Equitable Transit-Oriented Development

Agenda

1. eTOD Intent Framework
2. Current Guidance on Affordable Housing at RTD
3. Tools available to achieve eTOD
4. Peer Agency Summary
5. Potential Policy Elements
6. Early Outreach and Next Steps

Equitable TOD Policy is an opportunity to encourage ridership, gain revenue, and be responsive to community concerns through inclusive joint development.
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RTD’s Equitable TOD Policy Framework for Board Consideration

**Goal:** Reserve a portion of residential joint development for low-income households

**Objectives**
- Increase ridership through transit-supportive land use
- Generate revenue through joint development
- Enhance community relationships

**Intent**
- Empower staff to negotiate with developers and coordinate with state and local agencies to promote affordable housing as a transit-supportive land use at and along high-frequency transit stations and corridors

**Tools**
- Reduce development costs (administration, acquisition, construction), pass on savings to residents
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Current Guidance on Affordable Housing at RTD

- **Colorado Revised Statutes 32-9-119.8**
  - RTD may enter into agreements to provide residential, commercial, or retail uses on agency property.
  - An agreement partner must compensate RTD at fair market value (FMV) and/or by the provision of services or capital improvements such that the **total benefit is not less than FMV**.
  - Residential use shall not reduce transit service or availability of adequate parking.

- **RTD FasTracks Strategic Plan for TOD** (2010) – RTD is supportive of policy goals, such as the development of mixed-income housing near stations, as reflected by the local jurisdiction’s adopted policies. (3.1)

- **RTD TOD Evaluation Guidelines** (2018) – TOD will be evaluated based on: Revenue, Ridership, Operations & Maintenance Impacts, Amenities/Access Improvements, Community Facilities/Affordable Housing Provided, Benefits to RTD Brand Image

- **FTA Joint Development Circular** (2020) – “FTA's policy is to maximize the utility of FTA-assisted projects and to encourage the generation of program income through joint development.” “It is FTA's policy to give project sponsors maximum flexibility within the law to work with the private sector and others to pursue joint development.”
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Common tools to reduce development cost and achieve eTOD

**Reduce administrative cost**
- Unsolicited proposals: prefer affordable-housing proposals in TOD Evaluation Guidelines
- Solicited proposals: conduct due diligence to inform future development

**Reduce acquisition cost**
- Discount property value for sale or ground lease
- Coordinate with state and/or local subsidies

**Reduce construction cost**
- Right-size parking replacement
- Coordinate with local jurisdictions to reduce, share parking
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Peer Agency eTOD Policy Requirements/ Targets

- RTD’s peer transit agencies have varying affordable housing requirements for joint development
- Most commonly, agencies require between 20% and 35% of units to be affordable at 60%-100% Area Median Income (AMI)
- Some agencies require these restrictions on a per-project basis, others on a per-station or portfolio-wide basis

<table>
<thead>
<tr>
<th></th>
<th>Sound Transit (Seattle)</th>
<th>BART (San Francisco)</th>
<th>LA Metro (Los Angeles)</th>
<th>MBTA (Boston)</th>
<th>MARTA (Atlanta)</th>
<th>MTS (San Diego)</th>
<th>VTA (Santa Clara, CA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Units Restricted</td>
<td>80% (min)</td>
<td>20% (min); 35% (goal)</td>
<td>35% (goal)</td>
<td>20% (min)*</td>
<td>20% (goal)</td>
<td>20% (min)</td>
<td>20% (min); 35% (goal)</td>
</tr>
<tr>
<td>% AMI</td>
<td>80%</td>
<td>80%</td>
<td>60%</td>
<td>100%</td>
<td>80% (rental); 100% (for sale)</td>
<td>80%</td>
<td>60%; Half at 50%</td>
</tr>
<tr>
<td>Project or Portfolio?</td>
<td>Per project</td>
<td>Per station</td>
<td>Portfolio</td>
<td>Per project</td>
<td>Portfolio</td>
<td>Per project</td>
<td>Per project</td>
</tr>
</tbody>
</table>

*Negotiable to 10% in certain circumstances
### Equitable Transit-Oriented Development

