Capitol Hill - Broadway Transit Oriented Development

TOD Precedent Study

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schemata workshop

MAKERS
architecture · planning · urban design

prepared for

capitol hill chamber of commerce

1720 12th Avenue #3 Seattle WA 98122 206.285.1589

schemataworkshop.com makersarch.com

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Introduction

The following is the first of three reports that will be incorporated into a Final Report entitled ***TOD Development Guidelines and Urban Design Recommendations Report*** with a presentation in early 2010 describing recommendations, findings, a prioritized list of development objectives and design guidelines to the Stakeholder Group. The following is a summary of successful TOD examples from other cities, focusing on implementation and successful agency/community cooperation and negotiation.

The evaluation criteria for this TOD Precedent Study were based on several metrics, and include: Form, Policy, and Finance. Form evaluated both TOD neighborhoods and their buildings for those that had the closest physical attributes to those envisioned on Broadway and sought development projects that were urban infill in character, where surface or stand alone structured parking is either not in the project or a minor component; also sought were buildings that have a similar height, bulk, and scale to those that are currently allowable under current Broadway zoning. Policy criteria helped to evaluate projects with an intentional local government policy framework that has fostered successful TOD over at least ten years. Finance proved to be the most elusive, largely due to Washington's constitutional limitations for public financing of private development. However, projects were found that exhibited novel implementations of Federal Transportation Administration policies, creative joint development alliances, or other innovative methods of leveraging public investment to achieve neighborhood goals.

All photographs by Schemata Workshop, unless noted otherwise.

While there are many examples of TOD projects in the United States, finding those that provided relevant precedents to Broadway in all three of the above categories narrowed the choices considerably. To supplement the above, this study includes other regional projects that are good urban infill buildings, but may not necessarily have a transit component. These additional examples are forward in their design approach, are mixed-use, and generally have a community asset such as affordable housing. They also are of the height, bulk, and scale currently allowable on the Sound Transit TOD sites and may represent the type of development quality that would help Broadway become an economically vital, livable, unique, urban community.

Prior to finalizing the precedents in this report, the following cities and their respective TOD were examined. Those systems that were not pursued in this report did not adequately fulfill all three of the above Form, Policy, and Finance criteria. The systems and or cities studied included:

Arlington	Los Angeles	***San Francisco***
Beaverton	Metro New York	Vancouver, B.C.
Bethesda	***Portland***	***Washington, D.C.***
Denver	San Jose	
Dallas	San Diego	

Washington, D.C.

Columbia Heights

Photo Credit: MV + Architects, Bethesda, MD

Transit System History

Washington DC's metropolitan transit rail system, Metro, was the first major rail transit system built in the United States since the (halcyon) days of rail transit in first half of the 20th century. It is second only to New York City in ridership. Opened for operation in 1976, Metro's station types and neighborhoods are as diverse as any system in the United States, and include the traditionally highly urbanized areas of the District, as well as stations serving suburban communities.

Size

106 miles of track

Number Of Stations

Eighty-Six

Station Typologies

Below and above grade

Ownership & Service Area

Washington DC, Maryland, & Virginia are joint operators & service areas.

Station Chosen

Columbia Heights, Washington DC

Metro Map source: wmata.com

Metrorail

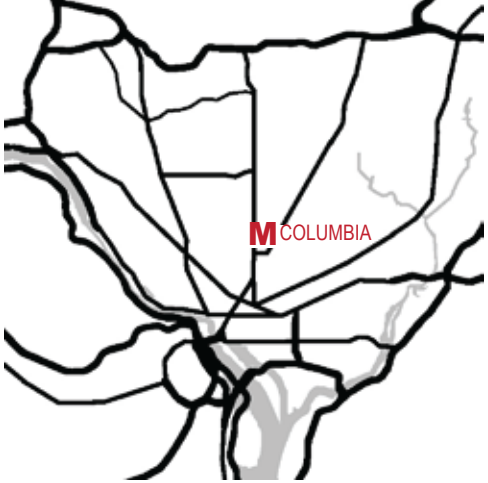
Washington Metropolitan Area Transit Authority

1976

Columbia Heights

14th and Irving Streets NW, Washington DC

1999-2003



History And Context

Initial TOD around Metro station areas was primarily suburban and for the underserved speculative office market, given the District of Columbia's high land prices and restrictive zoning. Subsequent development included inner the city neighborhoods of the District where more recent stations have opened, creating opportunities to revitalize existing neighborhoods where activities now stretch well into the evening for both residents and visitors alike. A key component of the renaissance around the urban stations has been the transit agency's commitment to joint development around station areas, as described below:

> *Today, WMATA pursues joint development quite methodically. Station sites are carefully screened according to a set of criteria that gauges development potential. For sites selected, an RFP is issued to solicit developer interest. Through negotiations, a developer team is chosen and contracts entered into specifying the financial terms of the deal. In 1996, WMATA tried a less judicious approach, soliciting developer interest for virtually all stations described by one staff member as an effort "to cast a big net and see what sticks." However, this proved to be too cumbersome, and the agency has since gone back to a more selective review.* [1]

Many of the newer, urban TOD neighborhoods are now seen as the most desirable parts of the District to live and socialize including Columbia Heights, Shaw, and Adams Morgan Neighborhoods; all neighborhoods similar to Capitol Hill's (Seattle) demographic and physical form. Metro's evolving embrace of TOD over the past three plus decades shows a strong tradition of local jurisdictions and a transit agency building on its success, with those lessons learned being applied to foster ever more urban and livable communities.

