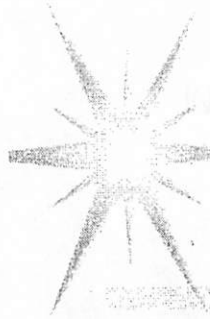


How Can Transit Investment Be Used To Encourage Affordable Housing in Declining Communities?

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Overview

- Objective
- Motivation
- Research Methodology
- Anticipated Research Contribution To Tren Urbano
- Literature Review
- Some Examples of Housing Development with Participation of Transit Authorities (if time allows)

Objective

- Identify the most effective strategy to encourage provision of affordable housing around Tren Urbano stations in low-income or declining communities.

Motivation

- Heavy Reliance on Automobiles in SJMA
 - 90.5% trips in SJMA in 1990 were made by private cars
- Accessibility Issue
 - 23.3% households do not own an automobile --> need to improve accessibility
- Poverty Level
 - About 37% - 45% of population in San Juan, Guaynabo, and Bayamon live below the poverty line, as defined by the US Census Bureau.
 - Caveat : Cost of living in PR not taken into account by Census Bureau.
 - Affordable housing as a major instrument to alleviate poverty.
- Significant Cost of Auto-ownership
 - Puerto Ricans spend about 40% of annual household income on auto-ownership
 - situation will worsen as auto insurance becomes mandatory
 - 1991 FHA data says the cost of owning and operating a 7-year old compact is about \$3000 (including depreciation cost)

Transit's Role

- Not advocating that transit authority should take on the responsibility to build affordable housing.
- Transit is in a unique position to encourage housing development around stations.
- Housing development around stations promotes:
 - accessibility of individuals across all income groups
 - long term transit demand
- May also act as a catalyst to spur further revitalization effort, thereby maximizing the full benefits of public investment.

Two Examples of Transit Acting as A Catalyst for Revitalization

Case	Major Players	Components of Revitalization Plan	Funding
Fruitvale, Oakland, CA	BART, Spanish- Speaking Unity Council, Oakland Office of Economic Development and Employment	1. New affordable and moderately priced housing 2. Pedestrian plaza connecting the BART station 3. New commercial space 4. Facade and streetscape improvements 5. Intermodal bus transfer facility behind the BART station 6. Senior center, child care center	FTA's Livable Communities Program, CDBG, EDA grants, Commercial banks, state of CA, Foundations
Community Green Line Initiative, Pulaski Station / W. Garfield Community , Chicago, IL	CTA, Neighborhood Capital Budget Group	1. Rebuild neighborhood density: infill and new housing 2. Improve public safety 3. Increase pedestrian access to transit and community services 4. Increase jobs for residents 5. Rebuild neighborhood economy: retail and commercial revitalization 6. Revitalize open space	FTA's Livable Communities Program, CDBG, another grant from HUD, Enterprise Zone, grant from HUD, HHS, Banks, Foundations

Housing -- Normative Assumptions

- Housing in proximity to transit is desirable to transit authorities.
 - ridership increase (peak and off-peak)
- Housing in proximity to transit is desirable to those who reside there.
 - increase accessibility, with the same number of cars
 - generate higher disposable income by reducing reliance on automobiles
 - reduce cost of auto ownership, reduce household expenditure on housing through favorable mortgage (e.g., Location Efficient Mortgage)

(valid regardless of income level)
- Housing in proximity to transit is desirable to society at large.
 - relieve congestion, noise
 - reduce air pollution and related environmental problems

➤ 2 Types of solution:

- Rehabilitation of Existing Housing Stock
- Development of New Housing Units

➤ Focus: New Housing Stock

Specific Questions

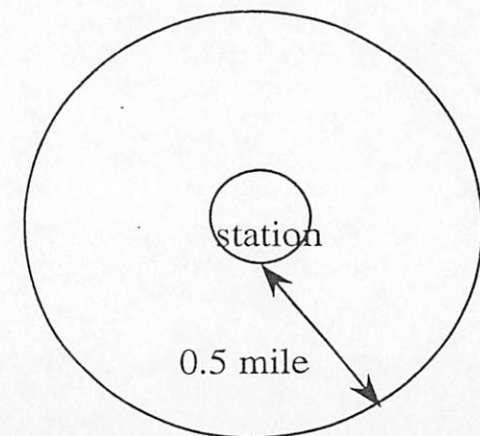
- What is the most effective strategy?
- What are the institutional roles of :
 - transit authorities?
 - different agencies at various levels of government?
 - Non-Government Organizations (NGOs)?
- What are the inter-agency relationship?
- What is the most effective internal organization structure of a transit authority?
- What are the obstacles?
- What are the corresponding actions/activities?

(not a comprehensive list)

Research Methodology

- Interviews With Transit Authorities
 - Collect Quantitative Data
 - number/sq. ft. of housing units, housing affordability
 - Collect Qualitative Data
 - sources of initiatives, institutional relationships, roles & responsibilities, financial strategies
- Case Study Development
 - Perform more in-depth analysis
 - Conduct interview with other government agencies, developers, & NGOs involved
 - Identify best practices
- Understanding the Context in SJMA
 - Visit San Juan: stations, neighborhoods
 - Establish dialogue with housing providers, planning agencies, banks, etc.

Transit-Sponsored
Development Area



The Case of Tren Urbano

- Identify current institutional framework in SJMA
- Who are the housing providers?
- Who does inner city redevelopment?
- What is the relationship between TU & these players?
(compare & contrast with mainland)
- How can lessons learned from mainland cases be applied in SJMA?
 - Any limitations? More opportunities?
 - Modifications needed?

Anticipated Contribution To Tren Urbano

- Help Tren Urbano to understand how it may increase ridership through partnership with housing authorities, private developers, and communities.
- Help Tren Urbano to understand how they can contribute to social and economic development, an emerging component of FTA's Livable Community Initiative.
- Help SJMA to seize opportunities offered by federal investment of facilitate community revitalization.
- Help declining SJMA neighborhoods to take advantage of these funding opportunities.

Literature Review

- Transit-Oriented Development
- Joint Development
- Affordable Housing Development
- Community Revitalization -- approaches, mechanisms
- Public-Private Partnership

Housing Development With Participation of Transit Authorities

DEVELOPMENT	CITY / STATION	YEAR BUILT	ROLE OF TRANSIT AUTHORITY
Alamedan Lake Village	S. San Jose, CA. Alamaden	1995	Delay rent until effective occupancy. Waive replacement parking requirement. Subordinate its debt.
Ballston Metro Center	Washington, D.C. Ballston	1989	Assembly of land. Contribute land, acting as an equity partner. Delay of rent during the development period.
Grand Central Apartments	El Cerrito, CA.. El Cerrito Del Norte	1995	Delay of rent until occupancy. Offer participation ground lease. Help secure HUD funding. Waive replacement parking requirement. Negotiate with city to use TIF to pay for replacement parking.
TryMax Apartment	Portland, OR. 165 & Burnside.	1992	Help obtain local permits. Hold its property while developer is finding additional sites. Stay with the project when developer is unable to find financing, Absorb carrying costs on a portion of the land.
Villages of La Mesa	La Mesa, CA. (near San Diego)	1989	Relocate the station site. Swap land with developer to ensure better station access.
Grand Central Market	Los Angeles. 4 th and Hill	1995	Serve as a guarantor of \$2.8M loan made to the developer.