Creating, Implementing, and Maintaining Equitable Transit-Oriented Development in Hawaii
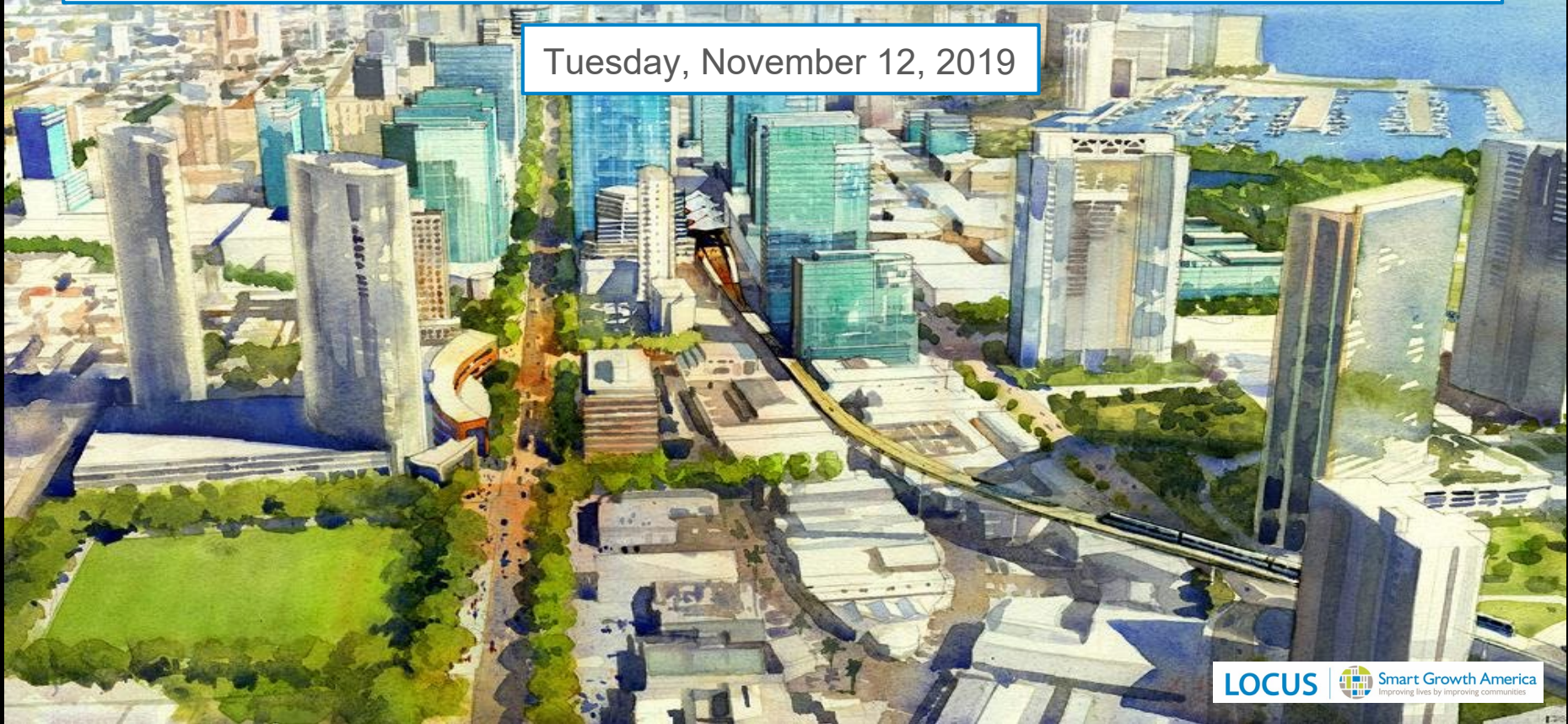
Tuesday, November 12, 2019

LOCUS | Smart Growth America
Improving lives by improving communities

Welcome

Christopher Coes

Vice President, Land Use and Development, *SGA*
Director, *LOCUS*

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SGA's Community of Programs

GOVERNORS' INSTITUTE on community design

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National Complete Streets Coalition

Transportation for America

State Smart Transportation Initiative

FBCI Form-Based Codes Institute

FIRST & MAIN

LOCUS: Responsible Real Estate Developers and Investors

A <u>national coalition</u> of private real estate developers and investors working to meet the country's pent - up demand for **sustainable, equitable, walkable urban places** by advocating for local, state, and federal **policy change** .

