

# TOD and Equity

## TOD Working Group

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# What is “Equitable TOD?”

- Equity is fair and just inclusion.
- Equitable TOD is the precept that investments in and along public transportation corridors should benefit everyone in the adjoining communities.
- Goal is to improve access to quality housing, jobs, educations and support services especially for low- and moderate-income families as well as minorities who live in segregated communities.

# Framing sustainability in the 3 'Es': Equity, Environment, and Economy: HUD, DOT, EPA, (DOE)

## The Partnership's 6 Livability Principles



Provide more **transportation** choices



Expand location- and energy-efficient **housing** choices



Improve **economic competitiveness** of neighborhoods by giving people reliable access to employment centers, educational opportunities, and other basic services.



Target Federal funding toward **existing communities** – through transit-oriented development and place-based policies



**Align federal policies** and funding to remove barriers to collaboration, leverage funding and increase the effectiveness of existing programs.



Enhance the **unique characteristics** of all communities, whether rural, suburban or urban.

# Return on Equity

- Public-private partnership create economically sound TOD projects.
- Incentives encourage employers to locate along transit.
- Private investors see the long term value of economic benefits in TOD.
- Low-income residents can access via workforce training and good jobs.
- Low and middle-skilled jobs are available.
- TOD projects include affordable units.

# Equitable TOD

- Communities develop an unifying platform for economic, community, transit, and workforce development.
- There is a clear alignment of private, non-profit, and public sectors.
- Getting to and from work be less challenging for low-income residents

