



MITOD
202

CREATING MIXED-INCOME COMMUNITIES



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Key Concepts: Mixed-Income Communities

- Transit-rich housing that is affordable to a range of incomes, ages, and ethnicities at the project or neighborhood scale.
- Promotes equitable TOD
- Provides housing for existing residents and workers
- Stabilizes community
- Location efficient mixed-income housing reduces Housing *and* Transportation costs





Outline of Session

- TOD 101 Re-cap
- Why MITOD
- Tools to Implement MITOD
 - H + T
 - TOD Database
 - MITOD Action Guide

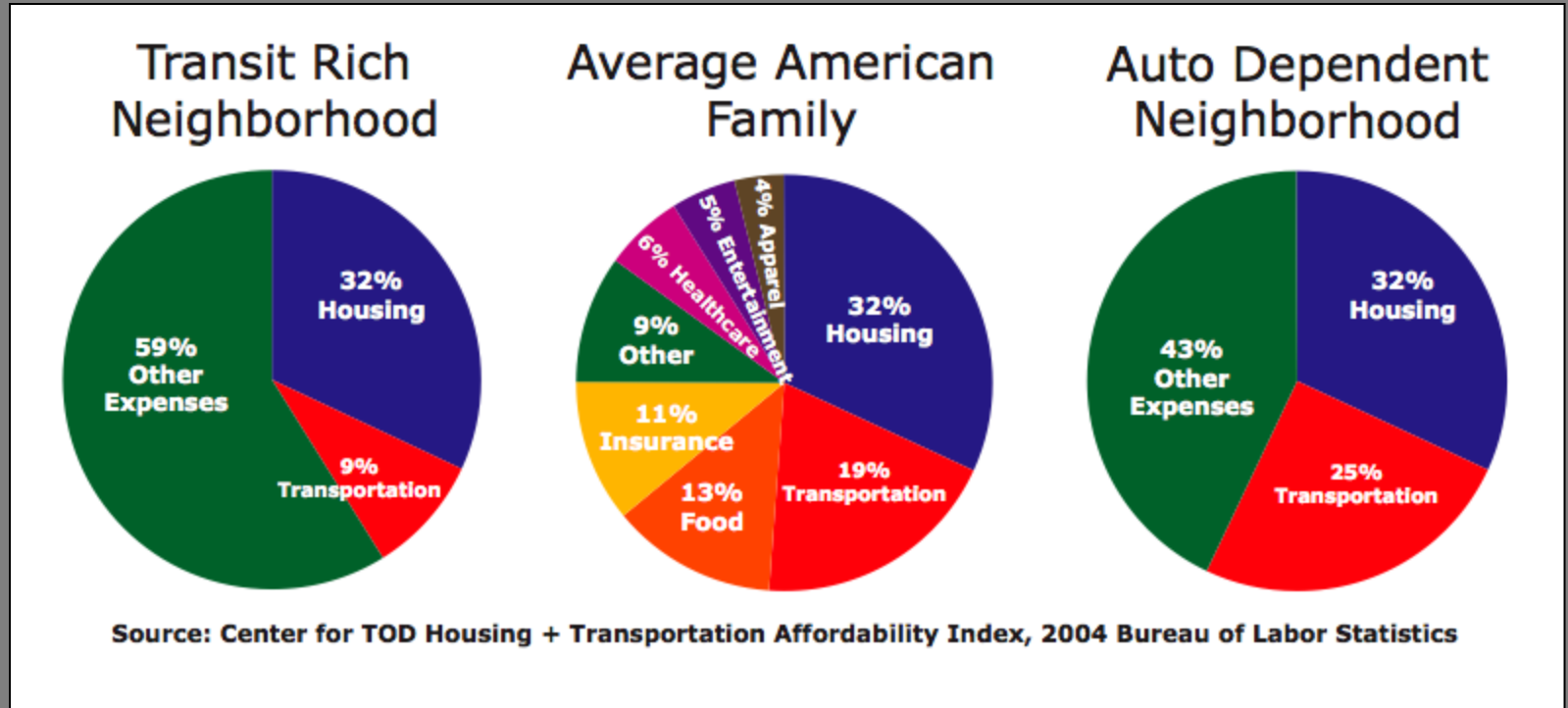
A TOD 101 Recap

- Compact development with ½ mile of transit
- Mix of uses:
 - Housing, jobs, restaurants, and entertainment
- Benefits:
 - Location efficient
 - Value for public and private sector
 - Creates a sense of place and community
 - Helps to promote sustainability
 - Boosts transit ridership



A Housing and Transportation Recap

- Transportation is the second highest household expense after housing.



