



**FTA**

United States Department of Transportation  
Federal Transit Administration

# Guidelines for Land Use and Economic Development Effects for New Starts and Small Starts Projects



Federal Transit Administration  
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## **1. INTRODUCTION AND PURPOSE**

The U.S. Federal Transit Administration (FTA) is required by Federal law to evaluate and rate all projects seeking capital investment grant program funding (more commonly known as New Starts and Small Starts funding). The rating is based on two categories of criteria outlined in law – project justification and local financial commitment criteria.

Project sponsors applying for New Starts and Small Starts funding are required to submit materials to FTA on each criterion as described in FTA’s Reporting Instructions found on the FTA website. This document supplements the Reporting Instructions by providing additional information for project sponsors on how to document land use and economic development effects for their project. The guidance is also intended to assist project sponsors in understanding how FTA evaluates these criteria and to understand what constitutes a strong submission.

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## **2. THE REPORTING PROCESS**

Project sponsors are required to submit to FTA documentation pertaining to existing land use and to economic development effects for evaluation and rating of the project. Elements of the submission include:

- Land use and economic development effects summary templates;
- A table of quantitative data on land use characteristics; and
- Supporting documentation to substantiate statements made in the land use and economic development effects summary template.

The templates and documentation are submitted in electronic format (CD or DVD). It is acceptable to provide web links instead of electronic copies of supporting documentation such as transit-supportive plans and policies. However, project sponsors should be sure that links to critical information do not expire. Some types of supporting documentation (e.g., on-line municipal zoning codes and maps, developer project web sites) may not be suitable for provision in electronic copy format.

### 3. THE LAND USE CRITERION

The rating for the land use criterion is based on five items considered as shown in Table 1.

**Table 1. Land Use Criterion, Subfactors and Items Considered**

Subfactors	Items Considered
<b>I. EXISTING LAND USE</b>	
a. Existing Land Use	<ul style="list-style-type: none"> <li>• Existing corridor and station area development.</li> <li>• Existing corridor and station area development character.</li> <li>• Existing station area pedestrian facilities, including access for persons with disabilities.</li> <li>• Existing corridor and station area parking supply.</li> <li>• Proportion of existing legally binding affordability restricted housing in the corridor compared to the proportion of legally binding affordability restricted housing in the counties in which the project travels.</li> </ul>

The rating for the land use criterion is assigned on a 5-point scale:

- 5 = High;
- 4 = Medium-high;
- 3 = Medium;
- 2 = Medium-low; and
- 1 = Low.

Most of the rating is based on the quantitative measures, including station area population densities, total employment served by the system, and the proportion of legally binding affordability restricted housing. The quality of the pedestrian environment may influence the rating upward or downward, especially when quantitative measures are on the margin between rating levels. Poor pedestrian accessibility may reduce the rating, as it reduces the effective amount of population and employment directly served by the system. Quantitative measures of parking cost and supply may also influence the rating.

A summary of how ratings are assigned for this criterion is provided in Table 2. Benchmarks for quantitative measures are provided in Table 12 at the end of this document.

**Table 2. Ratings Applied in Assessment of Land Use Criterion**

Decision or Approval Phase	Assessment Ratings	
Engineering and FFGA/SSGA	HIGH	Current levels of population, employment, and other trip generators in station areas are sufficient to support a major transit investment. Most station areas are pedestrian-friendly and fully accessible. The proportion of affordable housing in the corridor compared to the counties in which the project is located is high.
	MEDIUM	Current levels of population, employment, and other trip generators in station areas marginally support a major transit investment. Some station areas are pedestrian-friendly and accessible. Significant growth must be realized. The proportion of affordable housing in the corridor compared to the counties in which the project is located is moderate.
	LOW	Current levels of population, employment, and other trip generators in station areas are inadequate to support a major transit investment. Station areas are not pedestrian-friendly. The proportion of affordable housing in the corridor compared to the counties in which the project is located is low.
	Ratings based on assessment of the following: <ul style="list-style-type: none"> <li>• Existing corridor and station area development;</li> <li>• Existing corridor and station area development character;</li> <li>• Existing station area pedestrian facilities, including access for persons with disabilities;</li> <li>• Existing corridor and station area parking supply; and</li> <li>• Proportion of existing legally binding affordability restricted housing in the corridor compared to the proportion of legally binding affordability restricted housing in the counties in which the project travels.</li> </ul>	

The items reviewed under the land use criterion are closely related and there is risk of redundancy in the qualitative descriptions. It is suggested that project sponsors provide a summary narrative characterizing each of the items across all proposed station areas. A description of each station area can also be provided that addresses all of the items together. This approach may be easier than attempting to provide a description of each station area as it relates to each item separately.

### 3.1 Existing Corridor and Station Area Development

Primary consideration is given to the quantity of development that exists in the proposed project corridor today – in particular, the amount of population, housing units and employment within a half-mile radius of each proposed station, and total employment in the central business district (CBD) served by the transit system. Table 12 provides breakpoints that FTA uses to assist in

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assigning ratings for land use (as well as ratings for economic development effects factors) that rely heavily on quantitative data. Breakpoints are provided for the average population density across all station areas, as well as for the total employment served by the project.

### **3.2 Existing Station Area Development Character**

The character of existing development within a half-mile radius of proposed stations should not only facilitate but encourage transit use. Site and urban design characteristics represent one key element of this factor. To support a “medium-high” or “high” rating, development should exhibit features such as short building setbacks; human-scale, active façades; entrances oriented towards streets, sidewalks, and other public areas; and street furniture, trees, crosswalks, and other pedestrian amenities. Roads should be narrow enough to be crossed easily, with low to moderate traffic speeds; and development should be continuous with an absence of large tracts of vacant land or parking lots.

A second key characteristic is a fine-grained mix of uses. A proposed project that has a number of station areas with retail and professional services proximate to office and residential development, allowing people to run errands by foot or in conjunction with a transit trip, may warrant higher ratings.

FTA typically assesses this through a review of ground level and/or aerial photographs, publicly available satellite imagery, station area maps showing public rights-of-way and building footprints, as well as through the narrative description provided by project sponsors.

### **3.3 Existing Station Area Pedestrian Facilities, Including Access for Persons with Disabilities**

Existing pedestrian access routes throughout the proposed station areas should be direct rather than circuitous to support a higher rating. Examples of other aspects of the existing pedestrian environment that warrant higher ratings include continuous sidewalks; the presence of clearly marked pedestrian crossings at intersections and other appropriate locations, that are signaled on higher-volume streets; and adequate lighting of pedestrian routes. Project sponsors should document the presence of curb cuts, wheelchair ramps, and other facilities that ensure access by persons with disabilities, consistent with provisions of the Americans with Disabilities Act (ADA).