## RACIALLY/ETHNICALLY CONCENTRATED AREAS OF POVERTY

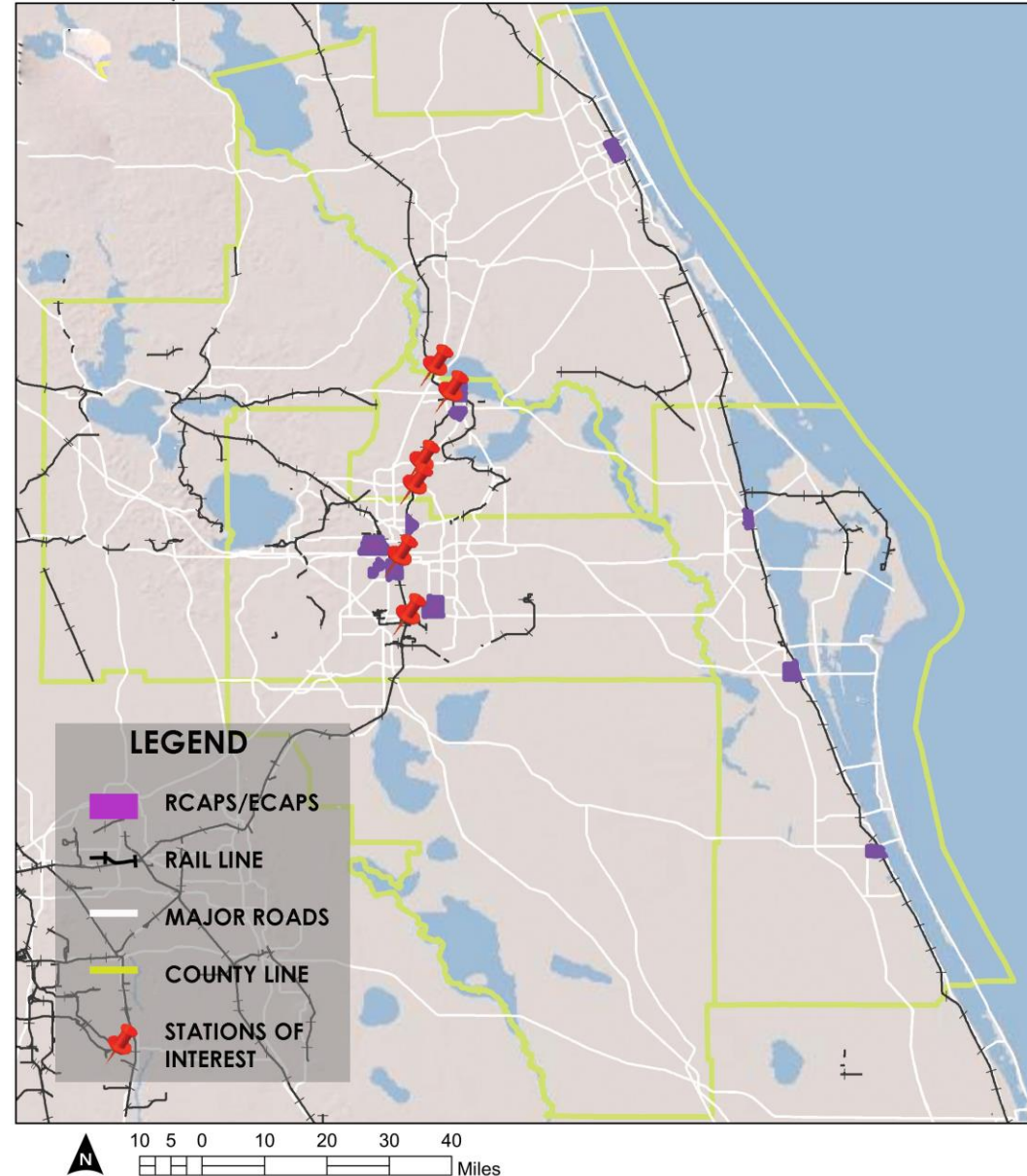
### RCAPs/ ECAPs

These census tracts identify racially/ ethnically- concentrated areas of poverty.

RCAPs/ ECAPs have been defined by HUD as being represented by a non-white population of more than 50%.

Poverty has been defined as census tracts with 40% or more of individuals living at or below poverty line (HUD FHEA Data Documentation, 2013).

There are fifteen (15) RCAPs/ ECAPs within the six (6) county area.





