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Promoting Transit-Oriented Developments by Addressing Barriers Related to Land Use, Zoning, and Value Capture

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New, exciting transit-focused developments and communities are being constructed every day across the U.S. Ranging from an individual building to a neighborhood, they are known as transit-oriented developments (TODs). These are compact, often mixed-use developments constructed close to a transit station (usually within ¼ to ½ mile). All over the nation, TODs seek to provide travel mode choice, increase transit ridership, reduce vehicle miles traveled, and meet other policy objectives; such as, in California, the greenhouse gas emissions reduction targets. However, several barriers impede the construction of TODs.

This study seeks to identify: a) the various land use, zoning, and value capture-related barriers to the construction of TODs; and b) the major strategies that are commonly used or could be used to address these barriers. The value capture (VC) tools capture land value increases resulting from public improvements and actions such as the provision of infrastructure and up-or re-zoning. These tools include joint development projects, tax increment financing, special assessments, lease/sale of land or air rights, and impact fees.

Study Methods

First, our researchers reviewed the extant literature to identify various land use, zoning, and VC-related barriers to the construction of TODs. Next, they conducted national surveys of transit agencies and of the major cities in these transit agencies' service area. They also conducted in-depth case studies to further identify the barriers and the steps that are being taken to remove them. Finally, they synthesized the findings from the literature, the surveys, and the case studies to propose a set of recommendations to address the barriers.

Findings

The major research findings include the following:

while a large proportion of cities across the US have TODs, land use, zoning, and VC-related barriers often impede their construction. Indeed, the use of VC tools is not even on the radar of most jurisdictions and transit agencies. Furthermore, most of the transit agencies are not allowed to purchase land for constructing TODs, nor do they have land use and zoning powers over the station-area land. In the absence of legally enforceable inter-agency agreements between city governments and transit agencies, a large proportion of these public agencies rely on looser, collaborative agreements. Finally, while the use of eminent domain to assemble land parcels is critical for constructing TODs in already-developed areas, cities seldom use this power to enable TODs.

Policy Recommendations

The findings indicate several major recommendations to address land use, zoning, and VC-related barriers. These include land use and zoning recommendations such as the need for a) considering land use, zoning, and VC in an integrated manner; b) flexible land use and zoning, especially flexible parking requirements and uses within TODs; c) flexibility in using VC tools, and d) providing more power to transit agencies over station-area land use and zoning. Our findings also indicate recommendations for public agencies, such as a) focusing on reducing developer risk, b) using land assembly and eminent domain to assemble land parcels, c) pressing for systematic and comprehensive assessment of value increase, d) proactively using VC to construct TODs, and e) enhancing their ability to use tax increment financing and other VC tools. Finally, we recommend strong state- and regional-level leadership and robust enabling framework and moving away from requiring ground-floor retail in TODs to facilitating active ground floor.

TOD Name	City, State	Region	Location Within Urban Area	Transit Type	Transit Agency	TOD Type: Single Building; Group of Buildings; or Area	VC Tool Used	VC Challenges	Zoning and Land Use Challenges
Othello Plaza	Seattle, WA	West	Sub-urban	Light rail	Sound Transit	Single Building	Land sale	Transit agency had to give up control of land very early	
EcoVillage	Cleveland, OH	Mid-West	Sub-urban	Light rail	Greater Cleveland Regional Transit Authority	Neighborhood	Community land trust		Old underlying zoning; need for zoning variances; need for change in zoning overlay
MacArthur Transit Village	Oakland, CA	West	City Core	Heavy rail rapid transit	San Francisco Bay Area Rapid Transit District (BART)	Group of Buildings	Joint development (long-term lease); Parking garage and other infrastructure improvements in lieu of land; building height relaxation in-lieu of 44 affordable housing units and $1.3 million community benefits; transit benefit fee; share in sale price	Series of amendments due to change in developer and in project parameters	Underlying zoning not TOD-friendly, hence the PUD process; contentious community engagement process
Evans Station Lofts	Denver, CO	Mid-West	Sub-urban	Light rail	Regional Transportation District (RTD)	Single Building	TOD fund enabled reduced risk and holding costs for the developer.		Site already zoned for TOD with low parking requirements. Retail requirement reduced during negotiations. Retail underwritten at $0.
Twinbrook Station	Rockville, MD	North-East	Sub-urban	Heavy rail rapid transit	Washington Metropolitan Area Transit Authority (WMATA)	Group of Buildings	Joint development (long-term lease, sale of a part of land)	Series of amendments due to changes in real estate market conditions, developer's ability to secure higher density in the entitlement process, and uses	Underlying zoning not TOD-friendly, hence the PUD process. Site partly in the city and partly in the county area, so need for two sets of approvals.
Waterside Place	Boston, MA	North-East	Sub-urban	Bus Rapid Transit (BRT)	Massachusetts Bay Transportation Authority (MBTA)	Group of Buildings	Joint development (long-term lease)	Series of amendments due to changes in real estate market conditions and uses	Need for flexibility in zoning and permit approvals

About the Principal Investigator

Dr. Shishir Mathur is a professor of Urban and Regional Planning at San Jose State University. During 2016-2019, he served as Associate Dean of Research of the College of Social Sciences. He has authored two books and more than 30 journal articles in the fields of transportation finance, urban and real estate economics, affordable housing policy, international development, infrastructure and development finance, and growth management. For more details go to: https://www.sjsu.edu/people/shishir.mathur/

To Learn More

For more details about the study, download the full report at transweb.sjsu.edu/research/1819

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