### **3.4 Existing Corridor and Station Area Parking Supply**

Data on existing parking supply are most likely to be available for the central business district (CBD) and other major employment centers, although local agencies may also have conducted parking inventories for other station areas. Project sponsors are requested to submit this information to the extent that it is readily available. Total parking spaces in the CBD and/or other employment centers may be compared to employment to identify the number of parking spaces per employee, or to commercial square footage to identify the number of parking spaces per square foot. A more constrained parking supply (fewer spaces per employee or square foot) indicates that transit is likely to be more competitive in this market, and therefore may support a higher land use rating. Parking cost is another important indicator of transit’s likely



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competitiveness, again with higher costs supporting a higher rating. Indicators of parking cost may include average and maximum daily and monthly rates in the CBD or other activity centers, as well as hourly rates for on-street parking. “Benchmark” values for parking supply and costs are provided in Table 12.

Parking supply in proposed station areas can also be evaluated qualitatively using aerial photos or maps as available. A large amount of land dedicated to parking suggests an ample supply of parking, which may contribute to a lower rating.

### **3.5 Existing Legally Binding Affordability Restricted Housing**

This is a quantitative measure of the proportion of “legally binding affordability restricted” housing in the proposed transit corridor compared to the proportion of “legally binding affordability restricted” housing in the counties through which the project travels. For this purpose, a legally binding affordability restriction is considered a lien, deed of trust, or other legal instrument attached to a property and/or housing structure that restricts the cost of the housing units to be affordable to renters and/or owners with incomes below 60 percent of the area median income for a defined period of time. This definition includes, but is not limited to, state or Federally supported public housing, and housing owned by organizations dedicated to providing affordable housing. The percentage of existing housing units in transit station areas that are “legally binding affordability restricted” units is compared to the percentage of existing housing units in the county or counties through which the transit project travels that are “legally binding affordability restricted” units.

#### ***3.5.1 Housing Data Collection***

Data must be collected including:

- The number of existing housing units that have legally binding affordability restrictions within a ½-mile radius of all proposed transit project stations;
- The total number of existing housing units within a ½-mile radius of all proposed transit project stations;
- The number of existing housing units that have legally binding affordability restrictions in the county or counties through which the project travels; and
- The number of existing total housing units in the county or counties through which the proposed transit project travels.

While FTA believes contacting area housing authorities will provide the best and most comprehensive data on “legally binding affordability restricted housing,” some statistics on affordable housing can be found in the National Housing Preservation Database (<http://www.preservationdatabase.org/>). This database includes an address-level inventory of Federally assisted rental housing. It does not contain information on affordable units supported only by state and local programs.

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Total residential housing unit data can be obtained from the latest American Community Survey (ACS) five-year estimates at the county and census tract levels. County-level housing information should be obtained for all counties through which the proposed transit project travels. The number of total housing units in station areas is already estimated and reported as part of the quantitative land use data template.

### *3.5.1.1 Station Area Definition*

A station area is defined as the area within a ½-mile radius of the proposed station. At-grade stations and stops that have a split and/or side configuration located on streets will be considered as a single station pair that has a radius measured from the center point of the station pair.

### *3.5.1.2 Certification*

Project sponsors that obtain housing information from local housing agencies must have the information certified by the head(s) of the local housing agency(ies) providing the information.

### ***3.5.2 Measurement of Supply of Legally Binding Affordability Restricted Housing***

This section describes the method to develop the quantitative measure of existing legally binding affordability restricted housing.

1. Calculate the percent of housing units in the proposed transit corridor (within ½ mile of all station areas) that are legally binding affordability restricted housing, using the following equation:

$$\frac{\text{The number of existing housing units within a ½-mile radius of station areas that have legally binding affordability restrictions}}{\text{The number of total existing housing units within a ½-mile radius of station areas}} = \text{Ratio A: The percent of existing units in the proposed transit corridor that are legally binding affordability restricted housing}$$

2. Calculate the percent of housing units in the county or counties through which the proposed transit project travels that are legally binding affordability restricted housing, using the following equation:

$$\frac{\text{The number of existing housing units within the county(ies) that have legally binding affordability restrictions}}{\text{The number of total existing housing units within the county(ies)}} = \text{Ratio B: The percent of existing units in the county(ies) that are legally binding affordability restricted housing}$$

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3. To obtain the proportion of existing legally binding affordability restricted housing in the proposed transit corridor compared to the proportion of legally binding affordability restricted housing in the county(ies) through which the project travels, divide Ratio A by Ratio B.

This proportion is evaluated according to the benchmarks shown in Table 3.

**Table 3. Rating of Existing Legally Binding Affordability Restricted Housing**

Decision or Approval Phase	Assessment Ratings	
Engineering and FFGA or SSGA	HIGH	Ratio > 2.50
	MEDIUM-HIGH	Ratio between 2.25 and 2.49
	MEDIUM	Ratio between 1.50 and 2.24
	MEDIUM-LOW	Ratio between 1.10 and 1.49
	LOW	Ratio less than 1.10

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## **4. THE ECONOMIC DEVELOPMENT EFFECTS CRITERION**

The rating for the economic development effects criterion is based on ratings for transit-supportive plans and policies, performance and impacts of policies, and tools to maintain or increase the share of affordable housing in the project corridor. Several subfactors are considered:

- Transit-supportive plans and policies:
  - Growth management (not included for Small Starts projects);
  - Transit-supportive corridor policies;
  - Supportive zoning regulations near transit stations; and
  - Tools to implement transit-supportive policies.
- Performance and impacts of policies:
  - Performance of transit-supportive plans and policies; and
  - Potential impact of transit investment on regional land use.
- Tools to maintain or increase the share of affordable housing in the project corridor:
  - Evaluation of corridor-specific affordable housing needs and supply;
  - Plans and policies to preserve and increase affordable housing in region and/or corridor;
  - Adopted financing tools and strategies targeted to preserving and increasing affordable housing in the region and/or corridor;
  - Evidence of developer activity to preserve and increase affordable housing in the corridor; and
  - The extent to which the plans and policies account for long-term affordability and the needs of very- and extremely-low income households in the corridor.