Equity

Providing all citizens with the resources they need to be **successful**
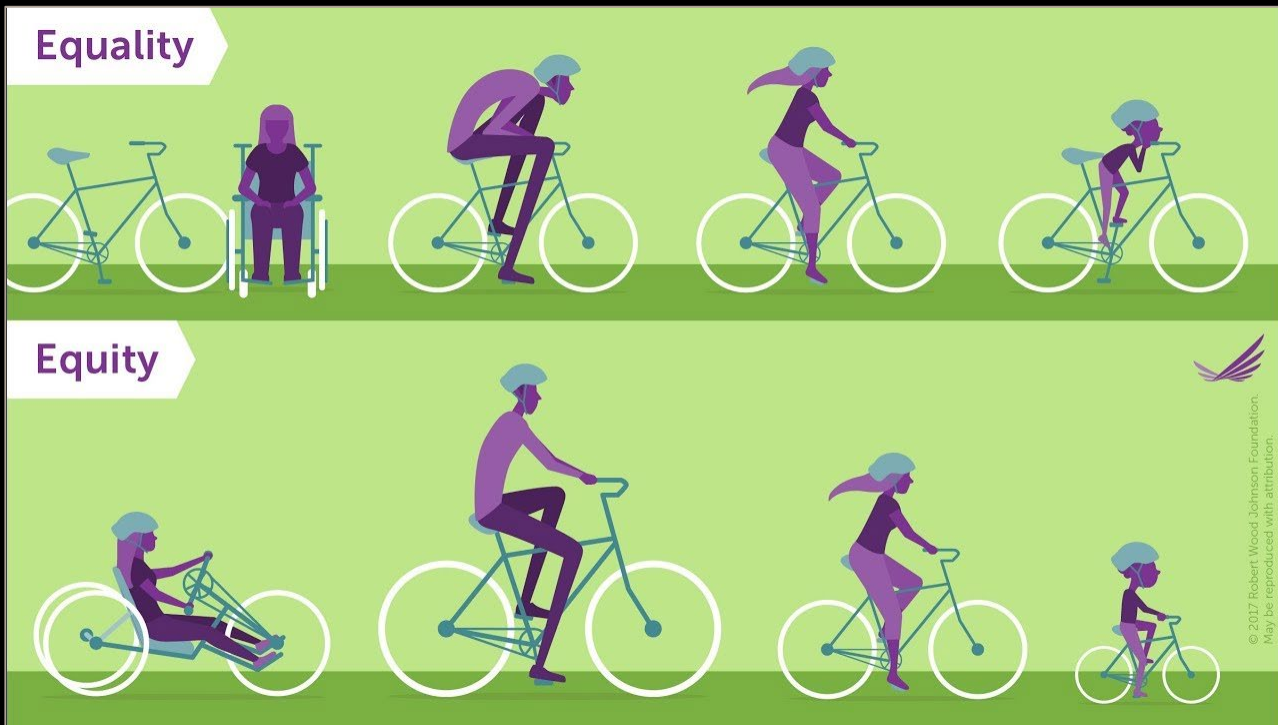
Why we need to focus on Equity
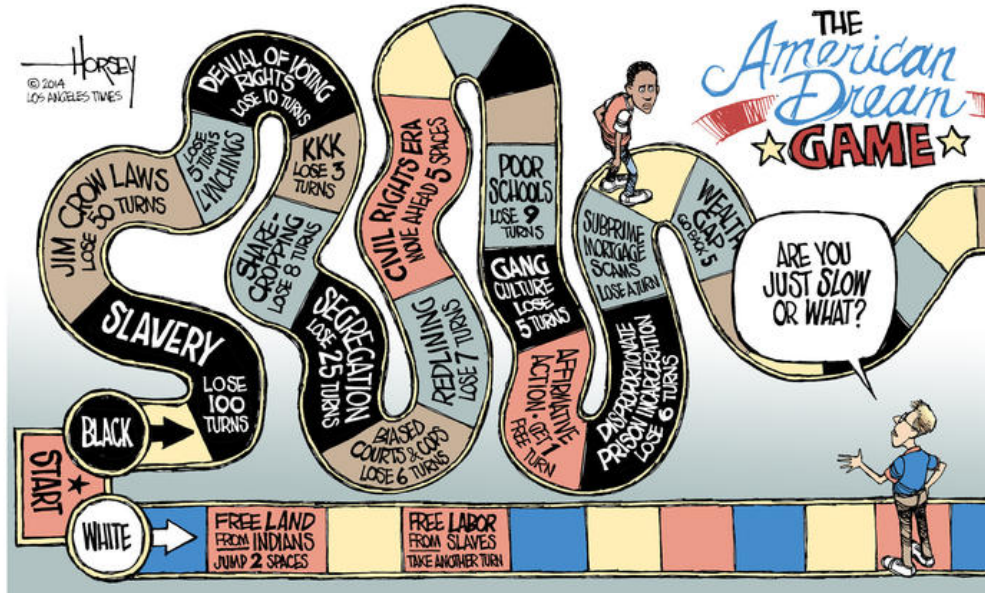
Source: David Horsey / Los Angeles Times

Equitable Development

Compact, **mixed-use** development with **multi-modal** access to jobs, **neighborhood-serving** stores, and other amenities that also serve the needs of low- and moderate-income people

Transportation is the **second-largest** expense for U.S. households.

