

Transit, Affordable Housing, and Community Health: Equitable Transit Oriented Development (ETOD)

Prosperity Indiana Conference – January 2018

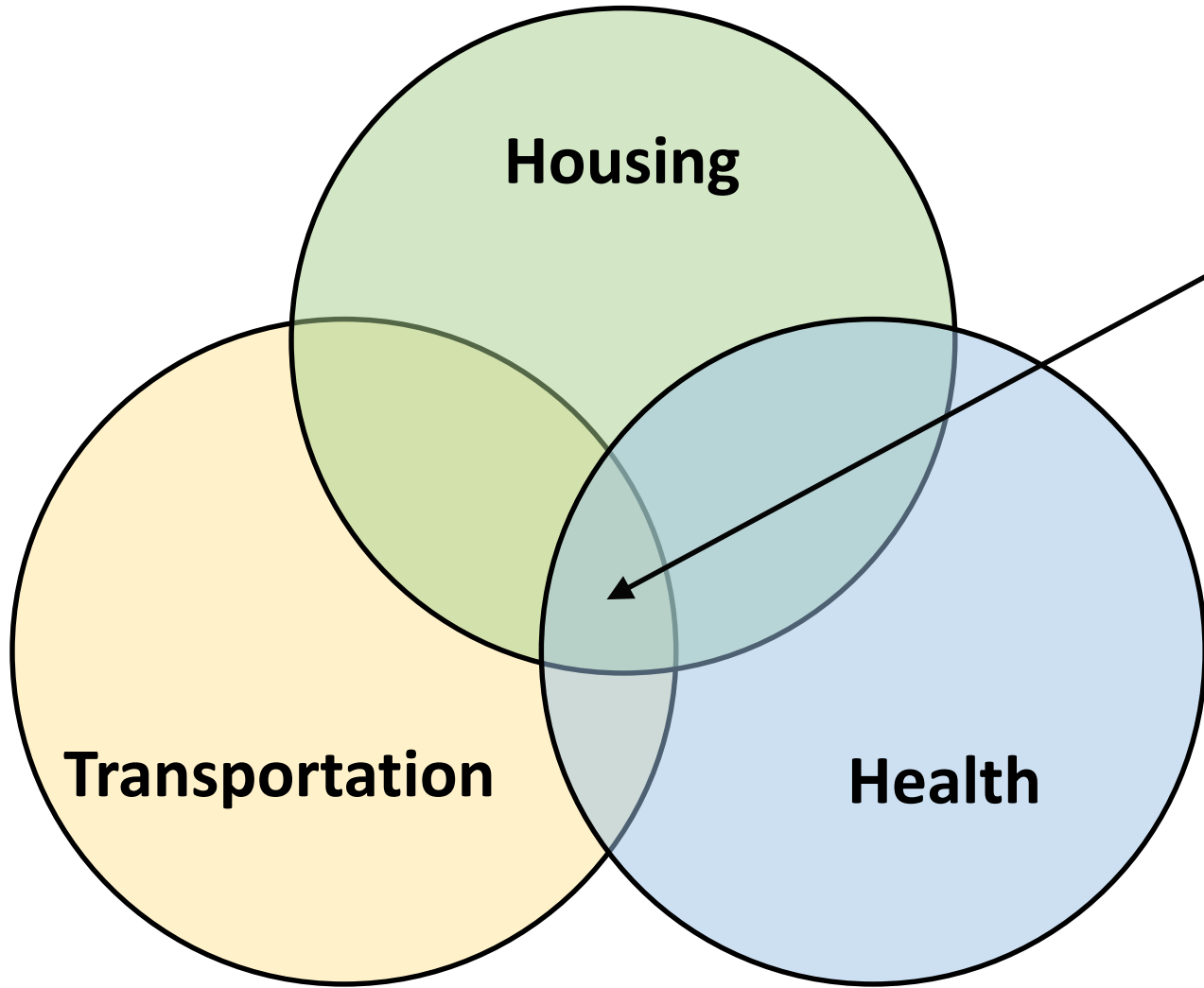


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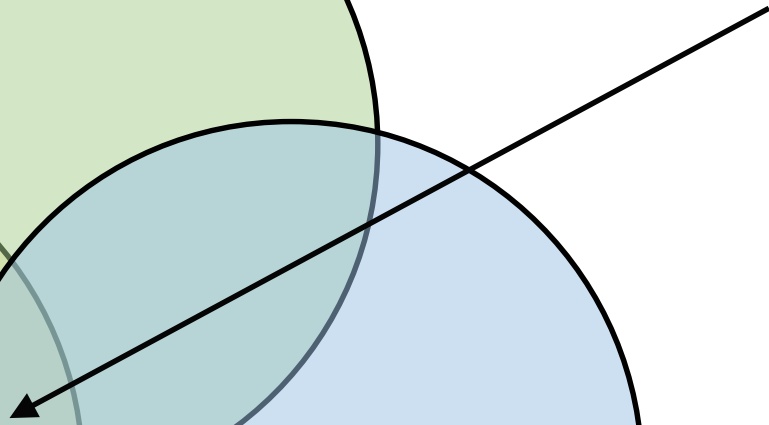
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Main Points

- Current approaches to housing and transit – negative effects on families' health and community health.
- Coordinate and leverage transit/housing investments to generate economic value and cost-savings.
- Across the country, these projects are do-able and pencil out.
