

Transit-Oriented Development: Leveraging the Private Sector

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The MTC Region

9 counties

7 million people

4 million jobs

101 cities

26 transit operators



Focus today on TOD...

The intersection between land use and transportation is becoming increasingly important to transportation agencies...that intersection is found in the emerging field of transit-oriented development (TOD)

TOD needs regional/local partnership...

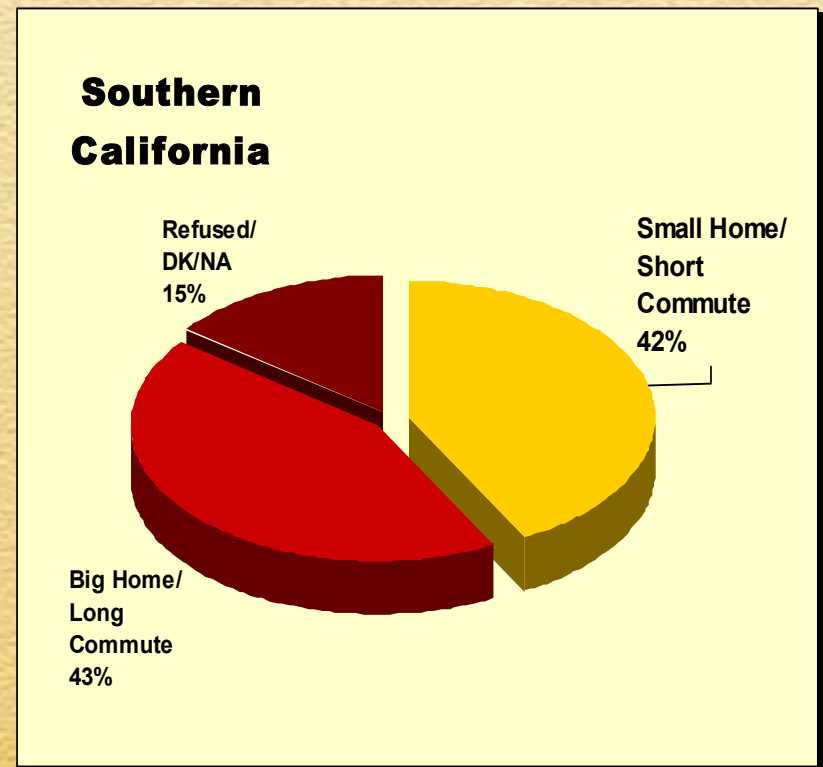
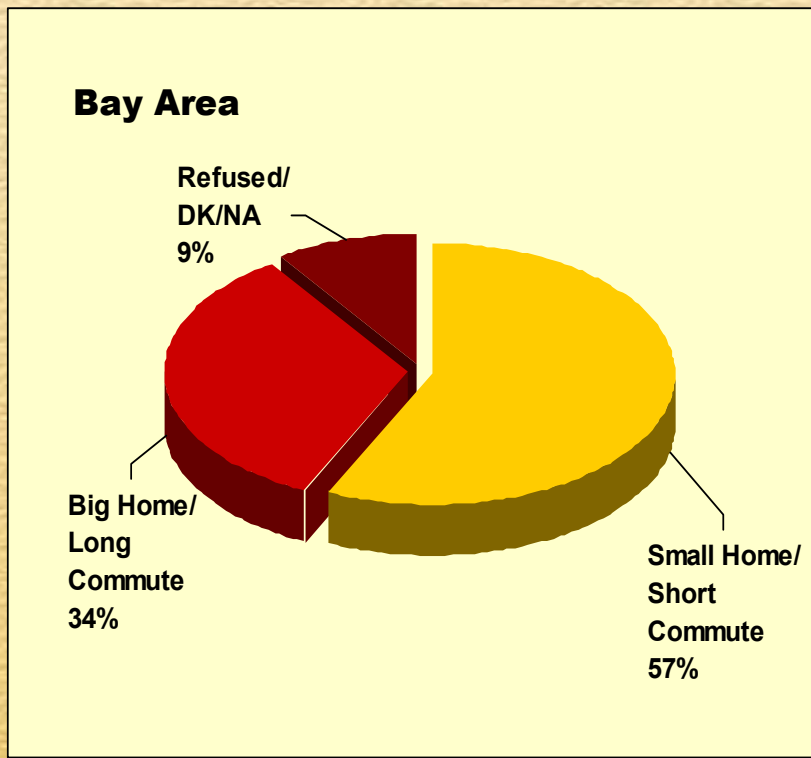
MTC is a regional transportation agency that has transportation funding but no land use authority...local governments have land use authority and are in need of infrastructure dollars