1. *TCRP Report 102*

Photo Credit: Rodrigo Abela

One of the new TOD communities is Columbia Heights, a historic neighborhood in the District that has been home to residents and businesses since the 19th century. Until the devastating DC riots of the late 1960s, it was one of the more desirable places to live in the city. Since those riots the fortunes of Columbia Heights followed much of those of the District; declining housing and retail and increasing crime. The predominant types, scale, and building uses of Columbia Heights are similar to those of Capitol Hill. Medium density housing, higher education institutions, and venues for the arts can all be found in the neighborhood. Until the arrival of the Metro station and its related development, under-used shopping streets could be found as well. The fortunes of the neighborhood began to change in 1999, with the opening of the Columbia Heights Metro station and its TOD:

2. DC ANC Profile

> *The opening of the Metro station served as a catalyst for the return of economic development and residents. Within five years, it had gentrified considerably, with a number of businesses (including a Giant Food supermarket and Tivoli Square, a commercial and entertainment complex) and middle class residents settling in the neighborhood. However, unlike some gentrified neighborhoods in the city, it had not become homogeneous: as of 2006, Columbia Heights is arguably Washington's most ethnically and economically diverse neighborhood, composed of high-priced condominiums and townhouses as well as public and middle-income housing. 2*

Recent housing comprises over 400 units, 20% of which are affordable. With the exception of the two large retailers in the development, the height, bulk, and scale of the buildings are what one could see occurring on Capitol Hill. Another important parallel: the metro station is below ground, and has an entry head house similar in size to that for the Sound Transit station.

Form

Architecturally, the buildings employ high quality building materials, including brick, cast stone, and curtain wall. The materials reflect those of the existing buildings, yet are detailed in a contemporary manner. Sidewalks are wide, allowing uses to engage the street, providing interest for pedestrians and enhanced visibility for the retailers. Public spaces of various sizes and configuration are interlaced between buildings and Metro station entrances providing a passersby with a variety of passive and active places.

Policy

The Transit Oriented Development in the Columbia Heights station area was enabled by the Redevelopment Land Agency (RLA)'s long term parcel ownership and a community based plan rather than a City planning action or transit agency TOD action. The community organized a series of charrettes in 1997, two years prior to station opening. The result was a Community Based Plan for the Columbia Heights Metro Station Area. The first two TOD parcel developments occurred with no community process, and were initiated under the RLA's guidance.

A second RFP was issued by the City on behalf of the RLA and frequently referred to the community's plan, including many of the community's core desires: affordable housing with 5% or more of the units priced for households with less than 30% AMI; 5% or more of the units priced for households with less than 60% AMI; and 10% or more of the units priced for households with less than 80% AMI. Other community directives included civic open space, a mandate for neighborhood-oriented retail and office, and breaks in facades greater than 150'. Beyond this, the City developed a 2004 public infrastructure plan and the *Public Realm Framework Plan* to implement the community's vision. Continued implementation of the plan is contingent upon further funding.

Joint Development has been a key component to WMATA's TOD approach. Specifically, joint development is defined as:

> *Transit joint development is distinguished from TOD mainly by being tied to a specific real-estate project, venture, or brokered deal and involving the direct participation of a public entity, often a transit agency, in revenue streams and sometimes ownership. Joint development often occurs on a transit agency's property or in its air rights; however, it can also occur on nearby private land if an improvement is physically or functionally integrated with a transit facility. Joint development at transit stations includes air-rights development, ground-lease arrangements, station interface or connection-fee programs, and other initiatives that promote real-estate development at or near transit stations to the mutual benefit of public and private interests.* [3]

The Broadway Station site and its future development shares many of the above mentioned characteristics, including being station specific, the potential use of ground leases, and the strong desire in the community for a mutually beneficial public/private development.

Finance

There was a public component to financing; however specifics are difficult to obtain. Likewise, specifics on property restrictions are difficult to obtain as the RLA has since been dismantled. What is known is that in order to achieve their goals, the City sold the properties for below market value which was possible because the parcels had been in public ownership for an extensive period. This ability to reduce the land costs gave the City a great deal of flexibility in requiring community amenities as part of the RFPs.

Lessons Learned

1. The community self-organized to develop its own plan.
2. The City inserted the community's goals and desires as requirements in the RFP.
3. Local retail, affordable housing, as well as cultural amenities were listed as priorities in the plan.
4. Restoration of existing housing, retail, and cultural buildings were among the first development projects.

3. TCRP 102

Portland, OR

Pearl District - Jamison Square

Transit System History

Portland Streetcar opened in 2001and serves downtown, Portland State University, the Pearl District and the emerging South Waterfront District, as well as the Legacy Hospital campus in NW Portland. It is a closed loop, and its service is much like that of a bus; curb side pickup with the tracks in the street right-of-way. The streetcars used are identical to those used in the South Lake Union Street Car. Since opening, the system has been utilized effectively as an urban design and development tool in both the Pearl and South Waterfront Districts, where its construction was key in the development of these former industrial neighborhoods.

Size

8 mile loop

Number Of Stations Or Stops

Forty-four

Station Typologies

Curb side pick-up, with and without shelter

Ownership & Service Area

The City of Portland owns, operates, & maintains the system. Its service is within city boundaries.

