Affordable Housing & TOD
Transit Oriented Development Implementation Forum

JACOBS CENTER FOR NEIGHBORHOOD INNOVATION
JANUARY 27 and 28, 2015
Transportation is a Major Household Expense, and Location Matters

The average middle income family in San Diego County spends 55 percent of total household income on housing + transportation (H+T)

Providing Affordable Housing Near Transit Ensures True Affordability & Expands Access to Employment and Other Important Destinations

Locating affordable housing near transit allows residents to:

• Reduce H+T costs

• Access a broader range of employment, educational, other destinations – with or without a car

Nearly Half of San Diego Affordable Housing Residents Do Not Have Access to a Car

Other Benefits of Locating Affordable Housing Near Transit

- Supporting regional transit ridership
- Meeting vehicle miles traveled (VMT) and greenhouse gas emission goals
- Catalyzing neighborhood reinvestment and TOD

Low-Income Households Drive Less & Take Transit More Frequently, Especially if they Live in TOD

![Graph showing vehicle miles traveled per day for different income levels and proximity to transit.](Source: Transform & CHPC, 2014)
The Emerging Tools for Facilitating Affordable TOD

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Tool 1: Reduced Parking Ratios

Affordable housing residents are less likely to own vehicles, especially if they live near transit

Vehicle Availability: Affordable Housing Residents v. All San Diego Rental Units

- Survey Respondents
- All San Diego Rental Units*  

Vehicle Availability of Affordable Housing Residents by Location within the City of San Diego

- Suburban Areas: Limited access to transit
- Urban Areas: Somewhat conducive to walking
- Core Areas: Most conducive to walking

* Source: 2005-2009 U.S. Census American Community Survey

Tool 1: Reduced Parking Ratios

Reducing parking ratios can help:

• Lower prices (for market-rate housing)

• Reduce construction costs (for market-rate and affordable housing)

<table>
<thead>
<tr>
<th>City</th>
<th>Strategy</th>
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<tbody>
<tr>
<td>Santa Clara</td>
<td>25% parking reduction for all development that is located near transit, implements a TDM program, utilizes shared parking, or is mixed use</td>
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<tr>
<td>Los Angeles</td>
<td>Reduced parking for low-income housing near transit (1 space per unit for affordable projects within 1,500 ft. of transit)</td>
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<tr>
<td>Portland</td>
<td>No parking minimums for affordable housing within 500 ft. of high-frequency transit service</td>
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Tool 2: Density Bonuses

- **State Density Bonus Law** requires local governments to offer increased densities and reduced parking requirements in return for providing affordable housing.

- Some cities have implemented complimentary *community benefit* programs:
  - Allow developers to build additional density over a base amount in return for providing voluntary community benefits.
  - Voluntary and flexible; can be tailored to local market conditions and the City’s vision.
  - Do not replace the State Density Bonus, but provide alternative option for developers.
Example: Santa Monica General Plan Community Benefits Policy

**Priority Community Benefits:**

1. Affordable and workforce housing (money or units)
2. Transportation Demand Management (money or bus passes)
3. Physical Improvements (money or sidewalks)
4. Social/Cultural Facilities and Programs (money or daycare center)
5. Historic Preservation (money or adaptive reuse)
Example:  
Santa Monica Density Bonus for Community Benefits

- **Base**: A project can build to a low 32’ base height
- **Tier 1**: Additional floor with affordable housing units
- **Tiers 2 and 3**: To request additional height and FAR, a discretionary process is required:
  - Additional community benefits
  - Community participation
Tool 3: Structured Loan Funds for Affordable TOD

Structured loan funds:
• Dedicated to specific purpose, such as providing loans for land acquisition and affordable housing development near transit
• Pool funds from public sector entities, foundations, community development finance institutions, and commercial banks
• Allows for lower-cost loans with higher loan-to-value ratios

San Diego Housing Commission and Civic San Diego are currently exploring creating a structured loan fund for affordable TOD in the San Diego region
Example: Denver TOD Fund

- Partnership led by Urban Land Conservancy (ULC), Enterprise Community Partners, the City and County of Denver

- Initially capitalized with $15 million; limited to one developer (Urban Land Conservancy) and projects in the City of Denver

- To date, 8 properties have been acquired, creating 626 affordable homes

- Now being expanded to a $30 million regional fund with additional investments from California Housing and Finance Authority and Colorado Division of Housing
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**Households Earning $20,000-$35,000**

- In Central City: 54%
- Near Other Employment Center: 66%
- Away from Employment Centers: 70%

**Households Earning $35,000-$50,000**

- In Central City: 39%
- Near Other Employment Center: 48%
- Away from Employment Centers: 52%

Transportation is a Major Household Expense, and Location Matters

**Location Efficient Environment**
- 59% Disposable Income
- 9% Transportation
- 32% Housing

**Average American Family**
- 32% Housing
- 19% Transportation
- 13% Food
- 11% Insurance
- 6% Healthcare
- 5% Entertainment
- 4% Apparel

**Auto Dependent Exurbs**
- 32% Housing
- 25% Transportation
- 43% Disposable Income

*Source: Center for TOD Housing + Transportation Affordability Index, 2004 Bureau of Labor Statistics*