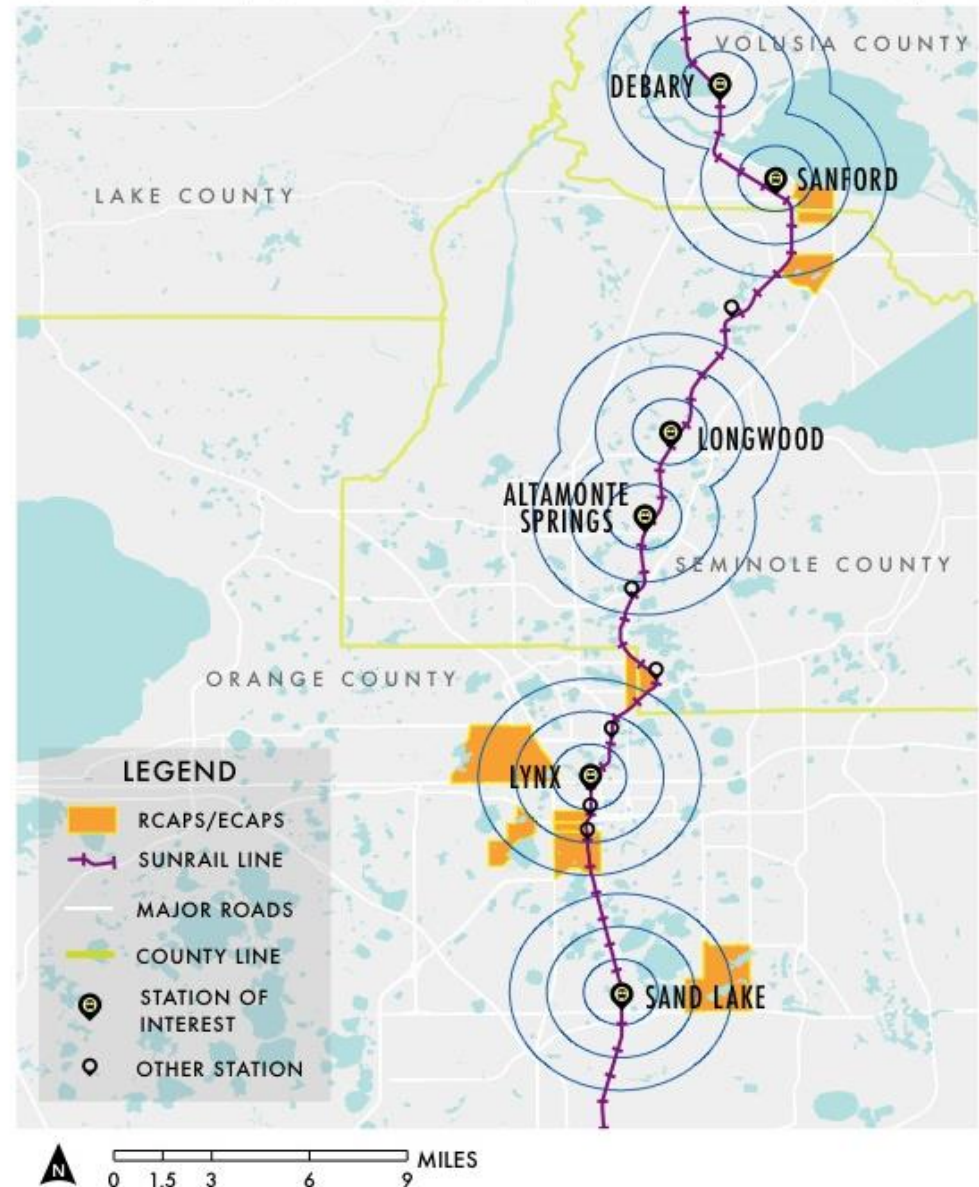
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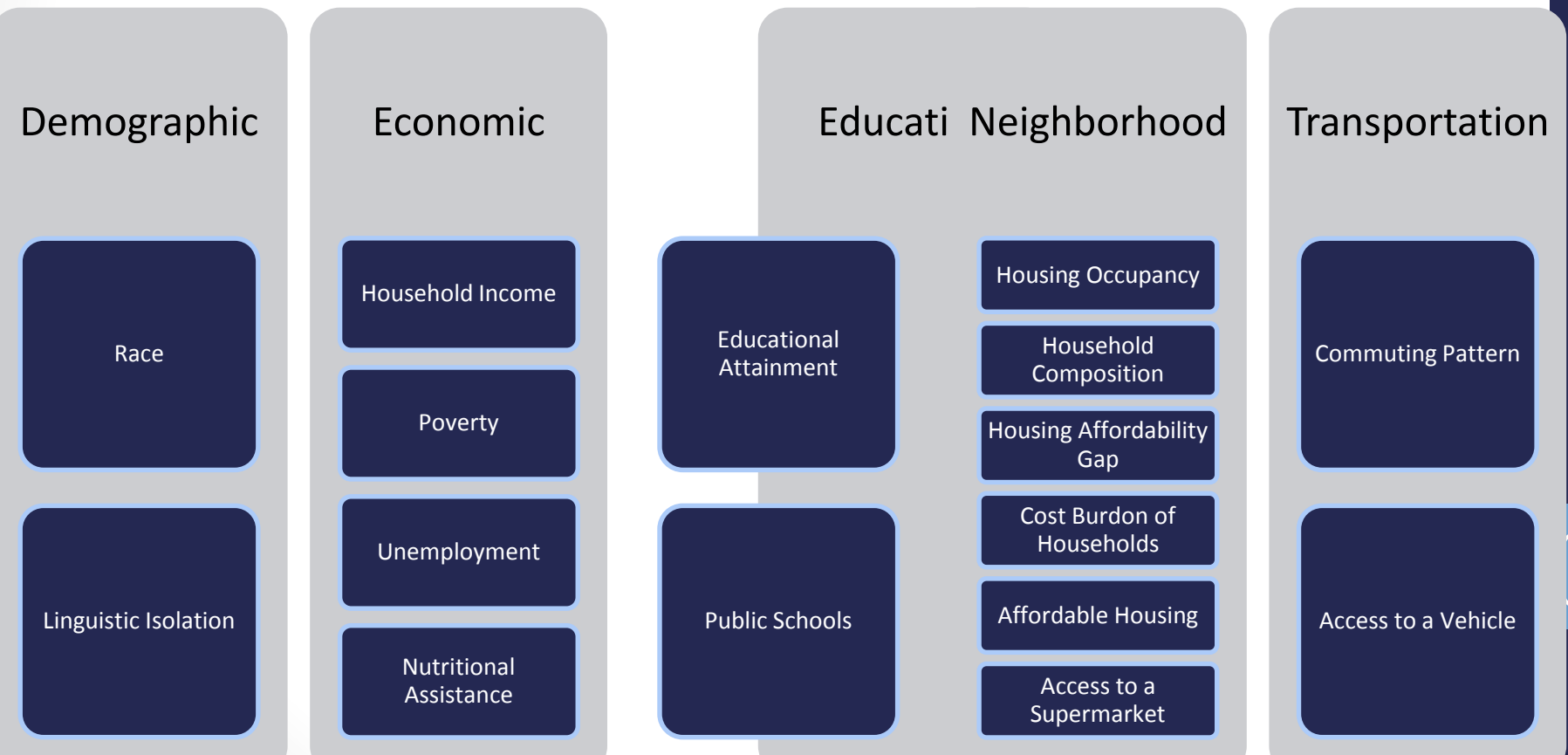
### EAST CENTRAL FLORIDA REGIONAL PLANNING COUNCIL SUNRAIL STATION AREA FAIR HOUSING AND EQUITY ANALYSIS RACIALLY/ETHNICALLY CONCENTRATED AREAS OF POVERTY



Produced by: Carras Investments in collaboration with A. Andrei and A. McMaster  
Source: HUD dataset last updated 2012  
Note: The notion of ECAP and RCAP data was developed and provided by HUD PD&R.