These are shown in Table 4.

**Table 4. Economic Development Effects Criterion Subfactors**

<b>Subfactors</b>	<b>Items Considered</b>
<b>I. TRANSIT-SUPPORTIVE PLANS AND POLICIES</b>	
a. Growth Management	<ul style="list-style-type: none"> <li>• Concentration of development around established activity centers and regional transit.</li> <li>• Land conservation and management.</li> </ul>
b. Transit-Supportive Corridor Policies	<ul style="list-style-type: none"> <li>• Plans and policies to increase corridor and station area development.</li> <li>• Plans and policies to enhance transit-friendly character of corridor and station area development.</li> <li>• Plans to improve pedestrian facilities, including facilities for persons with disabilities.</li> <li>• Parking policies.</li> </ul>
c. Supportive Zoning Regulations Near Transit Stations	<ul style="list-style-type: none"> <li>• Zoning ordinances that support increased development density in transit station areas.</li> <li>• Zoning ordinances that enhance transit-oriented character of station area development and pedestrian access.</li> <li>• Zoning allowances for reduced parking and traffic mitigation.</li> </ul>
d. Tools to Implement Transit-Supportive Plans and Policies	<ul style="list-style-type: none"> <li>• Outreach to government agencies and the community in support of transit-supportive planning.</li> <li>• Regulatory and financial incentives to promote transit-supportive development.</li> <li>• Efforts to engage the development community in station area planning and transit-supportive development.</li> </ul>
<b>II. PERFORMANCE AND IMPACTS OF POLICIES</b>	
a. Performance of Transit-Supportive Plans and Policies	<ul style="list-style-type: none"> <li>• Demonstrated cases of development affected by transit-supportive policies.</li> <li>• Station area development proposals and status.</li> </ul>
b. Potential Impact of Transit Investment on Regional Development	<ul style="list-style-type: none"> <li>• Adaptability of station area land for development.</li> <li>• Corridor economic environment.</li> </ul>
<b>III. TOOLS TO MAINTAIN OR INCREASE SHARE OF AFFORDABLE HOUSING</b>	
a. Tools to Maintain or Increase Share of Affordable Housing	<ul style="list-style-type: none"> <li>• Evaluation of corridor-specific affordable housing needs and supply</li> <li>• Plans and policies to preserve and increase affordable housing in region and/or corridor</li> <li>• Adopted financing tools and strategies targeted to preserving and increasing affordable housing in the region and/or corridor</li> <li>• Evidence of developer activity to preserve and increase affordable housing in the corridor</li> <li>• Extent to which plans and policies account for long-term affordability and needs of very- and extremely-low income households in the corridor</li> </ul>

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A rating for each subfactor is assigned based on the items considered. The subfactor ratings are then combined to generate an overall rating for economic development effects. Ratings are assigned on a 5-point scale:

- 5 = High;
- 4 = Medium-high;
- 3 = Medium;
- 2 = Medium-low; and
- 1 = Low.

For some items, FTA applies a different rating standard to projects applying for entry into engineering than for projects applying for a Full Funding Grant Agreement (FFGA) in the case of a New Starts project or a Small Starts Grant Agreement (SSGA) for a Small Starts project. The standards reflect the fact that local agencies may only be in the early stages of developing regulatory changes and incentives necessary to complement a major transit capital investment. As a project advances towards an FFGA/SSGA, local agencies should demonstrate substantial progress on developing and adopting the required regulatory changes and incentives necessary to promote transit-supportive development patterns and affordable housing policies in the transit corridor and station areas.

## **4.1 Transit-Supportive Plans and Policies**

FTA evaluates four items related to local plans and policies that encourage transit supportive development.

### ***4.1.1 Growth Management***

This item does not apply to Small Starts. The evaluation of this item for New Starts is based on:

- Concentration of development around established activity centers and regional transit; and
- Land conservation and management.

A summary of how ratings are assigned is provided in Table 5.

#### ***4.1.1.1 Concentration of Development around Established Activity Centers and Regional Transit***

Consideration is given to the extent to which: 1) regional policies and agreements have been developed to concentrate development at transit-supportive densities within established activity centers and around regional transit; and 2) local comprehensive plans, zoning, and capital improvement programs throughout the region have been revised to support this objective. “Regional” policies are typically adopted by the regional planning agency and/or metropolitan planning organization (MPO), or occasionally established by state requirements. The extent of local jurisdictional acceptance of regional policies is a strong indicator of the potential success of such policies.

**Table 5. Ratings of Growth Management**

Decision or Approval Phase	Rating	
Engineering and FFGA	HIGH	Adopted and enforceable growth management and land conservation policies are in place throughout the region. Existing and planned densities and market trends in the region and corridor are strongly compatible with transit.
	MEDIUM	Significant progress has been made toward implementing growth management and land conservation policies. Strong policies may be adopted in some jurisdictions but not others, or only moderately enforceable policies (e.g., incentive-based) may be adopted region-wide. Existing and/or planned densities and market trends are moderately compatible with transit.
	LOW	Limited consideration has been given to implementing growth management and land conservation policies; adopted policies may be weak and apply to only a limited area. Existing and/or planned densities and market trends are minimally or not supportive of transit.
	Ratings based on assessment of the following: <ul style="list-style-type: none"> <li>• Concentration of development around established activity centers and regional transit; and</li> <li>• Land conservation and management.</li> </ul>	

Regions that have not undertaken any regional growth management activities, or are just in the fledgling stages of discussion, may receive a “low” rating for this factor. A “medium-low” rating is appropriate for areas that have undertaken more extensive growth management discussions and/or adopted regional agreements that are not enforceable through regulatory or fiscal mechanisms. A “medium” rating acknowledges the presence of weak to moderate regulatory or fiscal incentives covering the entire region as well as the presence in some (but not the majority of) local jurisdictions of local policies, comprehensive plans, and zoning to concentrate development in transit station areas and/or service areas. A “medium-high” or “high” rating is appropriate for areas with stronger incentives for compliance with regional growth management objectives as well as broader adoption of local plans consistent with these objectives. Examples of policies that may warrant a “medium-high” or “high” rating include:

- Policies implemented by state and/or regional agencies that restrict the provision of infrastructure (transportation, utility, or otherwise) outside of designated growth areas.
- Comprehensive plans adopted in most major jurisdictions in the region to concentrate higher densities of development in existing or proposed transit station areas. Widespread adoption of “smart growth”-type zoning codes that specify pedestrian-friendly design in new developments.
- Evidence of the successful implementation of such policies.

