Rendering of Lake Merritt TOD
Source: Strada, EBALDC

Transit-Oriented Development

BART Board 2020 Workshop

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

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

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

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

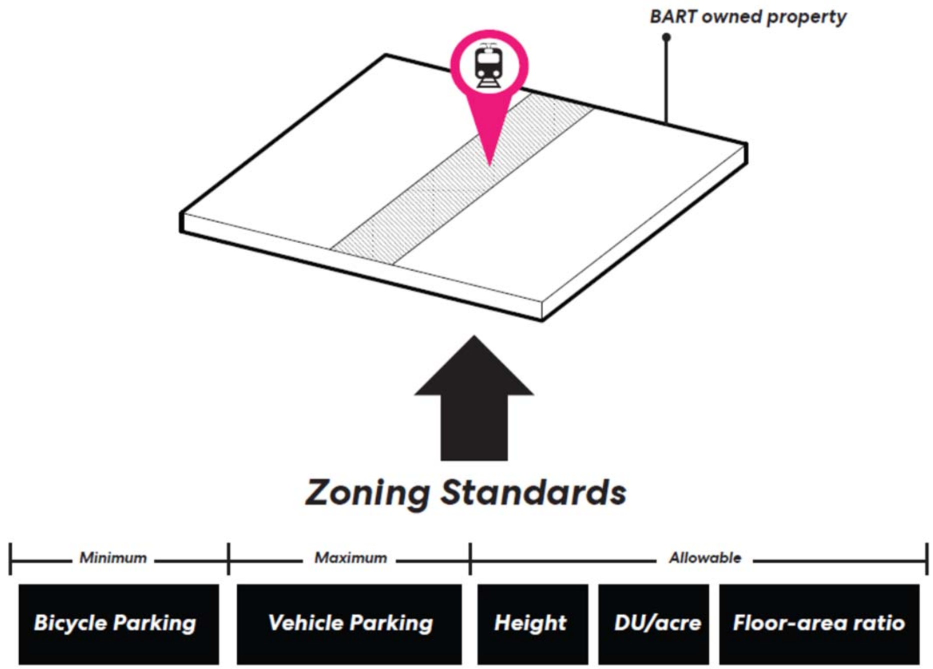
Planning for Late February- April 2020

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

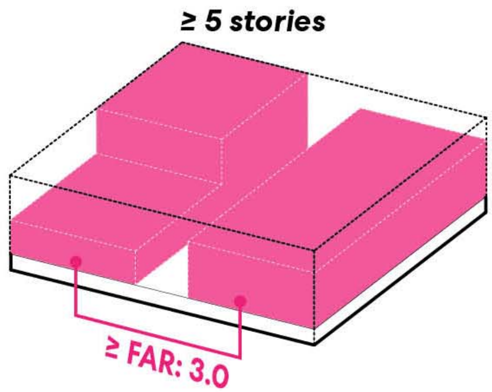
Until 2029 when bill sunsets

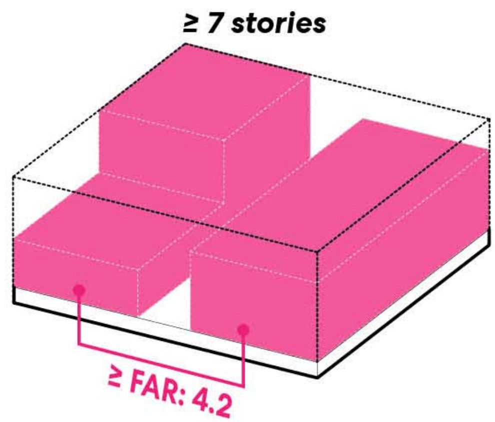
- BART Board can adopt TOD Zoning Standards any time (with CEQA documentation)
  - Local jurisdiction has 2 years to rezone from that point

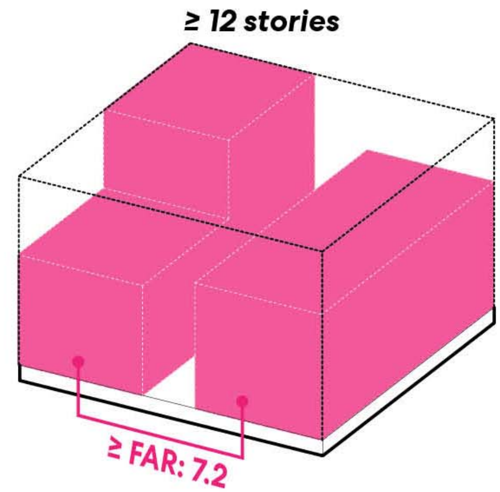
2017 TOD Guidelines (Basis for Zoning Standards)

Neighborhood/ Town Center	Urban Neighborhood/ City Center	Regional Center

Allowable Height and Floor Area Ratio



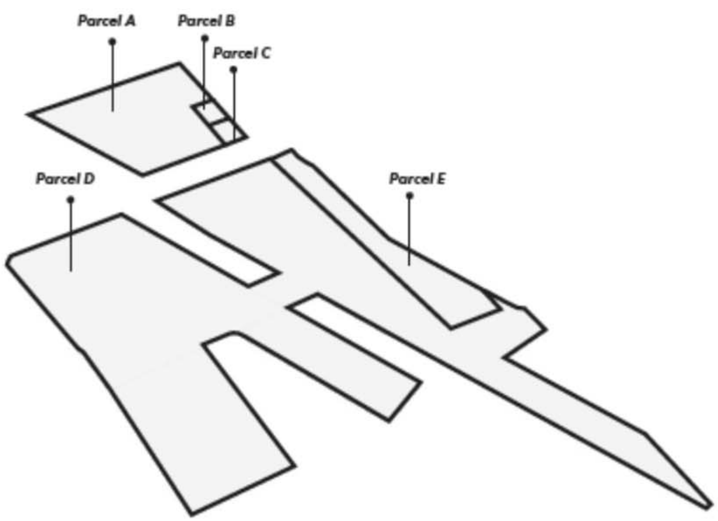




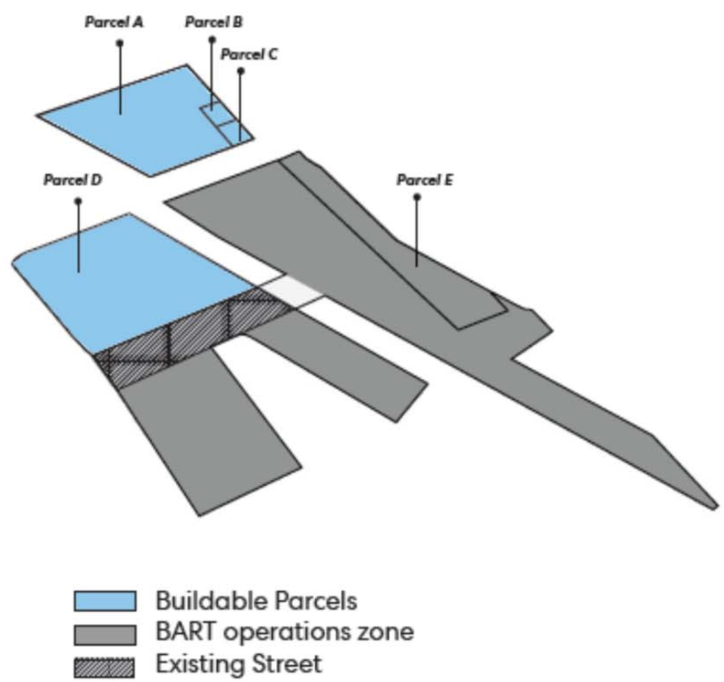
Neighborhood/ Town Center	Urban Neighborhood/ City Center	Regional Center
Allowable Residential Density		
75 dwelling units per acres or higher		
Minimum Secure Bike Parking		
1 space per residential unit		
Maximum Residential Vehicle Parking		
1.0 spaces per unit	0.5 spaces per unit	0.375 spaces per unit
Maximum Office Vehicle Parking		
2.5 per 1,000 square feet	1.6 per 1,000 square feet	0 per 1,000 square feet

AB 2923 Guidance: Case Studies (Hayward, North Berkeley, Pittsburg Center)