# SunRail Station Area Opportunity Analyses

- Addresses 14 community indicators in five categories
- Access to opportunity, measured by our “opportunity index” is relative to the following indicators



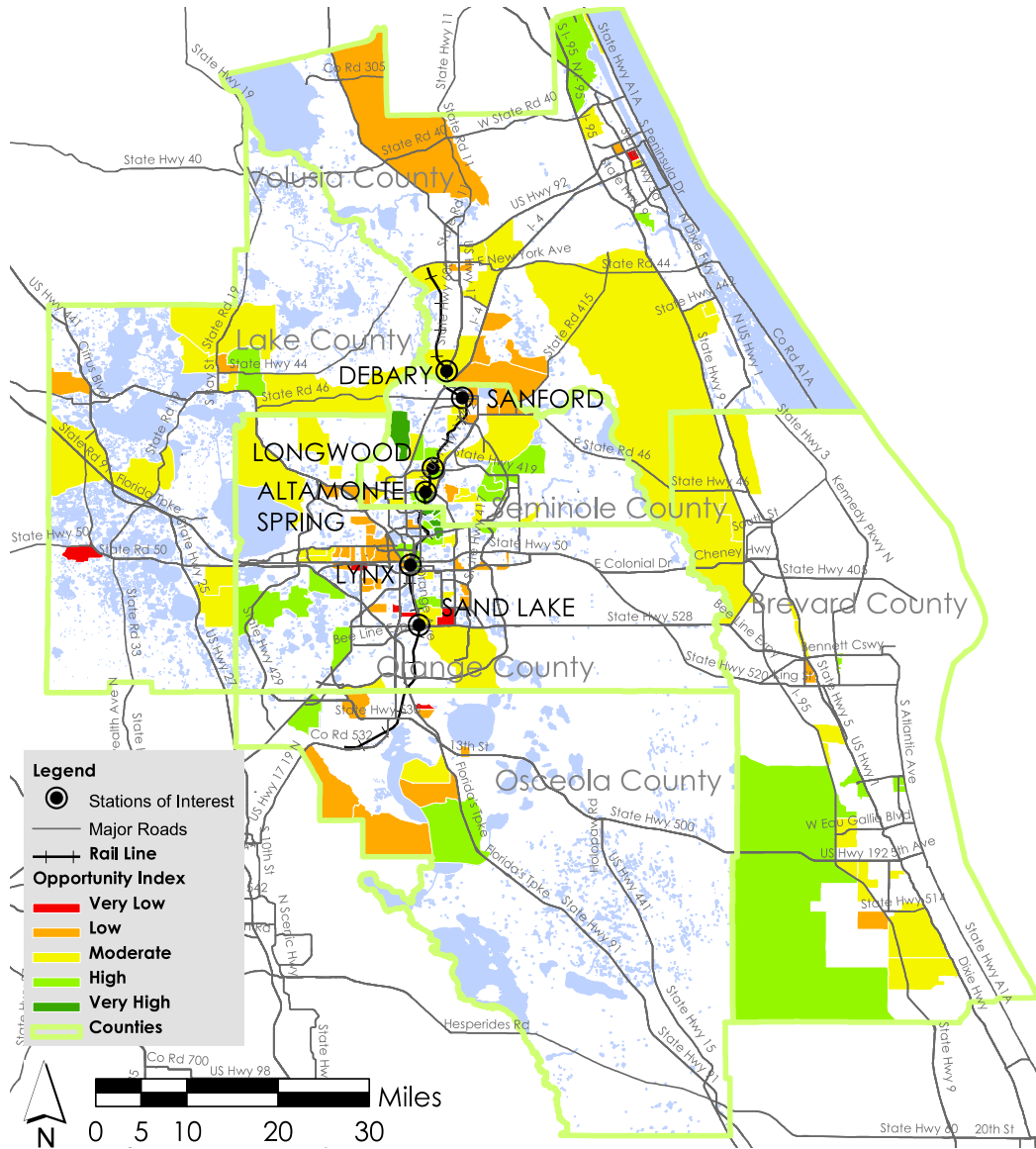


# The Opportunity Index

## Indicators

1. THE OPPORTUNITY INDEX WITHIN CENSUS TRACTS WITH MODERATE AND HIGH DISSIMILARITY INDEX
2. HOUSEHOLD INCOME
3. MEDIAN HOUSEHOLD INCOME (DOLLARS)
4. PERCENT OF RENTING HOUSEHOLDS SPENDING 30% OR MORE OF INCOME ON RENT
5. RENTAL AFFORDABILITY GAP
6. HOUSING AFFORDABILITY GAP- OWNER MONTHLY EXPENSES
7. POPULATION 25 YEARS AND OLDER WITH A HIGHSCHOOL DIPLOMA
8. POPULATION 25 YEARS AND OLDER WITH A BACHELOR'S DEGREE
9. POPULATION 25 YEARS AND OLDER WITH A GRADUATE DEGREE
10. PERCENT OF PEOPLE WHO DO NOT SPEAK ENGLISH AT HOME AND SPEAK ENGLISH LESS THAN "VERY WELL"
11. AVERAGE PERCENT OF CIVILIAN UNEMPLOYED
12. FOOD STAMPS/SNAP BENEFITS IN THE PAST 12 MONTHS
13. MEAN TRAVEL TIME TO WORK IN MINUTES
14. COMMUTING TO WORK BY WALKING OR PUBLIC TRANSIT

EAST CENTRAL FLORIDA REGIONAL PLANNING COUNCIL  
SUNRAIL STATION AREA AND FAIR HOUSING AND EQUITY ANALYSIS  
**THE OPPORTUNITY INDEX WITHIN CENSUS TRACTS WITH MODERATE  
AND HIGH DISSIMILARITY INDEX - CATEGORIES EQUALLY WEIGHTED**



Produced by: Carras Investments in collaboration with A. Andrei  
Source: HUD dataset last updated 2012, FHEA GIS online map, updated March 2013 and ACS 2007-2011.  
Note: The Opportunity Index was generated according to the Social Equity Analysis for the Seven Counties of Southeast Florida study. It represents a summary measure of the extent to which the distribution of opportunity differs across census tracts.

# Key Issues – Equitable TOD

- Equitable Transit-Oriented Development takes strategic planning and collaboration between all types of organizations
- Thinking about what will entice/attract developers to build affordable housing is crucial
- Inclusion of the low-income/minority groups is important in the plan-making process and we must think about how to gain their trust and assure them that the effort to come to a workshop/meeting etc. is going to be well worth their while (their opinion matters, language barriers etc.)