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#### *4.1.1.2 Land Conservation and Management*

The key elements of this item are similar to those above: 1) adoption of regional policies and agreements; and 2) revision of local comprehensive plans, zoning, and capital improvement programs consistent with these agreements. The focus of policies relevant to this is identification of areas in which development should be limited and adoption of implementation strategies. Reasons for limiting development in certain areas of the region may include preservation of open space, sensitive habitat, farmland, or areas of rural character; and as a complement to policies that work to concentrate development in areas served by transit.

Actions that reflect an area's goals to manage growth may include: specific growth management policies, delineated growth management boundaries, incentives or mandates for land conservation and management, actual land conservation purchases or designations, transfer of development rights programs, actual transfers of development easements, and multijurisdictional coordination of policies.

#### *4.1.2 Transit-Supportive Corridor Policies*

The transit corridor planning process should include an assessment of existing conditions and opportunities, identification of needed revisions to local comprehensive plans and capital improvement programs, and development of other tools to enhance the transit-supportive nature of the corridor and station areas. The process may involve three distinct steps:

- **Conceptual Plans** – Conceptual plans are based on an assessment of station area existing conditions and opportunities. They consider the potential placement and type of development; pedestrian facilities and linkages; and design concepts/guidelines for buildings and public spaces. These plans have no legal standing, but should include policy recommendations and implementation steps. The conceptual planning process should include a broad range of stakeholders, including local government, the general public, and developers, to ensure the greatest chances of implementation.
- **Local Plans** – Local plans provide a local policy framework for development. Local plans may include local comprehensive plans, small area plans, and redevelopment plans; institutional master plans; and design guidelines. If local plans are not already transit-supportive, actions should be taken to revise them, ideally based on the outcome of the conceptual planning process.
- **Capital Improvement Programs** – These are lists of specific capital improvement projects to be undertaken by state, regional, or local agencies to enhance the transit-supportive nature of station areas. Capital improvements may include features such as pedestrian linkages, accessibility improvements, or streetscape enhancements.

Projects applying for an FFGA/SSGA would be expected to have made significant progress in revising local comprehensive plans and identifying needed capital improvements, while those requesting approval into Engineering may still be in the stage of developing station area conceptual plans.



The evaluation of this item is based on:

- Plans and policies to increase corridor and station area development;
- Plans and policies to enhance transit-friendly character of corridor and station area development;
- Plans to improve pedestrian facilities, including facilities for persons with disabilities; and
- Parking policies.

**Table 6. Ratings of Transit-Supportive Corridor Policies**

Decision or Approval Phase		Rating
Engineering	HIGH	Conceptual plans for the corridor and station areas have been developed. Discussions have been undertaken with local jurisdictions about revising comprehensive plans. Development patterns proposed in conceptual plans for station areas (or in existing comprehensive plans and institutional master plans throughout the corridor) are strongly supportive of a major transit investment.
	MEDIUM	Conceptual plans for the corridor and station areas are being developed. Discussions have been undertaken with local jurisdictions about revising comprehensive plans. Development patterns proposed in conceptual plans for station areas (or existing in local comprehensive plans and institutional master plans) are at least moderately supportive of a major transit investment.
	LOW	Limited progress, to date, has been made toward developing station area conceptual plans or working with local jurisdictions to revise comprehensive plans. Existing station area uses identified in local comprehensive plans are marginally or not transit-supportive.
FPGA/SSGA	HIGH	Conceptual plans for the corridor and station areas have been developed. Local jurisdictions have adopted or drafted revisions to comprehensive and/or small area plans in most or all station areas. Development patterns proposed in conceptual plans and local and institutional plan revisions are strongly supportive of a major transit investment.

**Table 6. Ratings of Transit-Supportive Corridor Policies (continued)**

Decision or Approval Phase	Rating	
	MEDIUM	Conceptual plans for the corridor and station areas have been developed. Local jurisdictions have initiated the process of revising comprehensive and/or small area plans. Development patterns proposed in conceptual plans and local and institutional plan revisions are at least moderately supportive of a major transit investment.
	LOW	Limited progress, to date, has been made toward developing station area conceptual plans or revising local comprehensive or small area plans. Station area uses identified in local comprehensive plans are marginally or not transit-supportive.
	Ratings based on assessment of the following: <ul style="list-style-type: none"> <li>• Plans and policies to increase corridor and station area development;</li> <li>• Plans and policies to enhance transit-friendly character of corridor and station area development;</li> <li>• Plans to improve pedestrian facilities, including facilities for persons with disabilities; and</li> <li>• Parking policies.</li> </ul>	

*4.1.2.1 Plans and Policies to Increase Corridor and Station Area Development*

Conceptual plans and local plans should encourage development at transit-supportive densities in station areas. To assist in evaluating this, FTA uses benchmarks similar to those established for the land use criterion, except that planned densities are typically described in terms of square footage of development or residential dwelling units, rather than employment or population. Benchmarks for commercial floor area ratios (FAR) and residential dwelling units per acre are shown in Table 12. These quantitative benchmarks are given a significant amount of weight in rating the Transit-Supportive Corridor Policies subfactor. Other factors such as planned high trip generators are also considered.

*4.1.2.2 Plans and Policies to Enhance Transit-Friendly Character of Corridor and Station Area Development*

FTA considers the nature of planned development surrounding stations and along the corridor, and the quality of the pedestrian environment, as described in conceptual plans, local plans, and design guidelines for both streets and site development. Transit-supportive plans and guidelines should encourage features similar to those described under “existing station area development character” for the existing land use factor. To support a “medium-high” or “high” rating, plans and design guidelines should call for features such as short building setbacks; human-scale, active façades; entrances oriented towards streets, sidewalks, and other public areas; street furniture, trees, crosswalks, and other pedestrian amenities; and parking primarily placed behind buildings or in structures. Plans should also encourage vertical and/or horizontal mixing of

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building uses, land use mix, retail and housing availability. Master plans that include new roads should keep road widths to a minimum and incorporate traffic-calming features. The existence of procedures to enforce plans and guidelines (such as a design review process) is also considered; the best guidelines are worth little if they are not implemented.

