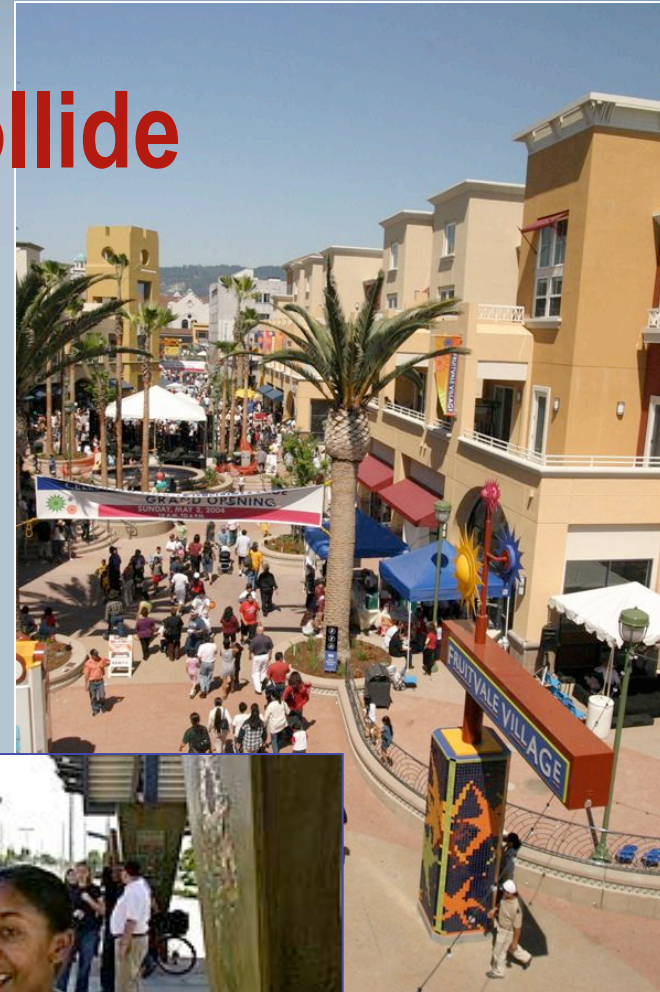


Non-White Households

- *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 -- *use transit more*

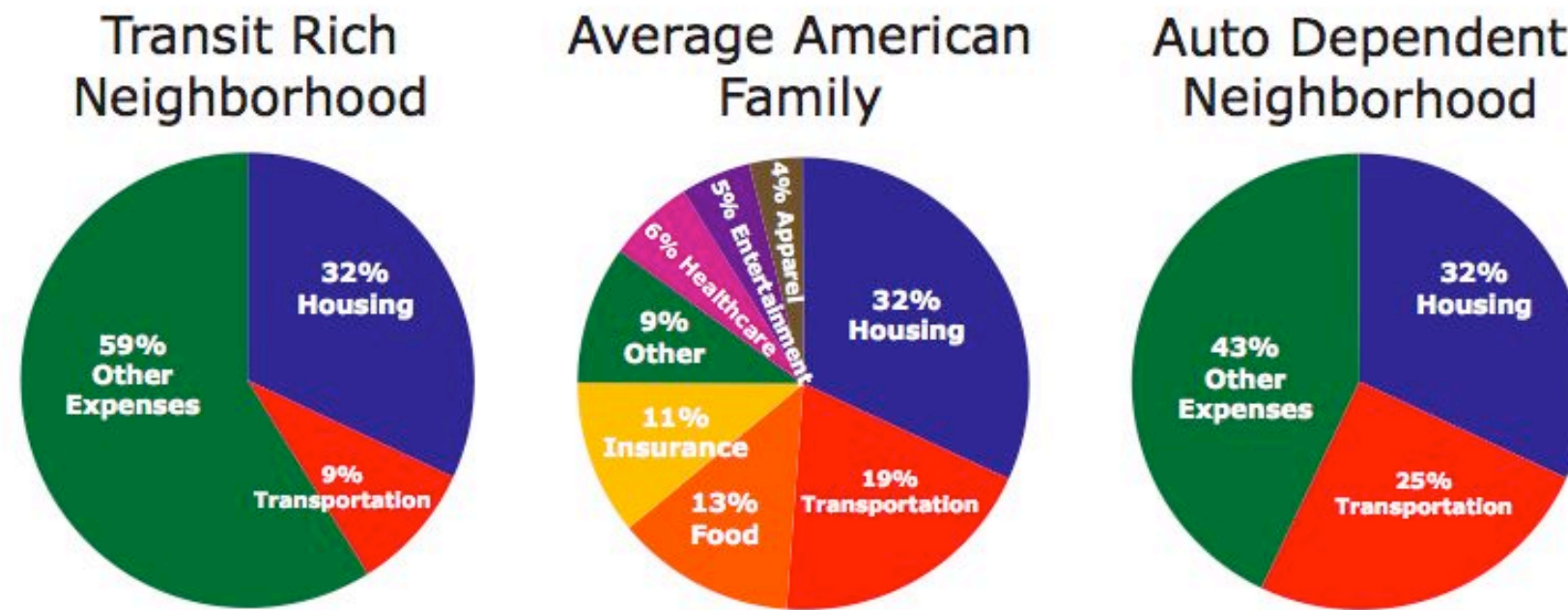
Diversity and Demand Collide

- Neighborhoods near transit today are *more racially and economically diverse* than the regional average.
- By 2030, estimated that over 16 million households will have a potential demand for living near transit
- In the future, *40 percent of these households will make less than 50% of median income.*