BART-Owned Parcels

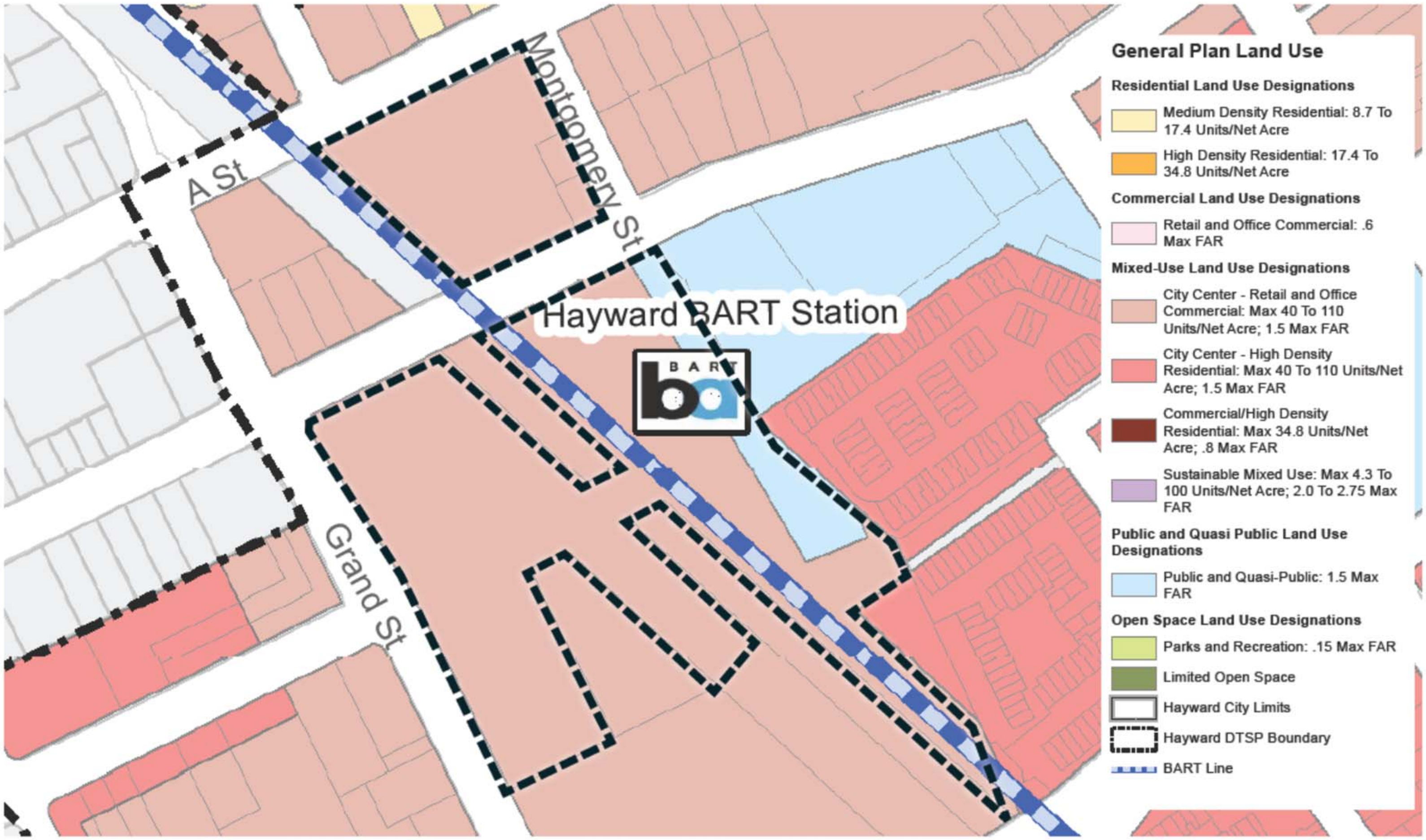


Buildable and Non-Buildable Parcels



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?

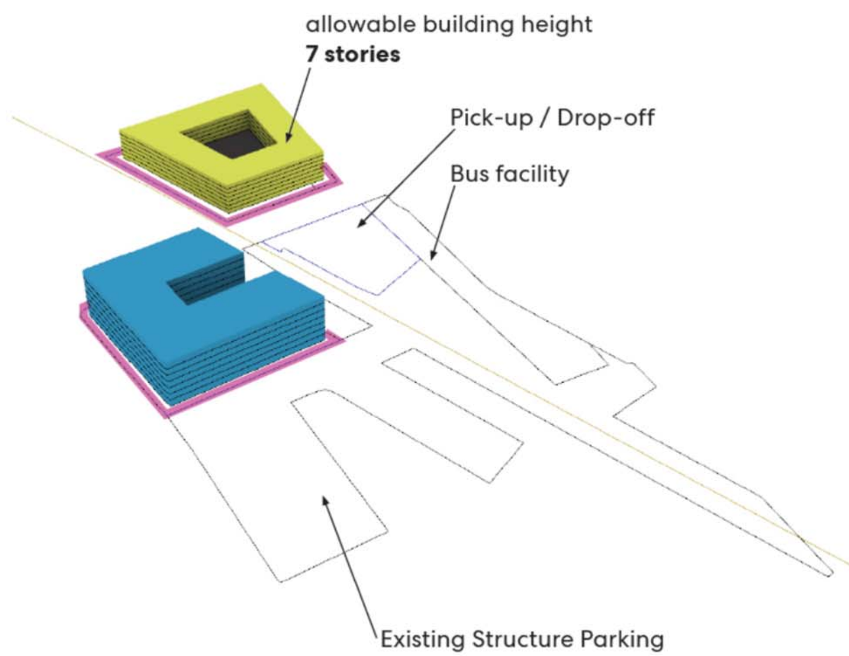
AB 2923 Guidance: Case Studies (Hayward, North Berkeley, Pittsburg Center)

Site Area:	11.4 Acres
Non-Buildable Area:	7.2 Acres
Buildable Area:	4.1 Acres
NET FAR:	4.2
NET Residential Density:	123 DU/Acre

	GFA	Units
Office	418,000	-
Residential	330,000	330
Retail	-	-
Total	**748,000**	**330**
Bicycle Parking	Yield	Minimum
	330	330
Parking	Yield	Maximum
BART Parking*	-	-
Office Parking	269	669
Residential Parking	165	165
Grand Total	**434**	**834**

*BART parking needs to be determined

Assumptions: 1,000 sq ft / DU, 20' ground floor height, 12' residential floor to floor height



Consider: does zoning conform? What needs to change?