What is a major “driving” factor of TOD?

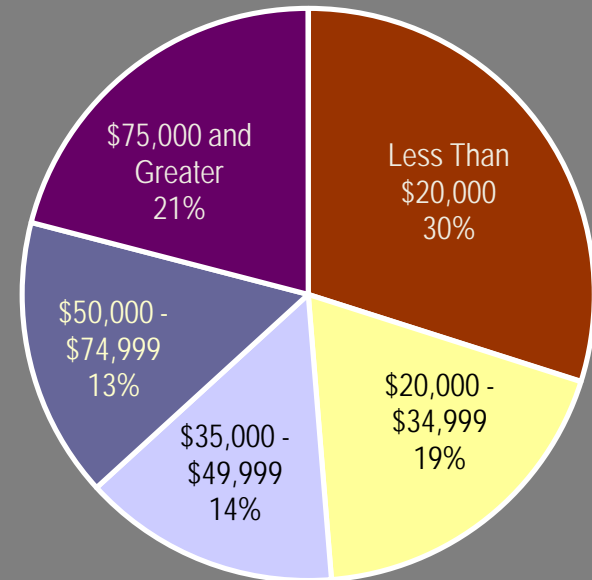
DEMAND

Demand is Increasing...

By 2030

- **More than half** of potential demand for housing near transit centers will come from households with below median incomes
- Demand for housing near transit estimated to grow from 6 million to 15 million households
- Land costs for affordable housing near transit are high
- Developers tend to build to the highest end of the market

Potential Household Demand for TOD in 2030, by Household Income (\$1999)



Demographics are changing...

- Changing demographics
 - Singles will soon be the new majority
 - Old people will outnumber young people by mid-century
 - 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
- Shifts in consumer preferences to a more urban lifestyle.