Impact on Communities of Color

Past Transportation Practices Have Created Disproportionate Health Impacts on Disadvantaged Communities:

- Nationwide, 61% of African American children, 67% of Asian American children, and 69% of Latino children live in areas that exceed air quality standards for ozone, compared with 50.8% of white children.

- Hispanics suffer a pedestrian death rate 62% higher than non-Hispanic whites, and African Americans have an even higher rate at almost 70% compared to non-Hispanic whites.

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Making Neighborhoods Great Together

Taking a Closer Look

The area is occupied by unattractive, low slung buildings and surface parking lots

The narrow, unshaded sidewalk is unfriendly to pedestrians

The street is wide and designed for the sole purpose of moving lots of fast moving cars

Denver, Colorado

Images courtesy of Urban Advatage

Step 1: New Development (Zoning)

First, new multi-story mixed-use buildings are built on what was previously a surface parking lot.

...with apartments or offices above

These buildings provide space for neighborhood serving retail shops on the ground floor...

Denver, Colorado

Images courtesy of Urban Advatage

Step 2: Think About Pedestrians and Bicyclists (Complete Streets)

New street trees and attractive lighting fixtures create an inviting enviroment for pedestrians

Wider sidewalks and prominently striped crosswalks give pedestrians a high level of safety and comfort

The narrow street prompts traffic to slow down

Denver, Colorado

Images courtesy of Urban Advatage

Step 3: Make the Community Vibrant

New buildings and upgraded storefonts complete the transformation of a once marginal area into a virbrant, walkable neighborhood...

...while still accomodating more homes and businesses

Denver, Colorado

Step 4: Make the Community Affordable

Ensure new and existing development includes housing affordable to our neighbors…

…So these changes benefit our community.

Denver, Colorado

Images courtesy of Urban Advatage

Foot Traffic Ahead

2019 Ranking Walkable Urbanism in America's Largest Metros

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GW

The Old Dichotomy
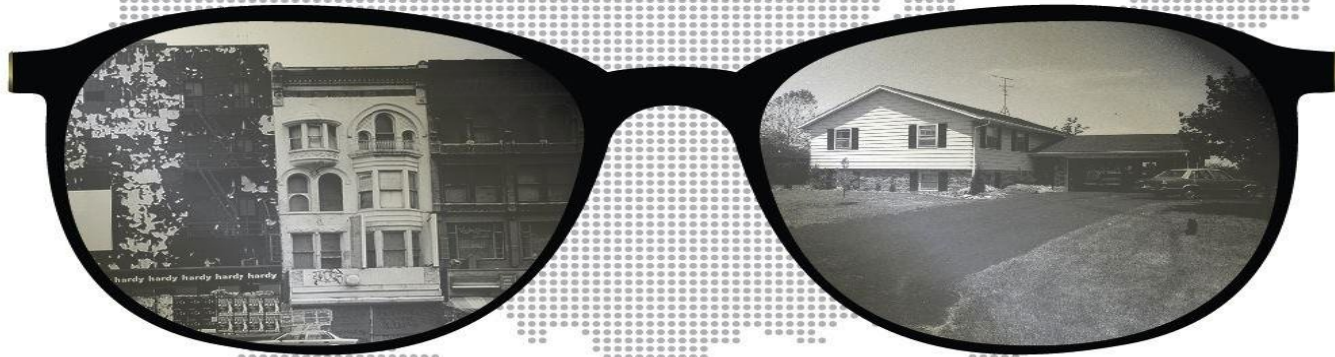
CITY **VS.** **SUBURBS**

If a place isn't in a city, it's a suburb
(unless it's rural).

It's Time for New Lenses

WALKABLE URBAN VS. **DRIVABLE SUB-URBAN**

Both of these environments can be found in a city, a suburb, or a rural area.

WalkUPs:

- A form of development with higher density, multiple real estate product types in close proximity or within the same property, and multiple modes of transportation to move people and goods to the place.

- Within the WalkUP, nearly everything is within walking distance.