- Workforce housing *IS* economic development
- Emerging paradigms: “Health in All Policies” and “Housing as a Platform”

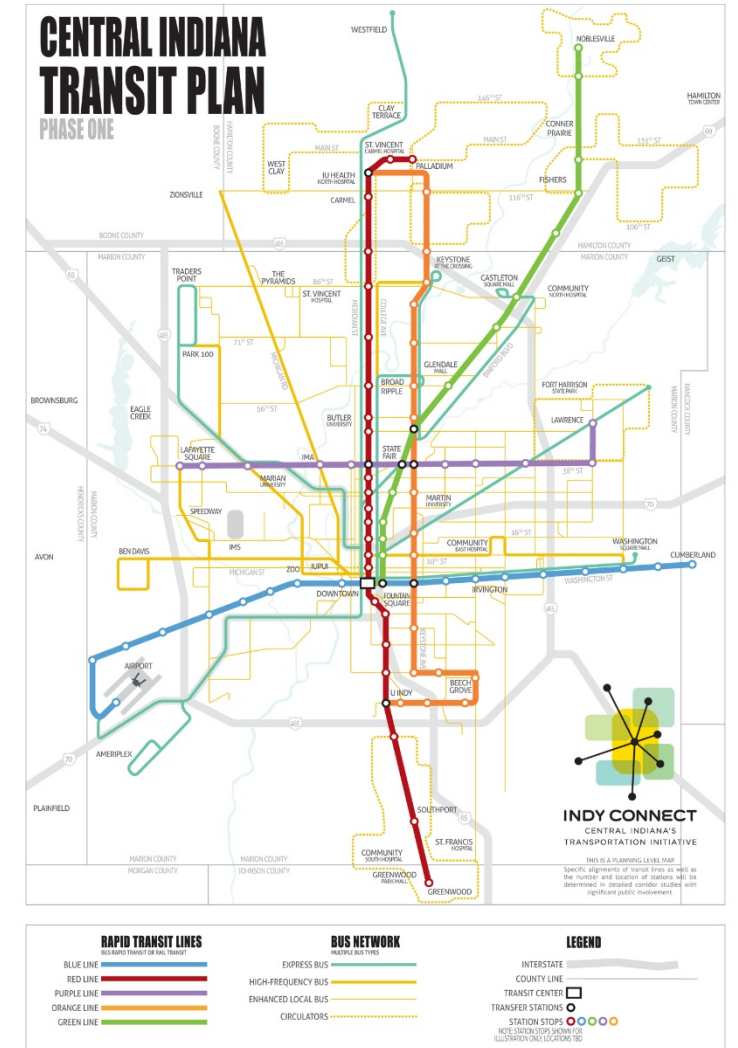


Equitable Transit
Oriented Development



What the research tells us ...

- Where a family is able to afford to live determines health, children's education and life chances, and economic opportunities
 - Tradeoffs: locational accessibility and transportation access, neighborhood quality, unit quality, public services and amenities
 - Neighborhood quality, public health, and public services/amenities are capitalized into the price of housing



What the research tells us ...