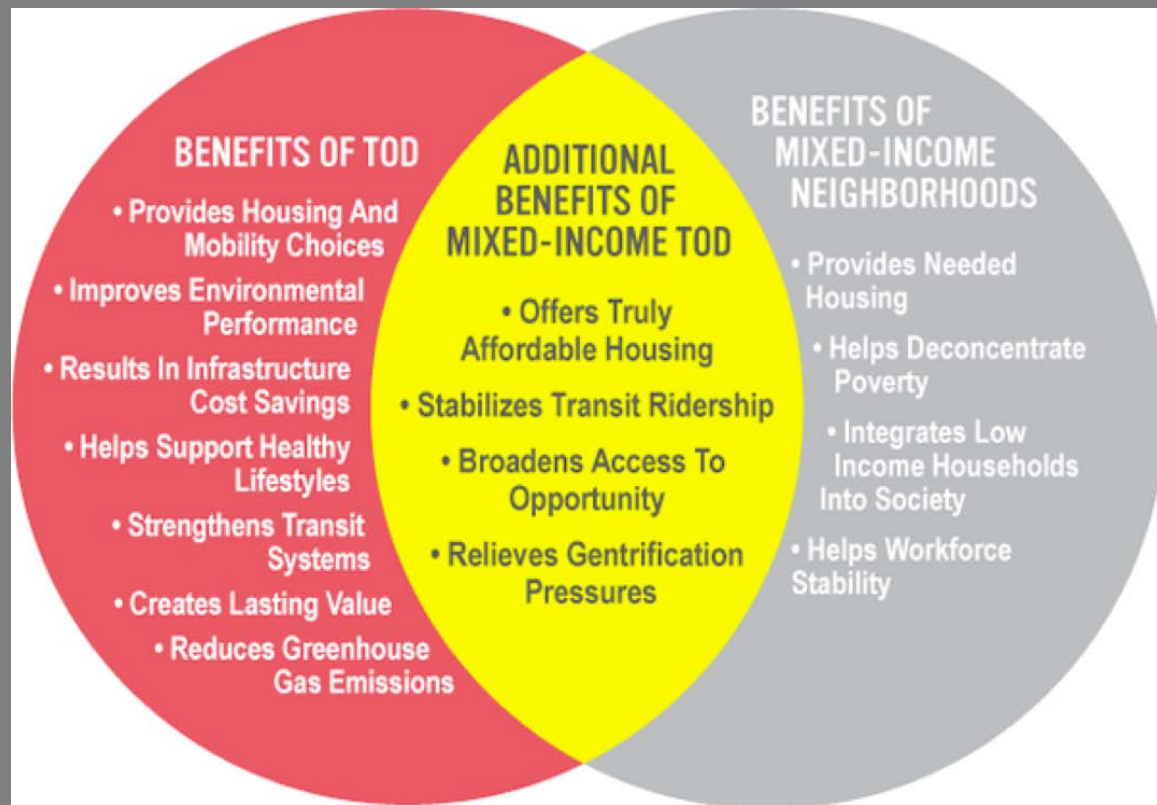
Transit ridership  **38%**
since 1995




Building Mixed-Income Communities Near Transit

Making the case for Mixed-Income TOD

- Offers Truly Affordable Housing
- Promotes Equitable TOD
- Stabilizes Transit Ridership
- Broadens Access to Opportunity
- Relieves Gentrification Pressures
- Provides for a diversity of people - singles, families, retirees





Truly Affordable Housing

Location Efficiency

- Location is a major factor in transportation costs for households and businesses
- **The Key Drivers of Location Efficiency are:**
 - Compact neighborhoods
 - Walkable streets
 - Access to transit
 - Mix of use and services

Stabilizes Transit Ridership

- Mixed-Income TOD enables frequent transit user households to have the best access.
 - Over ¼ of households below poverty level do not have cars
 - People who live near transit are five to six times more likely to commute by transit

Annual Income	Auto	Transit & Other
<\$25,000	82.9%	17.1%
\$25K to \$34,999	89.9%	10.1%
\$35K to \$49,999	90.8%	9.2%
\$50K to \$74,999	90.0%	10.0%
\$75,000 and more	85.2%	14.8%

Building Mixed-Income Communities Near Transit

Broadens Access to Opportunity

- Links workers to their jobs, and offers employers a stable and diverse workforce
- Mature transit systems connect diverse economic opportunities
- TOD reduces employee absenteeism, and boosts productivity



Building Mixed-Income Communities Near Transit

Relieves Gentrification Pressures

- Potential for displacement fueled by new public and private investment in TOD
- Mixed-Income TOD balances both market rate and affordable housing
- Allows residents to stay in their established communities



Who Benefits

- Low-Income Households: *Access to Opportunity*
- Other Households: *More Stable Neighborhoods*
- Transit Agencies: *More Stable Ridership*
- Employers: *More Stable Workforce*
- Developers: *More Moderate Swings of Market Cycles*



Making MITOD Work to Create Whole Communities

*There is no "one size fits all"
TOD solution*



Intro
to
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Building Mixed-Income Communities Near Transit



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Challenges

- High cost of land and housing production in location efficient communities
- Lack of coordination among multiple stakeholders and sectors
- Market demand for housing near transit drives up costs
- Mixed-income and mixed-use projects require complex financing
- Public investment is often needed to provide a mix of incomes