AB 2923 Guidance: Case Studies
Early Findings

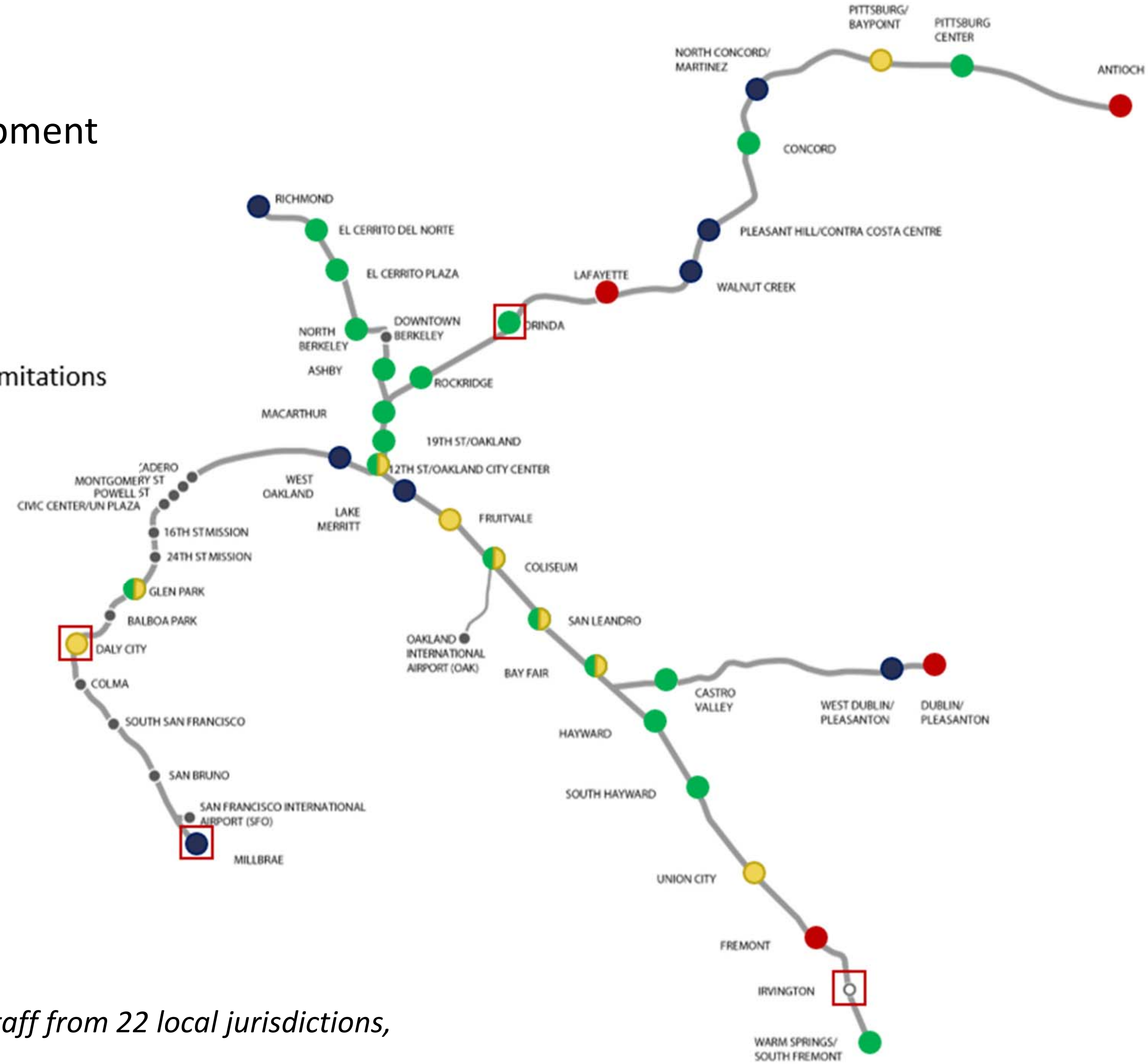
- Density, Height, Floor-Area-Ratio (FAR) do not often line up well (More density is needed to achieve heights, more height is needed to achieve FAR)
- On larger properties, achieving required Floor-Area-Ratio calculation in AB 2923 is nearly impossible within height limits
- Limited room for other design 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

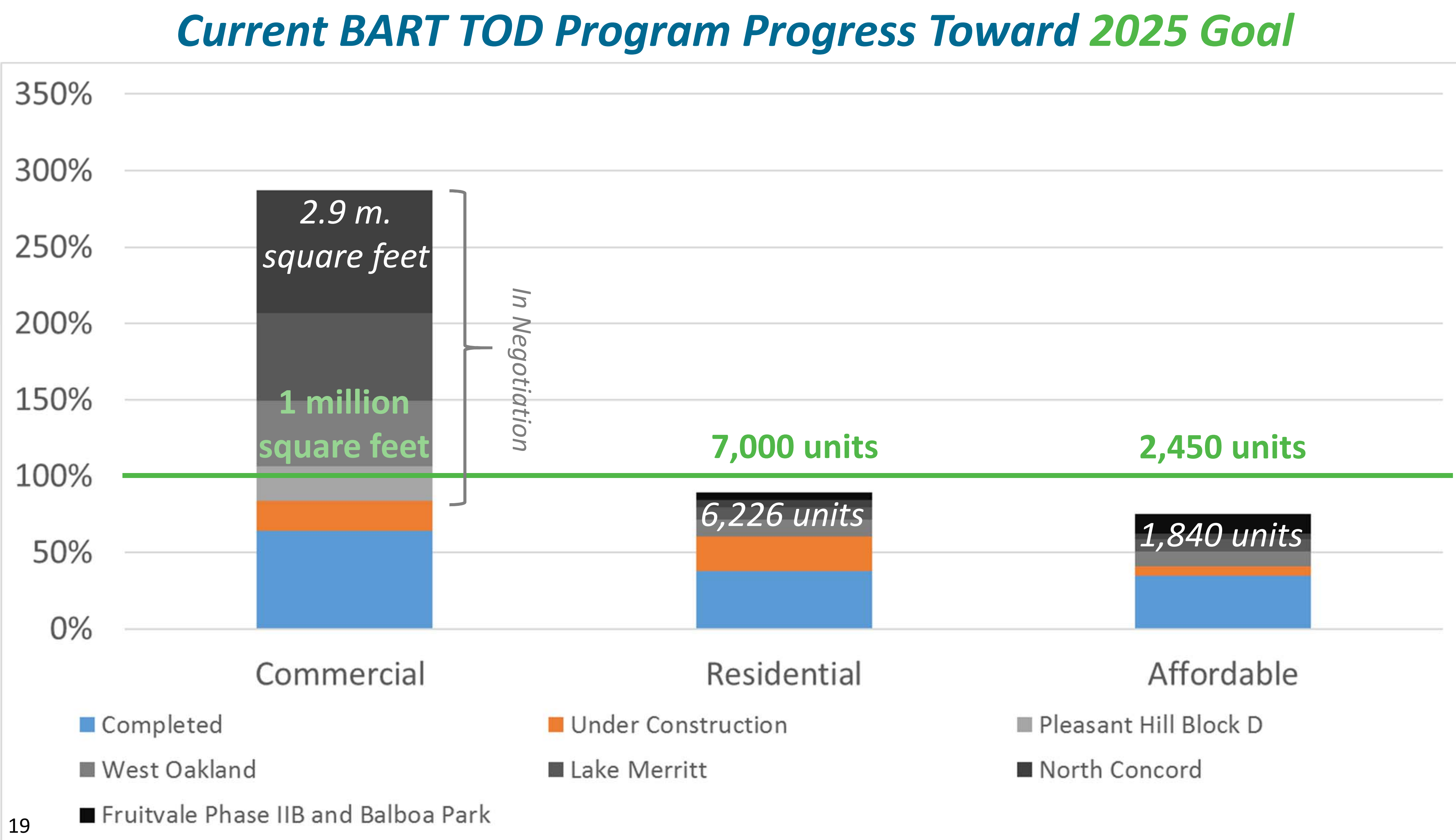
BART Board of Directors: Transit-Oriented Development Policy Performance Measures and Targets