- Exposure to unhealthy or unsafe or high-poverty neighborhoods pose significant health care costs:
 - Increased prevalence of stress, anxiety/depression, asthmas, diabetes
 - Exposure to air pollution (particulate emissions and CO) leads to premature birth and low-birth weights, equivalent to smoking 10 a day
 - Food deserts, nutritional deficiencies
 - Lack of physical movement correlates with many chronic diseases

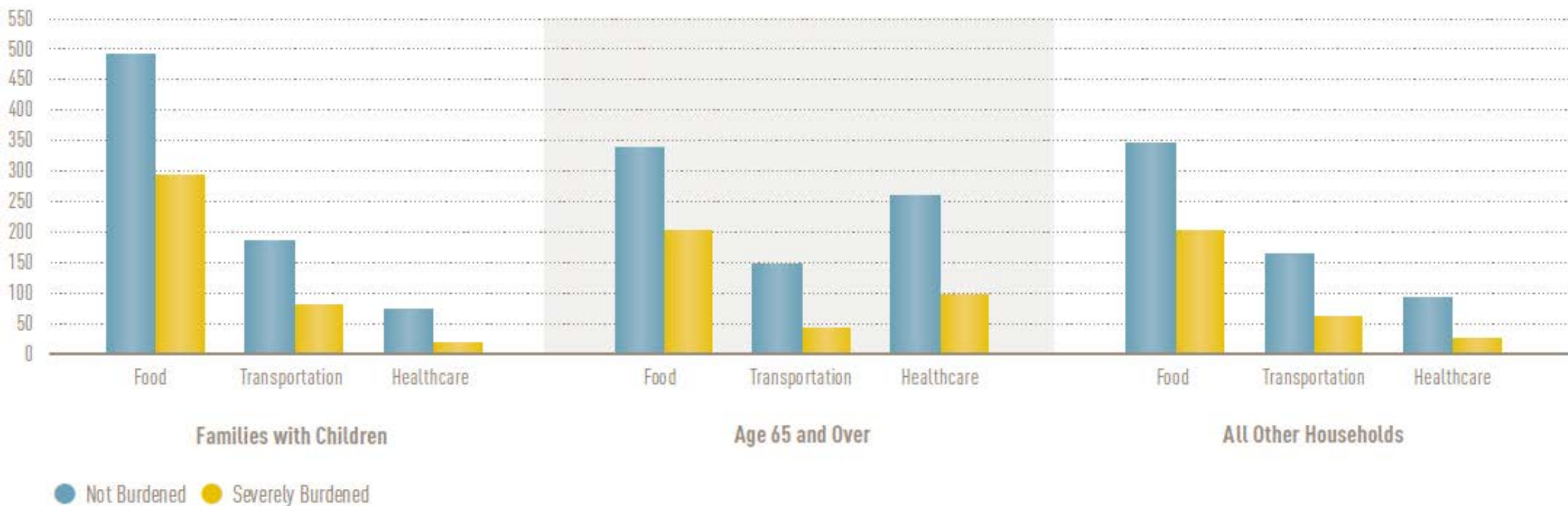
What the research tells us ...

- When families are able to move to safe, healthy, affordable housing in low-poverty neighborhoods:
 - Increased income over the lifespan
 - Improved health
 - More than PAYS FOR ITSELF in medical cost saving
 - Able to spend more on food, health care, education, and transportation



Families with Children and Older Households Cut Back on Different Vital Needs When Housing Costs Take Up Most of Their Incomes

Average Monthly Expenditures of Low-Income Households (Dollars)



Transit-Oriented Development

- TOD is a neighborhood (re)development which includes a mix of housing, office, retail, other employment-based land uses, and public buildings/amenities in a walkable, compact neighborhood within 0.5 miles of a high-quality transit station. (Adapted from CTOD – Center for Transit Oriented Development)
- “Began” in late 1980s – although StreetCar Suburbs dominant in 19th century



Transit-Oriented Development



- TOD thought to be “Win-Win-Win”:
- Economic Development:
 - Increased investment, \$9-\$25 for each \$1 invested
 - Increased property values
 - Revitalization of distressed neighborhoods
 - Place-making
 - Better labor market outcomes
- Environmental Quality:
 - Increased transit ridership, reduce auto use
- Equity:
 - Spatial mismatch of jobs and low-income households
 - Housing + Transportation costs for low-income households can exceed 70% of budget