- *58%* of TOD demand is likely to come from *single person households.*
- *Land is scarce!* Construction costs are high!



*Fruitvale Transit Village,
Oakland, CA*

Location Matters: Transportation is #2 Expense after Housing



Source: Center for TOD Housing + Transportation Affordability Index, 2004 Bureau of Labor Statistics

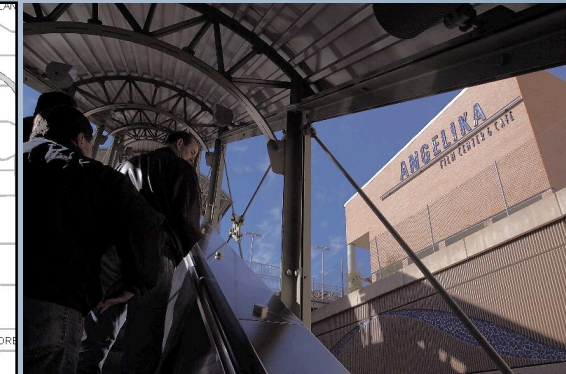
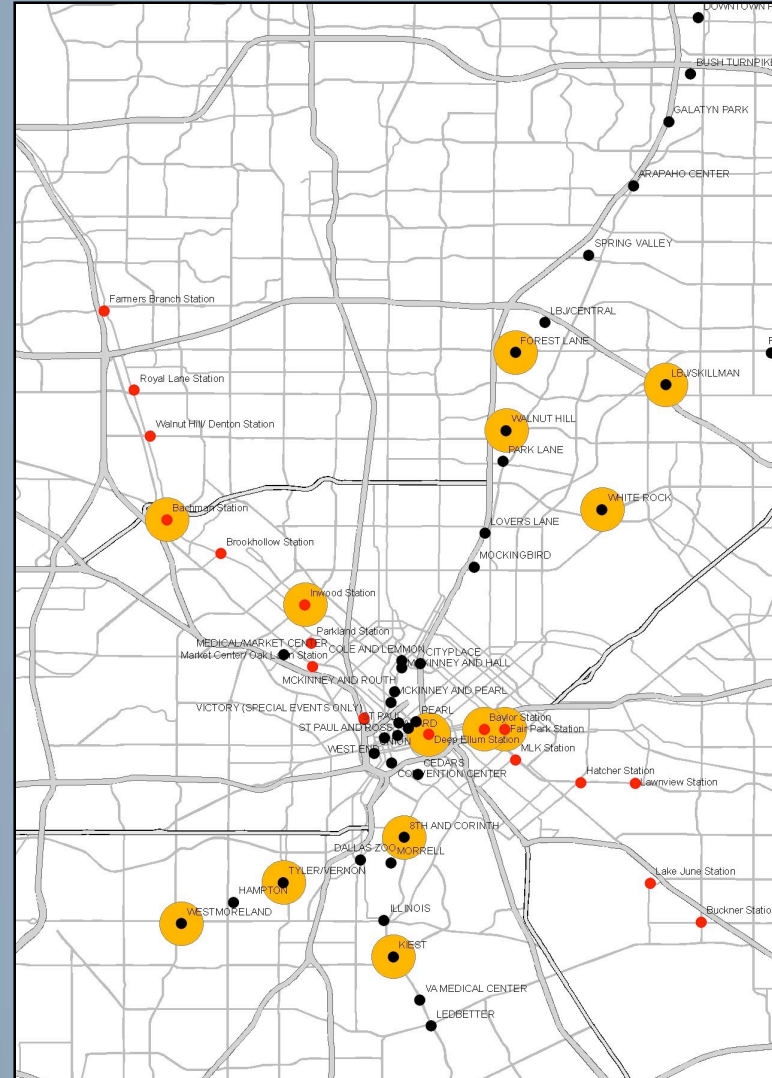
Affordable Living + TOD?



