Transit-Oriented Development

BART Board 2020 Workshop

Rendering of Lake Merritt TOD
Source: Strada, EBALDC
Transit-Oriented Development: Discussion Objectives

• Update on:
  • AB 2923 implementation progress and engagement plan
  • AB 2923 Guidance Document
  • 10-Year TOD Work Plan

• Discuss future TOD financial Return expectations for affordable housing
AB 2923 Outreach to Date

- April/May 2019: 22 meetings with affected jurisdictions
- Jan & Jun 2019: BART Board
- July 2019: stakeholder work session w/ 50+ attendees
- BART Title VI/LEP Committees
- 5 City Council meetings
- Mayors conferences
- Email updates to 2,000-person stakeholder list
- SPUR Urban Infrastructure Council Presentation
- EBHO Regional Policy Committee
- Ongoing work with 3 Case Study jurisdictions
- 2 webinars
- [www.bart.gov/AB2923](http://www.bart.gov/AB2923)
AB 2923 Upcoming Deliverables

**Guidance Document:** Responds to questions raised in outreach on law. Limited to areas covered in language of bill.

**10-Year Work Plan:** Defines when and where BART plans to advance TOD in law timeline

**Other Upcoming Deliverables (required by law):**
- Parking replacement policy
- Transportation demand management strategy
- Anti-displacement strategy in partnership with local jurisdictions
- Outreach to Communities of Concern
- Biannual report to CA Housing & Community Development Department
### AB 2923 Upcoming Deliverables: Relationship of 10-Year Work Plan and Guidance Document

<table>
<thead>
<tr>
<th></th>
<th>Guidance Document</th>
<th>10-Year Work Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope</strong></td>
<td>AB2923-Affected Properties Only</td>
<td>All developable BART property</td>
</tr>
<tr>
<td><strong>Primary Audience</strong></td>
<td>Local Jurisdictions</td>
<td>All stakeholders with interest in BART’s TOD program</td>
</tr>
<tr>
<td><strong>Intent</strong></td>
<td>Clarify parts of AB2923 language, especially related to zoning</td>
<td>Articulate BART’s intentions related to development</td>
</tr>
<tr>
<td><strong>Reach</strong></td>
<td>Only clarifies what is in law. Jurisdictions still have leeway with how they intend to conform</td>
<td>Specific direction from BART on its expectations around development</td>
</tr>
</tbody>
</table>
AB 2923 Upcoming Outreach

www.bart.gov/AB2923

Stakeholder Workshop: Friday Feb 21
Local jurisdiction staff, regional stakeholders, housing advocates, community-based organizations

Webinars: 1st Week in March
Email sent to 1,600+ subscribers of TOD email list

Meetings w/Communities of Concern
Planning for Late February- April 2020
AB 2923
Guidance Document
AB 2923 Guidance Document

• Clarifies grey areas of the law

• Top 3 Questions:
  1. What does the allowable building height and floor area ratio mean (e.g. is it a minimum limit)?
  2. How will BART determine if local zoning conforms with law?
  3. How will BART patron parking be incorporated?

• Guidance Document outline
  Available for public comment until March 16
AB 2923 Background

Setting initial standards
• Per June 2019 Board discussion, 2017 TOD Guidelines will become TOD Zoning Standards on July 1, 2020

Local jurisdiction rezoning
• Local jurisdiction rezones by June 30, 2022 or zoning defaults to TOD Zoning Standards
• BART to determine conformance with Zoning Standards

Until 2029 when bill sunsets
• BART Board can adopt TOD Zoning Standards any time (with CEQA documentation)
• Local jurisdiction has 2 years to rezone from that point
### 2017 TOD Guidelines (Basis for Zoning Standards)

