

## **MEMORANDUM**

**AGENDA ITEM #16** 

DATE:

DECEMBER 1, 2008

TO:

COUNCIL MEMBERS

FROM:

STAFF

SUBJECT:

CORRESPONDENCE AND ATTENDANCE FORM

Information only.

#### ATTENDANCE RECORD - 2008

	1/7	2/4	3/3	4/7	5/5	6/2	7/7	9/8	10/6	11/3		
ASSEFF, Patricia	P	P	P	P	Р	P	P	P	P.	Р		
Governor's Appointee												
BLYNN, Michael Councilman, North Miami	P	P	P	*	A	P	P	A	P	P		-
BROOK, Scott	P	P	P	*	P	P	P	P	P	P		
Governor's Appointee											:	
CHERNOFF, Jay	*	P	P	*	P	P	P	P	P	P	:	
Commissioner, N. Miami Bch.												
DIAZ, Jose "Pepe"	P	*	A	*	A	*	*	*	A	*		
Miami-Dade Co. Commission												
GUNZBURGER, Suzanne Broward County Commission	P	P	*	P	P	Р	*	P	P	P		-
HEYMAN, Sally Miami-Dade Co. Commission	P	P	*	Р	*	Р	P	P	P	P		
LIEBERMAN, Ilene	P	P	*	P	P	P	P	P	P	P		
Broward County Commission												
McPHERSON, Morgan Mayor, Key West	P	A	P	*	P	*	P	*	*	P		
MOORE, Carlton	A	P	A	P	P	P	A	*	Α	P		
Commissioner, Ft. Lauderdale												
MOSS, Dennis	P	*	P	P	*	*	P	*	P	P		
Miami-Dade Co. Commission												
NEUGENT, George Monroe County Commission	P	*	P	*	P	P	A	*	P	P		
PEREZ, Marta Governor's Appointee	P	P	P	P	P	P	P	P	Р	P		
RIESCO, Jose Governor's Appointee	P	A	P	*	P	*	P	P	*	Р		
SCUOTTO, Joseph Deputy Mayor, Sunrise	*	P	P	*	P	P	*	P	P	P		
SPEHAR, Dixie Monroe County Commission	P	*	*	P	P	P	P	*	*	*		
WALLACE, Paul Governor's Appointee	-	-	-	P	P	P	P	P	P	P		
WALTERS, Sandra Governor's Appointee	P	P	P	P	P	P	Р	P	P	Р		
WEXLER, Lois Broward County Commission	P	Р	*	P	P	P	*	P	P	P		

	1/8	2/4	3/3	4/7	5/5	6/2	7/7	9/8	10/6	11/3	
Ex Officio Members –		:									
DONN, Gary	Α	P	P	P	P.	A	P	A	P	A	
Florida Dept. of Trans.											
GRAY, Tim	-	-	-	-	-		-	P	P	P	
Dept. of Environmental											
Protection	·										
WATERS, Bert SFWMD	P	P	P	P	P	P	P	P	D	P	