#### *4.1.2.3 Plans to Improve Pedestrian Facilities, including Facilities for Persons with Disabilities*

FTA considers conceptual plans, local plans, and capital improvement programs that include provisions for sidewalks or wider sidewalks as needed, street spacing at regular intervals, connected pedestrian paths, street crossings, lighting, and facilities for disabled travelers sufficient to ensure safe and direct pedestrian mobility and access throughout the station area at all hours of the day. Adopted or proposed design guidelines are also considered for how they address pedestrian network connectivity, facility design, and safety and security. These plans may need to address access across private property in cases where public rights-of-way are not adequate to provide access. Project sponsors should document progress at achieving curb ramp transition plans and milestones required under CFR 35.150(d)(2).

#### *4.1.2.4 Parking Policies*

Here, FTA focuses on policies and plans related to parking, which may include: local requirements for developers, parking limits and ratios, parking cash-out programs, provisions for shared parking, and parking fees. Evidence of actions such as a local agency or municipal government working with local banks and development-financing institutions to finance development with lower than market-specified parking ratios would be considered. Table 12 includes benchmarks for planned parking ratios.

### ***4.1.3 Supportive Zoning Regulations near Transit Stations***

Zoning regulations establish the framework for station area development. Both existing and proposed zoning ordinances are reviewed to assess allowable densities and types of uses, incentives to increase development in station areas, provisions to enhance transit-oriented character and pedestrian access, and provisions for reduced parking and traffic mitigation. In evaluating this item, the greatest emphasis is placed on residential and commercial densities allowed under current as well as proposed zoning regulations. Other elements of zoning (addressing transit-supportive character of development and parking provisions) are not by themselves sufficient to achieve a “medium-high” or “high” rating, but are needed to support such a rating if zoned densities also support it.

Strong existing zoning regulations in most or all station areas merit a “medium-high” or “high” rating regardless of the project phase. Sponsors of projects seeking entry into the engineering stage may also obtain a “medium” or even “medium-high” rating if aggressive efforts are being made to revise existing zoning to increase its transit-supportiveness. Specifically, conceptual plans and local plan revisions should be developed to provide the framework for future zoning changes. As engineering progresses, project sponsors should demonstrate that agreements are being made with local jurisdictions to revise zoning pending an FFGA/SSGA for the transit project. It is understood that in some cases, zoning revisions may be contingent on executing an FFGA/SSGA. For example, local agencies may develop station area specific plans and overlay zones with the intention of applying these to specific station areas once an FFGA/SSGA has been obtained.

The following issues are considered in evaluating supportive zoning:

- Zoning ordinances that support increased development density in transit station areas;
- Zoning ordinances that enhance transit-oriented character of station area development and pedestrian access; and
- Zoning allowances for reduced parking and traffic mitigation.

**Table 7. Ratings of Supportive Zoning Near Transit Stations**

Decision or Approval Phase	Rating	
Engineering	HIGH	A conceptual planning process is underway to recommend zoning changes for station areas. Conceptual plans and policies for station areas are recommending transit-supportive densities and design characteristics. Local jurisdictions have committed to examining and changing zoning regulations where necessary. Alternatively, a “high” rating can be assigned if existing zoning in most or all transit station areas is already strongly transit supportive.
	MEDIUM	A conceptual planning process is underway to recommend zoning changes for station areas. Local jurisdictions are in the process of committing to examining and changing zoning regulations where necessary. Alternatively, a “medium” rating can be assigned if existing zoning in most or all transit station areas is already moderately transit supportive.
	LOW	Limited consideration has been given to preparing station area plans and related zoning. Existing station area zoning is marginally or not transit supportive.
FFGA/SSGA	HIGH	Local jurisdictions have adopted zoning changes that strongly support a major transit investment in most or all transit station areas.
	MEDIUM	Local jurisdictions are in the process of adopting zoning changes that moderately or strongly support a major transit investment in most or all transit station areas. Alternatively, strongly transit-supportive zoning has been adopted in some station areas but not in others.
	LOW	No more than initial efforts have begun to prepare station area plans and related zoning. Existing station area zoning is marginally or not transit supportive.
	Ratings based on assessment of the following: <ul style="list-style-type: none"> <li>• Zoning ordinances that support increased development density in transit station areas;</li> <li>• Zoning ordinances that enhance transit-oriented character of station area development and pedestrian access; and</li> <li>• Zoning allowances for reduced parking and traffic mitigation.</li> </ul>	

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#### *4.1.3.1 Zoning Ordinances that Support Increased Development Density in Transit Station Areas*

Zoning ordinances and maps are the best source of information on existing zoning regulations. Draft ordinance revisions may describe planned changes that allow or encourage development at transit-supportive densities. The extent to which existing or planned zoning allows transit-supportive densities is evaluated based on quantitative benchmarks. Benchmarks for commercial FARs and residential dwelling units per acre are shown in Table 12. As elsewhere in the evaluation process, zoning is evaluated for the half-mile area surrounding the proposed transit stations. Information should be provided on all current and proposed zoning conditions in station areas, not just those elements of zoning considered transit supportive.

Proposed station areas often encompass a wide variety of zoning categories. The greatest consideration is given to the zoning districts that: a) are in closest proximity to the station location, especially those within one-quarter mile; and b) cover the greatest amount of the station area. FTA applies judgment in considering the mix of zoning categories across the station areas when developing a rating.

Transit-supportive overlay districts are tools for increasing densities, restricting uses that are not transit-supportive, and improving design features in station areas. The greatest weight is given to districts that have been adopted into ordinance and applied to station areas. Consideration is also given to districts that have been adopted but not applied, or to districts that are proposed for adoption. The certainty of adoption and application is considered in the context of phase of the process the project is in, i.e., as the project progresses through the steps in the process, districts should move from the proposal stage to adoption to application.

Zoning incentives for increased development in station areas are also considered. Such incentives may include density bonuses, housing fund subsidies, relaxation of regulations, expedited zoning reviews, or other measures.

In some cases, a city may not have zoning regulations, or may have regulations that do not restrict density or mixed uses but do not encourage or require them either. In such cases, a “medium” rating is typically applied because the regulatory environment is essentially “neutral” with respect to transit-supportive development. Emphasis is placed on other policies that guide development (e.g., covenants, design review procedures) and on the character of development observed in practice to determine whether the absence of zoning controls appears to be supportive or not supportive of transit-oriented development.