METROPOLITAN LAND USE OPTIONS:

	REGIONALLY SIGNIFICANT	LOCAL SERVING
WALKABLE URBAN	**WALKUP:** Metro Area Acreage: 1%	**NEIGHBORHOOD** Metro Area Acreage: 2-6%
DRIVABLE SUB-URBAN	**EDGE CITY** Metro Area Acreage: 3-4%	**BEDROOM COMMUNITY** Metro Area Acreage: 90-94 %

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Key Findings

Walkable urban office space in the 30 largest metros commands a **105 percent rent‑per‑square‑foot premium** over rents in drivable suburban areas.

Rental multi‑family commands a **61 percent rent‑per‑square‑foot premium** over rents in drivable suburban areas.

These price premiums continue to grow.

Walkable urban development is **not limited to the revitalization of center cities**; it is also the urbanization of suburbs.

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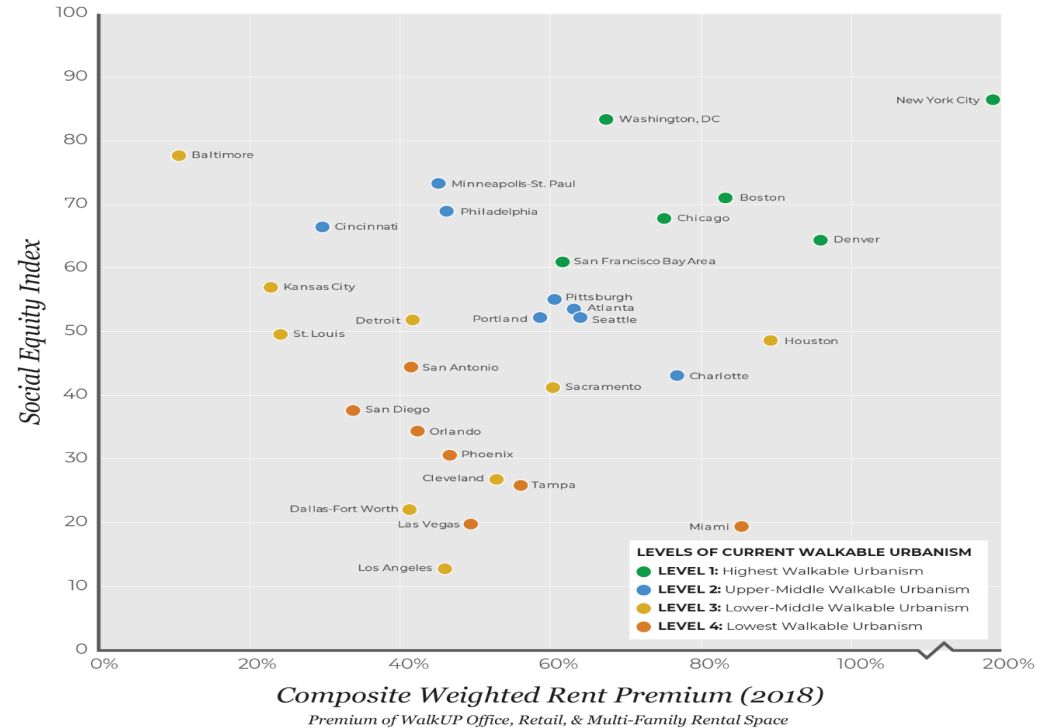Improving lives by improving communities

Social Equity Index

- At Smart Growth America we believe that at the heart of the American dream lies the simple hope that each of us can choose to live in a neighborhood that's affordable, lovable, and in which it's easy to get around.

- In Foot Traffic Ahead, we created a social equity index that examined three measures of social equity within WalkUPs:

  Housing costs (80% AMI)

  Transportation costs (80% AMI)

  Housing mix (a measure of the split between renters & owners)

Metros with the Highest Social Equity Index Scores in their WalkUPs

1. New York City

2. Washington, DC

3. Baltimore

4. Minneapolis-St. Paul

5. Boston

We found that there were several metro areas with high rent premiums that also scored well on the social equity index.

Social Equity Index

LEVELS OF CURRENT WALKABLE URBANISM
LEVEL 1: Highest Walkable Urbanism
LEVEL 2: Upper-Middle Walkable Urbanism
LEVEL 3: Lower-Middle Walkable Urbanism
LEVEL 4: Lowest Walkable Urbanism

Composite Weighted Rent Premium (2018)
Premium of WalkUP Office, Retail, & Multi-Family Rental Space

What's so great about Equitable TOD?

Organizing development around transit hubs...

