

A photograph of a man in a light blue polo shirt smiling and holding a baby. The baby is wearing a white sun hat and a floral dress, and is holding a toy xylophone. They are standing in front of a yellow building with arched windows and palm trees. The scene is brightly lit, suggesting a sunny day.

TRANSIT-ORIENTED DEVELOPMENT

New Places, New Choices

IN THE SAN FRANCISCO BAY AREA

*New Places, New Choices:
Transit-Oriented Development
in the San Francisco Bay Area*
November 2006



Association
of Bay Area
Governments



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New Places, New Choices

“Now available for sale or rent in the San Francisco Bay Area: Attractive, affordable homes with modern amenities in **vibrant neighborhoods**. All units offer **excellent public transit access** for gridlock-free commutes to employment centers. Convenience is key, with shops, restaurants and retail services just steps away, and walking and biking opportunities galore. **Autos are optional**, and any savings in gasoline, parking, maintenance and insurance costs are yours to keep. Experience the **benefits of a transit-oriented lifestyle** at one of the exciting new developments taking shape in Redwood City, San Jose, Pleasant Hill, Jack London Square in Oakland, Richmond, San Francisco, Santa Rosa, Vallejo, Hayward, the San Pablo Avenue Corridor in the East Bay... and in many other locations throughout the region. Come see if this **new style of living** is the right choice for you.”

Introduction



If broad housing and lifestyle trends could be advertised in the way that individual real estate developments often are, the blurb on the preceding page is how the concept of “transit-oriented development” (TOD) might be pitched to a Bay Area audience. Not that this very real trend requires a hard sell to enlist recruits. Indeed, one of the main points of this publication is to show that more and more people throughout the region are choosing to live in compact communities near public transit. They are making this choice for convenience and affordability, and out of a desire to reduce dependence on the automobile for their routine travel needs. Developers, transit agencies, community organizations, and cities and counties are collaborating on scores of projects throughout the region in recognition of this market demand. At the

same time, regional agencies are taking concrete steps to support this move toward more efficient use of the Bay Area’s land and public-transit infrastructure – both for housing and commercial purposes. It is a movement both well-established and growing, and is poised to pick up even more momentum as our population expands.

Of course, this preference for transit-centered settlement patterns is not yet the dominant trend in the region – freeway-oriented, suburban-style development is still a very strong force. But if transit-oriented development is not yet a mass phenomenon, it is certainly a distinct and rapidly growing market, and one that offers enticing new choices to a growing number of Bay Area residents.

In this publication, we feature 10 representative

transit-oriented developments that were recently built or are in the process of taking shape. We selected these to convey a sense of the diversity and appeal of this style of community-building enterprise, and to give an idea of why someone might choose to live or work in one of these locations. And, make no mistake, it’s the choosing that is most important. Notwithstanding all the substantial merits from a public policy point of view – transit- and land-use efficiency, air quality benefits, health advantages, energy savings and the like – TODs will succeed only when people freely choose to live in them. The urban and suburban dwellers who opt for TODs do so because the developments offer a practical, preferable, more environmentally friendly – and often more affordable – way to live and travel in our increasingly complex Bay Area.

TOD: One Strategy, Many Benefits

What Is Transit-Oriented Development?

Transit-oriented development refers to the clustering of homes, jobs, shops and services in close proximity to rail stations, ferry terminals or bus stops offering access to frequent, high-quality transit services. This pattern typically involves compact development and a mixing of different land uses, along with amenities like pedestrian-friendly streets and parks – much like the many neighborhoods of central cities such as Oakland and San Francisco that developed as streetcar suburbs and walking communities before the automobile.

To be successful, TODs must serve a significant portion of trips by public transit, walking and biking, rather than by private automobile. This does not mean that everyone living in a TOD will necessarily give up owning a car. However, residents are very likely to own

fewer cars and to drive less than residents living farther from transit. So, while TOD residents may not lead car-free lives, they are often freed of their dependence upon cars for everyday mobility needs. For this reason, transit-oriented developments might also be thought of as “driving-optional” developments.