Adopted December 1, 2016

POLICY GOAL	INTENT	STANDARDS FOR TOD ON BART LAND					STATION AREA GOALS	
		#	Draft Performance Measures	Baseline	2025 Target	2040 Target	2040 Target	Unit of Measurement
A. Complete Communities	District Vitality and Growth	A1.	Residential Units to be produced on BART property	2,397	7,000	20,000	84%	Increase in Housing Units within 1/2 mile of BART stations from 2010 to 2040[1] (155,800 new units)
		A2.	Office/Commercial Square Feet to be produced on BART property	208,682	1,000,000	4,500,000	53%	Increase in Jobs within 1/2 mile of BART stations, 2010-2040 (277,500 new jobs)[1]
		A3.	Minimum net density threshold for units on BART property		Min 75 DU/Acre			
	Mix of Uses	A4.	# Station areas (1/2 mile) more than 1 mile from grocery store	9	7	0	85	Average Walkscore® for BART Stations (2016 Average: 75)
B. Sustainable Communities Strategy	Plan Bay Area (PBA) Implementation & Regional Quality of Life	B1.	% Units on BART Property supporting Station Area goal of 155,800 new units within 1/2 mile of BART	0.4%	3%	12%	All stations have a Station Area Plan supporting Plan Bay Area growth targets	
		B2.	% Planned jobs on BART Property supporting Station Area Goal of 277,500 new jobs within 1/2 mile of BART	0%	1%	5%		
		B3.	# Catalytic Development Projects (pushing market, using innovative materials, assembling land, etc)	8 total	1 per year	2 per year		
	Reduce Greenhouse Gas Emissions (GHG)	B4.	Regional GHG reduced by TOD on BART property (pounds/day)	TBD	TBD	TBD	TBD	% Reduction in per capita CO2 emissions, region-wide[1]
C. Ridership	Increase BART ridership	C1.	Estimated Weekday Riders generated from TOD on BART property (weekend ridership not included)	3,800	6,000	20,000	200,000	Added weekday ridership from growth within 1/2 mile of BART stations
	Increase off-peak and reverse commute ridership	C2.	TDM Programs established by cities, job centers, institutions near BART to encourage transit use	7	16 (All Regional Centers, City Centers)	33 (All Regional Centers, City Centers, Suburban Centers, Mixed-Use Corridors)	Growth in morning peak hour exits from 2015-2040 is 25% greater in Centers outside San Francisco than in Downtown San Francisco[2]	
D. Value Creation/Value Capture	Capture value of transit for infrastructure, TOD	D1.	Pilot new finance mechanisms to support transit, TOD	1: TBAD (In Progress) 2: Density Bonus for Community Benefits (El Cerrito)	TBAD, Density Bonus, EIFD, VMT Impact Fee all tested near BART stations	Test new tools as needed	Successful value capture mechanisms in widespread use to finance transit, TOD	
E. Transportation Choice	Reduce overall car ownership	E1.	Maximum parking spaces/residential unit	1.47	0.9 average across all BART development	lower than 2025 target of 0.9	65%	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%)[3]
		E2.	Maximum parking spaces per 1,000 square feet office/retail	1.43 (Fruitvale, Richmond, Pleasant Hill)	1.6 average across all BART development	lower than 2025 target of 1.6	65%	Non-auto mode to work share for workers living within 1/2 mile of BART stations (2014: 54%; 4-County Total: 30%)[3]
	Reduce vehicle miles traveled	E3.	Reduction in vehicle trips from standard development via TDM-related measures (e.g. car share, bike share, transit passes) - equivalent to GreenTrip		1/2 of BART housing projects incorporate TDM to reduce vehicle trips	3/4 of BART housing projects incorporate TDM to reduce vehicle trips		
F. Affordability & Equity	Ensure all incomes can live near transit	F1.	# affordable units on BART property	764	2,450	7,000	No net loss of low income households (91,000 HH earning less than $50,000 living in 1/2 mile in 2014)[4]	
		F2.	Share of housing units systemwide that are affordable	32%	35%			
	Increase Opportunities for Disadvantaged Businesses (Federal) and Small Businesses	F3.	Disadvantaged Business and Small Business Utilization	TBD	TBD	TBD		

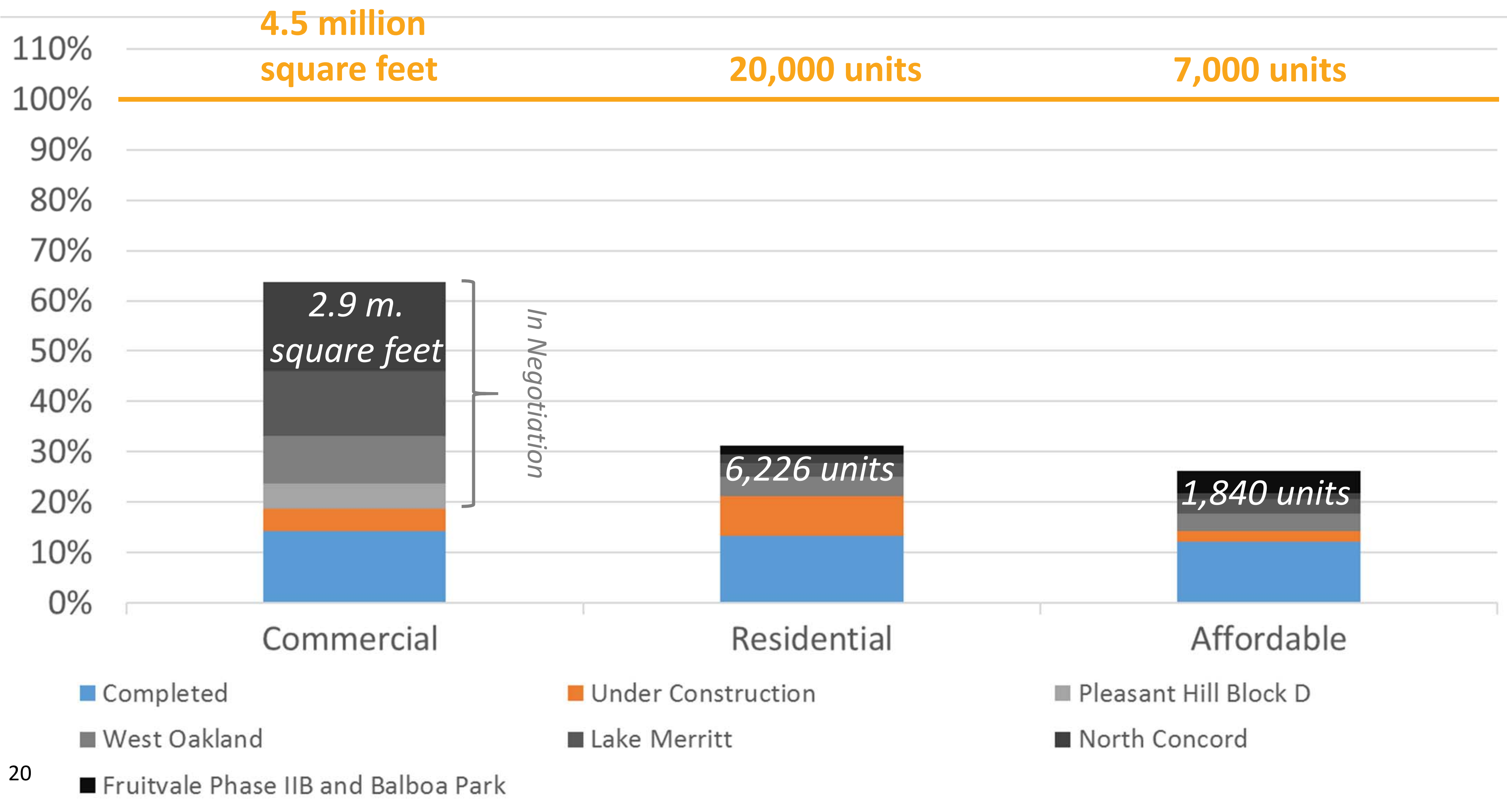
	Project (Year completed)	Total Units	Affordable Units	% Affordable	Office (SF)	Retail (SF)	Hotel (Rooms)
Completed	Castro Valley (1993)	96	96	100%			
	Fruitvale Phase I (2004)	47	10	21%	27,000	37,000	
	Pleasant Hill Phase I (2008)	422	84	20%		35,590	
	Hayward (1998)	170	0	0%			
	Ashby (2011)	0	0	0%	80,000		
	Richmond Phase I (2004)	132	66	50%		9,000	
	MacArthur Ph I & II (2016 & 2019)	475	90	19%		33,000	
	San Leandro (2017 & 2019)	200	200	100%	5,000	1,000	
	West Dublin (2013)	309	0	0%			
	East Dublin (2008)	240	0	0%			
	South Hayward Ph I (2017)	354	152	43%			
	West Pleasanton (2019)	0	0	0%	410,000		
	Coliseum (2019)	110	55	50%			
	TOTAL COMPLETED	**2555**	**753**	**29%**	**522,000**	**115,590**	
Under Construction	MacArthur Ph III (began 2018)	787	56	7%		13,000	
	Walnut Creek (began 2017)	596	0	0%			
	Pleasant Hill Block C (began 2018)	200	0	0%			
	Fruitvale Phase IIA (began 2018)	94	92	98%			
	TOTAL UNDER CONSTRUCTION	**1677**	**148**	**9%**	**0**	**13,000**	
Planned	Millbrae (Approved)	400	100	25%	150,000	45,000	164
	Pleasant Hill Block D (Approved)				~290,000		
	Fruitvale Phase IIB (Approved)	181	179	99%		6,000	
	Balboa Park (In Negotiation)	131	131	100%		3,000	
	West Oakland (In Negotiation)	~750	~240	~32%	~380,000	~50,000	
	Lake Merritt (In Negotiation)	~500	~200	~44%	~500,000		
	North Concord (Solicitation in 2019)	~360	~90	~25%	~800,000		
	GRAND TOTAL - ALL PHASES	**5673**	**1841**	**32%**	**2,642,000**	**232,590**	**164**