★ Reduces household spending on transportation, making housing more affordable.

★ Lowers auto -dependence, congestion, and traffic accidents.

★ Connects residents to better jobs and life services .

★ Lessens environmental impacts of development.

★ Stimulates economic growth and community revitalization .

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First Mover: Transit Agencies eTOD Policy

Sample Transit Agency eTOD Policy (MBTA)

- ★ **Affordable and workforce housing** in transit-oriented properties (usually at least 20%)
- ★ Facilities employing large numbers of workers
- ★ Employer shuttle providers ensuring last-mile work connections
- ★ Local, state, and federal mixed-income and affordable housing programs
- ★ Economic and workforce development programs
- ★ Retail, community services, and high-quality public amenities
- ★ Participation of for-profit and not-for-profit developers
- ★ Certification at a level of at least LEED Silver (or its equivalent in a comparable rating system)

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If you can't **MEASURE** it you can't **MANAGE** it.

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Equitable TOD Outcomes

Require evidence that transit is integrated into walkable, livable, and affordable land use practices in order to enhance healthy living within low   -income communities and communities of color.

Variables to consider include:

- ★ Land Use
- ★ Housing
- ★ Economic Development
- ★ Transportation, Parking, and Mobility
- ★ Green, Civic, and Open Spaces
- ★ Climate Change / Sustainability

Defining the Universe

Who is most vulnerable to displacement?

Communities of Color

People 25 and older without a Bachelor's Degree

Renters

People making at or below 80% Median Family Income

Households with children in poverty

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UNION SQUARE Somerville, MA

Managing Gentrification:
A Case Study of Union Square
in Somerville, MA

2 miles from Downtown Boston
1 mile from Kendall Square, Cambridge

Union Square Overview

- Somerville is on the brink of transformation
- Total acreage: 419 acres with 117 acres in the more immediate development plan.

- In total, City est. 2.3 million sf. of new mixed use development

- Master Developer designated approx. 14 acres incl. goal of 1,800 new jobs, 350 new housing units and 600k sf of new commercial space

- New light rail transit (GLX) station planned with City focus on multi-modal transportation

With all the new development to come, how does Union Square preserve the local character and maintain affordability for their local residents and businesses?

ASHEI Pilot: Somerville

Work with the City of Somerville and Union Square Community Members to:

1. Examine the intersection of economic development and social equity in light of upcoming redevelopment
2. Articulate strategies to protect/enhance public benefits, including resident and business displacement
3. Building off of public benefit strategies outlined by group, develop action plan for implementing these strategies
4. Determine appropriate time of place management organization (BID, CBD, Main Streets Org or other) to

The ASHEI Pilot Process

The ASHEI Pilot in Union Square was designed to arrive at consensus and become 'actionable' quickly

- "Strategy Leaders" identified
- Discussions focused around "Strategy Cards"
- 51 strategy cards identified, narrowed down to 9
- 9 Working groups (Economic Development, Housing, Green and Open Space, Civic Space, Parking, Transportation and Mobility, Smart City Infrastructure, Climate Change/Sustainability, Finance & Place Management Organization
- Working groups identify & prioritize goals & action items
- Specific strategies, implementation organizations, partners & financial resources identified to help execute their goals.
- Strategic Community Benefits Action Plan (April 2016)

SOMERVILLE
UNION SQUARE

Strategic and Community Benefits Plan Framework
JANUARY 2017
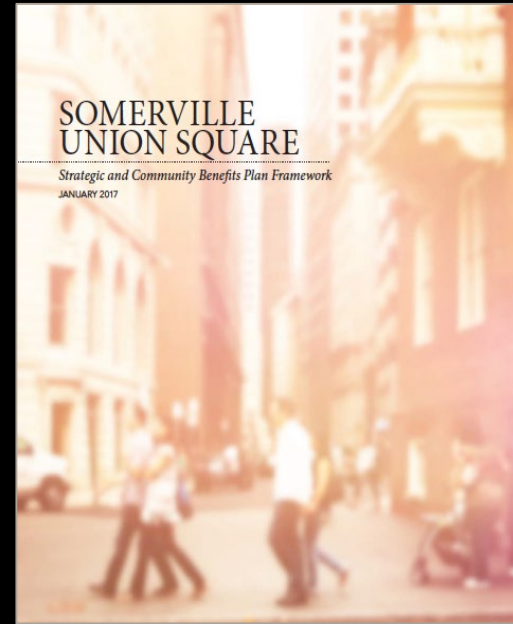
Sample Cost Summary

Strategy Card	Cost
Civic Space/Library	19,000 Sq. Ft. @ $596 per SF = $11.3 million
Green and Open Space	3 acres at a cost of $725,000 to $2 million = $2.2 million to $6 million
Economic Development	$1.5 -$2.5 million
Parking and Transportation	$100,000 to $300,000 depending on structure (e.g., public versus non-profit)
Smart City infrastructure	$500,000 -$750,000
Housing	$300,000 to $700,000 annual operating costs $2-5 million start up costs $1.5 million to $4 million annually for capital
Place Manager	$210,000 assumes place manager, administrative support position, operating costs.