Transit Agencies with Affordable Housing Policies or Developments



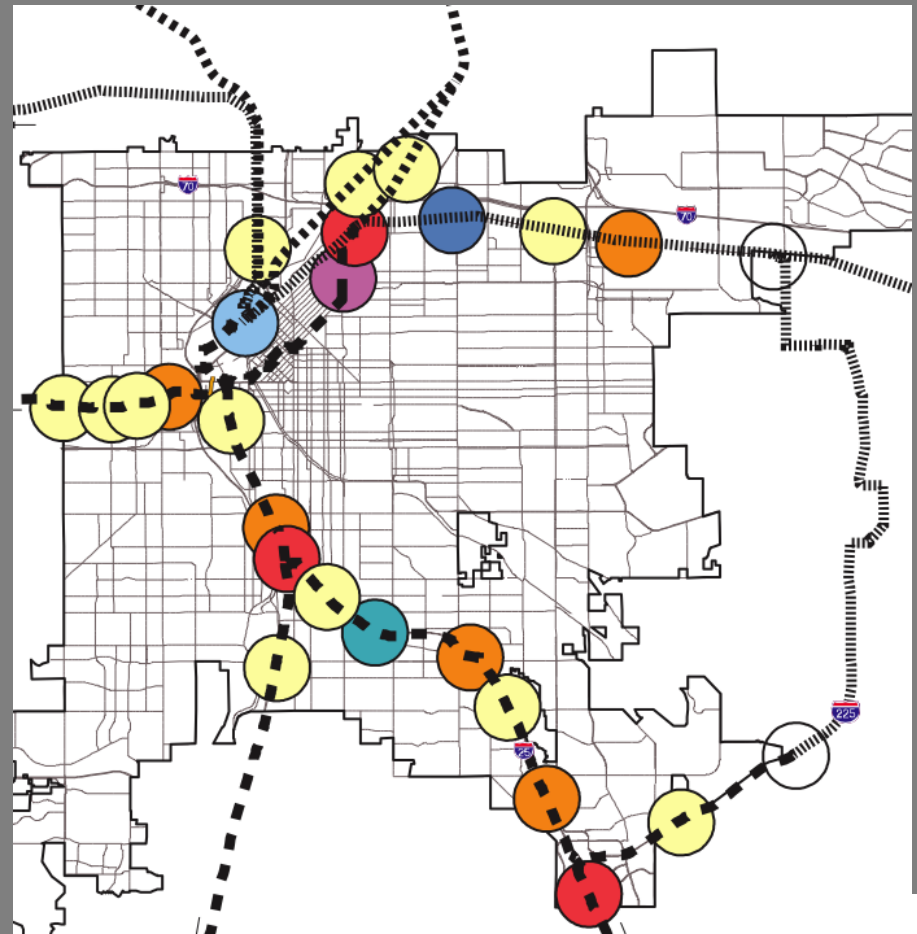
4 Strategies to Create or Preserve Mixed-Income Communities

1. Proactive Station Area Planning
2. Provide incentives and ease or remove regulatory barriers
3. Preservation of existing housing stock
4. Coordinate investments in location efficiency
5. Policy Support at the Federal Regional and Local Levels



Strategy 1: Proactively Plan for Station Areas

- Brings all stakeholders together
- Sets the long-term vision and implementation steps
- Identifies needs and opportunities
- Can be done at local, state, and regional (corridor) level



Strategy 2: Provide Incentives and Ease or Remove Regulatory Barriers

- Retool zoning and financial incentives to meet goals
- Encourage a mix of uses to integrate housing and other uses
- Allow for increased density to support local-serving retail



Incentive-based Zoning: Case Study

Massachusetts Zoning (Chapter 40R)

- Offsets perceived fiscal impact with direct funding to cities
- Requires the inclusion of affordable units in most private projects
- Addresses gap in low- and moderate-income housing