#### *4.1.3.2 Zoning Ordinances that Enhance Transit-Oriented Character of Station Area Development and Pedestrian Access*

Zoning that encourages transit-supportive design may include zoning for mixed-use buildings and sites; low minimum and/or maximum building setback requirements; design requirements to create human-scale, active façades; requirements for entrances oriented towards streets, sidewalks, and other public areas; and site design requirements related to parking placement. Zoning may designate a broader area as a “compact” or “traditional” neighborhood or transit overlay zone with appropriate design regulations. These measures and others should be reflected in small area plans or architectural guidelines for the area. Documentation should identify any

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pedestrian access and pedestrian-friendly design guidelines, and the mechanisms for the implementation and enforcement of these guidelines.

To achieve a “medium-high” or “high” rating, zoning should specify pedestrian-friendly design treatments and encourage mixed uses in most station areas. Maximum front setbacks are commonly in the range of up to 10 feet in commercial and mixed-use districts, or up to 20 feet in residential districts. Zoning should prohibit or discourage the placement of parking in front of buildings and may establish minimum requirements for building frontage and façade treatments. Existing zoning that predominantly requires “suburban” design features, such as large building setbacks and segregation of uses, should result in only a “low” or “medium-low” rating.

#### *4.1.3.3 Zoning Allowances for Reduced Parking and Traffic Mitigation*

Ordinances typically specify minimum and/or maximum parking requirements for residential and commercial areas near stations. Elimination or reduction of minimum parking requirements, as well as establishment or reduction of maximum requirements, are strategies that are considered transit-supportive and may support a higher rating. In addition, reductions in parking requirements for developments near transit stations may serve as an incentive to increase development near stations. Table 12 shows some ranges of parking requirements for commercial and residential development that roughly correspond to different rating levels.

#### ***4.1.4 Tools to Implement Transit-Supportive Plans and Policies***

This item is intended to assess the availability and effectiveness of tools for transit agencies and local jurisdictions to implement transit-supportive development. Issues considered include:

- Outreach to and endorsement by public agencies, community organizations, and the general public in the development and planning process;
- Regulatory and financial incentives to promote transit-oriented development; and
- Efforts to involve the development community in supporting station area plans and transit-oriented development.

**Table 8. Ratings of Tools to Implement Transit-Supportive Plans and Policies**

Decision or Approval Phase	Rating	
Engineering	HIGH	Transit agencies and/or regional agencies are working proactively with local jurisdictions, developers, and the public to promote transit-supportive planning and station area development. Local agencies are making recommendations for effective regulatory and financial incentives to promote transit-oriented development. Capital improvement programs are being developed that support station area plans and leverage the Federal investment in the proposed major transit corridor.
	MEDIUM	Transit agencies and/or regional agencies have conducted some outreach to promote transit-supportive planning and station area development. Agencies are investigating regulatory and financial incentives to promote transit-oriented development. Capital improvements are being identified that support station area plans and leverage the Federal investment in the proposed major transit corridor.
	LOW	Limited effort has been made to reach out to jurisdictions, developers, or the public to promote transit-supportive planning; to identify regulatory and financial incentives to promote development; or to identify capital improvements.
FFGA/SSGA	HIGH	Transit agencies and/or regional agencies are working proactively with local jurisdictions, developers, and the public to promote transit-supportive planning and station area development. The transit agency has established a joint development program and identified development opportunities. Agencies have adopted effective regulatory and financial incentives to promote transit-oriented development. Public and private capital improvements are being programmed in the corridor and station areas which implement the local policies and which leverage the Federal investment in the proposed major transit investment corridor.
	MEDIUM	Transit agencies and/or regional agencies have conducted some outreach to promote transit-supportive planning and station area development. Regulatory and financial incentives to promote transit-oriented development are being developed, or have been adopted but are only moderately effective. Capital improvements are being identified that support station area plans and leverage the Federal investment in the proposed major transit corridor.

**Table 8. Ratings of Tools to Implement Land Use Policies (continued)**

Decision or Approval Phase		Rating
	LOW	Limited effort has been made to reach out to jurisdictions, developers, or the public to promote transit-supportive planning; to identify regulatory and financial incentives to promote development; or to identify capital improvements.
		Ratings based on assessment of the following: <ul style="list-style-type: none"> <li>• Outreach to government agencies and the community in support of transit-supportive planning;</li> <li>• Regulatory and financial incentives to promote transit-supportive development; and</li> <li>• Efforts to engage the development community in station area planning and transit-supportive development.</li> </ul>

*4.1.4.1 Outreach to Government Agencies and the Community in Support of Transit-Supportive Planning*

Outreach to stakeholders is a common part of comprehensive planning, zoning, and other public sector policies that set the framework for development. An effective outreach program is critical not only to educate people about transit-supportive characteristics, but to increase the chance of adoption and implementation of supportive comprehensive plans and zoning regulations. Project sponsors should provide evidence of promotion and outreach activities by the transit agency, local governments, and regional agencies in support of station area planning, development, and growth management. They should also demonstrate the extent of public involvement in station area planning activities. Projects receiving a “medium-high” or “high” rating demonstrate a strong outreach and public involvement program that focuses on involving local stakeholders in planning not only for the transit system but for surrounding uses as well.

Support for coordinating planning with transit investments from the public sector may be present in local government agreements, resolutions, or letters of endorsement from government agencies. Additionally, private sector participants such as local action groups, professional development groups, citizen coalitions, local Chambers of Commerce, and others may undertake public outreach activities in support of transit-oriented development practices.

*4.1.4.2 Regulatory and Financial Incentives to Promote Transit-Supportive Development*

Incentives for transit-supportive development near stations or in corridors may come in many forms, including:

- Density bonuses;
- Streamlined processing of development applications;
- Reduced or waived zoning requirements for traffic mitigation fees and in-kind contributions;
- Land assembly programs;



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- Financial programs such as tax increment financing zones, tax abatement, or transit-oriented loan support; and
  - Other economic development and revitalization strategies.

Not every incentive is relevant or appropriate to every project context. Project sponsors receiving a “medium-high” or “high” rating typically demonstrate an array of incentives appropriate to local market conditions and development needs, and explain the importance of and need for these incentives. Furthermore, to the extent that such incentives have been previously available in the corridor or elsewhere in the region, project sponsors should provide evidence of actual use and effectiveness of the incentives.

#### *4.1.4.3 Efforts to Engage the Development Community in Station Area Planning and Transit-Supportive Development*

Public sector actions can set the framework for station area development but cannot, except for occasional public projects, directly create development. Outreach to developers, property owners, and financial institutions regarding characteristics of and opportunities for transit-supportive development is key. Outreach may take forms such as invitations to participate in public planning processes, one-on-one meetings, or other educational activities. Local agencies may also conduct transit-oriented market studies to assess the potential for and barriers to increased station area development.