TOD is not a one-size-fits-all phenomenon; it is a flexible form of development adapted to local circumstances. As the examples featured in this publication show, TOD can be focused around specific rail stations or ferry terminals, or spread along a rapid-bus corridor. TOD can be old or new, high-rise or medium-rise. Transit-oriented developments can help transform old parking lots into new and vibrant mixed-use communities, and convert failing shopping centers – or even abandoned “brownfield” sites – into neighborhoods poised to thrive near current or future transit

stations. TOD architectural styles and densities can and do vary by location, and the type of transit that serves the area. TOD can take different forms in each small town, suburban area or big city, but can play a key role in all.

What Does TOD Offer the Bay Area?

The planning principles behind TOD are not new – indeed they represent a return to the development patterns common to older cities throughout the world. Siting homes, jobs, shops and services within walking distance of mass transit hubs was the typical pattern of development as American cities expanded along railroad corridors and streetcar lines in the 19th and early-20th centuries. However, with the rise of the automobile and the construction of the Interstate Highway System came a more suburban style of development, with land uses increasingly segregated over great distances according to their function (industrial, commercial or residential). This more dispersed development pattern remains predominant today.

But as has been clear for some time, this post-World War II pattern of more spread-out, land-intensive and car-focused growth does not meet the needs of all Bay Area residents. Further, the more our road system expands to serve far-flung suburbs, the more difficult and costly it is to maintain. TOD-style development offers many people an appealing lifestyle alternative while also addressing important regional concerns such as housing availability and affordability, mobility, and protection of the environment and public health. Taken together, these factors have helped to fuel the upsurge in interest in TODs.



TOD Benefits: Housing

For Many, TOD Is Right Size, Right Place, Right Price

There is a critical shortage of attractive, affordable places to live in the Bay Area. The shortage of housing threatens the regional economy and exacerbates our transportation problems. Building more townhomes, apartments and condominiums as infill housing in downtowns and around transit hubs can help to increase the supply of affordable housing throughout the region and lessen the pressure to keep expanding ever outward, away from the region's core with its established infrastructure.

Changes in the mix of households in the Bay Area –

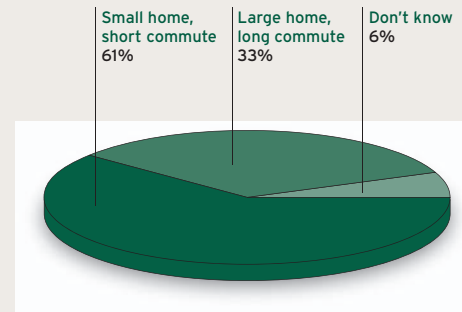
growing numbers of older “empty nesters” and younger dual-income, childless households, for example – favor more compact housing styles. More people want to live in walkable neighborhoods and vibrant downtowns, close to public transit, in settings with more urban amenities. Some want more transportation choices, including better access to public transit; others want to be closer to local restaurants, cafes, and a wide variety of shops and services. Transit-oriented development is well-suited to the needs – and the pocketbooks – of both youthful and aging households, which are expected to increase significantly over the next several decades.



Demand for the TOD Lifestyle

Several surveys suggest that demand for smaller homes close to jobs, shops and services is already strong within the region. A poll conducted by the Public Policy Institute of California in 2004 found that a majority of Bay Area residents would rather live in a small home with a short commute than in a large home with a long commute.

- **Would you choose to live in a small home with a small backyard, if it means you have a short commute to work, or**
- **Would you choose to live in a large home with a large backyard, even if it means you would have a long commute to work?**



In a recent Metropolitan Transportation Commission (MTC) poll, a majority (55 percent) of Bay Area residents also expressed a preference for living in a mixed-use neighborhood where they can walk to stores, schools and services.

