

**POLICY BRIEF** 

## Transit-Oriented Development: A Powerful Tool for Connecting Housing Options to Transit

Transit-Oriented Development (TOD) is a comprehensive approach to development that integrates housing, businesses, public facilities and infrastructure, and amenities within walking distance of public transportation. TOD offers families significant benefits such as lower household costs, increased transportation options and access to opportunities, and improved quality of life. Because of these benefits, transit-oriented, walkable neighborhoods are in high demand and improving transit access often increases property values and taxes. Such increases can frequently lead to gentrification and the displacement of residents, small businesses, and cultural spaces, especially those from underrepresented and previously disinvested communities. **Anti-displacement strategies must be prioritized through each phase of planning, design, and implementation of transit projects—from land acquisition to the final stages of construction.** 

Displacement has occurred, both intentionally and unintentionally, in large-scale transportation efforts and smallerscale projects across the country for nearly a century. For example, it has been estimated by the U.S. Department of Transportation that the construction of the interstate highway system in the 1950s and 1960s displaced 475,000 households and over a million people in less than two decades.<sup>1</sup> Established communities where transit development is proposed may also suffer from a loss of social cohesion and networks, as well as a disruption of cultural heritage and identity.<sup>2</sup> Balancing improved transit access, the resulting housing and commercial development, and community engagement is a challenging but achievable task with the appropriate intentionality and focus. Cities and municipalities must be prepared to not only engage with communities but also plan with community partners to ensure their needs are addressed and residents are not displaced.



#### POLICY RECOMMENDATIONS

- Protect existing affordable housing by identifying at-risk neighborhoods. Assess neighborhoods near transit stops to determine the existing housing conditions and need for housing types to create housing opportunities for all. Design a displacement navigator program or similar program that provides resources to individuals, businesses, cultural spaces, and communities at risk or facing development pressures.<sup>4</sup> Deploy community connectors to analyze demographics and display market research in a public dashboard to ensure neighborhoods are developing equitably.
- Preserve at-risk affordable housing units through rehabilitation resources. Work with rental and owner units identified as at risk of displacement due to a need for repair or improvement. Connect them with existing partners and resources, particularly those focused on preservation and rehabilitation efforts, to retain residents.
- Produce more affordable housing by developing ambitious transit center plans. Prioritize and provide affordable housing resources for housing projects on or adjacent to land acquired by localities for transit projects. Ensure transit agencies have appropriate authority and incentives for land value capture and partnerships with third parties that maximize housing production. Encourage neighborhood plans to pilot zoning changes to embrace more housing, mixed-use development, and preservation in areas around transit centers to enable new neighborhood centers.

#### Anti-Displacement Strategies Protect Communities

Anti-displacement strategies prioritize and optimize the choices of existing residents and small businesses when increased market pressure is anticipated in their neighborhoods. Residents can determine how they will remain in their communities affordably using solutions provided by local partners and government, while also evaluating when and if they should relocate. These strategies provide opportunities for cities and municipalities to determine the proper policies and programs they need to alleviate displacement pressures throughout the development of transit projects.

Anti-displacement strategies require municipalities to **first identify underrepresented and disinvested communities** that may be impacted by upcoming transit projects. Once these neighborhoods are identified, it is critical to co-create solutions with communities that focus on the **protection**, **preservation**, and **production** of housing options.<sup>5</sup>

Anti-displacement strategies may include:

## Key Principles of Anti-Displacement Strategies



**Protection** solutions focus on how to **protect residents** from eviction, foreclosure, or other anticipated market pressures from development.



**Preservation** efforts are related to rehabilitation, modification, or intentional acquisition of vacant land or housing units to **preserve affordability**.



**Production** solutions include increasing affordable rental and homeownership **options near transit centers and stops**.



**Community Engagement:** Continuous and regular engagement with neighborhood partners throughout the planning and development process. This ensures that the needs and concerns of impacted communities are heard and addressed.

**Property Tax Freeze/Abatement:** Implementing property tax freeze or abatement options for elderly and long-term residents can help mitigate the impact of rising property values and taxes on vulnerable populations and help them retain ownership.

**Housing Preservation:** Providing targeted funding for home rehabilitation and modification efforts within impacted neighborhoods helps maintain healthy and safe units at various price points. It also includes providing tenant protections and stabilization, as well as housing counseling services for renters to minimize displacement.