10-Year Work Plan for Transit-Oriented Development Phase 1: Performance Evaluation



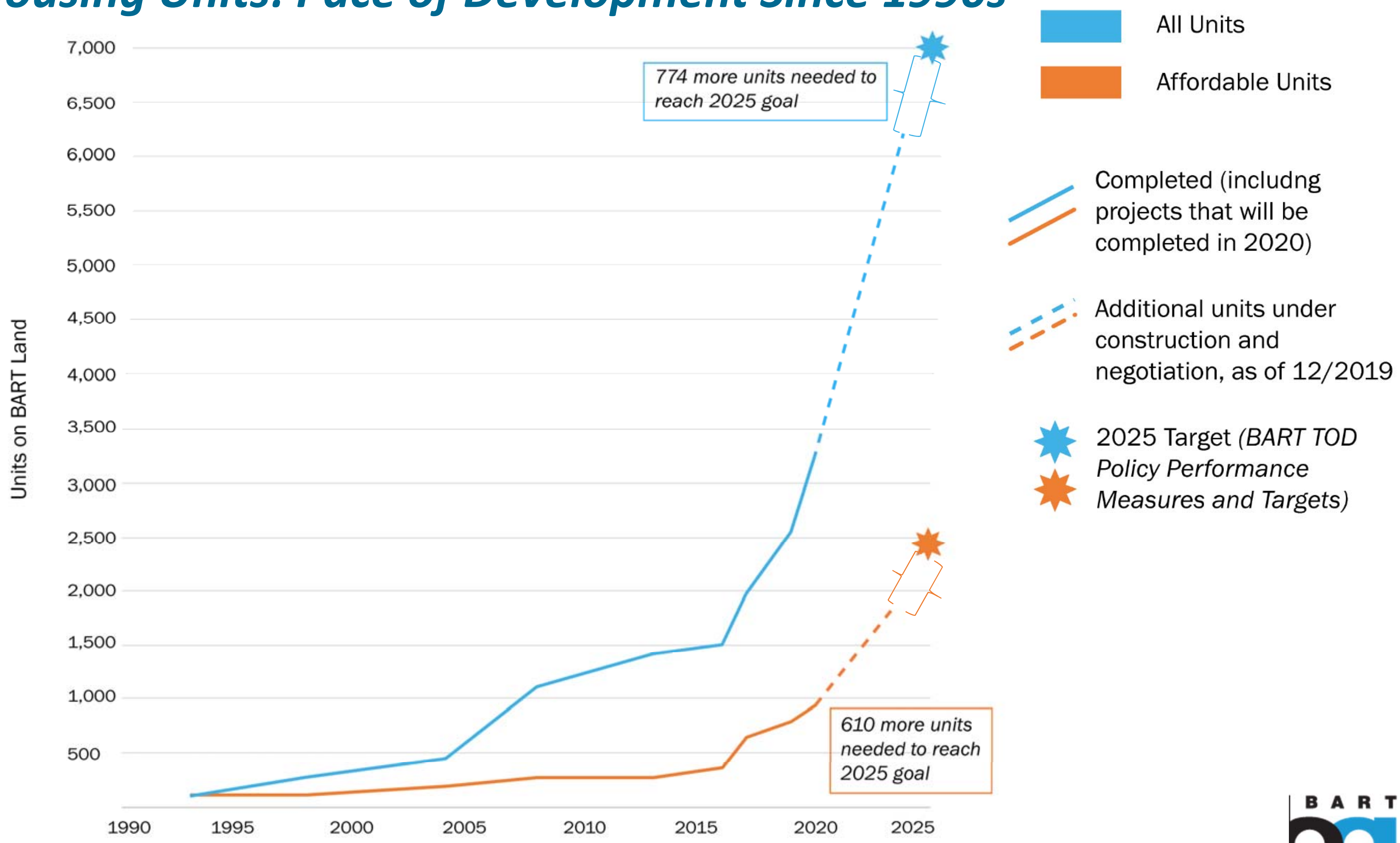
10-Year Work Plan for Transit-Oriented Development Phase 1: Performance Evaluation

Current BART TOD Program Progress Toward 2040 Goal



10-Year Work Plan for Transit-Oriented Development
Phase 1: Performance Evaluation

Housing Units: Pace of Development Since 1990s



10-Year Work Plan for Transit-Oriented Development
Phase 1: Performance Evaluation – Summary of Findings

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

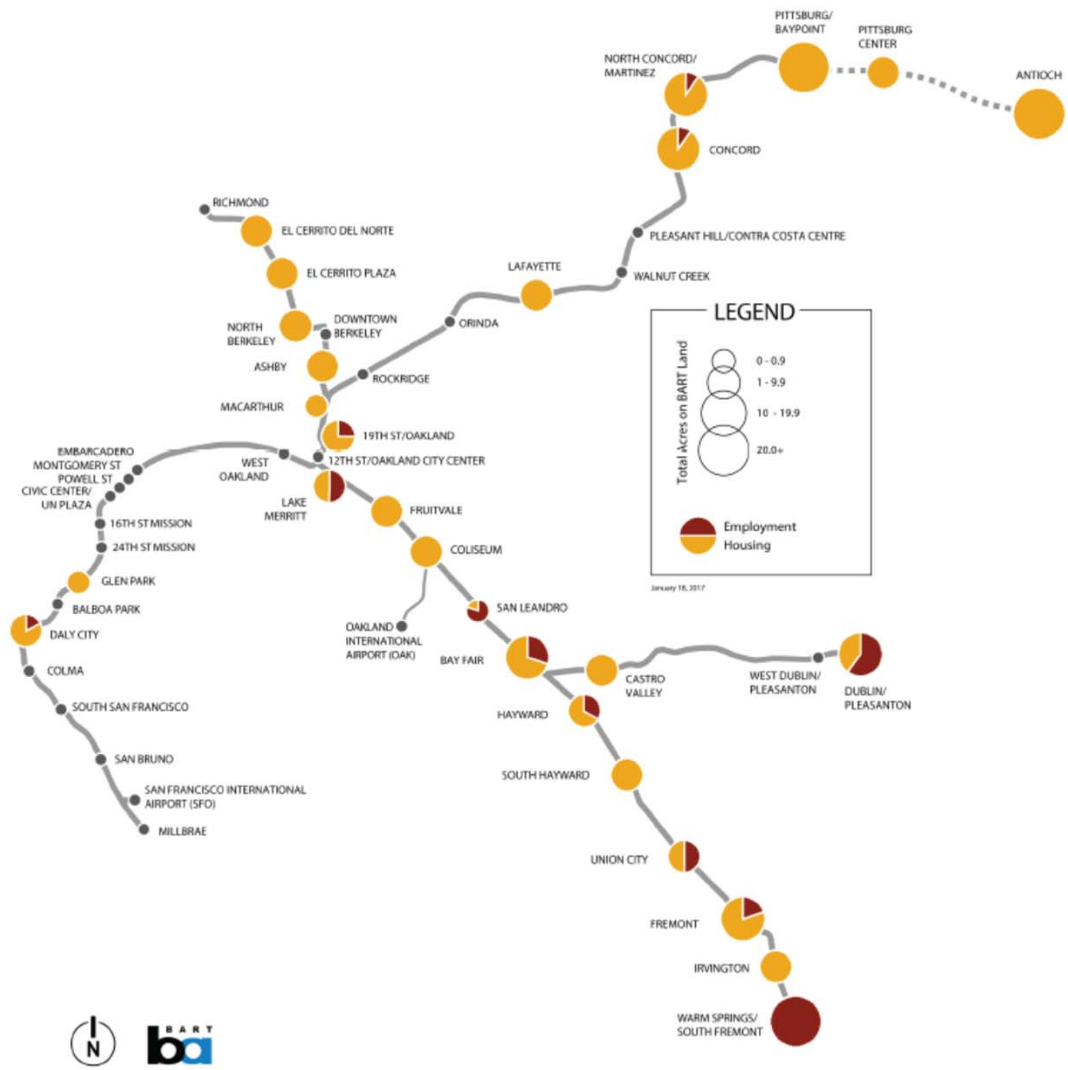
D. Evaluate BART staff capacity to initiate new projects

