Appendix C: Other Best Practices

In addition to the best practices cited in the Background chapter, the following policies and strategies have also often characterized successful transit-oriented development (TOD) projects.

1. *Streamline ("green tape") the regulatory, review and permitting procedures for transit-oriented development projects.*

   Time is money to developers and to those willing to invest in their projects. The more time required applying for the necessary approvals and permits, the greater the developer's financial exposure.

   Developers and investors often cite predictability and certainty as important considerations when they are weighing the risks of undertaking TOD projects. The perception of time lost or time saved can significantly affect a developer's willingness to take on the added risks usually associated with transit-oriented development. In many jurisdictions conventional single-use, auto-oriented projects can be reviewed and approved faster than transit-oriented developments. The complexity of uses and requirements for a TOD project, and many developers' unfamiliarity with them, can also unnecessarily lengthen the start-up period for an otherwise attractive TOD project.

   A number of TOD projects have been successfully undertaken because the local jurisdiction shortened or eliminated the regulatory or permitting procedures that were required for the developer of a TOD project to "get into the ground." In other instances, jurisdictions have waived "up front" fee requirements–or have paid the fees themselves–to reduce the developer's start-up costs, provided the project met certain other criteria, such as including housing or meeting transit- and pedestrian-friendly site design requirements. In still other instances, jurisdictions have created "one stop shopping" application, review and approval procedures or agencies to shorten the lead-time for transit-oriented development projects.

   - **Sacramento, California**
     Sacramento waived required city water development fee payments and awarded a 25 percent density bonus to the St. Francis TOD project after the developers agreed to use a standard set of Infill Site regulations. These regulations afford more flexibility than does standard zoning and seek to use density bonuses and "one stop shopping" application procedures to reward developers who meet the more demanding criteria for transit- and pedestrian-friendly design and land uses near light rail stations.

2. *Zoning and any other long-term land use controls should be consistent with the ultimate vision for the entire project.*

   While the private sector often cites certainty and predictability as prerequisites for participating in higher risk ventures such as transit-oriented development, the communities affected by TOD often seek clarity and consistency in what the project will ultimately be and what it will look like. It is important that the community have a good working understanding of the zoning and any other applicable long-term land use controls that will govern the undertaking.

   It is also critical that the community understand the connection between those land use controls, how the project will be planned and built, and how their attitudes and concerns about the project are being reflected in both. The perception that a project is being changed in midstream, or that changes are being made that the community has not accepted, can often cost the developer and the local jurisdiction credibility. Even in cases where the significant changes were part of the plan from the beginning, successful TOD projects have included extensive community orientation and involvement on those changes from the outset, not just before they were to occur. This ensured that these changes in the project timeline or scope were clearly understood from the beginning; and that the community "saw"– and approved of–what the process would produce at the end.

   Zoning can be modified or applied in a number of ways to encourage transit-oriented development. In some instances, particularly where TOD is envisioned as a vehicle for major, area-wide redevelopment or revitalization, wholesale changes have been made to existing zoning.

In other instances, specific changes to existing zoning categories have provided the basis for successful TOD projects. Site-specific zoning, particularly planned development and transit or station area development overlays, have become the most common long-term land use controls employed to encourage or attract transit-oriented development. In isolated instances, zoning and land use controls were not changed but the enabling or implementing regulations and guidelines were revised, or specifically created, for transit-oriented development projects.

- **Arlington County, Virginia**
  Arlington began very early to propose a long-term vision of what development was most appropriate for areas adjacent to its Metrorail stations. The outreach sought to keep the community aware of how specific development proposals were consistent with long-term land use controls and what each station area sector plan proposed.

- **Seattle, Washington**
- **Portland, Oregon**
  Both Portland and Seattle have created station area planning programs that explain how transit-oriented zoning and land use policies could (1) improve communities that were targeted for revitalization once they were served by rail transit, or (2) further enhance the quality of life in stable communities that would be served by transit.

  Both jurisdictions used visioning exercises in each station area community to emphasize and explain the link between land use controls and the type of development that was most appropriate at that station. Both jurisdictions have opted to use overlay zoning as the basic land use control for transit-oriented development.

- **Snohomish County, Washington**
  The Snohomish County Transportation Authority (SNO-TRAN) published a guide to help local governments explain the connection between zoning and policies and strategies to encourage transit-oriented development.

3. *Transit-oriented development can help "break" a jurisdiction out of a market "niche." That, however, should be one of the principal goals of transit-oriented development from the outset of the project.*

Ultimately the market determines the viability of almost all transit-oriented development projects. It is a basic requirement that a local jurisdiction understand the market mechanisms that will determine the feasibility of a project, or even of an entire TOD strategy.

Transit-oriented development, however, has sometimes been used to re-position communities in the local residential, retail, or office market. Usually this kind of TOD planning is part of a more comprehensive growth or redevelopment plan. Further, such TOD projects have usually required significant public sector commitments, such as site preparation or even site assembly, and may require initial public financial support for the riskier features of the project.

However, fixed guideway (light, heavy or commuter rail) transit is often the largest single investment the public sector makes at the local level. Where such a major investment of taxpayer dollar is made, and how completely local government is prepared to support it, can influence the market perception of the adjacent communities.

- **Ryland Mews; San Jose, California**
  The local redevelopment agency provided start-up financing for a project that included at- and above-market housing on an infill and compact development site. The site had been vacant for some time and the local government saw the site as an opportunity to bring up-market housing to a stable but mature, moderate income community.

