



CENTER FOR COMMUNITY INNOVATION

Are We There Yet? Bay Area Transit Oriented Communities and Mixed Incomes

Presented by:
Center for Community Innovation, UC-Berkeley
Reconnecting America's Center for Transit Oriented Development
Nonprofit Housing Association of Northern California

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Symposium: Friday, March 9th, 2007
University of California- Berkeley, Alumni House, Central Campus

NOTES FROM SYMPOSIUM

- 9:00-9:15am** **Registration and Coffee**
- 9:15-9:30** **Welcome**
Karen Chapple, Center for Community Innovation and Dept. of City and Regional Planning, UC-Berkeley
- 9:30-10:00** **Framing for the Day: Why mixed income and why TOD now?**
Dena Belzer, Strategic Economics

See PowerPoint. Key Points:

1. Regional Challenges: Location Matters for Low-Income Households –We cannot afford to push them to the region's periphery.
2. Benefits of TODs: 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. Benefits of Mixed-Income Neighborhoods: Improves Health and Educational Outcomes for Low-income Households, Reduces Costs of Segregation and Concentrated Poverty – to government as well as those living there Economic Networking Opportunities, Hedges Against the Downward Spiral of Neighborhood Decline/ Tipping point Benefits of Combining Mixed-Income and Transit-Oriented Communities: Creating Truly Affordable Housing, Facilitating Transit Use by "High Percentage" Riders, Broadening Access to Opportunity, Providing Safeguards Against Displacement Pressures

- 10:00-12:00pm** **Four inspiring cases from the nation**
Moderator: Angela Blackwell, PolicyLink

Presenters:

1. **Stephanie Pollack**, Northeastern University Center for Urban and Regional Policy and BlueWave Strategies, LLC - Exemplary foresight and investment by a public agency

See PowerPoint. Key Points:

1. Types of TOD Developments – Near Inner Ring Cities, Suburba, Older Industries, City of Boston
2. Recent Developments- Chapter 40R and Policy-Driven TOD
 - a. Authorizes incentive payments for rezoning smart growth locations for as-of-right housing
 - b. 20% of housing must be affordable at 80% of median
 - c. Eight communities have adopted zoning for 2,100 units
3. Lessons
 - a. There is no single formula for creating a diverse TOC
 - b. Creating a diverse TOC requires collaboration
 - c. In Boston, TOD takes longer and cost more then it should

2. **Donna Drummond**, City of St. Paul Department of Planning and Economic Development - Strategic staging of parts – St. Paul

See PowerPoint. Key Points:

1. Creating a Central Corridor Development Strategy

- i. Two citizen task forces- University Avenue and Capitol/Downtown
 - ii. Recommendations to be adopted by Mayor and City Council as part of City's Comprehensive Plan
 - iii. Create vision strategy for how Central Corridor should grow and change over the next 20-25 years in response to LRT investment
- 2. Mixed-Income Communities Focus - Special effort made to recruit force members representative of the community's diversity
 - i. Benefit and strengthen diverse communities
 - ii. Link and foster inclusive economic activity
 - iii. Define what buildings could look like
- 3. Phase II Activities (after completion of Development Strategy)
 - a. Invest Saint Paul initiative
 - b. Creative housing finance subcommittee of Housing Plan Task Force
 - c. CTOD study of gentrification/displacement along central corridor
 - d. Property Tax Task Force
 - e. World Cultural Heritage District initiative
 - f. Coordinate of existing resources for small businesses
 - g. City efforts to attract foundation \$, federal/state \$ for small bus. Develop, now and through construction
 - h. Metropolitan Council's Business Agency Council & Community Advisory Committee

3. **Patricia Gardner**, Portland's Pearl District: Land Use Committee - Keen policy interventions by advocates and residents

See PowerPoint. Key Points:

- 1. Factors of Successful Public Process-
 - a. Urban Growth Boundary
 - b. Metro: density as required
 - c. Public process is state law
 - d. Design Review District
 - e. Urban Renewal District
- 2. Keep the balance
 - a. Affordable Family Housing projects
 - b. 300,000 sf of new office coming
 - c. TDR policy for historic properties
 - d. 3rd Park development
 - e. Centennial Mill Redevelopment
 - f. New Streetcar Alignments

Open Discussion Notes:

How to make sure low income have needs met?