- TOD provides an affordable lifestyle via low H+T
- Low and Moderate Income Households should have the opportunity to take advantage of transportation savings
- Community Hubs are key to retaining stability and diversity
- Danger that TOD becomes income segregated: High and Low.
- Goal is Diversity: Builds in ridership, sustainable economics, stability
- We have a shared interest in doing this right

- *TOD markets vary by region and by corridor*
- *Transit alone will not create real estate markets*
- *Regions with transit may have corridors with both strong and weak TOD markets*

TOD Corridors: Not All Alike



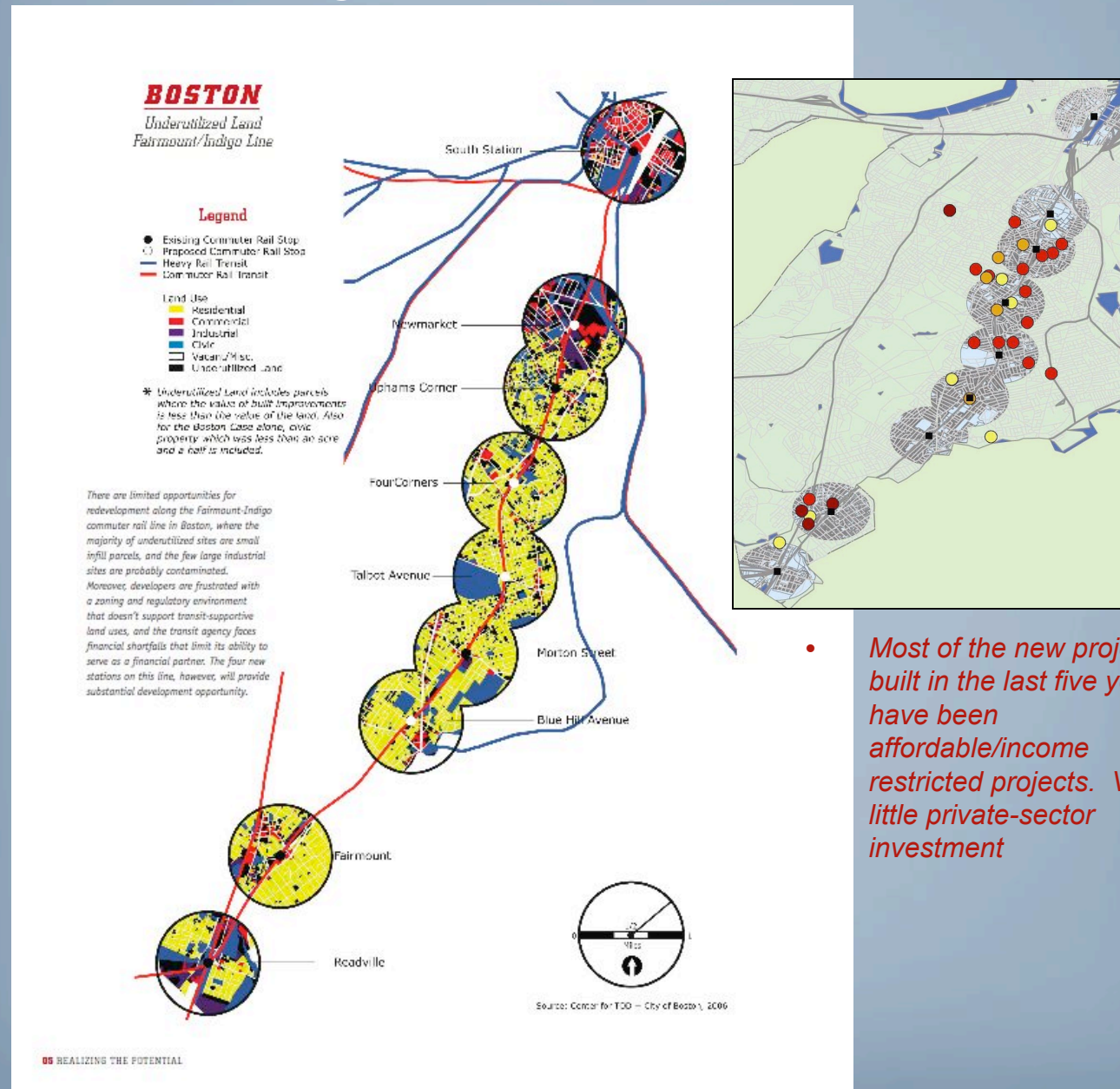
- *Dallas TOD Opportunities vary based on the strength of local markets.*

What are the prospects for TOD in “Unfavored” Corridors?