Stop Chosen

Johnson Street, adjacent to Jamison Square

Portland Streetcar

City of Portland, operator

2001

Portland Street Car Map
source: portlandstreetcar.org

Pearl District - Jamison Square

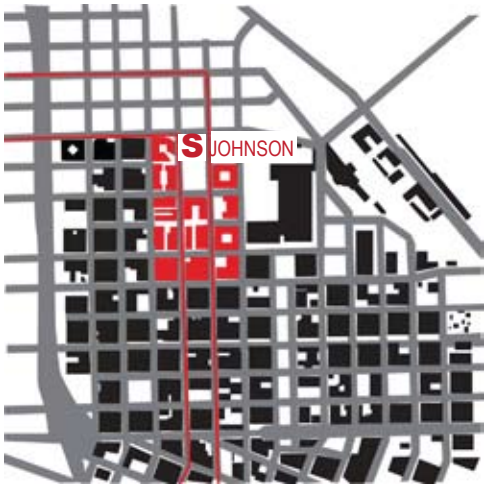
1999-2003

NW 10th Avenue and NW Johnson Street

History And Context

Portland has achieved enviable success with its transit system and related land-use policies. By tying land-use polices directly with transportation planning the city has exceeded it goals for compact development, high density housing, and retail. Guided since the early 1970s by the city's Downtown Plan, Portland has effectively partnered with TriMet, (the regional bus and rail service), to enhance its downtown and guide development along new transit corridors.

The most recent urban design tool used by the city has been the Portland Streetcar, the first of its kind built since World War II. The Streetcar was an essential and effective tool in implementing the nationally lauded new urban neighborhood of the Pearl District. Strategic development agreements were reached between the city and the Pearl District's major developer, Hoyt Street Properties, to achieve goals relating to housing affordability and density, active retail streets, and open space.



Form

The Streetcar has been a major development tool for the Pearl District, with development including both new and substantial renovations of existing commercial structures for art, a full range of housing, and commercial uses. The highest density buildings as well as two public parks are aligned along the Streetcars's corridor.

Portland's unique 200 foot-square block size has lead to the vast majority of development projects to occupy one full city block. While the early new construction within the District (from the mid 1990s) was of modest scale and construction type – 4 to 5 stories or single-family row houses of wood-frame construction, buildings of the past decade have included high rise, high-quality buildings of either steel or concrete construction.

The projects along Jamison Square present an interesting case study reflecting the above. The land for Jamison Square was donated to Portland as part of its development agreement with Hoyt Street Properties with the Streetcar boarding on its east and west sides. Development around the Jamison Square, analogous to Cal Anderson Park as a communal center, shows how transit and building development have evolved together. The first building adjacent to the east side of the park is Pearl Court, a 1995 wood framed affordable housing project constructed prior to either Streetcar of Jamison Square.

The latest project, Park Place, is a concrete-framed,13-story building constructed in 2003. The other surrounding buildings on sites between the two, reflect an increasing level of sophistication and craft, ushered in by the construction of the Streetcar in 1999 and of Jamison Park in 2001. Tanner Place (2000) and River Stone (1998) condominiums are of the general scale currently allowed on Broadway according to the land use code. Both are 6 story buildings, with secured below-grade parking, and have successful ground floor retail. River Stone's design reflects the industrial heritage of the Pearl District with its staccato windows and exposed concrete base. Tanner Square's design approach is one typical of the early, large projects, showing a new design idiom for the Pearl District, breaking away from the industrial typology and relating more to the current development that is clearly residential in appearance.