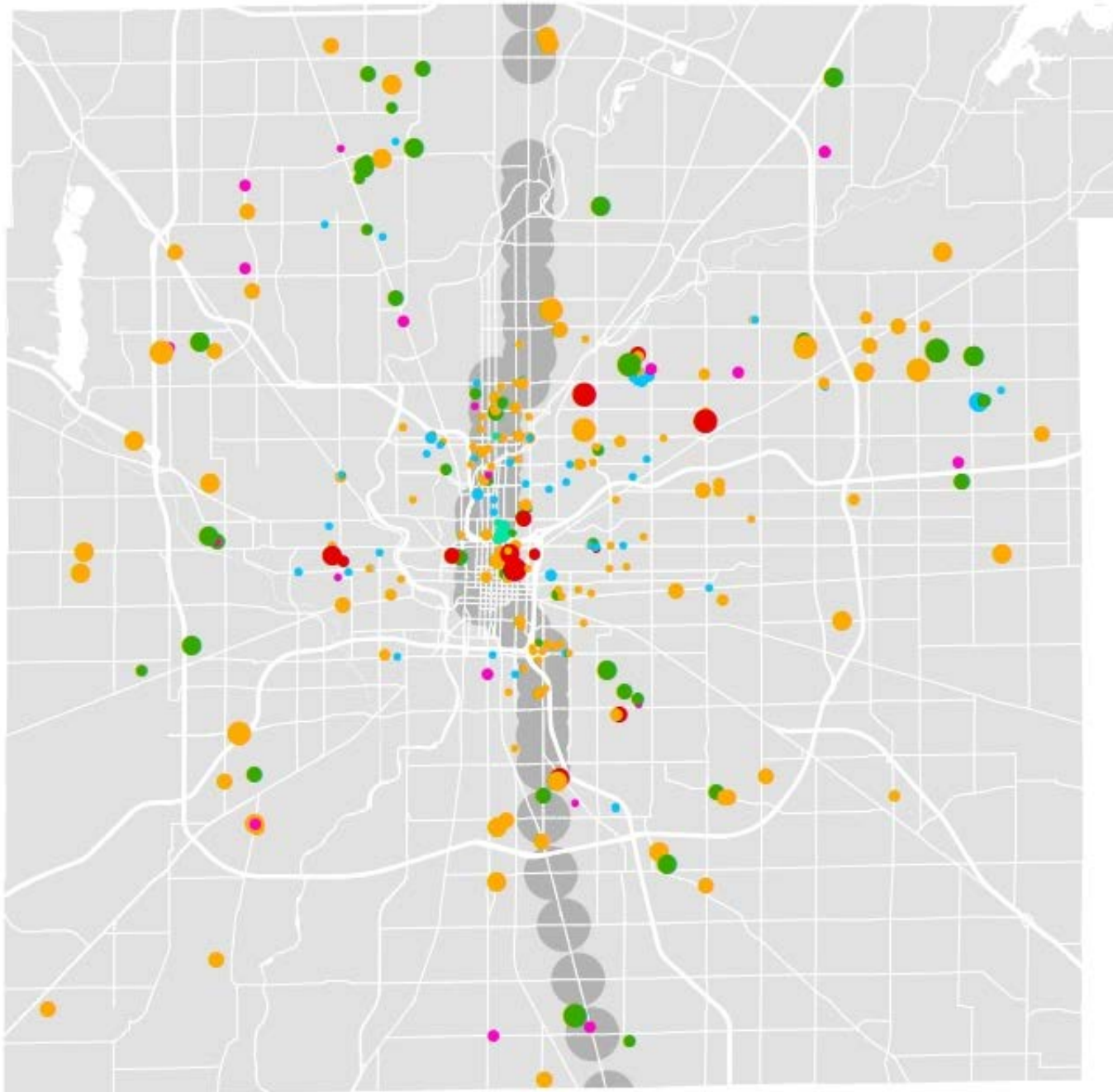
Market Realities

- Demand for housing near high-quality transit is growing but supply is not keeping up. Prices are escalating (Reconnecting America)
- High-quality TOD development is difficult, time-consuming, and expensive
- Public agencies and investment require value-capture, ROI and hope to leverage investments
- Transit ridership projections may require capturing “choice” commuters vs. existing transit-dependent households

