

region, they should not expect to receive regional transportation dollars.

Specifically, TALC recommends that MTC condition funds for Transit Opportunity Zones (areas within a half-mile radius of rail and ferry stations or within a quarter-mile of Bus Rapid Transit corridors) on the following criteria:

1. **Density:** Within Transit Opportunity Zones, minimum average net density for vacant land and redevelopment would be 30-45 units per acre for residential development, with floor-to-area ratios of 2-4 for commercial development.
2. **Land use:** At least half of the land within a Transit Opportunity Zone would be designated for housing, and of that 20% would be designated as affordable. Automobile-oriented uses, including retail stores over

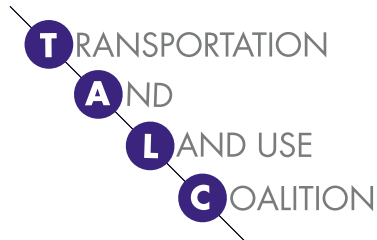
50,000 square feet, would be prohibited.

3. **Parking policy:** Cities would set maximum parking limits for residential developments within Transportation Opportunity Zones but would not set minimum parking requirements.
4. **Bicycle and pedestrian access:** Jurisdictions would prepare street improvement plans to coordinate improvements in pedestrian amenities, street crossings, and bicycle lanes and paths, and create a network of bicycle lanes within a one-mile radius of transit stations

Adoption of this policy will finally link the Bay Area's transportation investments with local land-use decisions. It is a policy that will protect taxpayers, commuters, the environment, and our quality of life for generations to come.

It Takes a Transit Village

How Better Planning Can Save the Bay Area Billions of Dollars and Ease the Housing Shortage



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EXECUTIVE SUMMARY

The Bay Area faces two worsening crises: a severe lack of affordable housing and a strained transportation system. Housing prices continue to skyrocket as construction falls far short of demand. Most newly built housing sprawls over our precious greenfields and open spaces, and requires a car for every trip. This sprawl is a major reason why traffic congestion has skyrocketed over the past 10 years and why our public transit system is not convenient for most people.

To ensure the continued viability of the Bay Area's economy, environment, and quality of life, we must immediately take steps to link our regional transportation investments to local land-use decisions. And we must find ways to bring back the idea of traditional towns, where people can walk to local shops, the library, their friend's house, and public transit.

Fortunately, the Bay Area is perfectly situated to capitalize on the growing demand for ▶

transit-oriented development. We already have an extensive public transit system, and are on the verge of a massive \$12 billion expansion, which will create new transit stations across the region. It is the areas surrounding these existing and future transit stations that present our best chance for simultaneously relieving the region's housing and transportation crises.

According to a recent study, of the one million new residents projected for the Bay Area by 2025, half can be housed in areas within a half-mile of transit stations. Creating walkable communities in these areas was also a primary recommendation from this same study.

Developing transit-oriented housing on this scale would have direct financial benefits. TALC calculates that, combined, Bay Area residents would save over \$1.8 billion annually on transportation costs—an aver-

age of \$600 per household. Residents would save billions more indirectly from reduced health costs, less time lost to congestion, and a stronger tax base. Perhaps most importantly, transit-oriented development can help increase the overall supply of housing and bring in a much-needed mix of housing types and prices.

Unfortunately, too many areas near transit stations—identified in this report as Transit Opportunity Zones—are being lost to big-box stores and sprawling office parks, which do not attract many transit riders and, obviously, do not solve the housing crisis.

The BART extension to San Francisco International Airport and Millbrae is a perfect example of land-use mistakes trumping good transit intentions. The Costco built near the South San Francisco station generates very few BART trips. If medium-density housing had been placed there instead, its residents would have generated nearly half a million dollars a year in fare revenue for BART. These mistakes add up. The operating subsidy for this line was originally expected to be low, under \$2 million for 2004. Instead it is costing San Mateo residents over \$20 million in 2004 (through their county transit agency, SamTrans). In stark contrast to the South San Francisco BART debacle is the success of Oakland's Fruitvale BART station, where smart-growth, mixed-use development around the



Office sprawl around the Santa Clara Valley Transportation Authority's Tasman light rail line epitomizes the region's failure to make use of its transit investments. The circle indicates a light-rail station.



Proposed Warm Springs transit village

station has turned an old parking lot into a vibrant new gateway to an existing urban community, along with new housing, stores, and community services.

The question now is what will keep us from repeating the mistakes of the past. Last year, for example, the City of Fremont approved a huge Wal-Mart just north of the future Warm Springs BART station. Now they have a chance to do the right thing by approving a mixed-use, walkable transit village with 1,735 housing units, just east of the future station, which would guarantee better ridership for the extension. Yet the city is considering a plan with no housing at all. This would mean that 1,700 housing units are likely to be located on open space in the Bay Area or, more likely, the Central Valley. A local decision to build more

office parks and big-box stores would mean that Bay Area taxpayers would pay for a \$700 million one-station extension that forever requires massive operating subsidies because of low ridership.

In addition to planning for more housing in these transit station areas, we need to think about how to build great communities. For these efforts to succeed, cities must take into account each of the 3 "Ds" of smart growth:

- Density that provides the population needed to sustain transit investment, by ensuring ridership.
- Diversity in developments near stations that create vibrant and interesting environments.
- Design that enhances the quality of the public environment, particularly for pedestrians.

The Metropolitan Transportation Commission's (MTC's) 2005 Regional Transportation Plan (also known as "Transportation 2030") offers a golden opportunity to undertake smart planning that links together transportation and land-use plans. To ensure that the Bay Area's tax-funded transportation dollars are not wasted due to poor land-use planning, TALC is calling on MTC to condition funds for new transit expansion projects on the adoption of city plans and codes that address all three "Ds" of smart growth. Cities that want to continue building big-box stores next to valuable transit assets could continue to do so. But since such land use will not benefit the ►