- *Transit ridership models favor low-income corridors*
- *Cost effectiveness formula favors existing freight lines and other low-cost rights-of-way*
- *Station areas often are distressed neighborhoods with concentrated poverty*
- *These places often need “catalytic” projects to turn the market around*
- *Significant emphasis on market-rate development, yet that’s difficult to achieve*
- *What about existing residents? How can they stay?*

- Scattered development opportunities/many sites publically owned
- Little market-rate activity
- \$30M State Infrastructure and Housing Fund for TOD + \$100M funds for mixed-income housing
- Will the corridor be able to turn around?

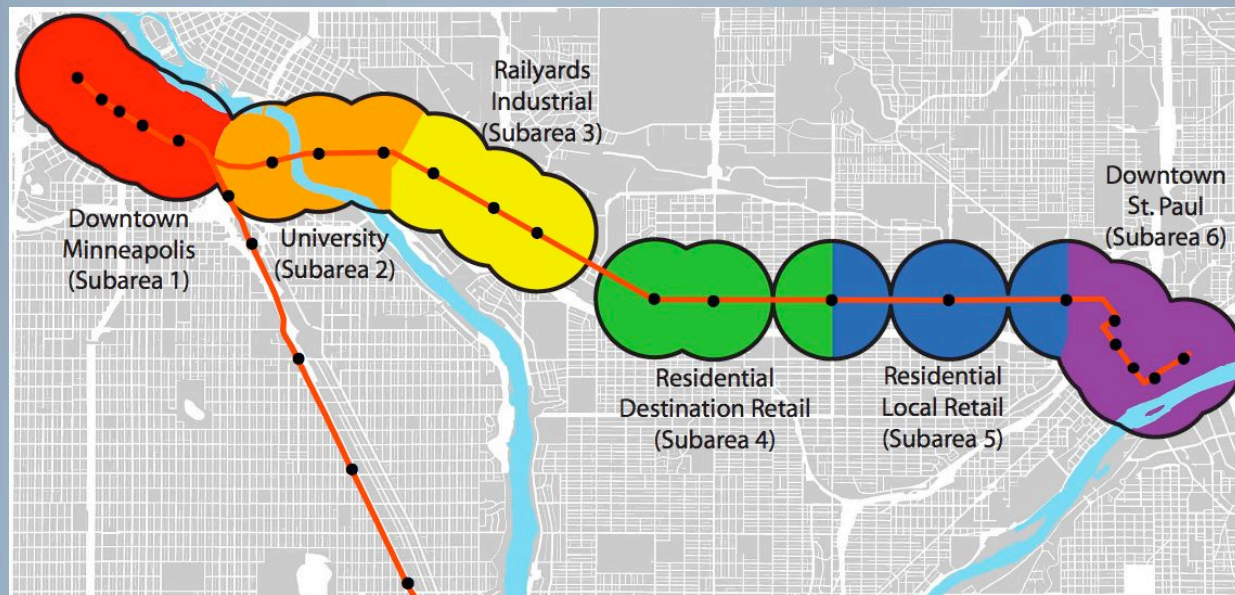
Case Study: Boston's Fairmount Line



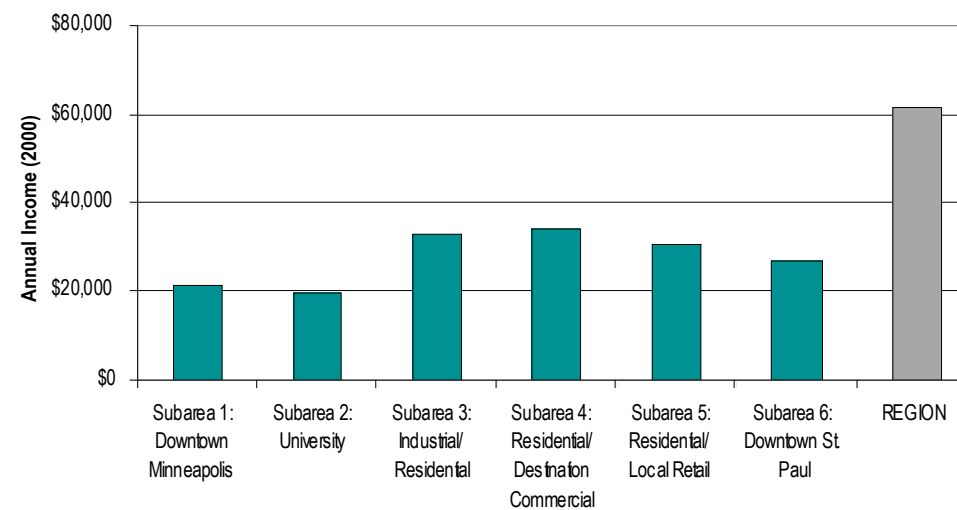
- Most of the new projects built in the last five years have been affordable/income restricted projects. Very little private-sector investment