TOD Benefits: Mobility

Enhancing Transit Access, Maximizing Transit Assets

Studies have shown that people living or working close to high-quality transit use it with much greater frequency than people farther from transit. According to a recent analysis of the 2000 Bay Area Travel Survey (see page 8), Bay Area residents both living and working within a half-mile of rail and ferry stops use transit for 42 percent of their work trips, while those who both live and work outside of this half-mile range use transit for just 4 percent of their commute trips. Transit use also was found to be higher for non-work trips as well – such as shopping, recreation and medical appointments.

Higher levels of transit use can improve the cost-effectiveness of transit investments, bolster the financial stability of our transit systems and support higher-quality transit – such as more frequent trains and buses. The use of transit for commute trips brings

revenues to the transit system and reduces highway congestion during the peak period, when our highways are at or beyond capacity. Transit use during off-peak periods brings additional revenues to transit agencies at a time when there is often excess passenger capacity available.

These facts are important, because the Bay Area's long-range transportation plans call for public transit to play an increasingly important role in the decades ahead – indeed, 19 new transit expansion projects are being planned across the region at a cost of more than \$11 billion. Since people are far more likely to use these transit systems if they offer convenient access to the places they need to go, it only makes sense to strive to locate more housing, jobs and services within walking distance of transit stations. In short, TOD is one of the most important determinants of whether our Bay Area transit expansions will be cost-effective and financially sustainable over time.



Demand for Housing and Jobs Near Transit

A recent MTC-commissioned study* found that all nine Bay Area counties will experience a significant increase in the demand for housing and jobs near public transit hubs and corridors over the next 25 years. Currently, about 600,000 households in the Bay Area are located within a half-mile of an existing rail transit or bus station. Over the next 25 years, an estimated additional 250,000 households will be seeking transit-oriented homes, an increase of 40 percent. (People living alone and couples without children will generate nearly two-thirds of the demand for housing near transit.) This estimate of potential demand for TOD living is deliberately conservative, including only a very modest increase in consumer preference for this kind of housing; the future demand could be significantly higher – particularly if there is a long-term increase in the price of gasoline.

The same study found that the demand for jobs near transit stations in the Bay Area is also expected to increase significantly. Based on the types of jobs that tend to locate close to transit and the growth in these employment sectors in the Bay Area, demand for employment near transit is expected to increase by 800,000 new jobs, constituting more than 40 percent of all new jobs expected to be created in the region over the next 25 years.

*The study was conducted by the Center for Transit-Oriented Development and Strategic Economics in 2005.

TOD Benefits: Environment

Living and Traveling Lighter on the Land

Improved transit and walking/biking opportunities available through TOD provide individuals with an opportunity to cut back on driving – the largest source of air pollution in the Bay Area – and act on their concerns for air and water quality, climate protection, use of fossil fuels, and the preservation of open space and agricultural land.

In 2002, the Bay Area’s “Smart Growth Strategy” – a landmark, long-range regional visioning effort –

found that promoting transit-oriented development and focusing housing, jobs and retail along transit corridors would preserve as much as 66,000 acres of open space by 2020, compared with current development trends. Such a strategy also would reduce average weekday driving by as much as 3.6 million vehicle miles in 2020, conserving 150,000 gallons of gasoline a day and reducing daily carbon dioxide emissions (the principal greenhouse gas) by 2.9 million pounds per day.

Already, Bay Area households located close to transit

stations make fewer driving trips than do others in the region. Households within a half-mile of train stations and ferry stops log only 20 vehicle miles of travel per day, just 56 percent of the regional average. The fewer trips people make, the fewer the pollution-producing “cold starts” of their cars. These factors combine to result in lower fuel use and lower tailpipe emissions by those households living close to transit – and they also add up to powerfully persuasive evidence of the environmental benefits of TOD in the Bay Area.



Keys to Success for TODs

While successful TODs come in a variety of shapes and sizes, and attention to local conditions and communities is vital, certain factors are generally recognized as important for success. Based on studies to date, the benefits of TOD arise from what are sometimes called the “4 Ds.”