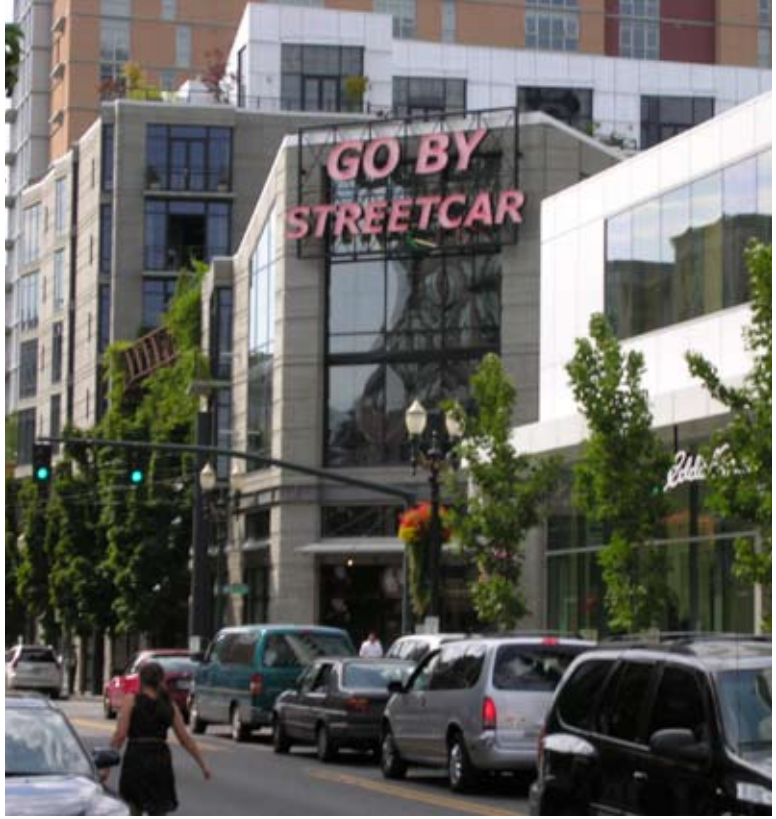
Policy

The success of Portland's development from the 1970s onward reflects a commitment to a vision of smart growth polices centered on the linking of land use and transportation. The Streetcar was championed by Charlie Hales, a former Portland City Council member, who was also in charge of land use and transportation policy. The Pearl District line was the first segment of what is quickly becoming a city wide amenity. The Pearl District provided an exceptional opportunity for TOD, with 40 acres of undeveloped former Burlington Northern Railroad yards. The majority of the development rights were controlled by one entity, Hoyt Street Properties (HSP). In 1997 the city and HSP entered into a Master Development Agreement based on an investment of public dollars for infrastructure and transit (the Streetcar). This was essentially the exchange for HSP to achieve goals of housing, affordability, cultural venues and density. The key components of the Development Agreement were:

1. Housing: Proposed housing densities were significantly higher than for anything built previously. The developer agreed to increase the minimum density from 15 to 87 units per acre when the city commenced removal of the Lovejoy Viaduct that crossed the abandoned rail yards. Also, on completion of the Portland Streetcar, minimum densities would increase to 109 units per acre. Finally, when construction commenced on the Pearl District's first park, density would rise further, to 131 units per acre.

In addition to meeting minimum density requirements, the developer also agreed to help meet the city's housing affordability goals. At least 15% of all rental units and 10% of all for-sale units must be 700 square feet or smaller. And at least 15% of the total housing units must be affordable to families earning up to 50% of the area's median family income (MFI), and 20% of the units must be affordable to families earning up to 80% of the area's MFI.

HSP's commitment is predicated on the availability of public financial assistance, recognizing that these units typically require public subsidies. If HSP does not build affordable housing, the city can purchase up to three 1⁄2 blocks of property for that purpose.



2. Parks: HSP agreed to donate 1.5 acres of land for new parks in exchange for the city's commitment to build them. In addition, the city has the option to acquire up to 4 acres for public open space.

3. Infrastructure: Transportation improvements were essential to develop the area. The agreement stipulated that HSP would donate the right-of-way for all local streets, sidewalks, and utilities (6 acres) at no cost. HSP also paid $121,000 to remove the Lovejoy Viaduct and $700,000 towards the Portland Streetcar.

To fund the city's obligations, an urban renewal district was formed in 1998, allowing for tax-increment financing. In the first 5 years of its existence, over $70 million was spent for removal of the Lovejoy Viaduct, construction of the Portland Streetcar, construction of affordable housing, and the development of Jamison Park and other amenities. A prime reason for being able to spend public funds quickly was that public expenditure plans had already been agreed on in previous planning efforts. Since 1998, the assessed value of the area has doubled to $719 million, $200 million more than the city anticipated. Finally, many affordable housing projects in Portland receive 10-year property-tax abatements. While the abatements are loosely related to projected price levels and affordability, their primary purpose is to ensure denser development than the market would otherwise support. [4]

By linking transit, the Streetcar, with a public amenity, Jamison Square, the city was able to leverage these investments to require the developer to meet city goals. The Sound Transit rail line and Cal Anderson Park is similar and may be able to be leveraged to obtain city goals as well.

The Pearl District saw its most intense development begin in the late 1990s. Since that time, over 3,000 housing units have been built, with over one million square feet of commercial Space. There have been downsides to this robust development, however, the Pearl District now has the most expensive housing prices in the region. To counter this trend, as well as to supplement the requirements of the Development Agreement, the Housing authority of Portland built two projects of nearly 400 units, the Pearl Court and Lovejoy Station. Future projects will include affordable housing components as well. Early development included boutique stores and expensive restaurants, recent development has better addressed the city and neighborhoods needs and has included a grocery store, offices, and regional retail draws such as REI.

4. TCRP Report 102, pages 372-373

Finance

The Hoyt Street Properties projects were financed in a variety of ways. A Master Development Agreement between the City and Hoyt Street Properties outlined each entity's financing responsibilities (described in the policy section). The City's portion was financed by designating an urban renewal district and tax-increment financing. The City's contribution to infrastructure investment included removing the Lovejoy Viaduct, constructing the Portland Streetcar, constructing affordable housing, and developing Jamison Park and other amenities.

In the first five years of the urban renewal district, over $70 million was spent. Public funds were allocated quickly as the plans were already in place. Hoyt Street Properties donated 1.5 acres for new parks and contributed $121,000 to remove the Lovejoy Viaduct and $700,000 toward the Portland Streetcar. A ten-year property tax abatement funded the projects' affordable housing components. Key partners in the Pearl District Include: City, Hoyt Street Properties, The Housing Authority of Portland

Lessons Learned

1. TOD projects are complex endeavors relying on multiple partners and funding sources. The private market on its own would not likely replicate the types of TOD taking form in Portland.
2. City plans in place help to direct TOD investments, allow for greater predictability, minimize conflict, and allow developer to focus.
3. The TOD program and design must be right for the site and specific market.
4. Public investment is leverage to push TOD beyond the market. Investment needs to be a "win" for the TOD developer.
5. Proactive partnering among the City, neighborhood, transit agency, and developer are critical. Identify partnering opportunities that benefit all.