- *LRT planned to connect Minneapolis + St. Paul*
- *Households with low incomes are more vulnerable to displacement, especially renters*
- *BUT, areas with concentrated poverty are less likely to gentrify in the short term*
- *City leading urban design vision*
- *Foundations working on social equity/community development*

Case Study: Central Corridor

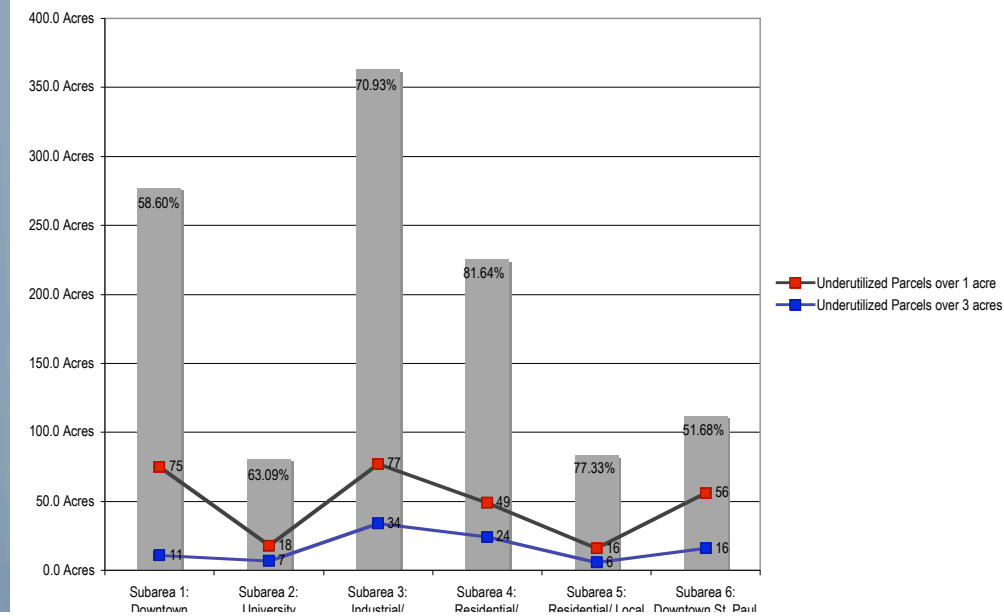
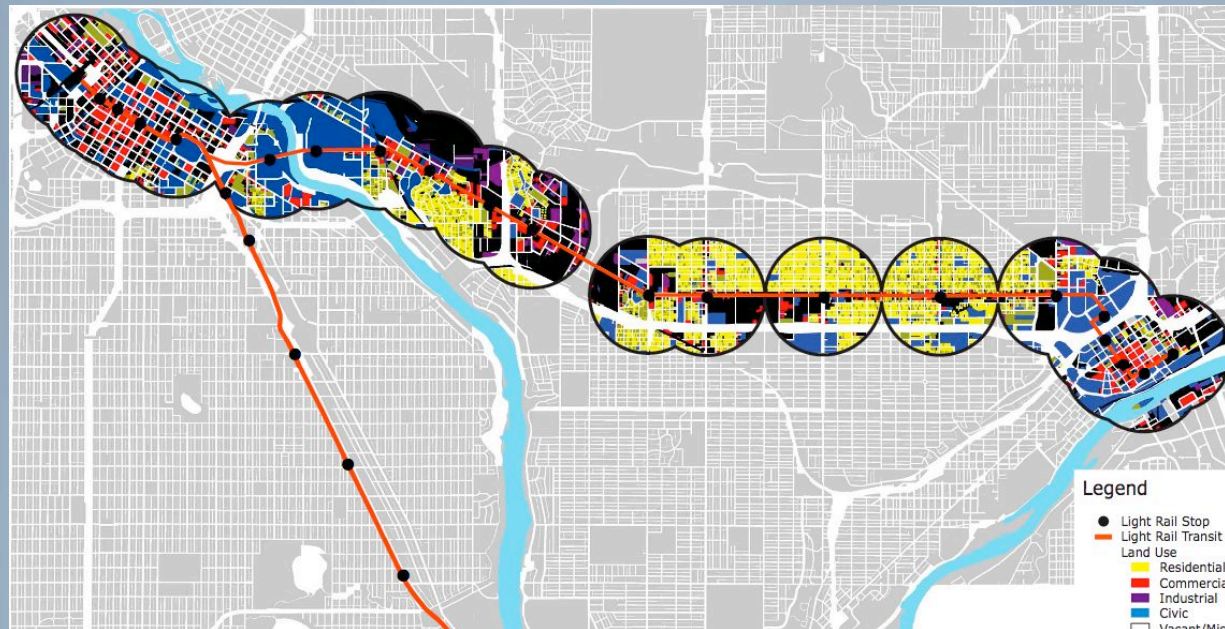


