



Caltrans Division of Research,
Innovation and System Information

Research



Planning, Policy,
and Programming

The Sustainability of Building Affordable Housing in Transit Oriented Developments (TODs)

Summarize the current literature on housing affordability in TODs and identify gaps in our knowledge that will require research extensions in the future.

WHAT IS THE NEED?

Recently transit-oriented development (TOD) and affordable housing are treated like two peas in a pod: wherever one is mentioned, so follows the other. In April 2015, Los Angeles Mayor, Eric Garcetti, released the LA Sustainability Plan (pLAN), doubling down on both TOD and affordable housing. Three of the plan's four strategies and priority initiatives for housing involve affordable housing.

Since 2011, the Bay Area has had a special \$50 million fund for transit-oriented affordable housing development to provide development financing for affordable housing in TODs. Nationally, TOD developers are embracing affordable housing from Denver and Chicago to Washington, Baltimore, and Boston.

These policies raise critical and timely sustainability questions:

1. Does locating affordable units in TODs increase or decrease vehicle miles traveled and thus emissions?
2. Is affordable housing in TODs still affordable in the long-term, that is, beyond the expiration of the first minimum affordability period?
3. Do the benefits of affordable housing near transit outweigh the frequently higher costs of development in TODs?

WHAT WAS OUR GOAL?

There is much research on the topic of housing affordability in TODs, and the literature varies in its use of methodological approaches, data, geography, and normative motivations.

1. The first goal is to summarize the current literature and

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Scott Williams
Associate Transportation Planner
k.scott.williams@dot.ca.gov



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synthesize the findings from the various approaches, cities, and data sets to establish stylized facts. Reflecting on what has already been written.

2. The second goal is the identification of gaps in our knowledge that will require research extensions in the future.

WHAT DID WE DO?

The Contractor conducted work under this Task Order in accordance with the schedule below.

1. Research the literature on whether:
 - Locating affordable housing units near TODs affects VMT;
 - Affordable housing in and near TODs remains affordable over time; and
 - The benefits of locating affordable housing near transit outweigh the higher costs of TOD development.
2. Complete draft of white paper
3. Receive feedback on draft of white paper
4. Revise white paper
5. Hand in final version of white paper

WHAT WAS THE OUTCOME?

The extent to which affordable housing in TODs may contribute to VMT reduction and social welfare goals depends on the amount of affordable housing that municipalities can offer. Whether affordable housing in TODs can remain affordable after any initial covenants expire also matters. Unfortunately, existing research shows that: (a) properties located near light rail appear to be more valuable, holding all else equal; and (b) landlords in areas where prices are increasing tend to “opt out” of renewing affordability covenants, when possible. As a result, the construction of affordable housing in TODs—areas that are likely to experience rising property values—may not

convey long-term affordability benefits without proper regulations in place.

WHAT IS THE BENEFIT?

To answer the needed sustainability questions mentioned above and to identify if affordability near transit is a way to promote equity and reduce the transportation cost burden for households and promote solutions they believe advance these objectives.

LEARN MORE

https://ncst.ucdavis.edu/wp-content/uploads/2015/10/NCST-TO-027-Boarnet-Bostic-Affordable-TOD-White-Paper_FINAL.pdf