**But TOD will only succeed
with the private sector...**

*Transit-Oriented Development
(TOD) will only be made
possible through unique and
evolving public/private
partnerships...neither MTC nor
most local governments
control development*

Untapped Market for TOD?

57% of Bay Area residents would live in a smaller home if it meant a shorter commute – empty nesters and younger singles driving emerging market for TOD



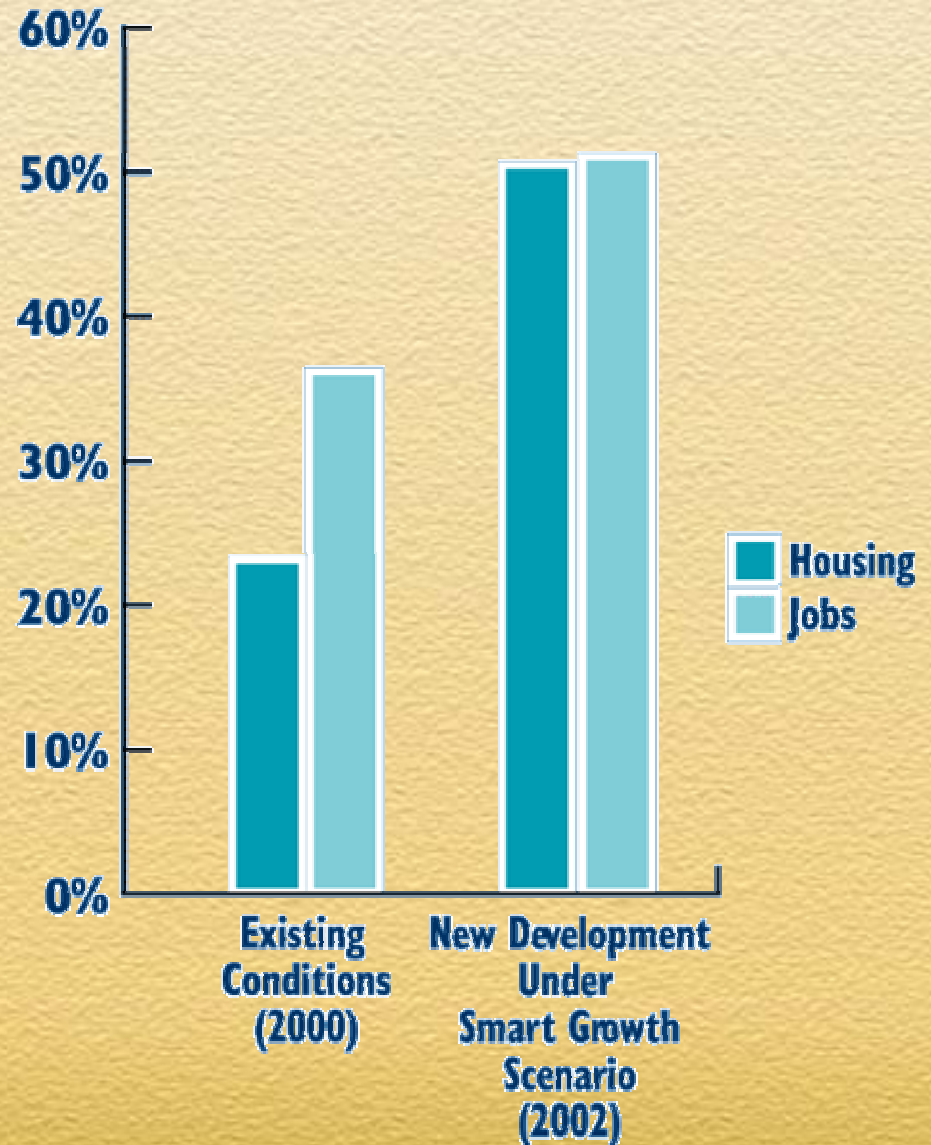
Source: Godbe Research
November 2003 Voter Survey
Margin of error +/- 2.3%