P = Present

A = Absent

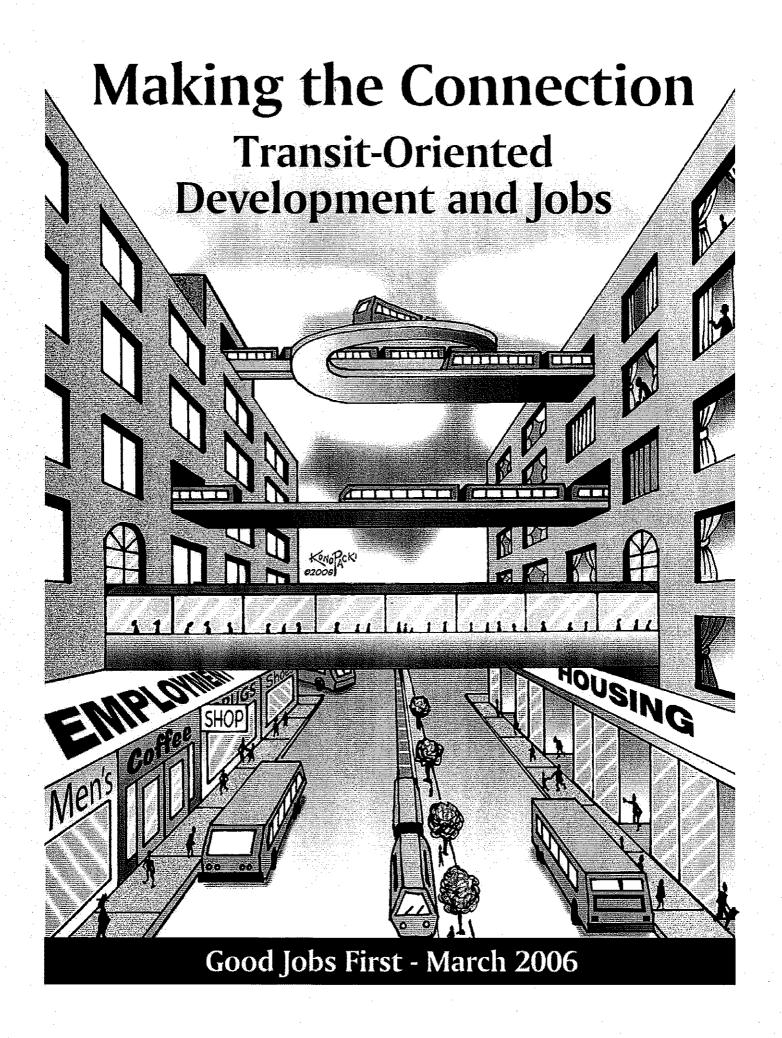
D = Designee Present

\* = Excused Absence

- = Not Yet Appointed

CC = Via Conference Call

<sup>\*\*</sup> Please note - August Meeting Executive Committee Only



# MAKING THE CONNECTION: Transit-Oriented Development and Jobs

by

Good Jobs First

Sarah Grady

with

**Greg LeRoy** 

March 2006

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#### **Executive Summary**

Transit-oriented development (TOD) is growing in popularity, but most of the focus of such projects is on environmental benefits and innovative design. This report takes another approach. We look at the ways TOD can serve the needs of working families—particularly those with low and moderate income—by providing affordable housing and/or better access to jobs. This is done through an examination of 25 TOD projects around the country that to varying degrees meet the housing and employment needs of those with limited means.

TOD projects, by definition, improve transit options, in two senses. The housing components of such projects give residents easy access to trains, streetcars and buses for commuting to work elsewhere. The commercial components create jobs that people living in other places can more easily reach by public transportation. All this is laudable, but it does not help working families if the housing is upscale and the jobs are polarized between well-paying professional positions and minimum-wage service jobs.

We sought out projects that are trying to bridge the gap. The best ones incorporate a large portion of affordable housing and/or make a substantial attempt to create good jobs that can be filled by people from working families. In other cases, these components are more limited but still significant. Overall, the case studies show that TOD does not have to be an innovation that serves only the affluent or environmentally conscious.

Looking at the 25 projects overall, we found that certain types were more likely to address the needs of working families. These were:

- Projects in which a community coalition negotiated for a Community Benefits Agreement with a private developer for guaranteed concessions such as local hiring, living wages and affordable housing set-asides. We cite examples from Los Angeles, San Diego, Denver, and Milwaukee.
- Those in which a community development corporation (CDC) initiated the project and made it integral to the organization's neighborhoodimprovement mission. In Columbus, Ohio, for example, a transit agency working with CDCs developed an entire jobs-access program after helping to develop a mixed-use TOD.
- Cases in which an exceptional private developer intentionally designed a project for the benefit of low-income families and/or commuters. The Tom Hom Group, for example, sited an affordable housing development

in Las Vegas by first consulting bus-route maps and identifying job centers.

#### The Potential of Economic Development Subsidies

In every case of CDC-led TOD and in most cases of developer-led TOD documented here, economic development subsidies helped make the project happen. However, in only a few cases—such as those involving the Transit-Oriented Development Property Tax Exemption in Portland, Oregon— were these subsidies awarded through programs that explicitly tied the assistance to the project's transit accessibility. In other cases, the subsidies were necessarily meant to promote TOD.

This did not come as a surprise to us. Our 2003 report *Missing the Bus: How States Fail to Connect Economic Development with Transit* found that not a single state required that subsidized projects be transit accessible. It appears that localities, with few exceptions, are also failing to make that connection.

We believe that in urban areas with transit systems, companies should not be eligible for subsidies unless the jobs are transit-accessible and within a reasonable commuting distance from affordable housing. Legislation that would give preference to such deals is now being debated for the third year in a row in the Illinois legislature. Transit linkage is already well established in affordable housing construction: 28 states already impose such a preference or requirement.<sup>1</sup>

With "location-efficient job incentives," many benefits will accrue: low-income families will gain more access to economic opportunity, helping to reduce poverty and dependence; more commuters will gain a choice about how to get to work, reducing traffic congestion and improving air quality; and taxpayers will realize better returns on their infrastructure investments through more efficient land use.