**Complete Neighborhoods:** In addition to development along transit corridors, identifying opportunities where Tier 1 development zones overlap with transit projects and adopting complementary strategies can help build complete neighborhoods.<sup>6</sup> Also, prioritizing compact development near transit—with affordable mixed-use and mixed-income projects—supports missing-middle housing options, creates access to good jobs, healthy food, parks, green spaces, sidewalks, and adequate lighting, and is a proven strategy for economic mobility.

**Affordable Homeownership:** Partnering with community-based organizations, community development corporations, nonprofit developers, and Community Development Financial Institutions (CDFIs) to promote affordable homeownership through housing trust funds and other funding mechanisms.

#### **Transit-Oriented Development Provides Benefits for All**

Transit-oriented development can occur naturally due to public demand and developer interest or in conjunction with public investments intended to spur development and align with other transportation projects. Whether TOD is happening naturally or intentionally, when paired with anti-displacement strategies backed by public resources, TOD preserves existing homes, small businesses, and cultural spaces while also increasing the production of new affordable housing options.<sup>7</sup> The benefits of TOD are multifaceted and are essential to equitable development efforts when planning new transportation infrastructure or development options for neighborhoods.<sup>8</sup>



Concept design of the planned Madison Station Boulevard in Nashville, Tennessee Source: Madison Station - Artesia Real Estate Investments, Smith Gee Studio

#### **TOD Benefits**

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## **Cost Savings:**

Household transportation and housing costs are cheaper for families in TOD areas. Infrastructure costs are also lower in TOD areas, resulting in cost savings for municipalities.



## Increased Transportation Options:

TOD provides residents with diverse transportation options and more walkable neighborhoods, leading to increased ridership and reduced reliance on private vehicles.



## **Housing Diversity:**

TOD encourages diverse housing options, including mixed-income developments, that increase housing affordability and accessibility.



#### Health and Environmental Benefits:

TOD residents engage in more active transportation, leading to improved health outcomes and reduced air pollution.



# Reduced Land Consumption:

TOD promotes compact development patterns, reducing land consumption and preserving green spaces.



## **Economic Mobility:**

TOD creates more walkable neighborhoods and improved transit access to higher-paying job opportunities, which is one of the most impactful strategies for increasing economic mobility. TOD can also stimulate local economic development.

#### **Best Practices of Anti-Displacement Strategies & TOD**

Cities all over the country are actively pursuing anti-displacement strategies as part of their TOD strategies, utilizing a variety of planning initiatives and programming.<sup>9</sup>

Notable case studies include:

Atlanta

Austin

**Comprehensive Planning (Seattle, WA):** The One Seattle Comprehensive Plan includes an antidisplacement framework to address equity concerns in TOD projects, including the identification and assessment of at-risk neighborhoods, housing development strategies, creative solutions for displaced residents to return to their communities, and community ownership opportunities.<sup>10</sup>

**Unique Partnerships (Atlanta, GA):** MARTA and Soccer in the Streets, a local nonprofit agency, connects transit, sports, health & wellness, and youth development by providing soccer fields and a gathering space for its youth at one of the transit stops. The space is named "StationSoccer," and provides a "third space" for residents and transit riders, helping create more complete neighborhoods.<sup>11</sup>

**Robust Community Engagement (Austin, TX):** The City of Austin approved a \$7.1 billion transit expansion in 2020 to support two light rail lines and TOD for 21 stations. CapMetro engaged affordable housing leaders and community organizations to identify people at the highest risk of displacement and possible solutions. Project Connect supported a displacement navigator program by offering paid "community connectors" to help renters and homeowners learn about and access housing resources.<sup>12</sup>

**Leveraging Transit Agency Property (Washington, D.C.):** WMATA and Montgomery County, Maryland partnered to support a joint development of a life sciences hub using both air rights above WMATA's North Bethesda Metrorail station and station-adjacent land. The development will support housing, office, retail, public spaces, and upgrades to the existing station. This supplements WMATA's prior development of 947 residential units on agency-owned land directly adjacent to the station.<sup>13</sup>

Deploying anti-displacement strategies, simultaneously with the planning and development of transit projects, is an essential task for municipalities to ensure residents have a choice in where they live. While investing in transit access in communities is critically important, TOD is one solution to promote more equitable development in neighborhoods.

## **References and Notes**

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- <sup>13</sup> "Metro, Montgomery County Seeking Developer to Create Major Life Sciences, Mixed-Use Project at North Bethesda." WMATA. July 2024. https://www.wmata.com/about/news/Metro-Montgomery-County-seeking-developer-to-create-major-life-sciences-mixed-use-project.cfm.

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