Sample Funding Breakdowns

Strategy Card	Funding Source		
	City	**CBA**	**Other**
Civic Space/Library			
Green and Open Space			
Economic Development			
Parking and Transportation			
Smart City infrastructure			
Housing			
Place Manager			
TOTAL			

Determining potential social equity impacts

SOMERVILLE UNION SQUARE SOCIAL EQUITY REPORT

Measure of Social Equity	Present	Union Square in 2026		
		BAU	Partial	Full
All households' housing and transportation costs	39%	44%	39%	35%
Percentage of lower-income households spending > 30% of income on housing	39%	34%	30%	27%
Percentage of regional population that can access WalkUP by transit within 45 minutes	15%	23%	41%	41%
Share of Union Square residents commuting by non-car modes	53%	61%	61%	62%
Jobs per acre	12	14	17	20

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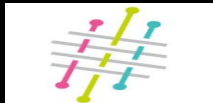
Challenges to Implementing eTOD

- No consensus on community leaders / appropriate Strategy Leader Group
- Adversarial group focused on derailing process and gaining control over Community Benefits Agreement negotiations
- Meeting fatigue – community is extremely active and involved
- Anxiety over efficient decision making, short process timeline
- Want to study EVERYTHING

Know your partners:
Capability and responsibility
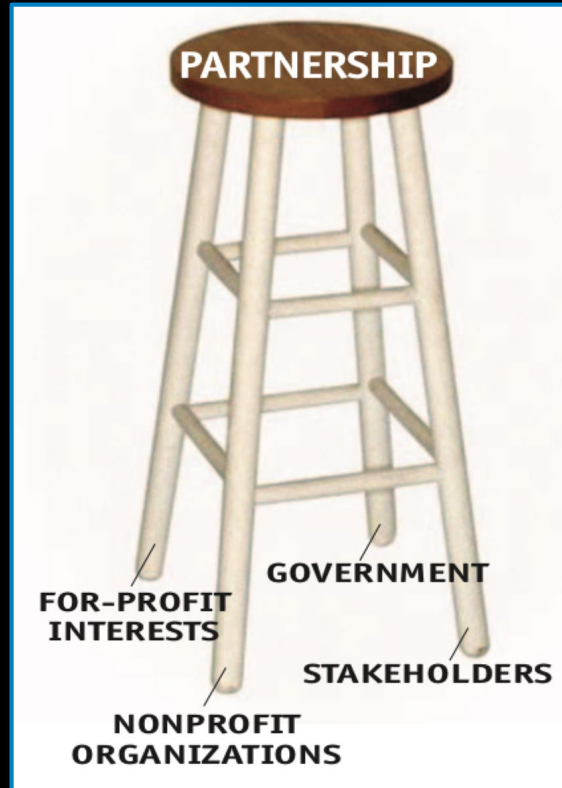
Decision-making and partnership frameworks for successful eTOD

Examples provided by:

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Spotlight on Community Driven Development: **Inclusive Investment**

- The Los Angeles Regional Open Space & Affordable Housing Collaborative (LAROSAH) is working with public sector and other non-profit partners in the LA region to promote proactive strategies to address displacement in the wake of 2016's Measure A, which provided much-needed funding to build, maintain, and improve local parks, beaches, and open spaces.

- The Los Angeles Neighborhood Land Trust was founded in 2002 to address Los Angeles's park inequities. They focus their efforts exclusively in communities of color that have little to no access to green space.

- Groups like the Southeast Asian Community Alliance (SEACA) are organizing youth and local residents to make sure investment to support Park Equity and don't displace low-income residents.

Spotlight on Community Driven Development: **Leverage Community Assets**

AMERICANS for the ARTS

Naturally Occurring **Cultural District**

- A catalyst for economic development that builds on existing community assets, celebrates the cultural of a community, and anchors a community through investment

Little Tokyo in Los Angeles

Little Africa in Minneapolis

NATIONAL CULTURAL DISTRICTS EXCHANGE TOOLKIT

Welcome to your one-stop-shop for Cultural Districts!