Proposed development along the Silver Line in Boston

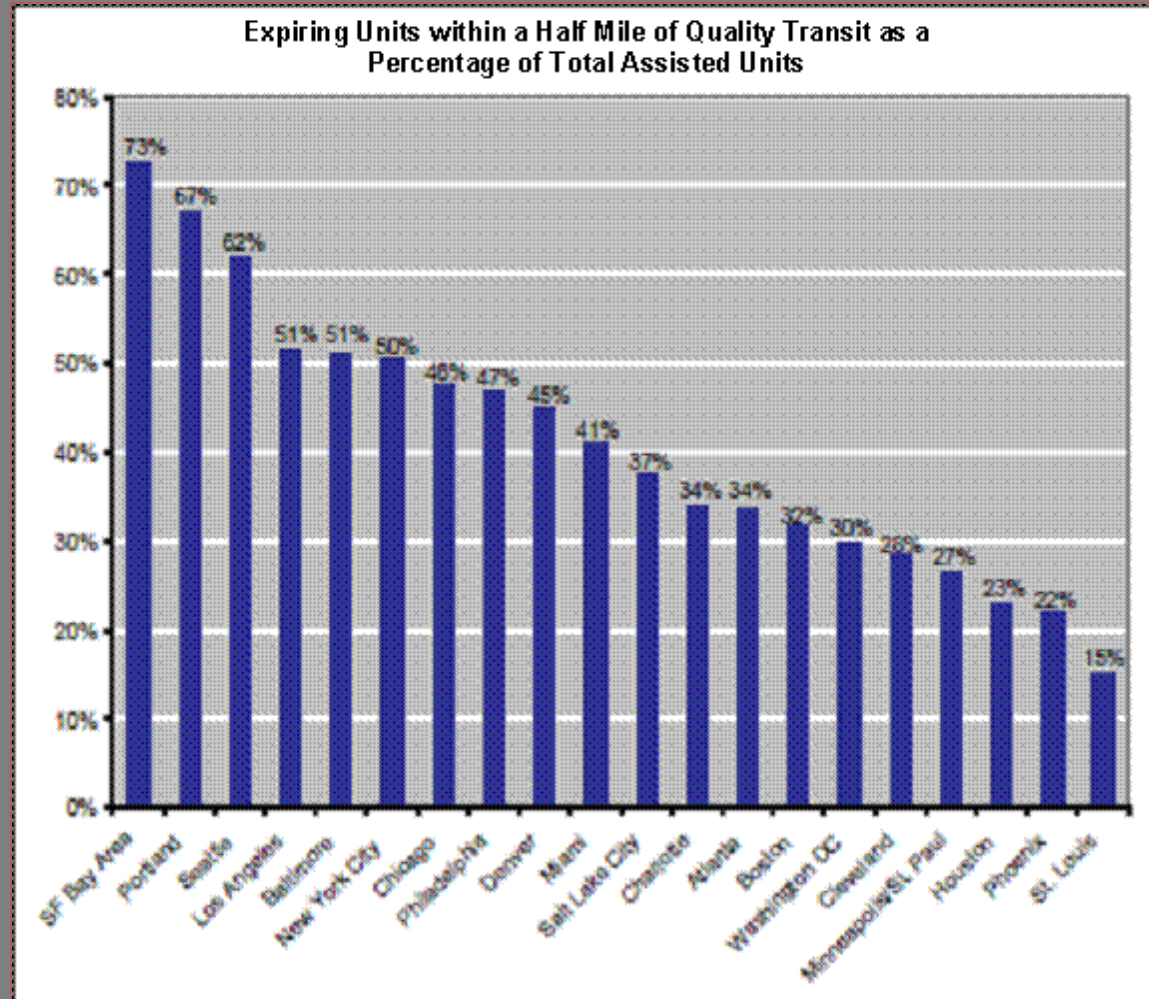
Strategy 3: Preservation of Existing Housing Stock

- More mixed-income housing exists today than can be built tomorrow
- Existing subsidy contracts have limited terms
- Existing market affordability can be maintained



Not just about new development

- There are 250,000 affordable apartments located within ½ mile of public transit in 20 metropolitan areas. (Chart courtesy of AARP)
- More than 2/3 of federally assisted rental units will expire within the next five years





Tools for Preservation of Existing Housing Stock

- Land/property acquisition funds
- Housing Trust Funds
- Retool federal and state policies regarding the housing stock located near transit

Strategy 4: Coordinate Investments in Location Efficiency

- Public/private investment in walkable neighborhoods near transit
- Investments in development around transit creates value that can be captured and reinvested in the community



Improving Location Efficiency: Optimizing Transit Service

- Access daily needs without driving
- Reduced highway congestion and travel time
- Access and connections to the regional transportation system
- Reduced local congestion