The projects detailed here are, we believe, proof that the economic development goal of poverty reduction can be integrated with public transit, especially when leaders are intentional. Reforming job subsidies to make them location-efficient is a way to codify that intentionality.

#### Introduction

Over the past decade, there has been a growing amount of interest in and practice of transit-oriented development (TOD.) TOD is development which purposefully occurs near public transportation nodes. Commonly cited features of TOD include a mix of residential, commercial, and civic uses within walking distance from a transit stop; pedestrian-friendly streets with sidewalks and walkable destinations; reduced parking; high-density development; preservation of open space; and a variety of housing types and prices.<sup>2</sup>

TOD projects have been gaining in popularity for a variety of reasons. Many urban transportation agencies conduct joint development projects with private developers because they see TOD as a way to maximize the return on investment in public transportation systems. Some developers specialize in TOD projects, often out of a passion for smart growth and New Urbanist design principles.<sup>3</sup> Also, projects often result from environmental concerns.

#### **TOD and Job Access**

Although environmental issues and design considerations are important characteristics of TOD, an overlooked aspect is the extent to which TOD provides more opportunities for people to access jobs. TOD has the potential to connect low- and moderate-income people to job opportunities to which they may otherwise have no access. The costs of owning a car, including insurance, maintenance and gas, can be prohibitive for many people. TOD can give people who are dependent upon public transportation the opportunity to live and/or work near transit.

In an effort to showcase TOD projects that serve the needs of low- and moderate-income people, we present 25 case studies of TOD projects from across the U.S. These case studies do not necessarily represent the biggest or best TOD projects in existence. However, they provide a range of examples and illustrate the ways in which TOD can help low- and moderate-income workers access jobs and housing.

These 25 projects vary in the degree to which the developer was intentional about linking people with good jobs through mass transportation. In some cases, developers, officials, or community groups explicitly considered low and moderate-income workers' needs when planning the development. In others, the development's location creates job and transit connections. In all cases, the TOD projects create new potential for people to access jobs through transit accessibility.

We describe the potential for workers to access jobs through TOD in the examples that follow. In many cases, it is easy to foresee which workers will gain access to a transit system that will open up job possibilities or which jobs will now be located along transit lines. These examples illustrate the ways that TOD can connect workers to jobs. In many cases, they may be considered a stepping stone to more deliberate job linkages through TOD in the future.

#### The People Behind TOD

Who are the catalysts for TOD projects? The prime movers in the TOD landscape hail from quite different backgrounds. In many instances, the root of a good TOD project is an ambitious developer. We found numerous examples of private developers who have been inspired by the Congress for New Urbanism's emphasis on mixed-use, walkable place-making or who have been attracted by other features of TOD. In other examples, major employers have found it to be in their best interests to relocate near public transportation. We also found local governments and transit agencies with intentional policies to link people and jobs.

In six of the report's examples, community coalitions negotiated binding agreements with developers or with government entities to ensure that TOD projects provide good jobs, affordable housing, and economic and environmental sustainability. These community-based initiatives are rising in popularity and are commonly termed Community Benefits Agreements (CBAs.) The development projects profiled for this section, Part I, would have happened without involvement from community groups, but community activism improved the outcomes these projects will achieve to connect people to good jobs. Note that CBAs are generally negotiated with projects that are large enough in size and scope to require substantial economic development subsidies and/or lengthy approval processes from local government bodies. These contingencies allow community groups to gain leverage and barter their public support in exchange for community benefits.

Community development corporations (CDCs) are frequent transit-oriented developers. In these cases, the connection between transit and jobs is often more pronounced because the organization serves the community's job-seekers as part of its mission to revitalize the neighborhood. Part II of this report profiles eight projects in which a CDC built a TOD project that connects people to jobs.

Part III of this report profiles TOD projects inspired by developers. In some of these examples, transit agencies, local government agencies, or major employers initiated the development, but a private development firm carried out the project.

#### Missing the Bus

A second goal of this report is to record the extent to which TOD projects benefit from economic development subsidies. Our 2003 study *Missing the Bus: How States Fail to Connect Economic Development with Transit* surveyed economic development subsidy programs in 50 states to determine which states effectively coordinate economic development spending with public transportation planning. The report found that no state uses transit accessibility as a criterion—or even a preference—for awarding economic development subsidies.

As a counter to this discouraging finding in *Missing the Bus*, we sought here to find positive examples of economic development incentives being used for projects that combine public transportation and economic development. Almost all TOD projects detailed here were subsidized in some way. However, few TODs were awarded economic development subsidies because of their proximity to public transportation. We found no local transit-oriented subsidy programs except for Portland, Oregon's Transit-Oriented Development tax abatement program.