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

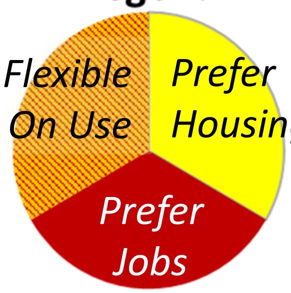
Excerpt from 2017 TOD Guidelines, showing sites reserved for employment uses in red



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

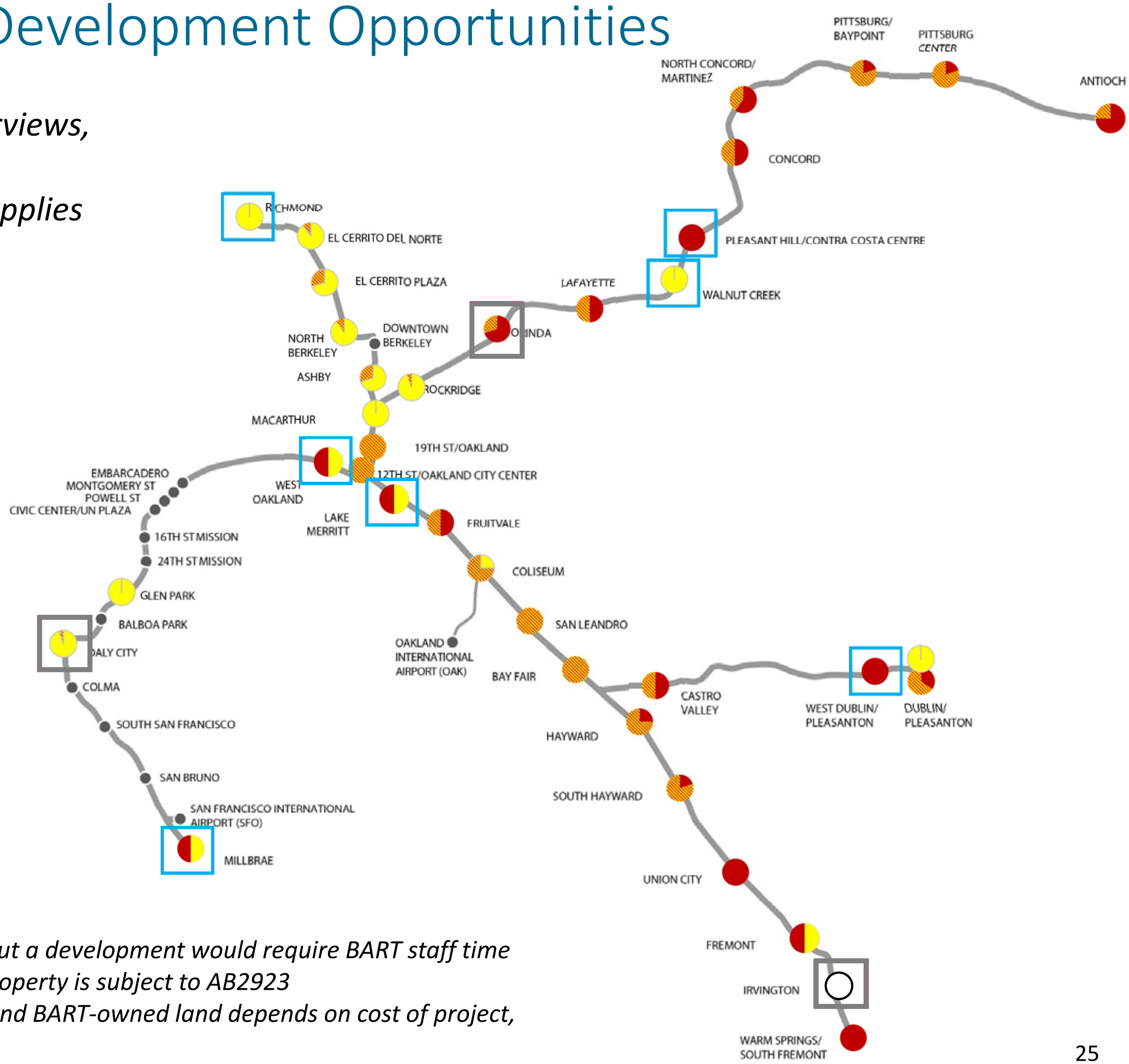
Legend



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?

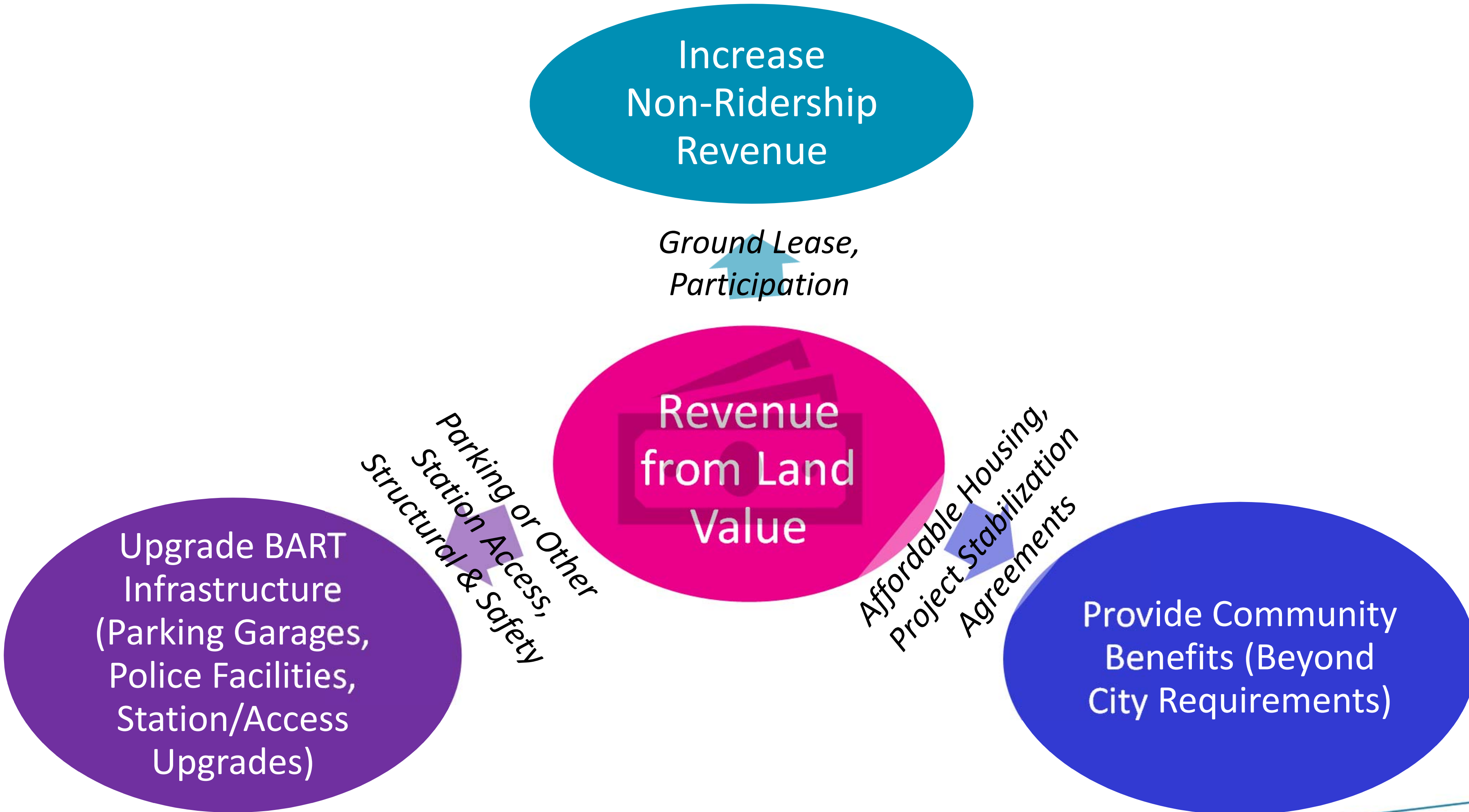
- TOD Targets
- Ridership (reverse commute)
- Revenue?