- **Distance** – Proximity to transit is crucial; the closer housing and jobs are to transit, the more often transit is used.
- **Density** – More residents per acre in living areas and greater concentration of jobs in urban centers lead to more walking and transit use.
- **Diversity** – A mix of land uses provides more walkable destinations.
- **Design** – Ideally, TOD connects transit, housing and retail centers with good walking and biking routes in a safe and pleasing environment.

TOD Benefits: Healthier Living



Walking and Cycling Your Way to Better Health

Recent research suggests a link between physical activity and the built environment. In reviewing 50 studies on the subject, the Transportation Research Board concluded in 2005 that land-use patterns, transportation systems and design features are important contributors to levels of physical activity, especially walking and biking. Factors that influence more walking and biking are:

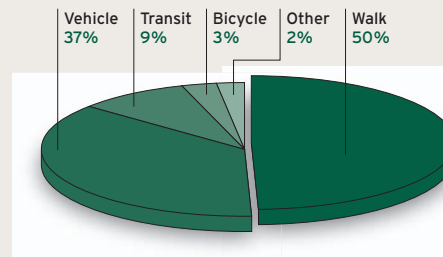
- population, employment and retail density
- diversity and mix of land uses
- close destinations
- grid street networks and sidewalks
- neighborhoods that are well served by transit and walkable

While personal characteristics and preferences play a strong role in how we get around, an appealing built environment can encourage walking and biking. Even people without a predisposition for walking will walk to more destinations in urban areas than will similarly minded people in more suburban areas. And people will walk more if there are useful destinations nearby. MTC analyses show that people who live close to transit walk for far more of their trips – especially short trips – than do people who live farther from transit. (See pie charts this page.)

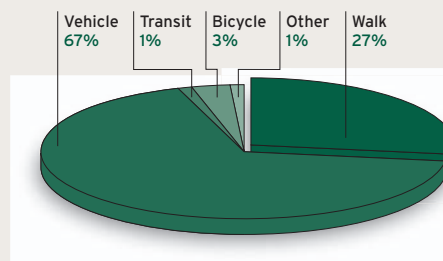
For walking to catch on, planners and developers need to pay attention to the safety of the environment – through safe sidewalks, crosswalks and streets. And extra consideration needs to be given to older people and younger people, who make up a significant proportion of the walkers in most neighborhoods. The appeal of bicycling also hinges on safety in the form of on-street bike routes, off-street bike paths and secure bicycle parking.

People who live close to transit walk for more of their short trips.*

Within 1/2 Mile of Rail or Ferry Stop



More Than 1/2 Mile from Rail or Ferry Stop



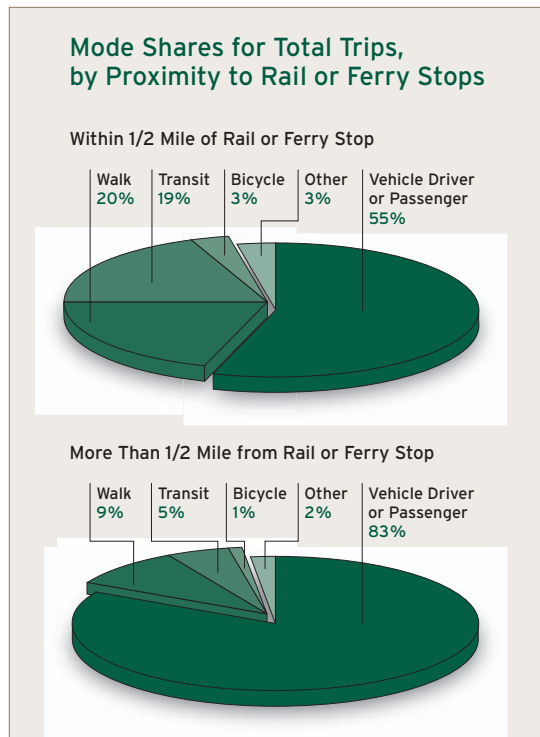
*A “short trip” is a trip of 1 mile or less.
 Note: Figures do not add up to 100% due to rounding.
 Source: MTC