In a final section to this report, Part IV, we discuss location-efficient subsidies legislation. Location-efficient subsidies are economic development monies that are dispersed to projects based upon the development's ability to do the following:

- maximize the use of existing investments in infrastructure;
- avoid or minimize additional government expenditures on new, publicly financed transportation or other infrastructure; and
- have nearby housing affordable to the workforce of the applicant, accessible and convenient transportation, or some combination of both.

In short, location-efficient subsidies provide preference to TOD projects that connect working families to jobs. This is one way to make local economic development subsidies more accountable and effective.

#### **Criteria for Choosing Projects**

Even though all TOD projects increase transit accessibility for some segment of the population, not all TOD projects accommodate the needs of low- and moderate-income families. In numerous TODs nationwide, there is no concern for the ability of low or moderate-income people to either live, work, or shop at the development. Santana Row in San Jose, California, for example, features high-end condominiums and retail stores like Brooks Brothers and Burberry. Simply because development is along transit lines does not mean that working people have increased access to good jobs. However, some TOD projects expand opportunities for people of all incomes.

In choosing TOD projects for this report, we used a number of criteria to whittle the list of possible developments down to 25. The criteria include:

- Priority and type of transit access: the extent to which developers and local officials prioritized transit access when planning the project. If transit accessibility is simply a happy accident, the project was not included. The case studies also represent a range of types of transit access. Buses, bus rapid transit, light rail, subways and pedestrian walkways are all included. In some projects, the developer privately finances new modes of public transportation as part of the TOD. In most cases, however, the TOD projects take advantage of existing transit infrastructure.
- Job access: whether or not we could assume that new residents or employees at the development could access jobs, either because the project is in close proximity to existing people, employers, and infrastructure or because transit in the development transports people to areas of dense jobs and infrastructure across a metropolitan region.
- Affordable housing: each project should include low-income people because members of working families are those most in need of good jobs. If the development has a large residential component, there should be some units reserved for low-income families.
- Development in low-income and mixed-income areas: transit-oriented development projects which are built in low-income or mixed-income neighborhoods, thereby providing increased opportunity to traditionally disenfranchised populations.

- Community involvement: development projects shaped by neighborhood activism or by a formal community input process were given further priority.
- Geographic diversity: We also sought to include a range of locations throughout the United States. Some locations, however, yielded numerous examples. Portland, Oregon is overrepresented because of its historically progressive approach to TOD. Los Angeles is overrepresented because of the presence of an effective accountable development group (Los Angeles Alliance for a New Economy) which ensures that new development in the city provides good jobs. And more than one project hails from Atlanta because the city's growth has been so detrimental to air quality that local actors have been compelled to come up with innovative development projects to curb sprawl.

#### **Types of TOD**

The 25 projects selected for this report represent a spectrum of types of development. The three major types are as follows:

Transit Communities are massive mixed-use projects in which transit accessibility is a primary goal of the new community's design. These developments are large in scope and often redevelop swaths of land that were occupied by industrial uses in previous decades; many transit communities are good examples of brownfield redevelopment. Transit communities result in brand new, planned city neighborhoods with new construction of housing, retail space, office space, and often civic space like schools. There is no way to require that everyone living and working in a transit community utilizes mass transportation, but transit access is a central feature of these projects. Developers of transit communities usually contract with other developers to conduct the "vertical development" of new homes and businesses on site. Transit communities require tremendous investment and therefore often receive large economic development subsidies. The development process takes several decades to complete in most cases.

Mixed-Use, Urban Infill Development projects are similar to transit communities but have a smaller scope. These developments utilize land that was once used for other purposes, but unlike transit communities, are located closer to urban infrastructure. They often help to redevelop urban neighborhoods by filling in land with new centers of activity. Mixed-use, urban, infill developments bring jobs and housing into the city, where their locations provide residents, employees, and consumers with access to existing regional transit systems. The

mix of housing, retail, and office space create opportunities for residents to access jobs and fulfill daily needs without the use of a car.

Projects with an Affordable Housing Focus comprise all or predominately residential development. In these examples, few or no jobs are created onsite. Instead, these developments exemplify the effort to build affordable housing close to transit so that low-income people who rely on public transportation can utilize it to access jobs across the region.

#### **Part I: COMMUNITY BENEFITS**

The projects where coalitions negotiated community benefits agreements (CBAs) with developers represent the most intentional connections between new TOD and the needs of low- and moderate-income workers. In the projects that follow, private developers agreed to provide living wage jobs, participate in local hiring programs, and create affordable housing opportunities. These provisions allow people without cars to both live and work near the new development. Low and moderate-income people can access quality affordable housing and good jobs at the following TOD projects.