<table>
<thead>
<tr>
<th></th>
<th>Neighborhood/Town Center</th>
<th>Urban Neighborhood/City Center</th>
<th>Regional Center</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Allowable Height and Floor Area Ratio</strong></td>
<td>≥ 5 stories, FAR: 3.0</td>
<td>≥ 7 stories, FAR: 4.2</td>
<td>≥ 12 stories, FAR: 7.2</td>
</tr>
<tr>
<td><strong>Allowable Residential Density</strong></td>
<td>75 dwelling units per acres or higher</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Minimum Secure Bike Parking</strong></td>
<td>1 space per residential unit</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Maximum Residential Vehicle Parking</strong></td>
<td>1.0 spaces per unit</td>
<td>0.5 spaces per unit</td>
<td>0.375 spaces per unit</td>
</tr>
<tr>
<td><strong>Maximum Office Vehicle Parking</strong></td>
<td>2.5 per 1,000 square feet</td>
<td>1.6 per 1,000 square feet</td>
<td>0 per 1,000 square feet</td>
</tr>
</tbody>
</table>
AB 2923 Guidance: Case Studies (Hayward, North Berkeley, Pittsburg Center)

Consider: What BART owns, what is developable
AB 2923 Guidance: Case Studies (Hayward, North Berkeley, Pittsburg Center)

Consider: What has the City zoned for today?
AB 2923 Guidance: Case Studies (Hayward, North Berkeley, Pittsburg Center)

Consider: does zoning conform? What needs to change?
AB 2923 Guidance: Case Studies
Early Findings

• Density, Height, Floor-Area-Ratio (FAR) do not often line up well
  (More density is needed to achieve heights, more height is needed to achieve FAR)

• On larger properties, achieving required Floor-Area-Ratio calculation in AB 2923 is nearly impossible within height limits

• Limited room for other design regulations (e.g. shadow planes, open space requirements)

• BART will need to make a clear commitment to ensuring high quality design in actual development projects
10-Year Work Plan for Transit-Oriented Development
10-Year Work Plan for Transit-Oriented Development

Local Interest in Development of BART Land

- Immediate (2019-2024)
- 5-10 years (2025-2029)
- Immediate with Economic Limitations
- Limited/Long Term Interest
- Development Underway
- No BART-Owned Land

May not be subject to AB 2923
Based on interviews with staff from 22 local jurisdictions,
April/May 2019
10-Year Work Plan for Transit-Oriented Development

Work Plan Phases

1. **Performance Evaluation** using BART’s 2016 Board-adopted performance targets
2. Clarify BART’s **development opportunities**
3. **Prioritize sites** for new TOD projects (e.g. RFP/Q) using 3 criteria
4. Define next steps for **short term priorities**

*Dynamic: Update every 2-4 years*
# 10-Year Work Plan for Transit-Oriented Development