What more is needed from BART to achieve these goals?

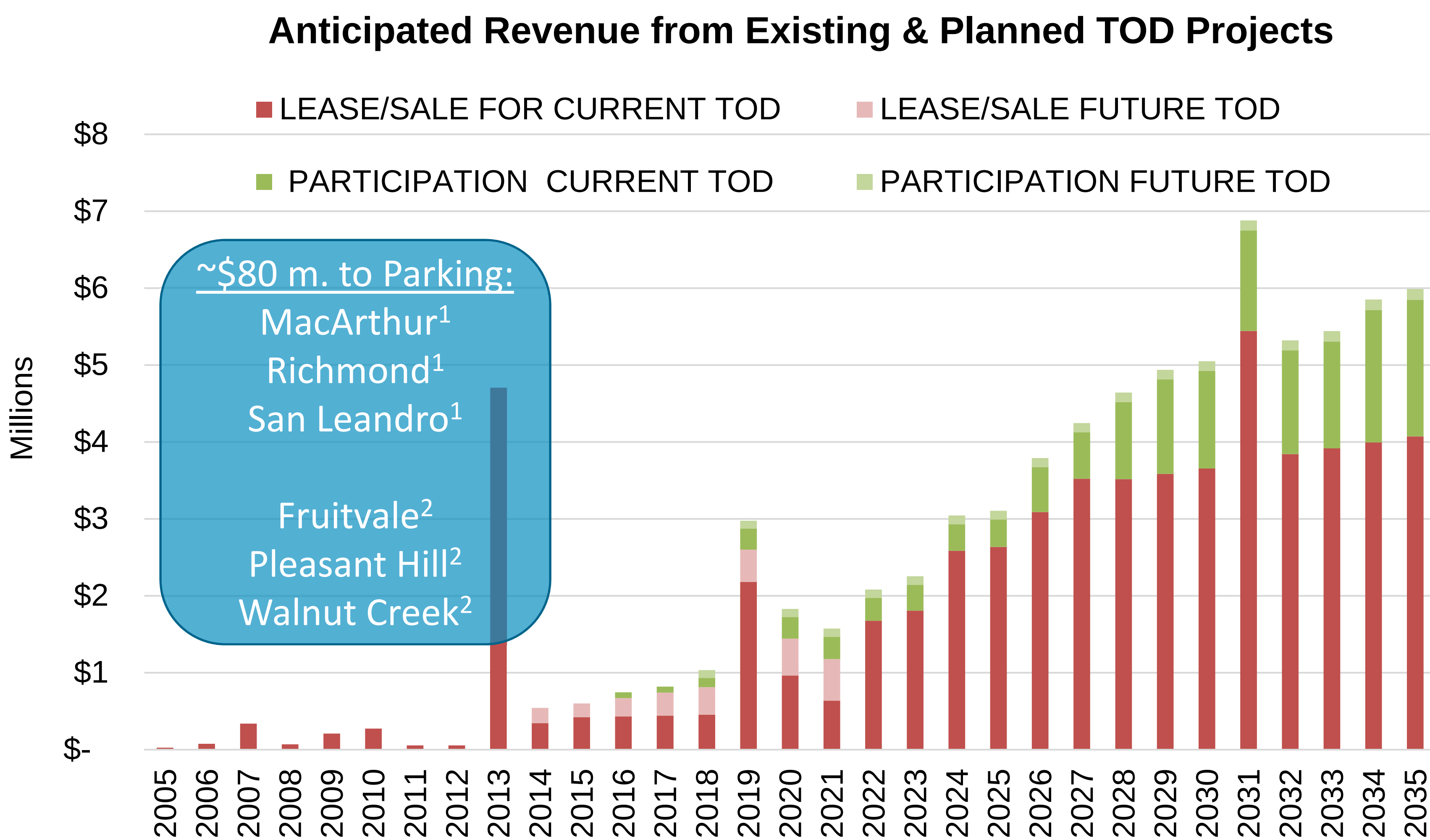
- Planning/Predevelopment
- Station modernization priorities
- Land value / grants / financial?

TOD Implementation Deep Dive: Funding Affordable Housing

Transit-Oriented Development Financial Return Background

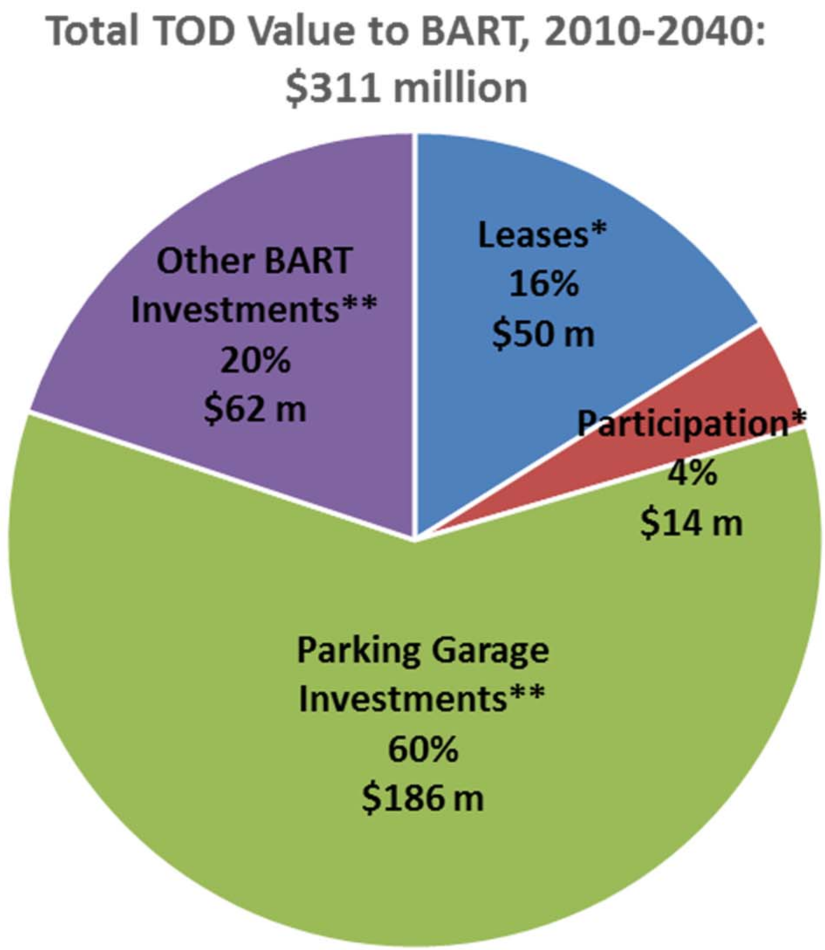


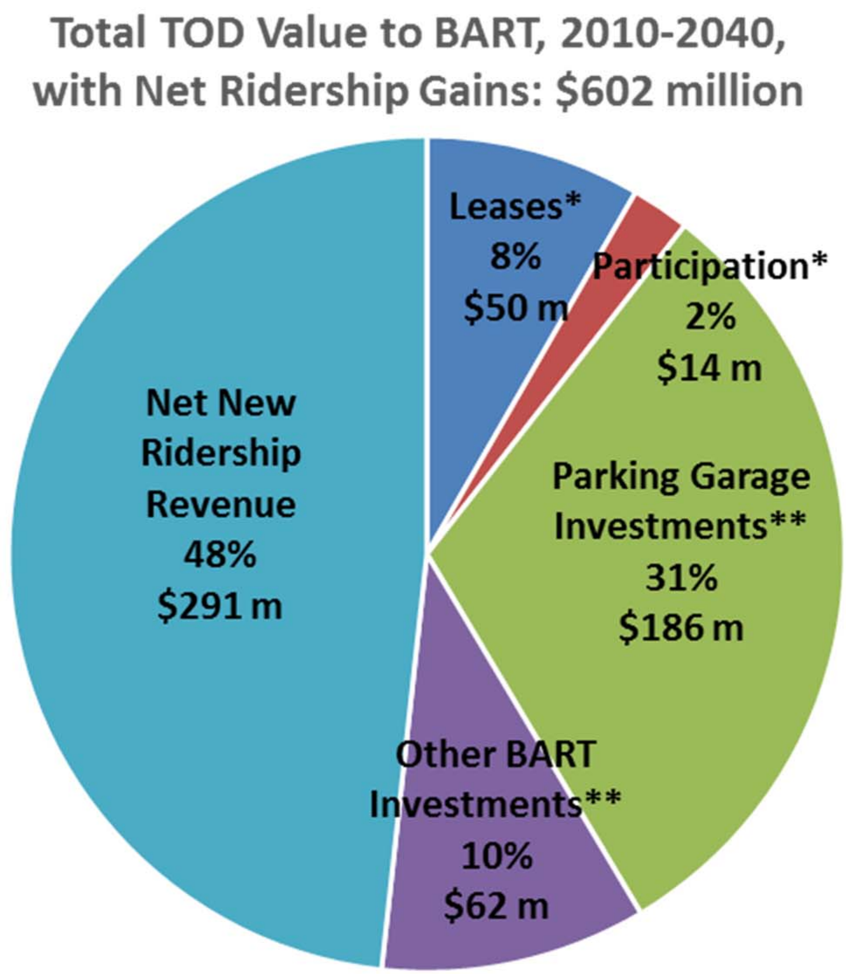
Transit-Oriented Development
Financial Return Background