- Planning ahead and using strategies such as land acquisition and incentive housing zones are important

# Transit Oriented Development and Equity Challenges

- New Rail systems pose both an opportunity and a threat for social equity in the region.
- As the line connects multiple growing job destinations, residents will have more affordable transportation options.
- However, established neighborhoods will not stay affordable for long in the absence of institutional action.

# Key Recommended Policies

- Incorporate affordable housing into existing or planned neighborhoods
- Promote development strategies that offer long-term affordability and a range of housing choices available to all income levels
- Prevent the displacement of marginalized populations who wish to remain in transit oriented neighborhoods
- Provide incentives for affordable housing in urban centers and along transit-served corridors
- When evaluating affordable housing needs, consider both housing and transportation costs as determinants so that when housing and transportation costs combined exceed 45% of gross monthly income, a household is considered cost burdened

# Strategies to Implement Policies

- Transit-Oriented Development (TOD) provides an opportunity not only for greater public transit use, reduced traffic congestion or pedestrian-friendly communities, but an opportunity for equitable development as well.
- Creating affordable housing in TODs can give lower income families an opportunity to significantly lower their transportation and living costs as well as giving them greater access to job opportunities in the area.



# Challenges

- Developing with equitable motives and outcomes is a challenge when it comes to Transit Oriented Development ( or, properties near transit)
- Developing and/or preserving affordable housing in transit-served communities is a difficult task
- Creating small business opportunities or improving small business access in transit-served job centers and areas with strong concentration of unemployment or poverty is an accomplishment sought after by many cities.