## Phase 1: Performance Evaluation

### BART Board of Directors: Transit-Oriented Development Policy Performance Measures and Targets

<table>
<thead>
<tr>
<th>POLICY GOAL</th>
<th>INTENT</th>
<th># Draft Performance Measures</th>
<th>STANDARDS FOR TOD ON BART LAND</th>
<th>2040 Target</th>
<th>STATION AREA GOALS</th>
<th>Unit of Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Complete Communities</strong></td>
<td>District Vitality and Growth</td>
<td>A1. Residential Units to be produced on BART property</td>
<td>Baseline</td>
<td>2025 Target</td>
<td>2040 Target</td>
<td>Increase in Housing Units within 1/2 mile of BART stations from 2010 to 2040 (155,800 new units)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A2. Office/Commercial Square Feet to be produced on BART property</td>
<td>208,682</td>
<td>1,000,000</td>
<td>4,500,000</td>
<td>Increase in Jobs within 1/2 mile of BART stations, 2010-2040 (277,500 new jobs)</td>
</tr>
<tr>
<td></td>
<td>Mix of Uses</td>
<td>A3. Minimum net density threshold for units on BART property</td>
<td>Min 75 DU/Acre</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>A4. # Station areas (1/2 mile) more than 1 mile from grocery store</td>
<td>9</td>
<td>7</td>
<td>0</td>
<td>Average Walkscore for BART Stations (2016 Average: 75)</td>
</tr>
<tr>
<td><strong>B. Sustainable Communities Strategy</strong></td>
<td>Plan Bay Area (PBA) Implementation &amp; Regional Quality of Life</td>
<td>B1. % Units on BART Property supporting Station Area goal of 155,800 new units within 1/2 mile of BART</td>
<td>0.4%</td>
<td>3%</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>B2. % Planned jobs on BART Property supporting Station Area Goal of 277,500 new jobs within 1/2 mile of BART</td>
<td>0%</td>
<td>1%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>B3. # Catalytic Development Projects (pushing market, using innovative materials, assembling land, etc)</td>
<td>8 total</td>
<td>1 per year</td>
<td>2 per year</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reduce Greenhouse Gas Emissions (GHG)</td>
<td>B4. Regional GHG reduced by TOD on BART property (pounds/day)</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td></td>
</tr>
<tr>
<td><strong>C. Ridership</strong></td>
<td>Increase BART ridership</td>
<td>C1. Estimated Weekday Riders generated from TOD on BART property (weekend ridership not included)</td>
<td>3,800</td>
<td>6,000</td>
<td>20,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increase off-peak and reverse commute ridership</td>
<td>C2. TDM Programs established by cities, job centers, institutions near BART to encourage transit use</td>
<td>7</td>
<td>16 (All Regional Centers, City Centers)</td>
<td>33 (All Regional Centers, City Centers, Suburban Centers, Mixed-Use Corridors)</td>
<td></td>
</tr>
<tr>
<td><strong>D. Value Creation/Value Capture</strong></td>
<td>Capture value of transit for infrastructure, TOD</td>
<td>D1. Pilot new finance mechanisms to support transit, TOD</td>
<td>1: TBAD (In Progress)</td>
<td>TBAD, Density Bonus, EIFD, VMF Impact Fee all tested near BART stations</td>
<td>Test new tools as needed</td>
<td></td>
</tr>
<tr>
<td><strong>E. Transportation Choice</strong></td>
<td>Reduce overall car ownership</td>
<td>E1. Maximum parking spaces/residential unit</td>
<td>1.47</td>
<td>0.9 average across all BART development</td>
<td>lower than 2025 target of 0.9</td>
<td>Share of HH with 0 or 1 car within 1/2 mile of BART stations (2014: 57% with 0 or 1; 22% with 0 cars 4-County Total: 32%; 7%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>E2. Maximum parking spaces per 1,000 square feet office/retail</td>
<td>1.43 (Fruitaire, Richmond Pleasant Hill)</td>
<td>1.6 average across all BART development</td>
<td>lower than 2025 target of 1.6</td>
<td>Non-auto mode to work share for workers living within 1/2 mile of BART stations (2014: 54%; 4-County Total: 30%)</td>
</tr>
<tr>
<td></td>
<td>Reduce vehicle miles traveled</td>
<td>E3. Reduction in vehicle trips from standard development via TDM-related measures (e.g. car share, bike share, transit passes) - equivalent to GreenTrip</td>
<td>1/2 of BART housing projects incorporate TDM to reduce vehicle trips</td>
<td>3/4 of BART housing projects incorporate TDM to reduce vehicle trips</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>F. Affordability &amp; Equity</strong></td>
<td>Ensure all incomes can live near transit</td>