Measuring the Benefits of TOD

Using data gathered from over 15,000 households, the Metropolitan Transportation Commission conducted an in-depth analysis of the travel behaviors of Bay Area residents who live in close proximity to rail and ferry stops in the region. The results, contained in *Characteristics of Rail and Ferry Station Area Residents in the San Francisco Bay Area: Evidence from the 2000 Bay Area Travel Survey*, published in September 2006, clearly indicate that those living (and working) close to rail and ferry transit stops use transit, walk and bike much more than people living farther from these facilities.

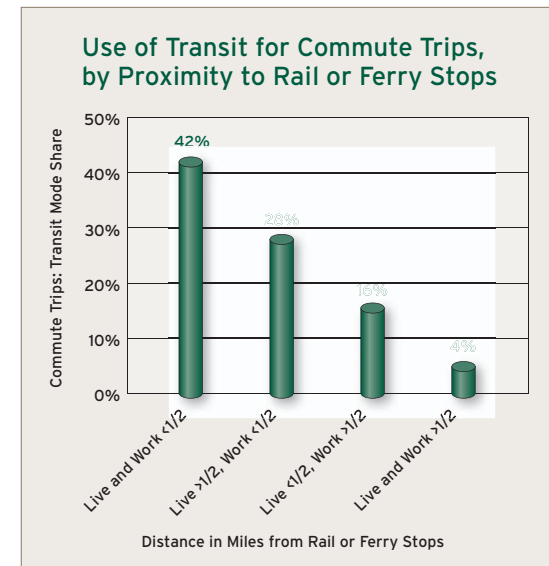
The study does recognize that “self-selection,” or the tendency for individuals with a high propensity for using transit to live in TODs, may also be a factor in these travel behaviors. Still, the study concludes that: “Whether being near rail/ferry transit simply allows people who prefer to drive less that personal choice, or whether it creates a greater interest in such travel options, this research demonstrates that policies to support transit-oriented development hold promise as one important tool, among others, in addressing congestion, transit usage, non-motorized travel, and air pollution in the Bay Area.”

Here we spotlight some of the study’s key findings, which provide a kind of rough gauge to measure the potential benefits of individual TOD projects.



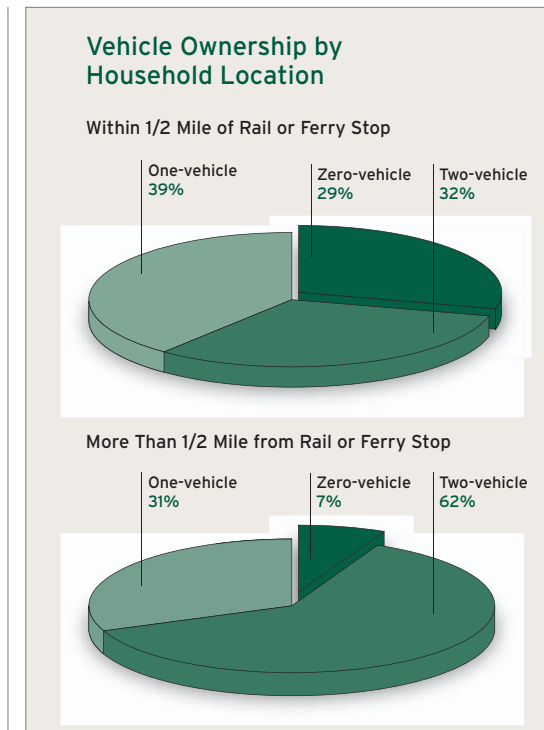
Proximity Matters

Bay Area residents who live within a half-mile of rail or ferry stops are four times as likely to use transit, three times as likely to bike, and twice as likely to walk as are those who live at greater distances.