# Challenges

- Funding for affordable housing is difficult
- Affordable development in a Rail Corridor requires collaboration among the public, private and nonprofit sectors which can be difficult to accomplish due to the various needs and constraints of each partner
- Sites often require land assembly and rezoning which leads to a lengthy acquisition and permitting process which can increase costs
- Community outreach and education can be helpful but can also be time-consuming and costly

# Assembling land is expensive

- Transit line locations are often announced well before they are actually built, land speculation can occur before construction.
- Land prices thus make the provision of affordable housing and other community amenities more difficult to provide.
- 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

# Lessons Learned

- Equitable or mixed-income TODs are not automatically produced by the market.
- Equitable TOD takes planning and community engagement in order to guide transit investments and development increase equity and opportunity for existing residents.
- Maintaining affordability of housing and preventing displacement of lower-income residents in the revitalized TOD neighborhoods is a challenge. This threat of displacement to the lower-income populations living near transit stations can create tensions and mistrust between these residents, the incoming residents, developers, project committees and government agencies.

# TOD Land Acquisition Fund

- It helps to attract reinvestment in TOD areas by offsetting development costs.
- It is a tool that aims to secure property in a transit corridor before a significant increase in price occurs
- It is important because it allows for the preservation of affordable housing.
- Example: **Denver TOD Fund**
- Purpose: To support creation and preservation of over 600 affordable housing units through strategic property acquisition in both current and future transit corridors.
- Makes capital available to purchase and hold sites to be used for affordable housing preservation or development for up to five years.
- The TOD Fund will allow the purchase of sites within one-half mile of fixed-rail transit stations and one-quarter
- The TOD Fund makes it possible for families to build wealth, and with access to employment and educational opportunities.

# Land Banks and Land Banking

- Lower income areas have fragmented ownership and small lots. Assembly is a challenge.
- Land banking is the process or policy by which local governments acquire unproductive properties and turn them into a productive use or hold them long-term for public purposes.
- Land banks are public authorities or not-for-profit corporations who efficiently acquire, hold, manage, and develop tax-foreclosed property.
- Land banks are governmental entities that specialize in acquiring and converting vacant, abandoned, foreclosed and possibly tax-delinquent properties into something productive.
- Land banks can be employed as tools for equitable development near transit because they can create opportunities for affordable housing.



# Incentive Housing Zones/Incentive-Based Zoning

- Incentive-based zoning rewards developers for meeting affordable housing objectives with density bonuses or floor-area bonuses
- Makes building affordable more attractive to developers because with more density, more units can be built and more profit can be made for the developer.
- Example: **The Metropolitan Transportation Commission** (MTC) of the San Francisco Bay Area has partnered with local governments and transit operators in order to create denser and therefore transit-supportive housing near stations.
- The commission created a Housing Incentive Program which provides funds to improvements in transportation if the net density meets a certain requirement (30 units per acre).
- The projects must be located within one-third of a mile from bus stops or one-half mile from a transit stop and the grant amounts increase based on the density and affordability of the housing.

# Tax-Increment Financing

## - Florida CRAs

- Tax-increment financing (TIF) funds are generated by the increase in property tax revenues that occur within a designated TIF district after the redevelopment or new develop has occurred.
- The TIF funds are calculated off a baseline year and are generated by new development as well as the enhanced assessed value of existing development.
- CRAs in California had a mandate to fund affordable housing (i.e. 20% of all new units in District).
- Florida statutes require that CRAs “address affordable housing.”

# Community Land Trusts

- Non-profit community-based organizations that focus on creating affordable housing opportunities in perpetuity
- NPO owns land; homeowner owns the improvement (i.e. the house).
- Homeowner leases for a nominal fee the land beneath the improvement.
- In return, the homeowner agrees to limited equity appreciation.
- House must be sold to another affordable homebuyer.
- Excellent model for renters to step up to homeownership.

# Moving Forward - Recommendation

- Form a Regional Working Collaborative to explore, structure and advocate detailed strategies to address affordable housing and social equity opportunities along the corridor and respond to the revitalization opportunities and displacement risks.
- Committee should be made up policy makers, planners, developers, residents and other key stakeholders.

# Conduct Analysis of FEC and TriRail Corridors

- What is the Corridor Vision?
- Baseline criteria – housing, demographics, commuting patterns, housing/transportation costs, ridership
- Planning development activity
- Impact of development projects: planned housing, planned commercial development, future ridership
- Station area profiles and connectivity to l/m segregated communities
- Capacity of government agencies e.g. and non-profit development organizations
- Recommendations.