The private sector was attracted to the project by the redevelopment authority's readiness to write down the cost of the land and to provide some start-up financial support. The project has been completed and includes 131 up-market residential units that had to meet strict design criteria for integration into a predominantly single-family historic neighborhood that was defined by Victorian housing styles.

- **Memorial Park; Richmond, California**
  This site was a poorly maintained, unsafe park and adjoining vacant property owned by the City of Richmond. The project was intended to use the nearby BART station to transform four vacant and deteriorated blocks in downtown Richmond. State (Proposition 84) tax credits were used to subsidize the 36 apartments built for senior citizens in a rehabilitated hotel. The project also contained 34 market-rate townhouses and 64 subsidized apartment units. The development includes a 78,000 square foot retail center.

- **Atherton Place Townhomes; Hayward, California**
  The redevelopment authority owned this site, near the Hayward BART Station, which was a Pacific Gas and Electric service yard. The project is an all-residential development that includes 83 condominium units targeted at first-time homebuyers. Bank One and the redevelopment authority provided loans for start-up and first phase construction.

4. *Site assembly can be the most significant single public commitment to make a transit-oriented development project worth the risk to developers and investors.*

Any steps the public sector can take to shorten project start-up or reduce the risk, or the perception of it by developers, will improve the marketability of a TOD project. Where a site has multiple property owners, or site assembly involves environmental or other advance preparation requirements and costs, the local jurisdiction has often been able to intervene to expedite the process. This intervention can be particularly important in more mature, built-up communities where transit-oriented development is also infill or revitalization. In such cases, developers have often cited site assembly as the single most important assistance the public sector can provide to ensure a successful TOD project.

- **Del Norte Place; El Cerrito, California**
  This site, in downtown El Cerrito one block away from a BART station, contains 135 residential units (a mixture of subsidized and market rate rental housing). Originally a mixture of vacant parcels, two shuttered office buildings a bar and a motel, the site was assembled and some of the initial start-up costs were absorbed by the redevelopment agency. Developers regarded this public commitment to redeveloping the site as "making the difference" in creating a viable TOD project.

- **Mercado Apartments; San Diego, California**
  The San Diego Redevelopment Authority acquired the land for this project and wrote down the acquisition costs for the developer. The site originally included a San Diego Gas & Electric storage yard and other mixed industrial and warehouse uses.

  The redevelopment authority also created an incentive package that included tax-exempt financing of start-up and first phase construction, forgiveness of project management and some application fees, and an expedited permit review and approval process. The City of San Diego also agreed that, if it became necessary, it would finance the subsequent retail development phase of the project. (The first phase involved construction and marketing of low-moderate income housing for some of the area residents dislocated by the project.) Both phases of the project have been successfully completed.

- **Atherton Place Townhomes; Hayward, California**
  See above. The land for this project was originally owned by the local redevelopment authority, who agreed to "carry" some land acquisition costs to lessen the developers' financial exposure. This commitment was considered important by developers who were initially skeptical of the public sector's goal of targeting first-time homebuyers in this project. The project has been successfully completed.

- **Memorial Park; Richmond, California**
  See above. This site–which included an unsafe, poorly maintained park–was owned by the City of Richmond. The city conditioned sale of the site on a commitment by the developers to undertake a transit-oriented development project consistent with a transit-supportive infill development plan for the area near the Marina BART Station.

5. *The local redevelopment agency often plays an important role in successful transit-oriented development projects.*

A very common thread in many successful transit-oriented development projects, particularly infill sites, has been the involvement of the local redevelopment agency or authority. This role, which was often assigned by the local or state government, has included acquiring land or writing down the land acquisition costs, providing all or some of the start-up financing, expediting permit review and approvals, and even project management.

There has been considerable overlap between transit-oriented development and transit-supportive infill development in many parts of the country. Infill sites are often even more risky investments for developers than TOD sites in "greenfield" settings. Even after the substantial public investment represented by transit service has been made, local government must present such sites to the market as a major development priority. In some projects, the redevelopment authority has also subsidized some phases or components of a project, such as the first retail tenants to occupy a TOD site. This has sometimes provided the cash flow needed to ensure that the project was completed.

- **Ryland Mews; San Jose, California**
  The redevelopment authority provided financial assistance for site acquisition and preparation and other start-up costs for an infill housing project on the light rail system. Redevelopment authority involvement was important because residential parking was "written down" to only 1.7 spaces per housing unit, a ratio that developers at first thought would interfere with–and raise the costs of–marketing the housing. The project was successfully completed.

- **St. James Place; San Jose, California**
  The redevelopment authority provided the initial financing for this high-density urban housing development. The site, only .3 acres, was successfully completed and developed with 32 market-rate condominium units over ground floor parking.

- **Park Regency; Pleasant Hill, California**
  Contra Costa Redevelopment Authority (CCRA) assembled and wrote down the land acquired for this project, which includes 892 subsidized and market-rate rental units in 11 buildings on a 12.4 acre site. The redevelopment authority agreed to participate financially in the project for 15 years, provided the developer reserved 15 percent of the housing units for very low-moderate income residents.

  The developer bore the reduced costs for site acquisition; and the county government used tax increment financing to pay for infrastructure improvements at and near the site. The site also includes a 2,650-square-foot day care center and 18,500 square feet of neighborhood retail.

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