SP: has to be built in structurally, state program called 40R program, creates transit zones, require community meetings before state will certify zoning; in communities where there is already active and engaged sector working on anything else, you can bring them to conversation, if there's really no voice, it's challenging, most successful efforts is to find one CBO on any issue and help them understand why they should engage, not create from scratch

Were local governments that had policies that expedited TOD permits?

SP: most important local regulation is as-of-right zoning, can you propose projects as of right? Shortens process by 2 years, or do you need special permits? Whole point of 40R program, bribe communities to create as of right districts, get state money for creating district and every building permit, has to be 40% (?) affordable

Most unique need expressed by community? Trends?

SP: most interesting back and forth is around retail because dynamic is places between no retail and big retail; housing/commercial plays out in typical ways, retail all over the place

Efforts to stabilize and preserve existing communities with affordable housing, what are your strategies?

DD: east segment is affordable, problems are lack of investment, CDCs active, programs for first time homebuyers, low interest loans and grants for home repair

90 initiatives, just ideas from community task force? Follow up on that?

DD: some are government-led, some are private-led, menu of ideas of what could happen, timing may be right now or in 5-10 years; want task force to focus on priorities

What about suspicion from African-American community?

DD: partner is African-American city planner, invaluable in reaching out to community, increasing level of trust, important to have diverse staff, staff hired for outreach

How do you get LEED certification on all buildings?

PG: not through policy, but design commission and neighborhood association won't give approval

Regarding the missing children, is that to do with affordable housing or schools?

PG: we're in best school district, but can't expand home in condo like you can in a house, people run out of space as kids get more active; have great housing stock very close, too easy to hop over to a house with more sf and a yard

What is the range of incomes in the Pearl District and do people on either end mix socially?

PG: my committee is mixed, had 16 different buildings with a range of incomes, not very many institutions, but ad hoc church that meets in a restaurant that is really successful, creating community they need, created community garden, group that takes care of parks that crosses economic lines

Leverage held against developer because of infrastructure, did the developer get funds to subsidize units?

PG: Yes, they got funds, the URA pays for affordable housing

Did one complete building for low income housing create any issues?

PG: other neighborhoods that don't want any low income housing, but never get that in Pearl, seems to be general feeling that it adds, everyone on board

Racial and ethnic diversity?

PG: Portland is not very diverse, but Pearl is as ethnically diverse as Portland gets, so that may be a factor in the acceptance of low income.

In the suburban areas where the economy wasn't that strong, what were some of the best tactics for getting affordable housing built?

SP: big stick is anti-snob zoning law, developers use it with friendly 40b (approaching community and working it out because 97% of appeals are granted to developers); communities that have transit stations don't like having parking for their stations, if you create mixed-income around transit they become transit users, know that projects need to generate riders for the T, willing to create income mix

Question of enforcing fair housing laws? How are you pulling it in? Formally? Coordinated effort?

SP: have wonderful fair housing groups, very involved in smart growth and TOD, still do basic testing, not sophisticated enough to match affordable housing and fair housing tests by location

Expand on strategies using along Corridor to keep existing affordable housing stock while investment is raising value of area?

DD: part of the problem is that we haven't seen large increases in property values, some speculation on commercial properties, current city policy is 20% of new affordable units, done primarily through rental projects, we'll continue to use those models, the housing that's in the east end is quite affordable now, looking at property tax rates and expected increase, can we hold down property taxes now and recapture upon sale? Idea of defining what area of the Corridor is available will help, won't allow land use changes that will result in land use speculation, but market isn't as strong as it is here (Bay Area)

Some questions about having the stations spaced a mile apart, was that a result of threat that existing bus line will be removed, service being reduced?

DD: right now there is a bus providing block-to-block service, but concern about whether that service will be reduced; bus will stay, but at reduced service levels; community wants to add some services to maintain local service; perception is that this is being built for people to move through, not for us; trying to look to build in capacity for extra stations later

Funding for Corridor process, how much did city of St. Paul contribute? Funding from Minneapolis or region?

