Equitable Transit Oriented Development (ETOD) Centers Anti-Displacement

The Strong, Prosperous, and Resilient Communities Challenge (SPARCC) is a multiyear initiative investing in and amplifying local efforts in six regions (Atlanta, Chicago, Denver, Los Angeles, Memphis, and San Francisco Bay Area) to ensure that public investments in the built environment reduce racial disparities, build a culture of health, and respond to the climate crisis. The initiative’s long-term goal is to change the way metropolitan regions grow, invest, and build through integrated, cross-sector approaches that benefit low-income people and communities of color.

WHAT IS EQUITABLE TRANSIT ORIENTED DEVELOPMENT (ETOD)?

ETOD is a policy, process and, a development form that facilitates equitable community development serving the needs of existing residents, especially the most vulnerable, and of future residents and employers. ETOD is centered on the people who live, work, and create in communities of color and in low-income communities that are served by high-capacity transit service whether bus and/or rail. As our communities recover from the simultaneous racial justice, public health, housing, and climate crises we currently face, ETOD can be an important strategy to create a healthy, climate resilient, and equitable future for all while also generating economic value and providing public services more cost effectively.

WHY MUST ETOD CENTER ANTI-DISPLACEMENT?

As TOD policies and projects have been implemented across the country, the investment of major transit improvements and new development have spurred gentrification, leading in some areas to the displacement of low-income communities and small businesses as land values rise, rents increase and cultural identities of communities change. That is why every TOD development must have an anti-displacement strategy. Local land use, zoning, and housing policies should be evaluated and modified to ensure that new development increases housing production serving households across a range of incomes; that affordable housing is preserved; and that tenants and small businesses are protected from rent gouging, evictions without just cause, and that improved transit service takes their needs into account to maximize benefit.
LOCAL ETOD EFFORTS CENTERING ANTI-DISPLACEMENT

CHICAGO'S FIRST EQUITABLE TRANSIT-ORIENTED DEVELOPMENT (ETOD) POLICY PLAN

In June 2021, the Chicago Plan Commission adopted the City's first ETOD Policy Plan. In 2019, the City amended its TOD ordinance, first passed in 2013, to include equity goals and the addition of several key bus corridors. The final ETOD plan outlines a comprehensive set of actions for the City to take over the next three years. Recommendations were informed through a cross-sector engagement process that the SPARCC-funded collaborative Elevated Chicago helped to facilitate. The process included an ETOD evaluation framework that evaluated whether an outcome would promote stability and retention or prevent involuntary displacement of residents and businesses. Among the City’s ETOD policy actions:

» Create and publish an annual ETOD performance report. This will include setting targeted ETOD goals and tracking metrics such as Housing and Transit.

» Affordability Index, production and preservation of affordable housing, and transportation and demographic characteristics.

» Strengthen affordability and accessibility requirements for city-supported housing development in TOD zones, including through updates to the Affordable Requirements Ordinance and the use of surplus publicly owned properties to yield greater public benefits.

» Develop incentives to preserve and retain community organizations, small businesses, and other neighborhood assets in TOD zones while requiring improved ETOD benefits from new development.

Among the ETOD projects that are underway across the city since the ordinance was adopted is Emmett Street apartments, which will provide 100 units of affordable housing on a city-owned parking lot redeveloped through the efforts of Logan Square community partners fighting against displacement pressures. City agencies and Elevated Chicago partners are also supporting ETOD pilot projects.

DENVER'S REGIONAL TRANSIT-ORIENTED DEVELOPMENT (TOD) FUND & WALNUT STREET LOFTS

In 2010, the City and County of Denver, SPARCC partners the Urban Land Conservancy (ULC) and Enterprise Community Partners, among several other investors partnered to establish the Denver Regional TOD Fund, which was the first affordable housing TOD acquisition fund in the country. The fund provides financing for the acquisition of property within a 1/2 mile of an existing or future rail station or a 1/4 mile of a frequently running bus corridor for the preservation or development of affordable housing and community facilities and/or non-profit spaces (e.g., childcare centers, health clinics, fresh food markets).

Since the fund began, 16 loans have been made and $32.8 million in capital has been deployed to acquire land or properties near public transit. So far, the loans have created or preserved 1,354 affordable homes, a new public library, and over 100,000 square feet of supportive commercial and non-profit space, all near public transit. In particular, the site of the Walnut Street Lofts was acquired by ULC using the fund. The project is adjacent to a commuter rail station and has 66 affordable units that provide housing opportunities to households earning 30% to 60% Area Median Income (AMI). Additionally, the property is part of the ULC Community Land Trust (CLT) which will ensure that the units remain permanently affordable under a 99-year renewable ground lease.
SAN JOSE’S COMMUNITY BENEFITS AGREEMENT WITH GOOGLE

In 2017, the technology company, Google, expressed interest in creating a multi-use development adjacent to Downtown San Jose and Diridon Station, one of Valley Transportation Authority’s (VTA) light rail stations. Local community groups, including SPARCC partners Working Partnerships, were concerned that the Google development would lead to increased rents and displacement. In response, as the City was negotiating the sale of the land, its Memorandum of Understanding with Google stated that they would not receive any subsidies, public funds, taxpayer dollars, or city funds as part of their development. In May 2021, the City and Google created a Community Benefits Agreement that funds many ETOD priorities:

- Google will create a $200 million community benefits fund. A majority of the fund, $154.8 million, will go towards building and preserving affordable housing, protecting tenants, and helping homeless residents.
- Google will guarantee the construction of affordable housing units, which will be 25% of the total housing within the development.
- Google will pay the full amount of the fund throughout the project’s construction, which also requires them to make an early payment of $3 million to the City within 30 days.

ATLANTA’S AFFORDABLE HOUSING PRESERVATION FUND & NEW DEVELOPMENT INITIATIVE

In 2020, Invest Atlanta, the city’s development authority, along with SPARCC partners, Enterprise Community Loan Fund, and the Low Income Investment Fund, created a $15 million Transit-Oriented Development Fund focused on acquisition and pre-development of affordable housing near transit. In 2021, the Metropolitan Atlanta Rapid Transit Authority (MARTA) partnered with national funding partners to create two new ETOD funds. The Greater Atlanta Transit-Oriented Affordable Housing Preservation Fund, created with Morgan Stanley and National Equity Fund provides $100 million to preserve affordable housing within a mile of MARTA heavy rail stations that is at risk of market-rate conversion or financial/physical distress by providing acquisition capital to owners and landlords of multifamily housing. In June 2021, the Atlanta Affordable Housing TOD Initiative funded by the Goldman Sachs Urban Investment Group was launched to finance new development within 1-mile of MARTA rail stations by providing developers of affordable and mixed income housing projects up to $100 million of capital via Low-Income Housing Tax Credit equity, joint venture equity, and traditional construction debt. The initiative prioritizes investments in Black and Brown-owned firms.

FOR MORE INFORMATION ON LOCAL ETOD EFFORTS

- Chicago – Elevated Chicago, info@elevatedchicago.org
- Denver – Urban Land Conservancy (ULC), admin@urbanlandc.org
- San Jose – Working Partnerships, info@wpusa.org
- Atlanta – MARTA TOD and Real Estate, jvallo@itsmarta.com