Cultural districts are defined as well-recognized, labeled areas of a city in which a high concentration of cultural facilities and programs serve as the main anchor of attraction. They help strengthen local economies, create an enhanced sense of place, and deepen local cultural capacity. Here, find tools and resources to help guide you in the development and advancement of Cultural Districts in your community.

Cultural Districts Basics	Developing a Cultural District	Advancing a Cultural District
What is a Cultural District? Learn about the types of cultural districts and see examples of each from across the country.	Looking to develop a cultural district in your area? Find downloadable templates, plans, tools, and resources here.	Already have a cultural district in your area? Find resources here to help you strengthen and advance a cultural district.

Tenant Protection

Tenant Protections ensure vulnerable renters have legal right and protected from displacement through rent stabilization policies, code enforcement, reduce displacement and unjust evictions.
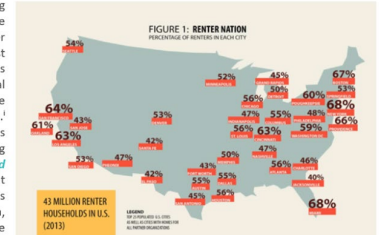

Figure 1: Renter Map from Homes for All Campaign and The Right to the City Alliance. http://homesforall.org/wp-content/uploads/2014/06/RISE-OF-THE-RENTER-NATION_FULL-REPORT_web.pdf

The Anti-Displacement Policy Toolkit

Policy Tools for #DevelopmentWithoutDisplacement

Implementation of strong Anti-displacement policies

Anti-Displacement Policies are explicitly created with the intention of mitigating displacement. Policies include:

- Affordable housing preservation

- Neighborhood stabilization

- Community ownership

- Equitable development

- Tenant Protection

A critical component to any policy is enforcement.

anhd Association for Neighborhood & Housing Development

Learn More at
https://www.antidisplacementtoolkit.org/

Ensuring Hawaii's future TOD projects meet community standards for equity

Bill 54 (Honolulu's Age Friendly Checklist)

- A tool for making **all city services in Honolulu more age friendly** that allows every municipal department in Honolulu to allocate a portion of its budget to age -friendly projects and initiatives.

- The program will result in more walkable streets, better housing and transportation options, and increased access to key services, civic opportunities, and social activities for city and county residents of **all ages and abilities, especially the elderly** .

- SGA/LOCUS guidelines and criteria help determine **what housing, transportation, outdoor spaces and buildings, health and community services, and opportunities for social and civic participation will look like in an age -friendly city** .

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In 2018, AARP identified 7 priority areas for eTOD and age-friendly projects

- Housing

- Safety

- Public Engagement

- Transportation

- Land Use

- Environmental Sustainability

- Neighborhood Character/Place

Based on Equitable Development & Principles Scorecard from Twin Cities, MN

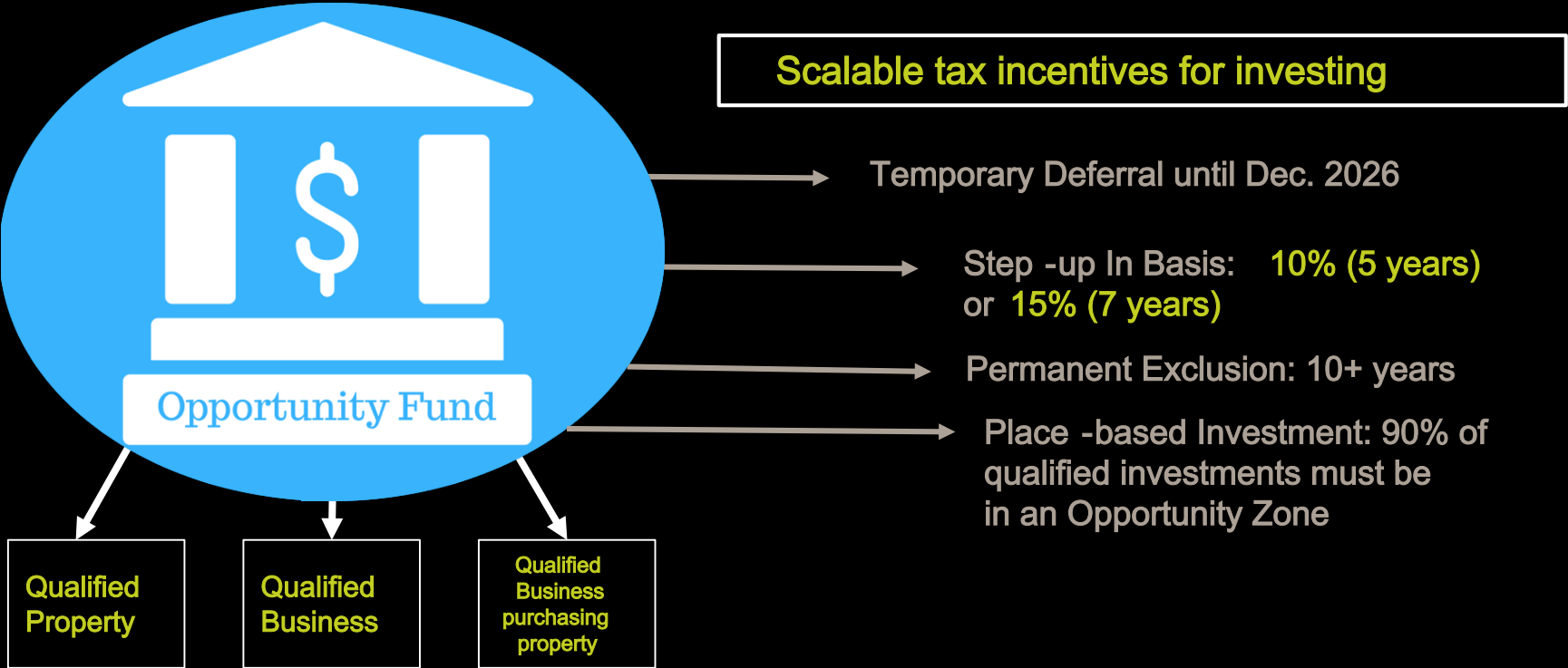**Note**: This list has not yet been approved and finalized by AARP Hawaii.