Equitable TOD Challenges

- 75 percent of HUD-subsidized affordable housing units near transit stations have expiring subsidy contracts in next 5 years
- Only a small proportion of LIHTC developments built within ½ mile of high-quality transit station
- Nearly half of new transit stations are built in neighborhoods where affordable housing already located
- Land costs not part of “eligible basis” for LIHTC. Therefore, higher-cost in TODs = larger gap financing needed

Affordable Housing Supply Today



U.S. regions building or considering new bus rapid transit service - 2016



Regions with existing BRT service not included in this map. Data on BRT systems that are planned, funded or under construction comes from Yonah Freemark and Steven Vance's Transit Explorer project; data accessed in January 2016. <http://www.thetransportpolitic.com/transitexplorer/>

Equitable Transit-Oriented Development

- Goal: stable, affordable, diverse, mixed-income housing near high-quality transit stations in high-opportunity areas.
- Strategies:
 - 1. Preserve existing affordable housing near planned transit stations.
 - 2. Fund pre-development and land acquisition for affordable housing providers in TOD areas.
 - 3. Mandatory or incentive-based mixed-income housing for projects with public subsidy or discretionary land-use approvals
 - 4. State Housing Finance Agencies (HFAs) include transit-oriented policies and points in LIHTC QAP (Qualified Allocation Plan)

Case studies

- Best Example of Equitable TOD development policy/fund is Denver.
- Best example of BRT system is Cleveland's "HealthLine"
- Affordable housing case study from Eugene, OR EmX (small city)
- Middleton Wisconsin (my city!)– Meadow Ridge