<td>F1. # affordable units on BART property</td>
<td>764</td>
<td>2,450</td>
<td>7,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increase Opportunities for Disadvantaged Businesses (Federal) and Small Businesses</td>
<td>F2. Share of housing units systemwide that are affordable</td>
<td>32%</td>
<td>35%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>F3. Disadvantaged Business and Small Business Utilization</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td></td>
</tr>
<tr>
<td>Project (Year completed)</td>
<td>Total Units</td>
<td>Affordable Units</td>
<td>% Affordable</td>
<td>Office (SF)</td>
<td>Retail (SF)</td>
<td>Hotel (Rooms)</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-------------</td>
<td>------------------</td>
<td>--------------</td>
<td>------------</td>
<td>------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Castro Valley (1993)</td>
<td>96</td>
<td>96</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fruitvale Phase I (2004)</td>
<td>47</td>
<td>10</td>
<td>21%</td>
<td>27,000</td>
<td>37,000</td>
<td></td>
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<tr>
<td>Pleasant Hill Phase I (2008)</td>
<td>422</td>
<td>84</td>
<td>20%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hayward (1998)</td>
<td>170</td>
<td>0</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ashby (2011)</td>
<td>0</td>
<td>0</td>
<td>0%</td>
<td>80,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Richmond Phase I (2004)</td>
<td>132</td>
<td>66</td>
<td>50%</td>
<td></td>
<td>9,000</td>
<td></td>
</tr>
<tr>
<td>MacArthur Ph I &amp; II (2016 &amp; 2019)</td>
<td>475</td>
<td>90</td>
<td>19%</td>
<td></td>
<td>33,000</td>
<td></td>
</tr>
<tr>
<td>San Leandro (2017 &amp; 2019)</td>
<td>200</td>
<td>200</td>
<td>100%</td>
<td>5,000</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>West Dublin (2013)</td>
<td>309</td>
<td>0</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East Dublin (2008)</td>
<td>240</td>
<td>0</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>South Hayward Ph I (2017)</td>
<td>354</td>
<td>152</td>
<td>43%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>West Pleasanton (2019)</td>
<td>0</td>
<td>0</td>
<td>0%</td>
<td>410,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coliseum (2019)</td>
<td>110</td>
<td>55</td>
<td>50%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL COMPLETED</strong></td>
<td><strong>2555</strong></td>
<td><strong>753</strong></td>
<td><strong>29%</strong></td>
<td><strong>522,000</strong></td>
<td><strong>115,590</strong></td>
<td></td>
</tr>
<tr>
<td>MacArthur Ph III (began 2018)</td>
<td>787</td>
<td>56</td>
<td>7%</td>
<td></td>
<td>13,000</td>
<td></td>
</tr>
<tr>
<td>Walnut Creek (began 2017)</td>
<td>596</td>
<td>0</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pleasant Hill Block C (began 2018)</td>
<td>200</td>
<td>0</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fruitvale Phase IIA (began 2018)</td>
<td>94</td>
<td>92</td>
<td>98%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL UNDER CONSTRUCTION</strong></td>
<td><strong>1677</strong></td>
<td><strong>148</strong></td>
<td><strong>9%</strong></td>
<td><strong>0</strong></td>
<td><strong>13,000</strong></td>
<td></td>
</tr>
<tr>
<td>Millbrae (Approved)</td>
<td>400</td>
<td>100</td>
<td>25%</td>
<td>150,000</td>
<td>45,000</td>
<td>164</td>
</tr>
<tr>
<td>Pleasant Hill Block D (Approved)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fruitvale Phase IIB (Approved)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balboa Park (In Negotiation)</td>
<td>131</td>
<td>131</td>
<td>100%</td>
<td>3,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>West Oakland (In Negotiation)</td>
<td>~750</td>
<td>~240</td>
<td>~32%</td>
<td>~380,000</td>
<td>~50,000</td>
<td></td>
</tr>
<tr>
<td>Lake Merritt (In Negotiation)</td>
<td>~500</td>
<td>~200</td>
<td>~44%</td>
<td>~500,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North Concord (Solicitation in 2019)</td>
<td>~360</td>
<td>~90</td>
<td>~25%</td>
<td>~800,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GRAND TOTAL - ALL PHASES</strong></td>
<td><strong>5673</strong></td>
<td><strong>1841</strong></td>
<td><strong>32%</strong></td>
<td><strong>2,642,000</strong></td>
<td><strong>232,590</strong></td>
<td><strong>164</strong></td>
</tr>
</tbody>
</table>
10-Year Work Plan for Transit-Oriented Development Phase 1: Performance Evaluation