San Fransisco, CA

Mission Bay

Photo Credit: Mission Housing Authority

Transit System History

The San Francisco Municipal Railway (Muni) is the public transit system for the city and county of San Francisco, California. In 2006, it served 46.7 square miles with an operating budget of about $700 million. In terms of ridership, Muni is the seventh largest transit system in the United States. Seven light rail lines comprise the system, which is a mix of at grade and below grade routes, and is one portion of an extensive system linking BART light rail, as well as CalTrain, both of which it shares station areas with.

Size

25 miles of track

Number of Stations or Stops

Fifty-four

Station Typology

Below and at grade stations

Ownership & Service Area

The City of San Francisco operates Muni, with service primarily within the city (limited service to Daly City)

Stop Chosen

4th & King Street station, on the T line. The T line was built in 2006

source: Fiscal Year 2008 Short Range Transit Plan

MUNI route map source: transit511.org

San Francisco MUNI Metro	1914
San Francisco Municipal Transportation Agency	

Rich Sorro Commons Apartments

2000

150 Berry Street, San Francisco

History And Context

Mission Bay is a 303 acre, 30 year redevelopment project on the central waterfront of San Francisco, begun in 1998. Although much larger in size, it shares some characteristics with Portland's Pearl District: both were former railroad yards, both involved substantial public investments in infrastructure and direct subsidies; both have targets for open space, affordable housing, and other public amenities. In the case of Mission Bay, the affordability target is for 28% of the housing units for moderate to very low income residents. The Redevelopment Agency sponsored non-profit developers to build 85% of the affordable units, the remaining would be privately developed. Mission Bay used Tax Increment Financing to achieve many of the development goals (20% of which is towards affordable housing). In addition to similarities with Portland, Mission Bay is also a major employment center as well as home to two San Francisco university main or extension campuses. As in Portland, Mission Bay is served by surface rail transit, in this case San Francisco's MUNI Metro. Similar to Portland, Mission Bay was originally controlled by one developer, and a master plan was developed involving concessions by both the city and developer. The master plan was open to public review, as witnessed by nearly 200 citizen's advisory committee meetings focusing on the master plan. Within the expanse of Mission Bay a single building is highlighted in this section, the Rich Sorro Commons.

Form

Rich Sorro Apartments is in the northern, first phase of Mission Bay and was the first housing built when completed in 2000. The apartments contain 100 family housing units of very low income housing, 10,000 square feet of retail, and a child day care center:

> *[the] apartments [are for] large families with 16 one-bedrooms, 39 two-bedrooms, 34 three-bedrooms, and 11 four bedrooms. Three of the two-bedroom apartments are designed to allow the household to provide family-based childcare, facilitating affordable childcare for residents and helping residents to operate a home-based business . . . . .a tot lot for small children, an active space for teens, and landscaped areas for adults to enjoy. Residents also utilize a multi-purpose community room and a computer education center.*
>
> *MHDC [Mission Housing Development Corporation] is collaborating with the University of San Francisco School of Education on MHDC's Home Link Mentor Program to operate the Computer Learning Center, offer mentoring and tutorial support, after school learning enrichment activities, creative arts, and many other fun and educational activities for youth. MHDC resident services staff also coordinate health services, employment programs and family support programs for building residents.* [5]

In addition to the noteworthy planning and programming of the apartment building, its construction typology is one that is anticipated by sound Transit and currently being employed on Broadway: wood framed construction over a concrete base. At five stories, it is within the maximum building height currently allowable on Broadway (Seattle). Its use of brick and expansive amounts of aluminum framed glass give the appearance solid, urban building. The modulation of its façade, breaking up the buildings length, is a common request of design review boards in Seattle. In summary, it is a building that would fit comfortably in Capitol Hill from both its innovative planning, as well as its height, bulk, and scale.

Photo Credit: Mission Housing

5 Council For Community Housing Organization

Policy

Although significant policy differences exist between California and Washington, there are policies that both states share. The Rich Sorro apartments are directly adjacent to the MUNI transit line, and were able to benefit from substantially reduced parking requirements allowing for the inclusion of the day care center into the project. Broadway TOD has no minimum parking requirements as it is in an Urban Village, providing a similar opportunity to divert monies otherwise spent on parking to go towards a community amenity:

> *Conventional standards would require 130 to 190 parking spaces for such a building, but it was constructed with only 85 parking spaces, due to proximity to high-quality public transit services, the provision of two car share parking spaces in the building, and the fact that the building provides affordable housing, with tenants who are less likely to own a car. Reduced parking supply freed up space for a childcare center and more ground-level retail stores. Just 17 avoided spaces allow the project to generate $132,000 in additional annual revenues (300 square feet per space at $25.80 per square foot in rent), making housing more affordable. Two car share vehicles are available to residents, giving them access to a car without the costs of ownership – a particularly important benefit for low income households.* [6]

Another precedent is the MHDC's collaboration with University of San Francisco programs, holding intriguing possibilities for some of the Broadway TOD uses to partner with Seattle Central Community College such as shared spaces and resources.

Photo Credit: Mission Housing

The development plan was initiated and guided by Catellus Development Corporation, the main property owner and developer in the district. The City and transit agency were participants in the process. A Citizen's Advisory Committee guided community participation by hosting many outreach opportunities. The University of California, San Francisco (UCSF) also participated as a major developer in the area. The final plan included the stakeholders' primary goal to achieve a high level of affordability by requiring a minimum of 25% affordable units.