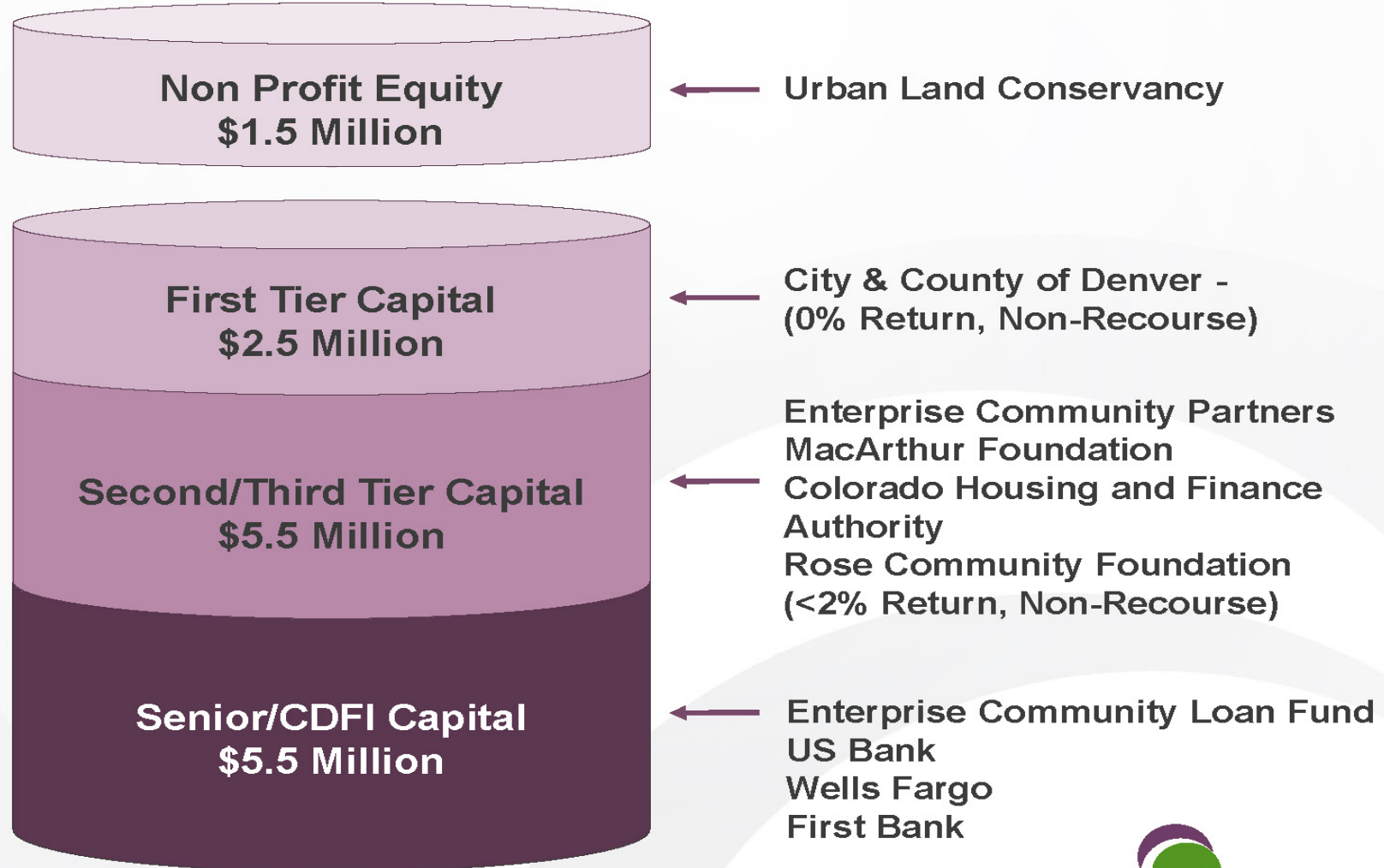
Denver Land Acquisition Fund

- Denver Regional Transit-Oriented Development Fund
- Has lent over \$20 million → over 1000 affordable housing units and 100,000 ft² of community space near transit
- Goal is 2000 affordable units by 2024
- Can be used for affordable rental development or affordable homeownership opportunities
- Used within ½ mile of transit station or ¼ mile of high-frequency bus service
- Loans up to \$5 million for 5 years
- Partnership: City, state, Urban Land Conservancy, foundations