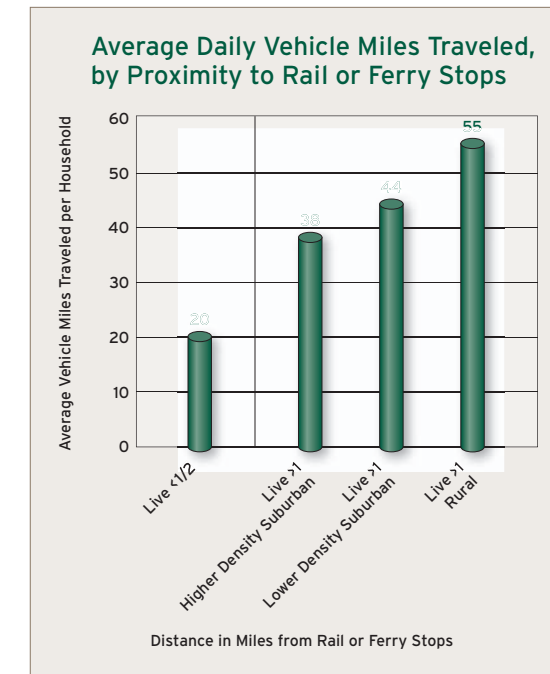
Transit Favored for Commute

People who both live *and* work close to transit use it extensively to travel to their jobs. Individuals living and working within a half-mile of rail stations and ferry terminals use transit for 42 percent of their work commute trips, while people who neither live nor work within a half-mile of such facilities use transit for only 4 percent of their work commute trips.



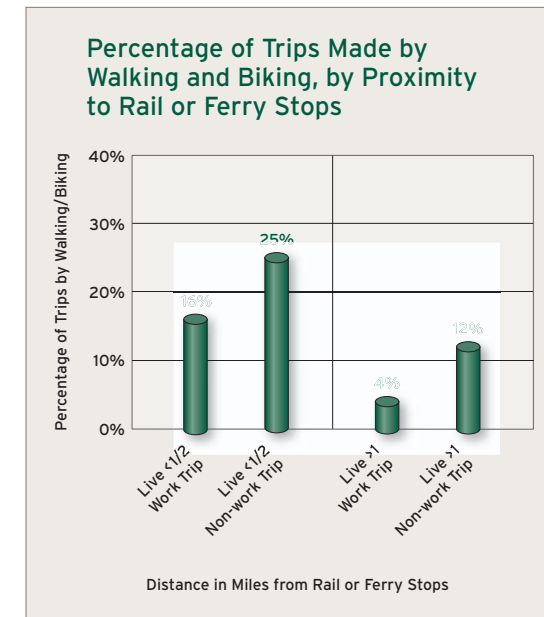
Fewer Cars Owned

Almost 30 percent of households within a half-mile of rail or ferry stations do not have a car – they are “zero-vehicle households.” This means that fewer parking spaces are needed in these areas, allowing more land to be used for housing, parks, amenities and local-serving retail.



Less Driving

People living close to transit log fewer miles in the cars they do own – these households produce about half of the vehicle miles of travel of their suburban and rural counterparts. This dramatically reduces the level of air pollutants and congestion per household.



More Walking and Biking

People living close to transit also walk and bike for far more of their trips. Those who live within a half-mile of rail and ferry stops walk or bike for 16 percent of their work trips and 25 percent of their non-work trips, adding a vibrant presence on local streets and supporting a healthy lifestyle. This compares with 4 percent and 12 percent walk/bike rates for people farther from transit for work and non-work trips, respectively.

The Challenges for TOD



Fulfilling TOD's Promise Will Take Careful Planning

While TOD offers housing, travel and living options and opportunities, it also presents its own set of challenges. Mitigating or eliminating these stumbling blocks will require thoughtful and coordinated planning and implementation. Issues include the following:

- Higher-density developments may cause local traffic congestion, if not properly planned. To minimize traffic impacts, the travel alternatives must be safe, convenient and affordable, and amenities such as grocery stores and restaurants must be developed in concert with new housing and offices.
- TODs are more complicated for developers to achieve in terms of financing and marketing, since they do not fit the real estate model that has been

most commonly used in the last few decades. They also require more complex and integrated planning, and early and frequent participation by the public, community groups and transit agencies.