6 Cascadia Institute

Photo Credit: Mission Housing

Finance

The Mission Bay development is a good example of combining a station area plan with a multitude of creative strategies to finance and implement a TOD project. In order to achieve desired affordability targets, Catellus and the San Francisco Redevelopment Agency (SFRA) created a novel inclusionary housing and funding strategy. This strategy combined tax-increment financing (TIF) and a unique land dedication strategy to create value for both the master developer and the broader community. To encourage development, developers received tax breaks and tax exempt bonds to construct infrastructure improvements. The City also funded relocation of railroad beds while SF Muni constructed its newest light rail line, the 3rd Street T-line through the area. A variety of financing and implementation measures were combined to create this package.

UCSF is also assisting with the affordability issue by taking an innovative approach to ensuring staff at the Mission Bay campus can live in the neighborhood. In addition to its research campus, it plans to build 160 affordable housing units for its workers targeting employees with incomes comparable to those earned by security guards, custodians, administrative assistants, food service workers, lab assistants, and library assistants.

The primary goal for the neighborhood was to achieve a high level of affordability. Construction of the affordable housing units will be shared between non-profit developers selected by the SFRA and private developers, both in mixed-income buildings and in stand-alone affordable buildings. The SFRA competitively selected developers and provided both land and TIF funds to build mixed-use affordable housing complexes throughout the development. The Mission Bay area is an enterprise zone, which provides special tax breaks to developers and businesses, and is an important part of the Mission Bay story.

Developers also received more than $70 million in tax-exempt bonds to fund infrastructure improvements like stormwater drainage systems. Before construction started, the City of San Francisco paid to relocate railroad beds for Catellus. This new neighborhood will also receive a new public branch library.

California has much more leeway than Washington State to finance projects through special tax assessments, including TIF. Most of the property in the Mission Bay area was owned by a single private developer. This allowed freedom in development and the ability to gift land to the public for infrastructure and affordable housing projects in exchange for development rights.

Photo Credit: Mission Housing

Lessons Learned

1. The Mission Bay community was able to achieve its goal of providing affordable housing through requiring a minimum of 25% affordable units.
2. Affordable housing targets and infrastructure investments were achieved through a variety of financing and implementation measures.
3. Construction costs of affordable housing were reduced through a land dedication strategy, tax breaks for developers, reduction of parking spaces, low cost construction methods, and offsets using neighboring market-rate projects.
4. UCSF also participated in providing affordable housing, targeting employees with lower incomes.

Other TOD Examples

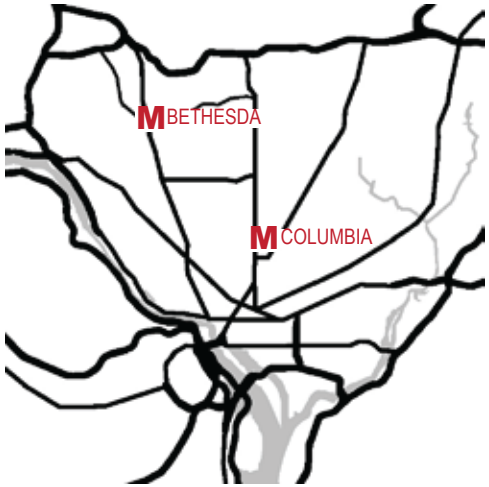
Bethesda, Maryland Metro Station Area

Portland, Oregon TOD Precedents

Other TOD Examples

Bethesda, Maryland Metro Station Area

Washington DC's Metro works with jurisdictions to revisit the sector plan for a future station area. For example, Montgomery County and Metro reduced the Bethesda Central Business District (CBD) boundary to concentrate development in the vicinity of the future station and updated its Bethesda CBD Sector Plan to reflect a transit focus.



Metro, like all transit agencies, is subject to FTA project approvals and the fair market value rule. For example, Metro had attempted an affordable housing project; however, the FTA denied the project on the grounds that it did not meet the regulations for spending federal funds. However, there appears to be flexibility in this restriction by using the FTA's Joint Development Policy:

> *[A] developer can build an amenity and give it to the agency, allowing for public amenities to be used as a form of payment . . . . . Metro takes advantage of the FTA's Joint Development (JD) policy, allowing for public-private ventures in support of transit, which is encouraged by the FTA. Joint Development allows the transit agency to invest proceeds back into it system, rather than returning the net fair market value proceeds back to U.S. Treasury. "The only restriction placed on such transactions was that the transit system must retain effective continuing control of the joint development for transit purposes." Grantees may use the new concept of "highest and best transit use" as an alternate to "highest and best use" in valuing property for TOD.* [6]

According to Metro, the most successful method of getting affordable housing around transit stations is for the jurisdictions to have aggressive bonus zoning for public amenities, such as affordable housing.

6 Innovative Financing Techniques for America's Transit Systems, FTA, Chapter 2

Key Points

1. Both the County and Transit Agency were involved in forming TOD policies.
2. A Central Business District (CBD) Sector Plan was an important policy tool used.
3. The County reduced CBD boundaries to concentrate development around the station and established a commercial-residential transition zone to encourage/influence TOD.
4. The developer of Bethesda Row (a highly successful, new retail center) met with the community to establish concerns and how to best address them.
5. The Bethesda Urban Public/Private Partnership (distributor of special tax monies) and the developer were leaders in the TOD.
6. County legislation established an urban district where properties were taxed to pay for the public improvements. The County built a parking structure in the center of the project with district funds.
7. Bethesda Row was financed through Real Estate Trust Financing; the project was phased to decrease risk and progressively increasing cash flow.