**Current BART TOD Program Progress Toward 2025 Goal**

- **Commercial**
  - Completed: x
  - West Oakland: x
  - Fruitvale Phase IIB and Balboa Park: x

- **Residential**
  - Completed: 6,226 units
  - Under Construction: 7,000 units
  - Pleasant Hill Block D: 2,450 units
  - Lake Merritt: 1,840 units

- **Affordable**
  - Completed: x
  - Under Construction: x
  - North Concord: x

- In Negotiation: 2.9 million square feet

- Goal: 1 million square feet, 7,000 units, 2,450 units
10-Year Work Plan for Transit-Oriented Development
Phase 1: Performance Evaluation

**Current BART TOD Program Progress Toward 2040 Goal**

- **4.5 million square feet**
- **20,000 units**
- **7,000 units**

<table>
<thead>
<tr>
<th>Category</th>
<th>Completed</th>
<th>Under Construction</th>
<th>In Negotiation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td></td>
<td></td>
<td>6,226 units</td>
</tr>
<tr>
<td>Affordable</td>
<td></td>
<td></td>
<td>1,840 units</td>
</tr>
<tr>
<td>Commercial</td>
<td></td>
<td></td>
<td>2.9 m. square feet</td>
</tr>
</tbody>
</table>

- Completed
- Under Construction
- In Negotiation

- Pleasant Hill Block D
- North Concord
- Fruitvale Phase IIB and Balboa Park
10-Year Work Plan for Transit-Oriented Development
Phase 1: Performance Evaluation

**Housing Units: Pace of Development Since 1990s**

- **All Units**
- **Affordable Units**

- Completed (including projects that will be completed in 2020)
- Additional units under construction and negotiation, as of 12/2019
- **2025 Target (BART TOD Policy Performance Measures and Targets)**

- 774 more units needed to reach 2025 goal
- 610 more units needed to reach 2025 goal
Office: Current pipeline of projects exceeds 2025 target, 63% of 2040 target. Should assume some losses due to project delivery risk

Overall Residential: 774 units short of 2025 goal. Projects initiated in next 2 years could support 2025 goal

Affordable Housing: Largest 2025 % shortfall, with 610 new units needed (out of 774 total)
10-Year Work Plan for Transit-Oriented Development
Phase 2: Clarify Development Opportunities

A. Evaluate suitability of BART property for development
B. Remove properties needed for BART operations
C. Articulate BART expectations by station for:
   • Parking replacement (based on Access Typology)
   • Job-generating uses
   • Affordable housing
D. Evaluate BART staff capacity to initiate new projects
10-Year Work Plan for Transit-Oriented Development Phase 2: Clarify Development Opportunities

*Deep Dive:* Articulate BART expectations for job-generating uses and affordable housing

Excerpt from 2017 TOD Guidelines, showing sites reserved for employment uses in red
10-Year Work Plan for Transit-Oriented Development Phase 2: Clarify Development Opportunities

Source: Jurisdiction Staff Interviews, April/May 2019
No market feasibility screen applies

Legend

- Flexible
- Prefer Housing
- Prefer Jobs
- On Use

- No developable BART-owned land

- May not be subject to AB 2923*

- Existing Development Agreement

*Orinda: BART does not own land but a development would require BART staff time
Daly City: Only a small portion of property is subject to AB2923
Irvington: Application of AB 2923, and BART-owned land depends on cost of project, TBD
10-Year Work Plan for Transit-Oriented Development
Phase 3: Prioritize Stations through Screening Process

1. Development Readiness
   - Market Feasibility
   - Feasibility of Non-Market Driven Uses (Affordable Housing / Institutional Users)
   - Nearby development activity
   - Surrounding station access context supports TOD (walkability, eg)

2. Local Support
   - Alignment of City/County support with BART’s priorities
   - Zoning for desired BART uses / densities
   - Recent community engagement demonstrates local support
   - Risk of displacement and local anti-displacement policies

3. Implementation Barriers & Opportunities
   - BART infrastructure needs & possible cost/complexity (replacement parking, e.g.)
   - Competitiveness for federal, state, regional funding sources
   - Availability of local funding to support affordable housing/infrastructure costs
   - Other expected funding opportunities (e.g. foundation grants)
   - Local experience with innovative financing/implementation measures (e.g. EIFD, parking districts)
10-Year Work Plan for Transit-Oriented Development
Phase 4: Define Next Steps for Short-Term Priorities

How well do priority TOD sites address BART’s TOD goals?
- TOD Targets
- Ridership (reverse commute)
- Revenue?

