

# Bay Area Ties Transit Funding To Local Planning

By David Behrend

**T**ransit-oriented development, in many ways, is a planning dream – providing housing dense enough to support a transit hub with a variety of travel options accompanied by retail development and a streetscape conducive to walking. Such a mix of transportation efficiency and compact land use can do much to preserve open space, put development where infrastructure already exists, and make the most efficient use of transportation systems, all while keeping the growth of automobile traffic in check.

Planners and public officials have

touted and pushed transit-oriented development (or TOD, for short) in regions all over the United States with varying degrees of success. Many regional transportation plans and state policies call for transit-oriented development and encourage it through incentives such as redevelopment grants and special assistance from state government.

In the San Francisco Bay area, regional government is using another, more powerful tool to encourage TOD — project construction money. The Bay Area’s Metropolitan Planning Organization — the Metropolitan Transportation Commission or MTC

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— recently put its funding where its policy is, directly tying development density to transit funding. Put simply, the MTC policy requires any new transit extensions receiving regional funds to include plans for mixed-use development dense enough to support rail, bus or ferry transit service. It is a groundbreaking policy move.

## Regional Funds Are the Key

“There is no other region in the United States that has explicitly tied transit funding to land use,” said James Corless, a senior transportation planner with MTC. “There are lots of incentive programs, and we have those as well. But we wanted to take it a step further.”

Most transit projects planned for the Bay Area region will rely heavily on state and federal funding, but MTC has direct control over about \$11 billion in regional discretionary funds, generated primarily from toll revenues at Bay Area bridges, for such projects over the next 25 years. That is enough to give teeth to the policy, Corless said.

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Just what does MTC require com-



*Walkers in San Francisco’s Third Street corridor where new light rail service is being developed at a high-density transit-oriented neighborhood.*

Peter Beeler, MTC



*The Richmond Transit Village has been called a “quintessential new urbanist” development.*

munities to do in exchange for these regional funds? In short, they must include plans for TOD that will provide enough density to justify transit expansion. There are three key elements to the TOD policy: corridor-level thresholds that provide for development around transit stations along new corridors; local station area plans that address key aspects of TOD such as pedestrian friendly design, station access and appropriate land use; and corridor working groups made up of municipal and county staffs, the transit provider and key stakeholders.

MTC has identified several corridors in the Bay Area region that are potentially ripe for development of new or expanded transit service via commuter rail, bus rapid transit, light rail or ferry. However, before a corridor can get funding for new transit, all municipalities in it must plan development as a corridor and come up with a plan for developing enough housing around stations to justify transit investment. The corridor targets range from more than 3,800 housing units per station between downtown Fremont and the San

Jose/Santa Clara area to 2,200 per station in several other corridors.

“If you want construction money, you have to meet those housing thresholds” that have been set during the planning process, Corless explained. MTC sees such planning not only as good sustainable growth, but also as a key component of the transit system’s future health. Residential density around a transit node means “built-in riders,” Corless said. “It’s a form of insurance.”

### **Achievable Thresholds**

Adopted in July 2005, the TOD policy is still relatively young, at least in terms of the decades often needed for a proposed transportation project to become a reality. Already, though,

MTC is evaluating its effectiveness. An interim evaluation released in July 2006 came to one critically important conclusion about TOD in the Bay Area: The corridor thresholds are achievable. In fact, in three of the seven non-ferry corridors identified, the thresholds likely will be achieved under current development plans. In other corridors, it appears likely that the thresholds can be met with long-term TOD plans.

As part of its efforts to promote such development, MTC has highlighted several examples of existing TOD in their region.

In Hayward, on the eastern side of San Francisco Bay, a struggling downtown has seen a revival centering on its Bay Area Rapid Transit (BART) station that includes more than 700 new housing units.

Meanwhile, on the West Bay, south of San Francisco, Redwood City officials have focused on making their historic downtown a destination for entertainment, dining and nightlife through transit and pedestrian-friendly development that includes some 300 new housing units.

Perhaps the most vivid example of successful transit-oriented development in the Bay Area is the new Richmond Transit Village in the city of Richmond on the East Bay north of Oakland. The transit village is being built next to the Richmond BART/Amtrak station, which also

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*Towns are told, “If you want construction money, you have to meet those housing thresholds.” Residential density around a transit node means “built-in riders.” It’s a form of insurance for public investments.*

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boasts extensive bus service. The recently completed first phase of the transit village — dubbed Metro Walk — puts hundreds of residents a mere two-minute walk from this key transit hub. Future phases will include townhouses, bungalows and lofts for living and working. Richmond, an area that has chronically struggled with economic difficulties and a reputation for crime, now finds that developers have an active interest in constructing new housing around the station. And more than 90 percent of those who have moved into Metro Walk say that being near transit was a key factor in their decision to move to the development.

### A Promising Future

These are just a few examples of how TOD is thriving in the Bay Area. Combined with the analysis of the interim evaluation, these success stories point to a promising future in using TOD to help steer and manage growth in the Bay Area while main-



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Officials with MTC note that it was not easy to get to this point, with debates between local representatives sometimes becoming contentious as they hammered out their TOD policy. However, in the end, Corless said, the elected officials on the MTC Board

did what they had to do to make a unique transit-oriented development policy into a reality.

“Basically, they took off their local hats and put their regional hats on,” he said. □

## The Evolution of Location Efficiency, *continued from page 4*

Index, has been used to measure transportation costs in 42 metropolitan areas; work is underway to develop the H+T Affordability Index for an additional eight. The map on page 4 (bottom right), Housing and Transportation Expenditures as a Percent of Income, shows the results of the Index applied to the average household in the Chicago region, identifying those areas where house-

holds pay more or less than average on housing, more or less than average on transportation, or more or less than average on both.

### Index Useful to Families and Policy Makers

In summary, the affordability of a place is determined by housing costs and other location-specific costs, especially transportation expenses. Due to development patterns and a lack of transportation choice, transportation is the second highest expenditure after housing. Working families are one

group hit particularly hard by this fact; for households of this type, housing and transportation costs can eat up more than 50 percent of their income. While the LEM allowed homebuyers in three markets to benefit from an appealing mortgage product, the Index allows homebuyers nationwide to estimate the transportation cost that goes with a home and policy makers to help score them on how well they are minimizing costs for residents. □

*The CNT website is at [www.cnt.org](http://www.cnt.org)*