Lessons Learned

1. All transit agencies are subject to the FTA's project approval and fair market value of properties.
2. Developers can build an amenity and use that as a form of payment.
3. FTA's Joint Development policy allows flexibility in fair market value rule as long as it meets "highest and best transit use."
4. Amending the City's planning policy to offer aggressive incentives for amenities is another method of obtaining community benefit from development.

Other TOD Examples

Portland, Oregon (Trimet) TOD Precedents

Collins Circle

Collins Circle is a 124-unit mixed-use project 200 feet from the Jefferson Street MAX station in Portland's Goose Hollow neighborhood. The building is within walking distance of downtown Portland and Washington Park. The project is comprised of ground floor retail with five floors of housing above and below-grade parking.

The site was purchased by TriMet as part of the Westside Light Rail Project in 1995 and used as a staging area for the duration of light rail construction. In 1996, a four member local development committee of neighborhood, City and TriMet interests began work to identify goals and criteria for development of the site. Under the Federal Transit Administration's Joint Development Policy adopted in 1997, TriMet was able to sell the property to the selected developer, Gerding Edlen, at a cost that reflected the "highest and best transit use" as established by an independent appraisal.

Center Commons

Center Commons is a mixed-use community with 314 units of for-sale, market-rate, and affordable rental housing located 5 miles east of downtown Portland. It is notable in the Portland region for having developed a substantial number of mixed-income and for-sale housing on a single site as well as its documented high transit use.

The Portland Development Commission (PDC), the City's redevelopment agency, purchased the Center Commons site for fair market value from the Oregon Department of Transportation in 1996. After offering the site for development, the PDC selected Lennar Affordable Communities (LAC) as the master developer. LAC proposed to construct more affordable housing than required within the project budget. As the project began to take shape, market-driven cost cutting measures threatened to reduce some of the transit-supportive elements of the project. In response, the Metro TOD program (see below) purchased the site in 1999 for the appraised value, subdivided the parcel, reduced the price to reflect changing market conditions, and then sold it to three development entities originally within the LAC team. The developer, with assistance from financial ODOT, completed environmental remediation on the site to pave the way for project construction.

Funding sources included low-income housing tax credits, State of Oregon tax-exempt bonds, a PDC loan, a Fannie Mae loan, general partner equity, and an FTA TOD grant. Additionally, the project received a 10-year property-tax exemption.

Metro TOD Implementation Program

Portland's regional government, Metro, operates the innovative TOD implementation program. The program leverages federal transportation funds to acquire sites and fund portions of TOD projects. Property is acquired, re-parceled, and planned, then sold with conditions to private developers for constructing TOD and/or dedicated to local governments for streets, plazas, and other public facilities where appropriate. In many cases, the land value is written down to cover the high development costs required to construct a specific TOD project. In such cases, a "highest and best transit use" appraisal is used to establish the sale price.

The program is the first of its kind in the United States to offer some degree of flexibility with federal transportation funds for TOD implementation and has been instrumental in helping shape the joint development policies of the Federal Transit Administration.

Conclusion

Conclusion

Policy & Planning Framework

The most successful TOD projects are guided by a regulatory environment that encourages the desired TOD. Often, municipalities also invest in infrastructure to support the vision. Many communities have organized themselves to positively influence TOD, recognizing the importance, value, and opportunity presented by large site assemblies adjacent to future transit stations. Communities and municipalities appear to be most effective in shaping TOD when the vision acknowledges current market conditions, vision and requirements are clearly stated, and incentives are offered to offset the cost of community amenities.

Relevance to the Capitol Hill TOD

Much of the planning framework that supports TOD for the Capitol Hill station area is already in place:

Zoning – allows multi-use structures up to 40', 65', and 105'

Station Area Overlay – removes upper level lot coverage limitation, allows higher floor-area-ratios (in combination with commercial zoning designation), allows single purpose residential uses, and removes minimum parking requirement (in combination with commercial zoning designation)

Urban Center designation – removes parking requirement (in combination with commercial zoning designation)

The City is also examining the expansion of the Incentive Zoning Program outside the downtown to allow for additional height if affordable housing or other community amenities are provided.

In addition to the existing planning framework, current and future municipal investments in the Cal Anderson Park and Streetcar will help support ambitious TOD on the sites. The Nagle Place Extension offers a unique, and potentially signature civic amenity to the TOD sites.

Next steps include:

Clearly outlining amenities that the community prioritizes for the TOD sites

Adjusting existing regulations as needed to support the TOD vision

Working with Sound Transit to tailor the RFQ/RFP for TOD development

Finance & Implementation

TOD implementation is often a complex endeavor with multiple partners and funding sources. In addition, there are numerous requirements that come along with these partners at the federal, state, and local level. Maximizing TOD opportunities often requires civic investment and subsidies to push the market further than it may go on its own. However, there is a limit to what is feasible—projects that include development too far beyond what the market can support have struggled. One common theme among the case studies is inclusion of amenities that benefit the community, developer(s), and the transit agency.