[1]Parking replacement as consideration for sale of land to 3rd party
[2]Lease credit or similar deferred payment to cover cost of parking

Transit-Oriented Development Financial Return Background





Current TOD Deals only – more revenue from future deals in next 20 years

* Net Present Value from 30 years of revenue

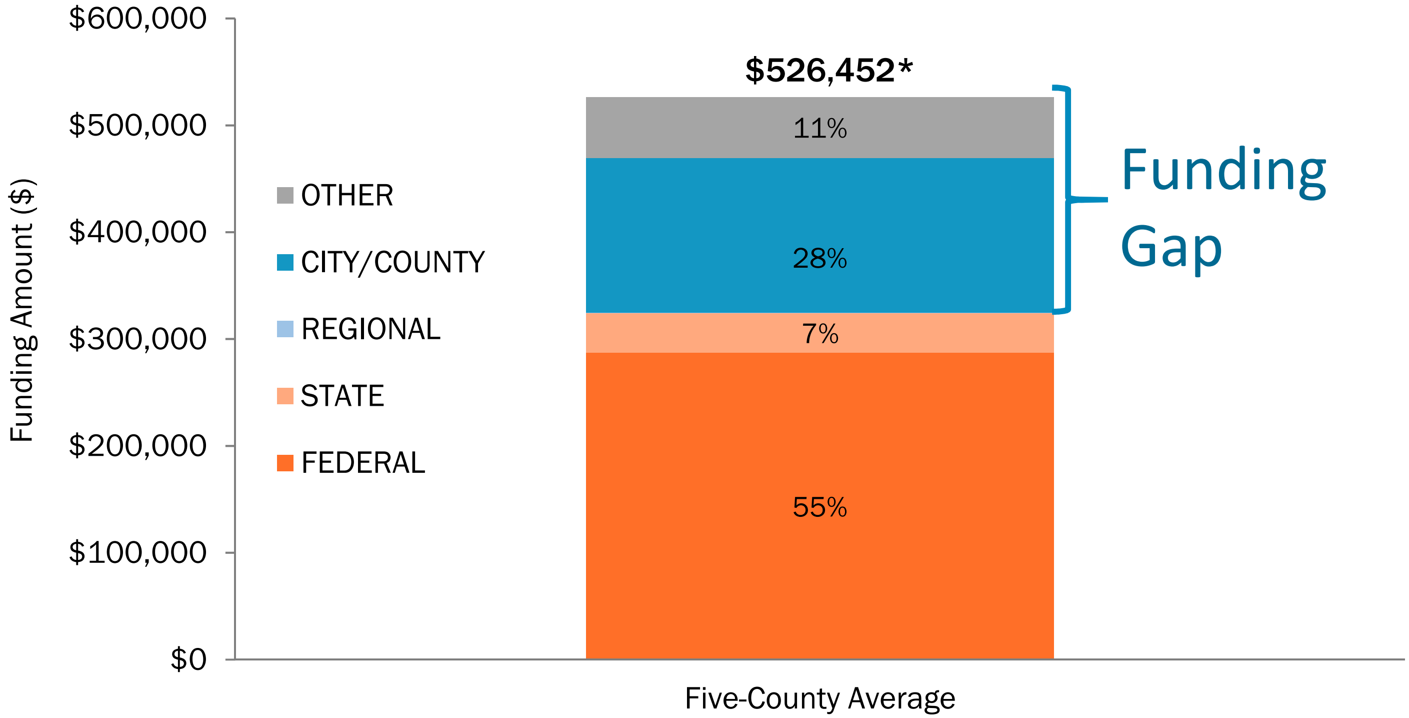
** Based on construction cost

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

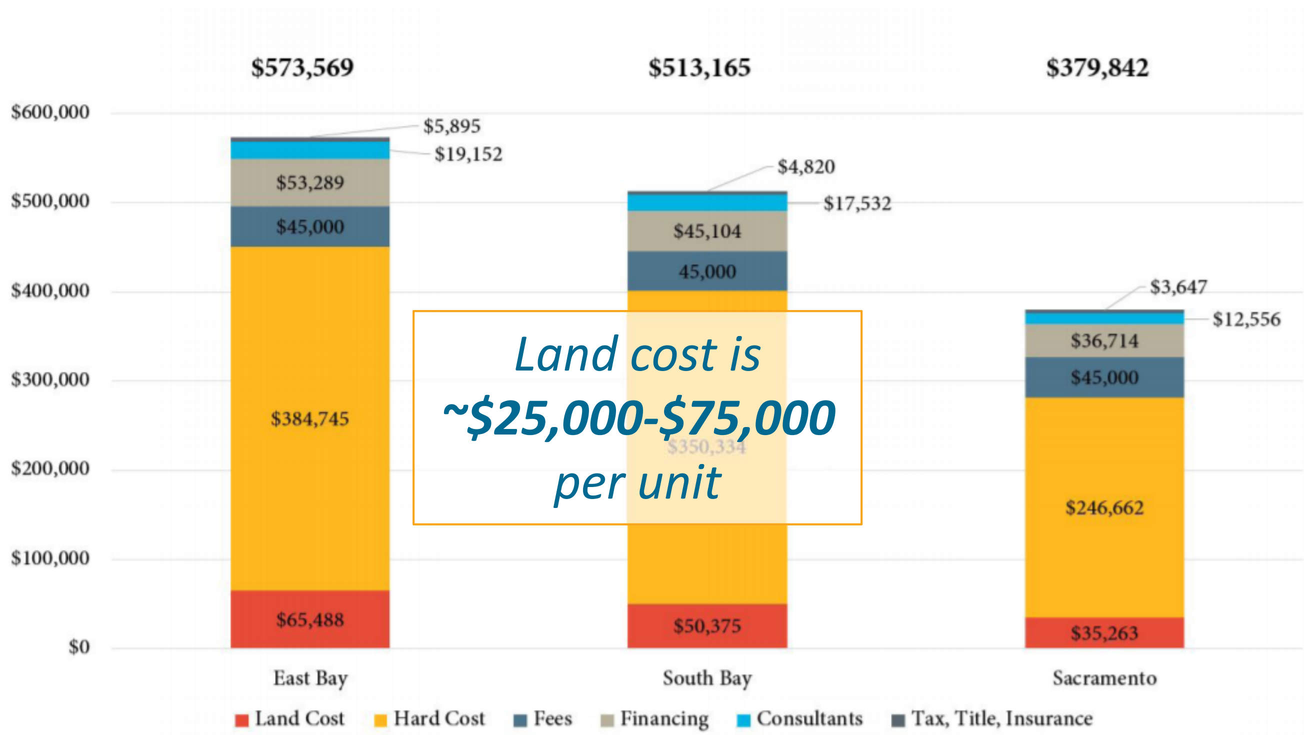
Per Unit Funding Source For a Sample of Affordable Housing Projects in the Bay Area Region, 2013-2016



*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



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