What more is needed from BART to achieve these goals?
- Planning/Predevelopment
- Station modernization priorities
- Land value / grants / financial?
TOD Implementation
Deep Dive:
Funding Affordable Housing
Transit-Oriented Development Financial Return Background

Revenue from Land Value

- Increase Non-Ridership Revenue
- Ground Lease, Participation
- Upgrade BART Infrastructure (Parking Garages, Police Facilities, Station/Access Upgrades)
- Parking or Other Station Access, Structural & Safety
- Affordable Housing, Project Stabilization Agreements
- Provide Community Benefits (Beyond City Requirements)
Transit-Oriented Development
Financial Return Background

Anticipated Revenue from Existing & Planned TOD Projects

- LEASE/SALE FOR CURRENT TOD
- LEASE/SALE FUTURE TOD
- PARTICIPATION CURRENT TOD
- PARTICIPATION FUTURE TOD

~$80 m. to Parking:
- MacArthur¹
- Richmond¹
- San Leandro¹
- Fruitvale²
- Pleasant Hill²
- Walnut Creek²

¹Parking replacement as consideration for sale of land to 3rd party
²Lease credit or similar deferred payment to cover cost of parking
Transit-Oriented Development
Financial Return Background

Total TOD Value to BART, 2010-2040: $311 million
- Parking Garage Investments**: 60% $186 m
- Other BART Investments**: 20% $62 m
- Leases*: 16% $50 m
- Participation*: 4% $14 m

Total TOD Value to BART, 2010-2040, with Net Ridership Gains: $602 million
- Net New Ridership Revenue 48% $291 m
- Parking Garage Investments**: 31% $186 m
- Other BART Investments**: 10% $62 m
- Leases*: 8% $50 m
- Participation*: 2% $14 m

Current TOD Deals only – more revenue from future deals in next 20 years
* Net Present Value from 30 years of revenue
** Based on construction cost
Affordable Housing – Typical Funding Gap

Affordable housing gap filled by local funding is $135,000 - $200,000 / unit

Availability of funds varies by city and county

Per Unit Funding Source For a Sample of Affordable Housing Projects in the Bay Area Region, 2013-2016

*Values in bold represent total development cost per unit. Includes Alameda, Contra Costa, San Francisco, San Mateo and Santa Clara Counties.

Source: Pro formas for 46 affordable housing projects made available by the California Tax Credit Committee, 2013-2016; Novin Development and Strategic Economics, 2017.
Affordable Housing – Typical Land Cost

Figure 2: Total Per Unit Prototype Cost

Land cost is ~$25,000-$75,000 per unit

Excerpt from “Making it Pencil: The Math Behind Housing Development,” David Garcia, Terner Center
http://ternercenter.berkeley.edu/uploads/Making_It_Pencil_The_Math_Behind_Housing_Development.pdf
Affordable Housing – Anatomy of a Deal

BART’s past approach to affordable housing deals:
1. Direct ground lease (Castro Valley)
2. Land as consideration or lease credit for parking garages, other infrastructure (MacArthur, San Leandro, Fruitvale, Richmond)
3. Land value as in-kind match to City, County financial contributions (Millbrae)

BART’s past approaches do not offer a “standard practice” model
Affordable Housing – Other Agency Practices

**Los Angeles Metro:** up to 30% discount for projects
- **Pros:** Offers certainty to developers, retains some revenue
  - **Cons:** First project under new policy needed a 42% discount

**Sound Transit:** Voter approved state law requires 80% land to affordable projects, with at least 80% units affordable, to 80% median income or less
- **Pros:** No ambiguity about the agency’s goal; leveraged outside partnerships with funders
  - **Cons:** limited to no revenue to Sound Transit
Transit-Oriented Development: Key Discussion Question

What are BART’s financial goals for affordable housing, given the barriers to delivering on our 35% affordability goal?
Transit-Oriented Development: Proposed Framework for Affordable Housing Discount

**BART’s Negotiating Terms**

- **Fair Market Value (No Discount)**
  - No discount for market rate development

- **30% Discount**
  - Board Authorization needed for deeper discount
  - Significantly exceeds 20% minimum affordable housing requirement

- **Maximum Discount?**
  - Deeper discount only in exceptional circumstances