Joint development is a particularly important strategy for promoting station area development. Some transit agencies, particularly those owning significant amounts of station area property, have been able to achieve a “medium-high” or “high” rating on tools to implement transit-supportive policies based in part on the strength of their joint development program. Project sponsors should provide evidence that the transit agency has established or is planning to establish such a program, and that, if established, it has resulted in specific development proposals and projects in station areas.

## **4.2 Performance and Impacts of Transit-Supportive Plans and Policies**

This rating is based on demonstrated evidence of the effectiveness of regional and station area policies that support transit. The emphasis is on examples of policy implementation and the potential impacts of the policies, in conjunction with the transit investment, on future regional development patterns.

The two items considered are:

- Performance of transit-supportive plans and policies, as measured through demonstrated cases of development affected by policies as well as station area development proposals; and
- Potential impacts of the transit investment on development, based on land available and the corridor economic environment.

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#### ***4.2.1 Performance of Transit-Supportive Plans and Policies***

FTA evaluates the demonstrated success in achieving transit-supportive development patterns, through examples of actual and proposed development projects. If a proposed New Starts or Small Starts project is the first recent fixed-guideway transit project in the region and the project is early in the process, transit-supportive policies specific to the proposed corridor may not have been developed, or limited evidence may be available to judge the effects of such policies. Nevertheless, a “low” or “medium-low” rating is normally assigned regardless of the stage of transit project or system development if specific transit-supportive policies have not been implemented and results have not been demonstrated. A “medium” or higher rating is assigned only if transit-supportive policies have been adopted in the region and their effects are already being demonstrated through the presence of transit-supportive development patterns.

The purpose of this approach is not to penalize projects in regions with no recent history of fixed-guideway transit investment, but rather to provide a consistent and uniform measurement scale by which to benchmark progress across projects. Furthermore, there are many examples of planning activities throughout the country that generally support transit by achieving “smart growth” outcomes and improved livability, and there are many “no-regrets” strategies that can yield benefits even if the transit project is not ultimately completed. The fact that a fixed-guideway transit corridor has not yet been funded in a city or region should not stand in the way of laying the groundwork for future transit corridors.

The evaluation of performance of transit-supportive plans and policies need not be limited to the specific transit corridor being evaluated. Project sponsors may provide evidence of successful developments and policies elsewhere in the municipality or region. The greatest weight will be given to examples within the same municipality, since this demonstrates favorable local market conditions as well as a willingness to implement adopted policies.

The performance of plans and policies is evaluated based on the following two items:

- Demonstrated cases of development affected by transit-supportive policies; and
- Station area development proposals and status.

**Table 9. Ratings of Performance of Transit-Supportive Plans and Policies**

Decision or Approval Phase	Rating	
Engineering	HIGH	Transit-supportive housing and employment development is occurring in the corridor. Significant amounts of transit-supportive development have occurred in other, existing transit corridors and station areas in the region.
	MEDIUM	Station locations have not been established with finality, and therefore development would not be expected. Moderate amounts of transit-supportive housing and employment development have occurred in other, existing transit corridors and station areas in the region.
	LOW	Other, existing transit corridors and station areas in the region lack significant examples of transit-supportive housing and employment development.
FFGA/SSGA	HIGH	A significant number of development proposals are being received for transit-supportive housing and employment in station areas. Significant amounts of transit-supportive development have occurred in other, existing transit corridors and station areas in the region.
	MEDIUM	Some development proposals are being received for transit-supportive housing and employment in station areas. Moderate amounts of transit-supportive development have occurred in other, existing transit corridors and station areas in the region.
	LOW	A limited number of proposals for transit-supportive housing and employment development in the corridor are being received. Other, existing transit corridors and station areas in the region lack significant examples of transit-supportive housing and employment development.
	Ratings based on assessment of the following: <ul style="list-style-type: none"> <li>• Demonstrated cases of development affected by transit-oriented policies; and</li> <li>• Station area development proposals and status.</li> </ul>	

*4.2.1.1 Demonstrated Cases of Development Affected by Transit-Supportive Policies*

Project sponsors should provide documentation of other recent projects that have been successfully developed consistent with transit-oriented design principles such as higher densities and pedestrian-friendly design characteristics. Documentation should include photographs, renderings, and/or site plans that clearly illustrate the transit-oriented character of the development. Examples may include projects that have taken place in proposed station areas or along other, existing transit routes; urban redevelopment or infill projects; and new developments designed around “new urbanism” principles. If transit-supportive policies exist

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but little or no evidence is available that they have had any impact, a “low” or “medium-low” would be supported. Favorable evidence should include more than just two or three projects that may represent exceptional cases. The number of examples of supportive projects that should be provided will depend upon how long the policies have been in place and the rate of development in the project area. The evidence should suggest that most or all new development in existing and planned transit station areas is consistent with transit-supportive policies and design principles.

#### *4.2.1.2 Station Area Development Proposals and Status*

Project sponsors should describe development proposals and plans and provide renderings and/or site plans to better illustrate the character of the development. The descriptions should at a minimum include the size, type(s) of use, amount of parking, whether the development has been permitted, and the expected dates of construction start and completion. Throughout the stages of the process, the presence of development proposals inconsistent with transit-supportive design principles should lead to a “low” or “medium-low” rating. Even a small number of transit-supportive proposals, however, may justify a “medium” or “medium-high” rating, as long as unsupportive proposals are not in evidence in the station areas. Evidence that developers are interested in transit-supportive concepts, but waiting for greater certainty about the project before developing more specific project proposals, may also support a “medium” rating. As a project approaches an FFGA/SSGA, some proposals may be expected (possibly depending upon the certainty of local developers that the transit project will be completed), and a more significant amount of planned development may justify a “medium-high” or “high” rating. If local market conditions are supportive, transit-supportive projects may move forward even when the status of the transit project itself is uncertain, since they may be viable even in the absence of a transit investment.

#### *4.2.2 Potential Impact of Transit Investment on Regional Development*

This addresses the potential impact of the proposed project on regional growth and development patterns. The intent is to assess the perceived likelihood of significant transit-supportive development changes occurring, considering existing conditions, existing or proposed plans and policies, examples of the performance of policies, market conditions, and other factors that may influence development. The development potential in station areas is assessed together with demonstrated development conditions and trends in the larger transportation corridor and region. The items considered are:

- Adaptability of station area land for development; and
- Corridor economic conditions.