TOD Opportunities & Challenges

- Land Use key to making transit investments cost effective
- MTC doesn't control land use - but we do control transportation dollars
- BUT...neither MTC nor local governments control private market
- Opportunity: make it easier to do TOD for private sector
- Opportunity: have public infrastructure investments provide certainty for private development dollars

Bay Area's Smart Growth Vision:

**Capture 50% of All
New Growth
Around Transit**



MTC incentives for TOD

TLC Planning (\$2.2M)

- 59 planning projects - \$2.2 million

TLC Capital (\$48.6M)

- 59 capital projects - \$48.6 million

Housing Incentive Program (\$7.3M)

- 23 housing projects across 12 Bay Area cities
- 2,672 total new housing units
 - 2,980 market rate bedrooms
 - 2,091 affordable rate bedrooms
- \$7.3 million in HIP funds

MTC Transp/Land Use Platform

"the Commission should consider explicitly conditioning the award of those funds under its control...on the demonstration that plans are in place supporting increased density around transit stations..."

***-- MTC's transportation/land use policy platform
December 2003***

Matching Transit Projects with Land Use Decisions

Project Stage	Transit Operator Action	City Action
Alternatives Analysis/DEIS	Corridor Working Group Forecasts and ID land use/ridership issues	Corridor Working Group Comprehensive plan
Preliminary Engineering	Land Assembly Strategy	Zoning Ordinances
Final Design/ROW	Land Assembly Joint Development Strategy	Station Area Plan Land Assembly ID Financing Tools
Construction	Joint Development RFPs	Financing Tools Solicit for Development

TOD Study Underway

- **Technical GIS analysis**
- **Review of other policies**
- **Define policy components and options**
- **Conduct Case Studies**
- **Refine policy for the Commission**

New Regional TOD Policy

- **Developing development targets for corridors**
- **Establishing partnerships with local gov'ts**
- **Bringing neighbors and the public along**
- **Setting goals that are within reach**
- **Working with multiple jurisdictions in various corridors**
- **Taking market demand into account**

Fruitvale Transit Village

One of first of new generation of Bay Area transit villages. Library, clinic, senior center, retail and 47 rental units in phase 1. Three hundred plus housing units in phase 2.

Oakland
Alameda County

Total Project Cost: \$100M

TLC planning: \$47,000

**TLC Capital Grant: \$2
million**

Fund Origin: TDA, TEA-21

Fruitvale: Lessons Learned

- **Took major effort by local NGO to develop project – Unity Council**
- **Over 100 funding sources**
- **City reduced required parking ratio**
- **City as long term tenant: branch library**
- **Important as real life example to show lenders, developers**
- **Perhaps future TODs won't be as complex**

Richmond Transit Village

Ownership Townhouses &
Rentals at hub of heavy rail
(BART), Amtrak & local bus

Richmond
Contra Costa County

\$100M project phase 1

231 townhomes – ownership

27,000 ft² retail

HIP Grant: \$384,000

Station Area Planning Program

- **Initial MTC pilot program being developed**
- **Funding for Land Use plans around station**
- **\$100,000 - \$750,000 grants**
- **Specific plans in particular allow program EIRs**

Conclusion

- **TOD realigns public-private relationships**
- **Make TOD into a “product” recognized by and fundable through lenders**
- **Parking requirements example of artificial public sector barriers**
- **Station Area Plans example of tool to ease barriers for private sector**
- **A work in progress – stay tuned!**

Website:
www.mtc.ca.gov