- TOD can accelerate gentrification. High demand for TOD living tends to drive up prices for market-rate units, sometimes resulting in prices significantly higher than the surrounding area. While the inclusion of some below-market rate housing can help mitigate this effect, additional efforts to minimize displacement of existing residents and businesses may also be needed.
- Existing urban areas may not have sufficient infrastructure – including water, electricity, sewers, schools and parks – to serve a larger population, and may need to invest in additional facilities. (With

respect to schools, of course, it is not just the physical adequacy but the quality of the schools that matter. Urban areas with perceived deficiencies in local school quality can find it difficult to attract families with school-age children, for whom school quality is often a decisive factor in choosing where to live.) As to physical infrastructure, it is usually less expensive to upgrade public facilities and utilities in existing urbanized areas than to invest in new infrastructure to support sprawl-type development at the urban fringe.

- Some possible TOD sites in the Bay Area may be located near abandoned industrial sites, freeways or busy arterials, and other sources of pollution. All potential hazards must be adequately addressed before development can occur at these sites.

Moving Forward

Supporting TOD at the Regional Level

While the lead role in planning and building TOD belongs to cities, developers and transit agencies, regional agencies also have a crucial role to play. The Association of Bay Area Governments (ABAG), the Bay Area Air Quality Management District (BAAQMD), the Bay Conservation and Development Commission (BCDC) and the Metropolitan Transportation Commission (MTC) have joined together to advance the concept of transit-oriented development. All of these agencies agree that TOD is a vital piece of our future as a livable region.

TOD is at the heart of a regional growth strategy unveiled in 2002 emphasizing compact development patterns that focus growth in downtowns, town centers and along the region's transit corridors. This "Smart Growth Strategy" was developed by the

regional agencies mentioned above with the input of more than 2,000 Bay Area residents who participated in a series of workshops held throughout the region. (See Appendix A, page 36.)

In keeping with the Strategy, ABAG has developed a program to promote transit-oriented development along multimodal corridors, and particularly heavily used bus corridors. Targeted corridors in the East Bay include San Pablo Avenue and International Boulevard/East 14th Street through Oakland and San Leandro. On the Peninsula, ABAG is focusing on El Camino Real through San Mateo and Santa Clara counties. The goal is to revitalize the corridors and transform them into "grand boulevards" with new housing, shops, eateries and jobs all served by state-of-the-art rapid bus lines and other transit.

Also in support of the Strategy, MTC in 2005 adopted

a ground-breaking policy requiring TOD as part of the planning requirements for new Bay Area transit extensions receiving regional discretionary funds. (See Appendix B, page 38.) The policy affects some \$11 billion in transit investments over the next 25 years. Concurrently, MTC has initiated a grant program to help local governments map out plans for housing, shops and offices in the vicinity of stations along future transit routes. MTC's longstanding Transportation for Livable Communities Program and Housing Incentive Program grants likewise have been important catalysts in revitalizing communities and fostering TOD-style projects.

Acting together as the Joint Policy Committee, the regional agencies also have launched a major initiative to refine and update the 2002 Smart Growth Strategy. Known as "Focusing Our Vision," the effort is engaging local governments and other stakeholders in building consensus around the creation of regional priority areas for housing and other infill development. Another goal is to identify open space and other priority conservation areas deserving of protection from future development.

Taking TOD to the Next Level: How You Fit In

Whether you are a resident looking for your next home, a developer wanting to tap into the demand for homes and offices next to transit, or a local official or community advocate working to revitalize your city, there is a role for you to play in making TOD the lifestyle of choice in the Bay Area. For details on how you can get involved, consult the agency Web sites listed at the back of this report.