Peer Agencies employ a variety of eTOD Policy Tools

<table>
<thead>
<tr>
<th>Policy Tool</th>
<th>Sound Transit</th>
<th>BART</th>
<th>LA Metro</th>
<th>MBTA</th>
<th>MARTA</th>
<th>MTS</th>
<th>VTA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transit Parking Replacement</strong></td>
<td>Evaluates opportunity for shared-use parking</td>
<td>No parking replacement at “Urban” stations</td>
<td>Case-by-case basis</td>
<td>Case-by-case basis</td>
<td>Case-by-case basis</td>
<td>Case-by-case basis</td>
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<tr>
<td><strong>Land Discounts</strong></td>
<td>Discounts property based on financial need for project viability</td>
<td>Discounts property for projects that are 35% affordable ranging from 10% - 60%, based on AMI</td>
<td>Discounts property based on percentage of affordable units (up to 30% fair market value)</td>
<td>Case-by-case basis</td>
<td>Case-by-case basis</td>
<td>No land discounts, unless project is ground lease and 100% affordable</td>
<td></td>
</tr>
<tr>
<td><strong>Other Financial Assistance from Transit Agency</strong></td>
<td>Seeks direct or alternate funding sources, including public subsidy, to support joint development</td>
<td>Pursues state, regional, and philanthropic partnerships to alleviate and prevent homelessness through affordable housing</td>
<td>Contributes to regional housing fund for creation of affordable housing in station areas on private property</td>
<td>May reduce affordability requirements to 10% to make project viable</td>
<td>Encourages reduced parking minimums and upzoning for inclusion of affordable units</td>
<td>No financial assistance specified</td>
<td>Encourages upzoning for greater affordability and facilitates partnerships with affordable housing resources</td>
</tr>
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<td><strong>Preference in RFPs</strong></td>
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**Legend**
- Yes
- Partial
- No
- N/A

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Attachment: TOD Update to Board - Oct 2020 (4345 : Equitable Transit-Oriented Development Deep Dive)
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Potential Policy Elements in an RTD eTOD Policy for Joint Development Projects

Replace RTD transit parking

- 0% Replacement
- Replacement depending on projected utilization
- 100% Replacement

Expedites processing within RTD

- All fees waived, review times minimized, pre-permit all properties
- Waive fees for staff review, minimize review times, pre-permit where valuable
- Treated no differently than other projects

Negotiated land price

- Donate the land
- Require FMV
- Allow up to 20% reduction in purchase/lease price in exchange for affordability (with Board approval)

% Affordability goal

- 0% affordable
- 20 or 35% goal, portfolio-wide
- 100% affordable, all projects

Revised Parking Policy Considerations

- Flexibility around shared parking
- All spaces open to all
- Some shared spaces may be permitted, e.g. for a certain number of residents or guest parking, or at certain times
- No sharing ever

BLUE = Staff recommendation
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Illustration of a 20% vs. 35% Affordability Goal, Portfolio-wide

RTD holds ~15 properties with real development potential. In the next ten years, some number of them will develop. RTD’s affordability goal would influence the number of units in those developments that are affordable. Here are three illustrative scenarios, assuming 300 units per project and showing the difference between a 20% and 35% goal:

If 2 sites are developed:
- 20% Goal = 120 affordable units
- 35% Goal = 210 affordable units

If 5 sites are developed:
- 20% goal = 300 affordable units
- 35% goal = 525 affordable units

If 10 sites are developed:
- 20% goal = 600 affordable units
- 35% goal = 1,050 affordable units

A goal is not enforceable — it helps focus the agency on a direction to pursue.
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Early Outreach and Next Steps

Staff has consulted state and local staff, peer agencies, and industry groups to inform policy framework

- American Planning Association – Colorado Chapter, Sustainability Committee
- City of Aurora
- City and County of Denver – Community Planning and Development, Housing and Stability
- City of Lakewood
- Colorado Housing Finance Authority (CHFA)
- Denver Region Council of Governments
- Mile High Connects
- Neighborhood Development Collaborative
- Urban Land Institute – Colorado Chapter, Urban Mobility and Development Committee
- Town of Superior

Next Steps:

Staff will reach out to Board members for feedback in the coming weeks and bring a draft eTOD resolution for Board consideration in December