Relevance To Capitol Hill TOD

Given the funding environment, there are no perfect out-of-state comparisons to the implementation of TOD on Capitol Hill TOD. The lack of Tax Increment Financing as a funding method, Washington State's prohibition against lending of credit, and specifics in Sound Transit's mission, present hurdles rarely encountered in other transit systems.

Regarding the determination of "fair market value" for the sites in order to subsidize the inclusion of community amenities. The Federal Transit Administration does offer flexibility in its regulations on land valuation through the Joint Development program. This program allows for land valuation to consider "highest and transit use" as adopted by Sound Transit (disposition policy adopted by Resolution No. R99-35).

Appendix: Infill Building Examples

200 Second Street

The Burnside Rocket

Belmont Street Lofts

Metro Hollywood Transit Village

26th Street Low Income Housing

Photo Credit: Holst Architecture

Photo Credit: David Baker + Partners

200 Second Street

Oakland, California 2007

Developer:	Metrovation
Architect:	David Baker + Partners Architects
Type:	Mixed-Use Building
Stories:	Six
Size/Use:	74 Units of Housing, Retail

This six-story condominium complex, located near Oakland's Jack London Square, features an elegant interlacing of units that has come to be known as "affordable by design." Efficient-yet-innovative floor plans nest together to make livable spaces within a dense community. Three stacked double-height lobbies create atrium areas on each level and showcase murals by local artists. A towering glass stair brings in natural light, while lofty live+work spaces, corner retail, and a landscaped courtyard with an artisan gate make for a lively entry.

Source: David Baker + Partners

Photo Credit: David Baker + Partners

Photo Credit: Kevin Cavenaugh

The Burnside Rocket

Portland, Oregon 2007

Developer:	Kevin Cavenaugh
Architect:	FBD Architecture
Type:	Mixed-Use Building
Stories:	Four
Size/Use:	Office + Retail

The Burnside Rocket is a new 4-story building shoehorned onto a 38' x 100' site at East Burnside and 11th Avenue. The building contains an edible roof that is harvested daily by the top floor restaurant (Rocket). All water for the project, both potable and the geothermal source, comes from a 300' deep artisan well drilled under the structure. Each of 24 moving exterior window shades, which shield every office window in the building, is painted by a different local emerging artist. The project is LEED Platinum certified.

Source: Kevin Cavenaugh

Photo Credit: Kevin Cavenaugh

Photo Credit: Holst Architecture

Belmont Street Lofts

Portland, Oregon 2004

Developer:	Randy Rapaport
Architect:	Holst Architecture
Type:	Mixed-Use Building
Stories:	Four
Size/Use:	27 Units of Housing 4,000 sf Retail

The Belmont Street Lofts are a mixed-use project located in one of Portland's most culturally vibrant Southeast neighborhoods. The energy of the Belmont neighborhood is lively, unconventional and green-minded. Holst Architecture merged those sensibilities while maximizing usable lot space in a city where smart, efficient urban development is a priority. The exterior skin is a rain screen system consisting of renewable Brazilian ipe wood and sunscreens. Radiant floor heating is fueled by a central boiler, supporting the design goals for energy efficiency.

Source: Holst Architecture

Photo Credit: Holst Architecture

bSide 6

Portland, Oregon 2009

Developer:	bSIDE6, llc
Architect:	Works Architecture
Type:	Office and Retail
Stories:	seven

The bside6 project is a new seven-story office and retail building located at the corner of SE 6th Avenue and East Burnside Street. Sited among the historic arcade structures of lower Burnside, the bside6 building is a significant addition to this dynamic central city neighborhood.

The building draws on the history of industry in the central east side of Portland, deriving kinship with the concrete frame industrial buildings of the past.

Source: Works Partnership Architecture

Photo Credit: Kanner Architects

Metro Hollywood is a mixed-use development built above an MTA subway station at Hollywood Boulevard and Western Avenue. It is a mixed-use transit village that enables its residents to commute easily around the city on subway trains and buses. Metro Hollywood was designed to be a prototype with environmental, social and aesthetic benefits. *7*

7 Michael J. Crosbie, Living Together, p. 10

Metro Hollywood Transit Village

Los Angeles, California 2002

Developer:	McCormack Baron Salazar
Architect:	Kanner Architects
Type:	Mixed-Use Affordable Building
Stories:	Five
Size/Use:	60 Units of Housing 10,000 sf Retail, Childcare

Photo Credit: Kanner Architects

Photo Credit: Kanner Architects

26th Street
Low-Income Housing

Santa Monica, California 2007

Developer:	Community Corporation of Santa Monica
Architect:	Kanner Architects
Type:	Mixed-Use Building
Stories:	Four
Size/Use:	42,000sf, 44 units of housing

The low-income family housing at 26th Street and Santa Monica Boulevard is the product of an exhaustive community outreach mission. In addition to input from the city of Santa Monica and the community at large, the final design incorporated the region's mild climate, historical precedents of Southern California Modernist architecture, and the human scale of residents and pedestrians.

The building comprises 44 low to moderate income housing units and a community room that was strategically placed along the 26th Street public edge. The spacious landscaped courtyard was designed to encourage family and community interaction.

26th Street Low-Income Housing was a recipient of a prestigious 2008 National AIA Honor Award for Design and a 2008 AIA National Housing Award.

Source: Kanner Architects

Photo Credit: Kanner Architects

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