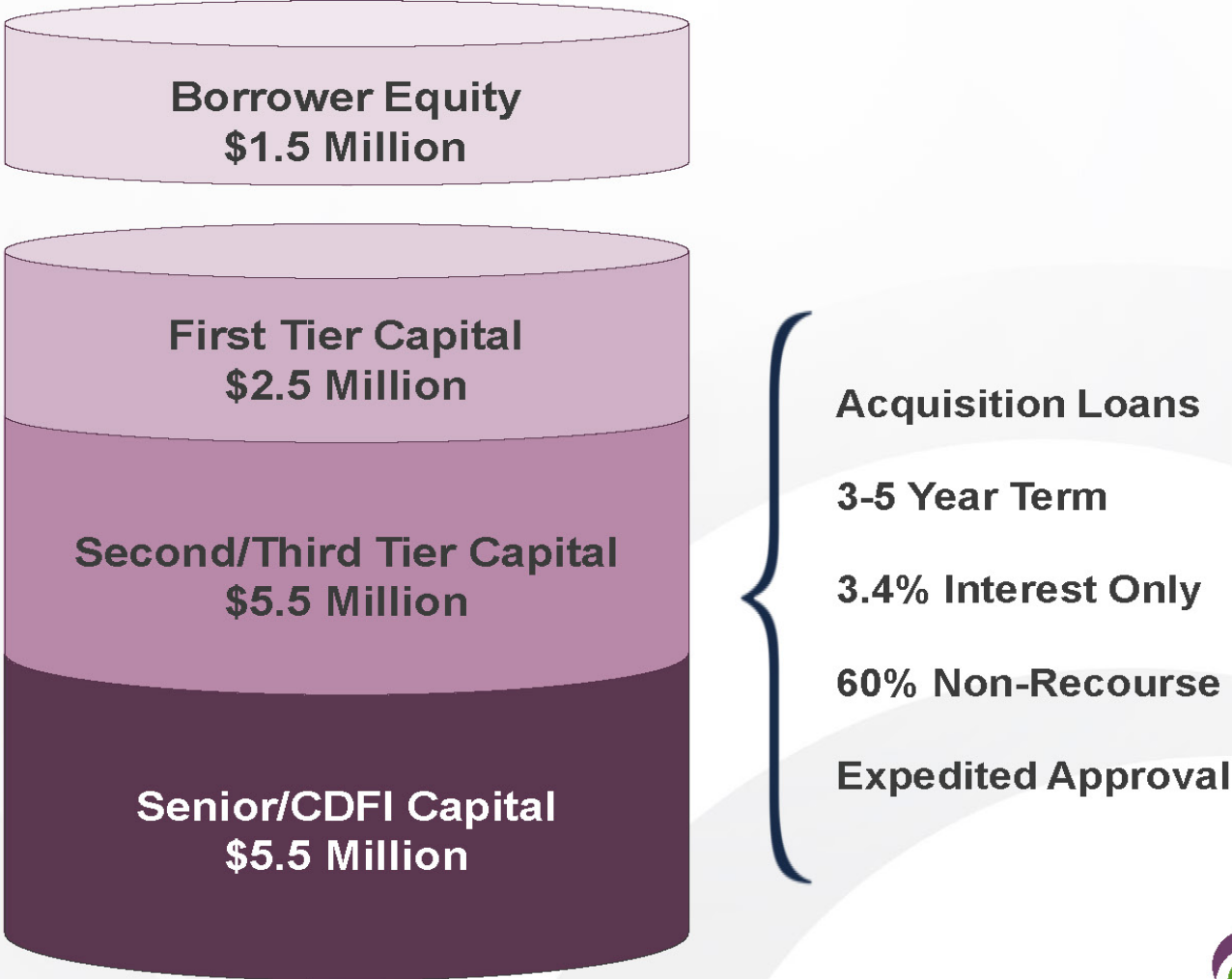
Denver Land Acquisition Fund

- Capital Structure of Fund → Most structured as investments
- City and State (CHFA) take first-loss positions (this reduces the risk to other investors allowing for lower interest-rate loans)
- Foundations invest in fund as “patient equity” – return of capital without much gain

Structure: A Blend of Risk/Return | The Denver Model



The Denver Results



Transit as Transformation

The Euclid Corridor in Cleveland

\$200 million investment; attracted at least \$4.3 billion in additional public and private development

Development activity included clean-up and redevelopment of numerous vacant and abandoned properties

ITDP rates HealthLine BRT as the best BRT line in the country (planning, design, quality of service, access)

From 2002 to 2009, \$1.9 billion in development in University Circle district on Euclid Avenue, and creation of 5000 jobs since 2005

Ridership: 70 percent increase since 2008



Figure 1: GCRTA map of the HealthLine and its 30 stops along Euclid Avenue.
 [Source: www.urbanohio.com/forum2/index.php?topic=2840.30]



Attention

Fare must be paid, and passes and farecards activated, prior to boarding. While on the vehicle, proof of payment must be retained for inspection.

Fares to prevent cash use of farecards will increase and cash to a station fare will be possible. © 2011 RTA

PHOTO: Shutterstock.com, courtesy of Flickr.

The new bus rapid transit system along Cleveland's Euclid Corridor is proving attractive to developers of both market-rate and affordable housing, and land and property values have been increasing even as values elsewhere have declined.

Photo source: Reconnecting America: Mixed-Income Housing Near Transit

Eugene, OR EmX (Emerald Express)

The EmX Franklin Corridor BRT Project Evaluation





Aurora Building - St Vincent de Paul of Lane County (Eugene, Oregon)

- Across street from BRT station (transit center); 1 block from Lane Community College.
- First affordable development in Eugene in 20 years. (Opened 2004)
- 54 Units, targeted 50-60% AMI
- Mixed use – first floor commercial
- Energy efficient design, geothermal heat, bikeable

Total Project Cost: \$7.5 million.

Funding sources: LIHTC (4% credits); HOME; FHLB Seattle; Oregon Dept. of Energy Tax Credit; EWEB Super Good Cents Energy Rebate; City of Eugene; 20-year property tax exemption; Lane Community College

Meadow Ridge (Middleton, WI)



City of Middleton (2015) adopts Workforce Housing Strategy

- Goal of 295 units; priority areas

Meadow Ridge is 95 units, mixed income

- 16 units at 30% AMI (DCHA)
- 41 units at 50% AMI
- 19 units at 60% AMI
- 19 units at market

Services and units reserved for veterans, disabled

-Walking distance to thousands of planned jobs, schools, transit, shopping.

Total Project Cost: \$16.3 million.

Funding sources: LIHTC (9% Credits, WHEDA HIPR, \$8.5 million); City TIF (\$1.3 million), County Housing Authority, Dane County, FHLBC, deferred developer fee