DD: City of St. Paul has a tight budget, not a lot of money for this kind of planning effort, approached foundation community and have gotten over \$1 million in foundation grants to pay for planning process and some of the next phases; transit agency, Metropolitan Council, is not thinking about how to encourage TOD, aren't providing resources

SP: Massachusetts has a great state HFA, recognizes planning for TOD as part of housing production strategy, \$50,000 for planning processes, planning funding is a barrier for projects, need to recognize that planning is integral thing that leads funding

What are the parking requirements in the Pearl?

PG: no minimum, but there is a maximum; there was a project that had no parking but it didn't sell, scared developers, the ratio has been changing, downsizers are selling their extra cars, ratios are about 1.3 per unit, market dictating minimum

Major lesson is to add what's missing. Don't have same support for affordable housing as you do for grocery store. What's the balance? In some places we want to change the mix but we don't want to in other places. How do we strike balance?

SP: obviously needs to be a real community planning process, biggest risk is starting into the process and then having people add requests; projects that work best are when there's a front-end community based inclusive process, people have to make decisions about

amenities, key is the process before the development process and then the combination is about the combination of funding streams to pay for pieces people want

Public process piece, having an up front inclusive process is great. How?

PG: hard to get everyone involved, if you are networked into a neighborhood, we do mailings, charettes on weekends and evenings, send out ambassadors to go before smaller groups to get them to come out, invite certain people, targeted approach; use community resources, go to the church, the institutions that serve the community

AGB: New Orleans planning process, in early planning only the usual suspects showed up, foundations put in millions of dollars, hired America Speaks, try to involve more people of color, amazing result, have to spend a lot of money to get people to come out

SP: traditional public process invites people to come out, but you have to take process to the people, go to other meetings and get put on the agenda, 20 minutes on agendas of other organizations, goal of the effort was to bring 500 comments into state process, got 900 attendees at hearing and 2,000 written comments; use the web, people can't give up time to come to a meeting

Effort to involve youth in planning process? And other marginalized communities?

SP: it's a challenge but the project in Jackson Square (20,000 sf youth and family center), draw in with amenities in youth center

Advice for suburban communities with minimum inclusionary acreage and weak market?

DD: leverage is public subsidy, ties, assuring some level of affordability, will have to be patient

SP: urban renewal turned off public entities to do land assembly; solution is to get public money and ask master developer to do zoning, key was 17 acre dirty site, but 3.5 acres clean and ready to go

12:00-1:00 Lunch

1:00-1:45 Evaluation mechanisms for TOD developments now 'completed'
Presenter: Shelley Poticha, Reconnecting America's Center for Transit Oriented Development

Respondants:

1. **Jeff Pace**, Unity Council for Fruitvale
2. **Bruce Fukuji**, Ken Kay Associates for Bay Meadows

Open Discussion Notes:

Community process behind the rail transit corridor in San Mateo?

BF: process for Corridor Plan and second phase was difficult, took five years; City realized that there was a lot of money in the project; City had a Citizen Advisory Committee to figure out City's goals and objectives, what they wanted for livability, wanted family housing and twice the required park space; City demanded a lot, developer asked for more density; TOD and mixed-use were key strategies to achieve it

Idea of TOD was to attract more patrons to BART? Also pulling community from International Blvd, Fruitvale Main Street effort, revitalization of entire corridor in anticipation of TOD?

JP: Unity Council is a community developer, comprehensive approach to dealing with poverty, trying to address International Blvd commercial corridor with façade improvements and BID, see transit village as a continuation of the Main Street effort; 200 façade improvements and no vacancies, extraordinary success and synergy

1:45-3:15 Policy discussions
Moderator: Shelley Poticha, Reconnecting America's Center for Transit Oriented Development

Presenters:

1. **Elissa Dennis**, Community Economics (Watsonville, Vallejo, and the Oakland BART)
2. **David Kiddoo**, EAH Housing (Dublin and Santa Rosa) – Affordable TOD: Camellio Place

See PowerPoint. Key Points:

1. Why an Inclusionary Ordinance? Retail Development and retention rely on low-income residents for labor, Market-rate housing out of reach for many public service employees, City required building affordable piece first
2. Why an Nonprofit Partner? Financing and entitlement process for affordable housing requires specialized knowledge, Asset management requirement attached to public subsidy carries heavy administrative burden
3. Practical Obstacles to Mixed Incomes: Feasibility problem may occur when combining unsubsidized and subsidized units in a single development, Current sources of affordable housing subsidy do not encourage a mix of subsidized and unsubsidized units, Inefficient use of public funds will make scarce housing funds even less adequate to fill housing needs
4. Challenge: Many Families, Tight Layout