Household Income

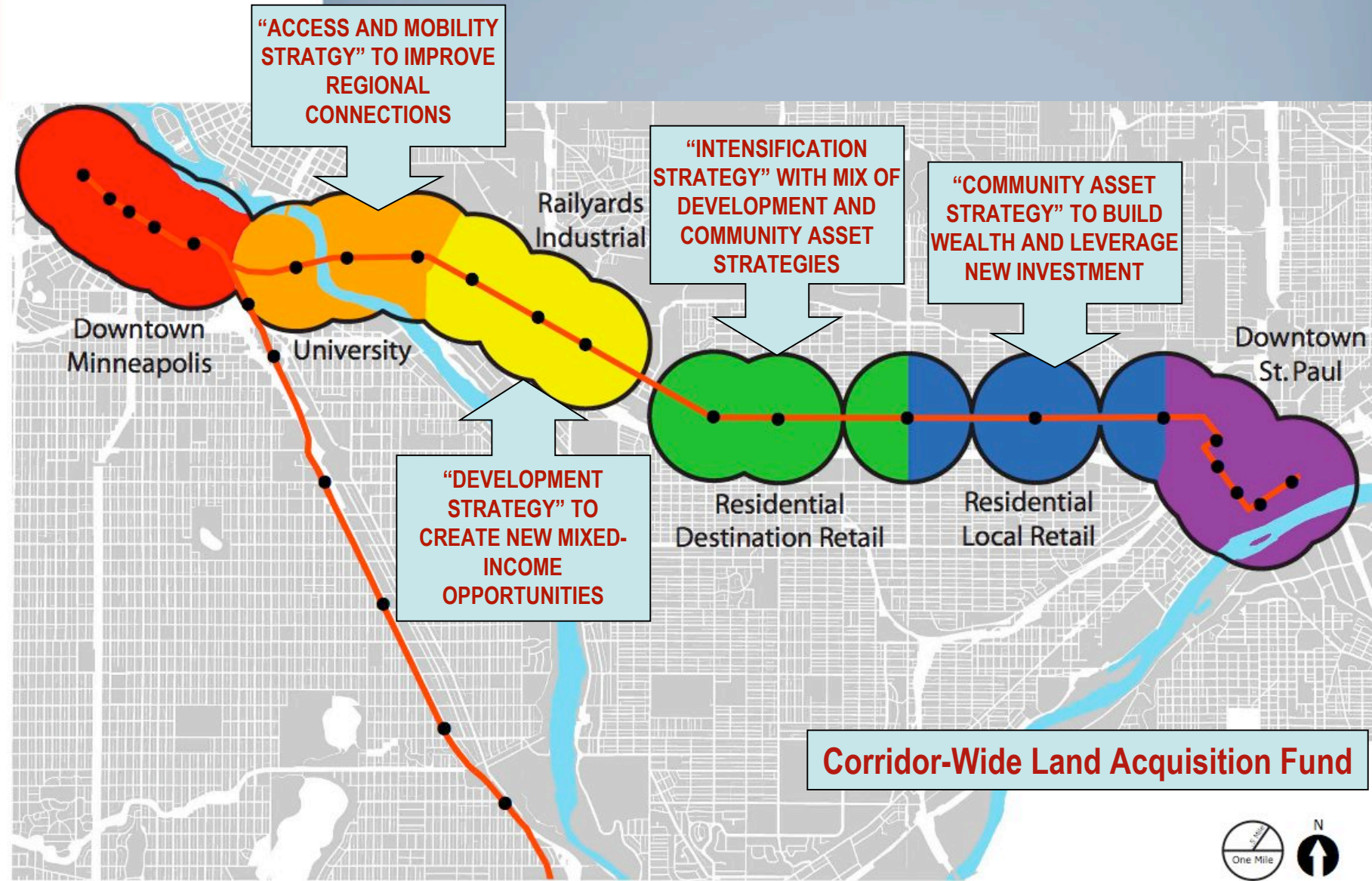


- Substantial underutilized land in key areas – Could create opportunity for land banking
- High development activity means pressure for change
- Increasing house prices (and rents) indicates potential for displacement
- Areas with older housing stock (pre WW II) and relatively low property values are more likely to gentrify