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Leveraging Federal Opportunity Zones
to Achieve eTOD

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How does the Opportunity Zones tax incentive work?

Uses private investment vehicles to funnel up to **$8 trillion** in public and privately held **capital gains** towards economic development activities in our nation's most distressed census tracts.

Scalable tax incentives for investing

$ Opportunity Fund

Temporary Deferral until Dec. 2026

Step -up In Basis: **10% (5 years)** or **15% (7 years)**

Permanent Exclusion: 10+ years

Place -based Investment: 90% of qualified investments must be in an Opportunity Zone

Qualified Property

Qualified Business

Qualified Business purchasing property

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How do Opportunity Zone investments benefit communities and investors?

- ★ Enhance community access to mission -oriented capital
- ★ Concentrates capital in areas of most need
- ★ Reward patient capital by tying incentives to the longevity of investments
- ★ Give investors a stake in communities' futures by aligning investor payoff with community success
- ★ Allow anyone with capital gains to invest in the future of America's cities and towns

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What can Opportunity Funds accomplish?

Create attainable, workforce housing

1. A city creates an Opportunity Fund

2. Identifies top corporations in the area interested in developing attainable housing

3. Corporation transfers capital into the city fund

4. Fund buys property in close proximity to corporate site and partners with real estate developers to build attainable housing

Prevent local business displacement

1. Enable redevelopment projects to offer favorable lease agreements for small, local businesses

2. Targets investments to existing small business ready to expand

3. Support businesses that support local entrepreneurship and startup

Build TOD projects

1. Create a state or local TOD Fund from commingled stakeholder assets

2. Engage various constituencies, including:
   - Transit agencies
   - Private developers
   - Philanthropies

3. Commit constituencies to 10 - year build -out of transit and other TOD projects

Connecting Responsible Developers to eTOD Projects

LOCUS LinkUps

...Interactive deal-making events highlighting nationwide development opportunities for real estate developers and investors...

We partner with pro -development and investment friendly cities and regions...

Since 2017, we've connected over 15 communities...

Cleveland, OH

Greensboro, NC

Albuquerque, NM

… and connect local officials with real estate developers and investors through our live webinar series

- Presentations by local real estate, planning, and economic development professionals

- Development incentives

- Opportunity sites

- Facilitated Q&A sessions

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Thank you for joining us to learn about "Development Opportunities in Greensboro, NC"

Live broadcast will begin momentarily.
Please enter your questions in the chat box below.

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Afterwards, we circulate local points of contact and survey participant interest in in -person meetups

With sufficient interest, we organize on -the- ground meetups with local officials and tours of opportunity sites

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Final Observations:
Lay out a clear vision and rational decision -making process.

★ Create a shared vision and road map.

★ Define roles and responsibilities.

★ Build trust amongst key stakeholders

★ Establish consistent and coordinated leadership.

★ Understand that compromise and trade offs are necessary.

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Thank you!

Questions? Contact:

Christopher Coes at   ccoes@locusdevelopers.org