3. **Josh Simon**, Northern California Loan Fund (Coliseum BART, looking for ways to achieve a diversity of commercial and community facilities that engender actual mixing of people)

See PowerPoint. Key Points:

1. How do we build and operate TOD and mixed use developments to foster healthy relationships that cross divisions of class, culture and race?
2. Policy Considerations: Scale and Efficiency Thresholds, Expense of Stacked Uses vs. Density, Air Rights Sub-division vs. Condominium Assoc., Multiple gathering places, Age appropriate considerations, Long term maintenance and operation
3. Community Hub Concept
 - a. Coordinate and design for community resources provided by city agencies, nonprofit organizations and local businesses
 - b. A mixed use retail approach to community services
 - c. Working out the "tenant mix" that provides common ground for relationships
 - d. Relationships that transcend differences of class are building blocks of community

Open Discussion Notes:

- Purpose of this session/document is to put together a shared vision
- What is the answer to the amount of affordability? Just because you have housing integrated, it doesn't mean that people mix. If our goal is to create communities of people with relationships, you need social seams, other places.
- Josh: Coliseum concept done by visionary people from many departments working together; finest features of Swan's Market were able to bring together different elements; working on school issues, how to bring in affordable housing before people are priced out?
- Part of the issue for people on the Council, not sure that all the issues are clear, not sure that there's any consensus about if it's better to build housing on site or cheaper/more housing off site?
- By having 100% development within a larger development area you can accomplish both of those, benefits to providing services right there, provide for range of incomes and unit sizes, create concept within larger master development
- It's a matter of scale, if the entire development is 2-4x the size of the affordable piece, you can convince people you're not creating a slum
- For changing places, need to look at both housing and transportation costs; if you find much cheaper housing, look at transportation (H+T in Boston and Phoenix are the same)
- Have a serious need of getting to scale, can't micromanage every detail, put larger policy framework pieces in place to help us jump to the next level
- What about the aging population? How do they fit into this type of housing?
- In Pearl District: aging population moving here because you don't have to drive; TOD friendly to aging population; wasn't marketed, wasn't planned, but great success

3:15-3:25 **Station break**

3:25-4:00pm **Summary and closing conversation**
Discussant: Tim Rood, Community Design + Architecture

Notes:

- Community about building relationships, build relationships with each other and break down the silos, build between our different disciplines, need shared understanding of these issues
- At regional scale, need to think about jobs/services and housing, pretty important that we put the housing in place where there exist the right kind of jobs; policies that require local jurisdictions to do something right about land use
- Lesson: think about types of places that each transit area can become, a typology of places, important for every community to have a vision for what they want their transit area to be; acknowledge specificity and uniqueness but also look for examples
- Provocative thought on equity/geographic segregation: pushing lower income households out to periphery is not a sustainable policy in the long term, not wise for workforce development perspective; need to provide affordable housing opportunities near transit, but don't want them to get capitalized into housing prices
- Challenge to get past stereotypes of being okay with density as long as they are ownership units
- Issue of bus transit versus rail transit: transbay bus with rich riders, keys are market served and quality of the service
- Filling in the missing pieces to create a complete community: strong image, want communities to create visions for what they want TODs to be, work to identify missing pieces, break down barriers between disciplines; Cambridge example the opposite of what other communities are after—lesson: balance and find ways to create win-wins
- Putting so much onto developers (Fruitvale solving every problem); lesson: creating value through transit investments and have to be proactive about capturing value for public good
- Engaging all the players, transit authorities, community groups, local government; using youth center, park development to get people involved
- Issues: parking-markets are pretty good, planners' efforts to make sure that there's always enough parking have led to lousy environments, markets will get parking right
- Different building typologies, identify and fill gaps of what market is creating

- Secondary units-great way for affluent communities struggling with idea of density and renters, auxiliary units a good way to get renter housing in area
- Change-thinking about people's income changing so people whose incomes go up aren't forced out of their housing—having a mix of incomes adds stability to a neighborhood
- Integration of stand alone affordable versus within project: not that either strategy is better, but you can achieve more with inclusionary units within building and stand alone component