Strategy 5: Policy Support at the Federal Regional and Local Levels

Inventory of Affordable Housing Created Through Joint Development

INCOME LEVEL	AMI LEVEL	EXISTING	PLANNED	TOTAL FOR AMI LEVEL	TOTAL FOR INCOME LEVEL
EXTREMELY LOW-INCOME	< 30%	95	13	108	134
	< 40%	26	-	26	
VERY LOW-INCOME	< 50%	274	184	458	598
	30-50%	140	-	140	
LOW-INCOME	< 60%	1,293	289	1,582	2,376
	30-60%	-	180	180	
	50-60%	231	19	250	
	< 80%	364	-	364	
WORKFORCE	60-120%	-	180	180	310
	80-120%	18	112	130	
UNKNOWN	UNKNOWN	607	836	1,443	-
ALL AFFORDABLE	ALL AFFORDABLE	3,048	1,813	4,861	3,418

Table based on survey of 24 transit agencies across the U.S.



Transportation Funding for Housing

- San Francisco Bay Area MPO: Metropolitan Transportation Commission (MTC)
 - Housing Incentive Program
 - Offers extra transportation funds to jurisdictions that commit to creating new high-density housing near transit
 - Transit for Livable Communities Grant Program
 - Three components: capital grants, planning grants and Housing Incentive Program (HIP)
 - Affordable Bay Area TOD Property Acquisition Fund (\$10 million)
 - Acquire land in key TOD sites across the Bay Area to preserve and build affordable housing



New Interactive Tools

- H+T Index
- www.htaindex.cnt.org
- Mixed Income TOD Action Guide
- www.mitod.org

Housing + Transportation Affordability Index

- An interactive tool that measures the true affordability of *housing* based on its location.
- User can find out housing and transportation costs in their region.
- Database covers over 330 metro regions
- For more information go to www.htaindex.cnt.org



Mixed-Income TOD Action Guide

- A tool for local jurisdictions working to foster mixed-income transit-oriented development (TOD) around planned transit stations.
- Acquire an invaluable set of data that describes the demographics and market-potential of the transit district of interest,
- For more information go to www.mitod.org

Mixed-Income TOD Action Guide

Sample Report

action guide

**MIXED-INCOME
TRANSIT-ORIENTED
DEVELOPMENT**

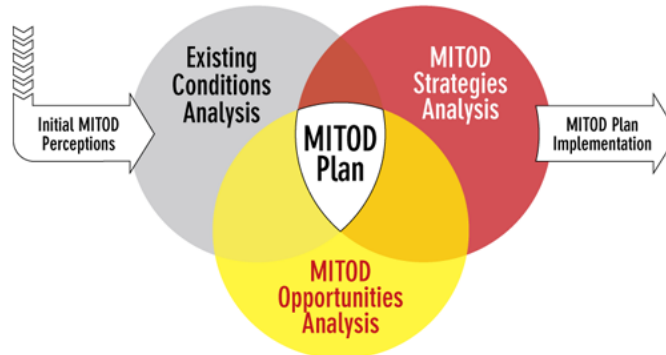
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Introduction to your MITOD Analysis

The following process will lead urban planners from initial perceptions about a station area's MITOD potential, through three areas of analysis, to the development of a MITOD Station Area Plan that can be implemented by stakeholders.

The three-part data gathering and analysis components of plan development must be considered in tandem to be effective. These three areas of analysis are composed of questions – to be answered by the urban planner – that span several subjects: demographics, housing, real estate markets, land capacity, and neighborhood stability. Each question highlights key information that will be used at the end of the process to help local jurisdictions select and direct policy tools to achieve their MITOD goals.



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Building Mixed-Income Communities Near Transit

Intro
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What Can Transit Do?

- Acknowledge value of mixed-income communities served by transit: preservation and creation
- Acknowledge and leverage transit's role as a community builder
- Build capacity within agency to identify development opportunities and real estate markets
- Use RFP and RFQ process for
 - joint development and
 - redevelopment opportunities
- Develop new partnerships





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QUESTIONS?
COMMENTS?



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Reconnecting America
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