Case Study: Central Corridor

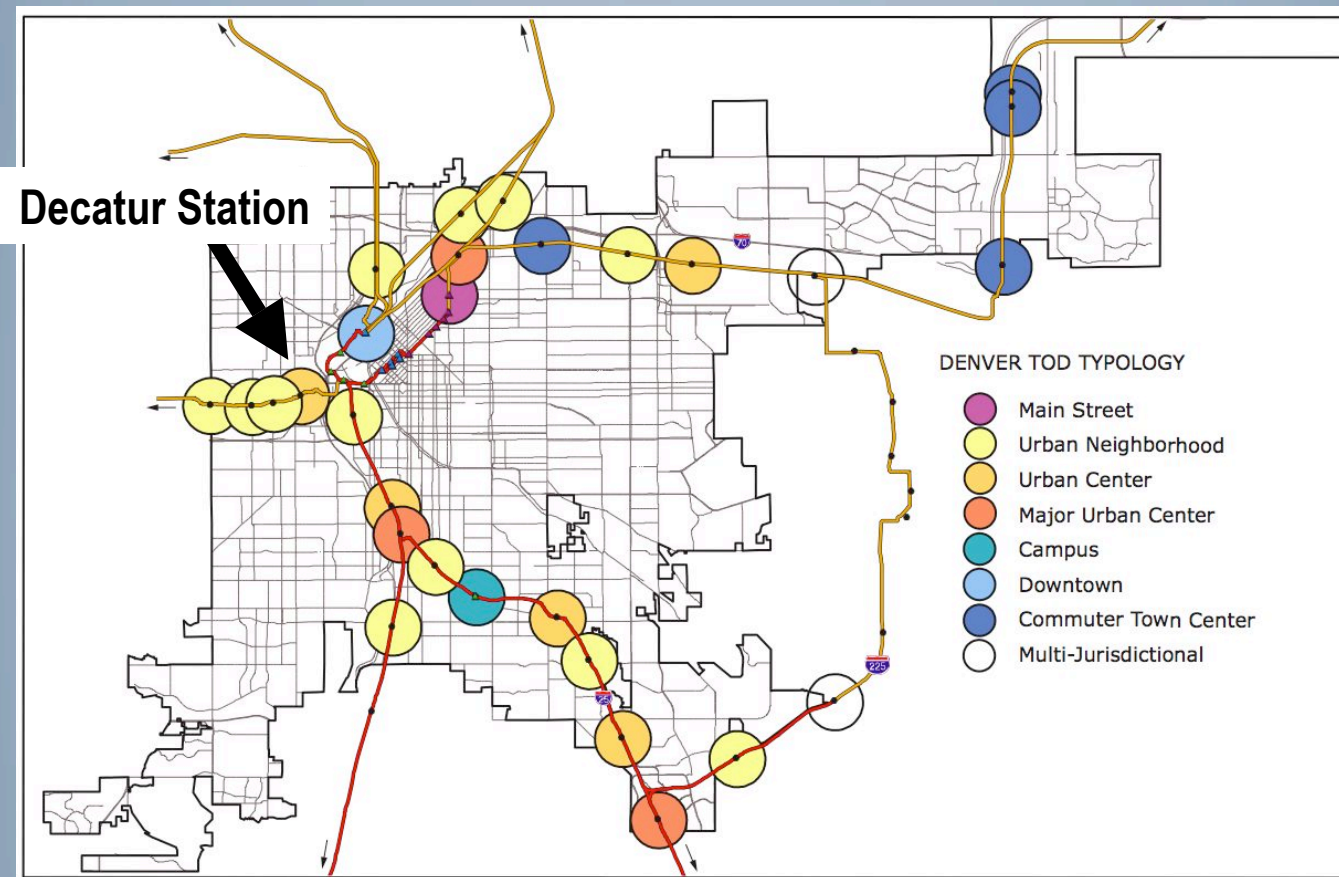


Case Study: Central Corridor



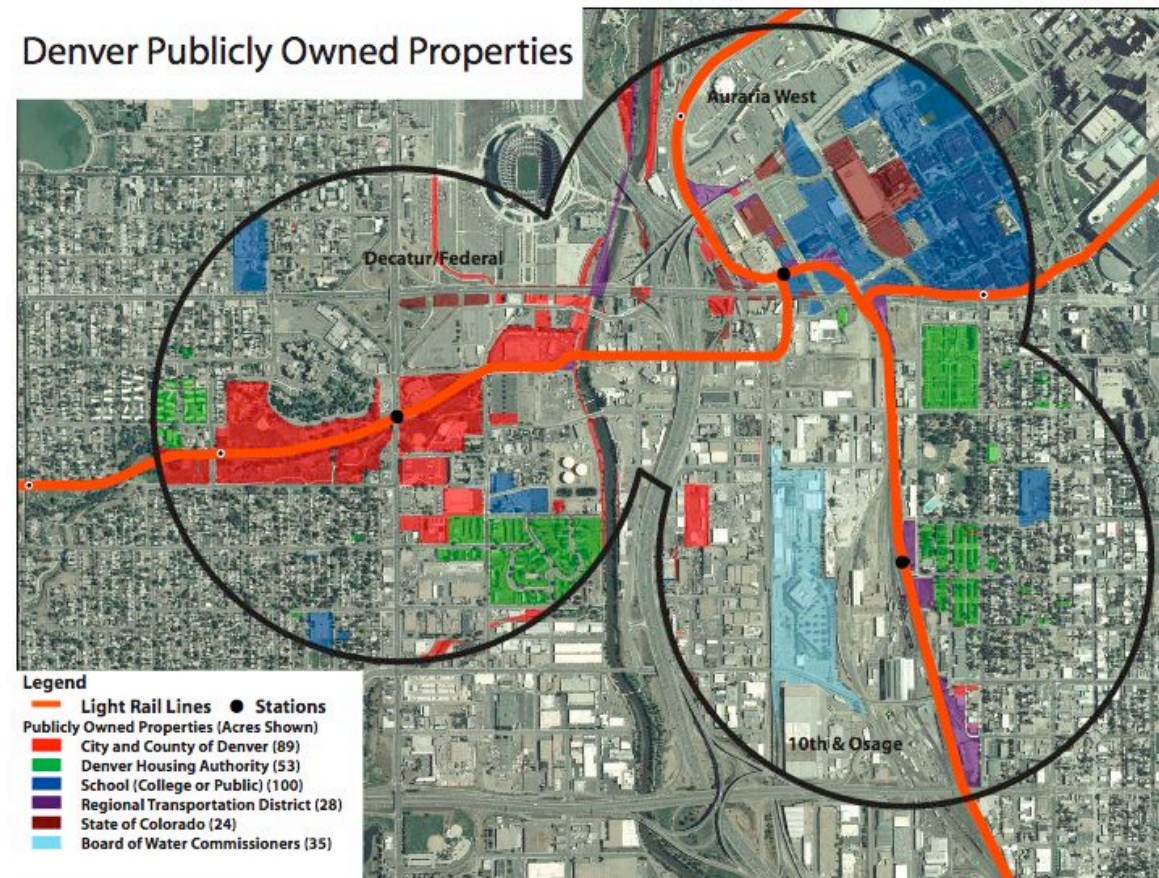
- *TOD Demand in Denver region:*
- *West Corridor next line to be built*
- *Decatur Station will be within 10 minutes of Downtown*

Case Study: Denver/Decatur Station



Case Study: Denver/Decatur Station

- *Three distressed public housing sites in walking distance of transit (Green)*
- *Market not likely to respond until public housing is addressed*
- *Over 200 acres of publically-owned land could be leveraged to help create mixed-income neighborhoods*
- *BUT, competing interests*
- *No HOPE VI*



Lessons for TOD in Distressed Communities

- *Plans and codes are often not sufficient to stimulate high quality TOD in distressed neighborhoods.*
- *Need strong partnerships between philanthropy, local/regional government, market actors and community.*
- *Think corridor and neighborhood, not site.*
- *Social seams/community hubs are key to successful long-term diversity.*
- *Be proactive about capturing value that is being created. Get tools in place early to ensure long-term diversity and stability.*
- *Consider bigger thinking: master developer agreements and land acquisition funds.*
- *Transit is a public investment, and thus should provide benefits to a full range of households.*