Obtaining a “medium-high” or “high” rating is contingent upon: 1) significant land being available for new development or redevelopment at transit-supportive densities; 2) a favorable corridor economic environment; and 3) transit-supportive plans and policies in place or proposed that are expected to facilitate significant changes.

**Table 10. Ratings of Potential Impact of Transit Project on Regional Development**

Decision or Approval Phase	Rating	
Engineering and FFGA/SSGA	HIGH	A significant amount of land in station areas is available for new development or redevelopment at transit-supportive densities. Local plans, policies, and development programs, as well as real estate market conditions, strongly support such development.
	MEDIUM	A moderate amount of land in station areas is available for new development or redevelopment at transit-supportive densities. Local plans, policies, and development programs, as well as real estate market conditions, moderately support such development.
	LOW	Only a modest amount of land in station areas is available for new development or redevelopment. Local plans, policies, and development programs, as well as real estate market conditions, provide marginal support for new development in station areas.
	Ratings based on assessment of the following: <ul style="list-style-type: none"> <li>• Adaptability of station area land for development; and</li> <li>• Corridor economic environment.</li> </ul>	

*4.2.2.1 Adaptability of Station Area Land for Development*

The primary considerations for this issue are the amount of land near transit stations that is vacant or available for redevelopment, and the amount of development anticipated or permitted for these parcels (as measured in FAR or dwelling units per acre), based on existing zoning or actual proposals. A project serving a completely built-up, but low-density, area with little or no redevelopment potential would receive a “low” or “medium-low” rating. (A “medium-low” rating may be assigned if a project may help stabilize properties and fill vacancies, even if major projects are not anticipated.) A project serving significant amounts of vacant land would receive a “high” or “medium-high” rating, but only if the land is covered by zoning that allows transit-supportive densities. If existing or planned zoning is not transit-supportive, the rating will typically be no higher than a “medium-low” even if considerable vacant land is available. Built-up areas with already high density that allow for continued high density and the conversion of development sites to higher densities may receive “high” or “medium-high” ratings.

Another way to consider this issue is in terms of potential station area population, employment, and densities at build-out. What is the total capacity for additional population and employment under current station area plans? To achieve significant changes in development patterns from a regional perspective, projected station area growth will need to be in the thousands of residents or jobs for a single station (rather than hundreds), or in the tens of thousands for an entire project.

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#### 4.2.2.2 Corridor Economic Environment

The extent to which the real estate market is likely to support transit-oriented development in the corridor is considered, assuming that appropriate policies and zoning are in place and land is available for development.

Project sponsors opting to perform a horizon year estimate of ridership for evaluation and rating on the other project justification criteria are asked by FTA to submit forecast population and employment for the region, corridor, CBD, and station areas in the land use and economic development template. This data can be used to analyze the corridor economic environment. Additionally, project sponsors may provide information on other major employment and activity centers in the corridor and their expected growth. Other data that project sponsors may choose to provide include commercial and residential vacancy rates, lease rates, housing prices, and absorption (square footage of new development). These indicators will change as economic cycles change and may not be readily available in every area, so FTA has not established quantitative benchmarks. However, comparisons can be made between the transit corridor and other parts of the region, with other peer regions, and with past trends to help gauge the strength of the local market.

While it is not required, the project sponsor may choose to conduct a market study that examines short- and long-term prospects for different types of development in the corridor and station areas. A market study can be a powerful tool for supporting planning activities and informing the development of appropriate zoning regulations as well as fiscal and regulatory incentives that may be needed to support growth. Development of a market study can therefore help support the ratings for multiple factors related to the economic development effects criterion. Evidence may also be provided on market trends in existing transit corridors and the extent to which the regional market supports higher-density, pedestrian-friendly, and transit-oriented developments.

### 4.3 Tools to Maintain or Increase Share of Affordable Housing

Local plans, policies, and incentives should be in place to help ensure that affordable housing in the corridor is maintained or increased. Increasing land values around transit projects can sometimes result in a loss of affordable housing in proximity to the project, thereby reducing the accessibility of the people most in need of service. FTA believes that maintaining affordable housing near transit creates more inclusive communities and helps to ensure lower-income families have ready access to transit. FTA encourages transit agencies to coordinate and form partnerships with localities to guide transit-supportive development and affordable housing.

The term “affordable housing” as used by FTA in this context generally means housing affordable over the long-term to renters or owners with incomes below 60 percent of the area median income. To be considered “affordable housing,” rental housing must meet one of the following tests:

- Owned by an organization dedicated to providing affordable housing; or
- Governed by a legally binding use restriction (or other legal protection) requiring the housing (or the land upon which it operates) to be used to provide affordable housing.

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Items considered when evaluating this include:

- Evaluation of corridor-specific affordable housing needs and supply;
- Plans and policies to preserve and increase affordable housing in region and/or corridor;
- Adopted financing tools and strategies targeted to preserving and increasing affordable housing in the region and/or corridor;
- Evidence of developer activity to preserve and increase affordable housing in the corridor;  
and
- The extent to which local plans and policies account for long-term affordability and the needs of very- and extremely-low income households in the corridor.

#### ***4.3.1 Evaluation of Corridor-Specific Affordable Housing Needs and Supply***

A first step in planning for affordable housing is to document affordable housing supply and needs. A needs assessment evaluates the demand for affordable housing and compares it to the supply of housing. For example, a needs assessment can examine metrics such as the ratio of median monthly housing costs to median income (for both renters and owners), and the fraction of households paying more than a given percent of their income for housing. A needs assessment can also use qualitative methods to evaluate the extent to which people who want to live in the area can afford to do so. A needs assessment should consider regional as well as corridor-specific conditions. Affordability goals or targets may be set for the study area and/or specific subareas.

Affordable housing policies should be crafted in a manner that is specific to the needs of the corridor. The most appropriate tools to preserve and expand affordable housing may vary from region to region and even within a region. Land values and rents – and therefore affordability – vary substantially across metropolitan areas and municipalities. Areas where land values are high may have a greater need for such policies and may also have different tools at their disposal. However, even areas with relatively low land values can benefit from policies that protect low-income residents from rising costs and decreasing affordability in transit station areas.

#### ***4.3.2 Plans and Policies to Preserve and Increase Affordable Housing in Region and Corridor***

The station area planning process that is often conducted in advance of a transit project is an ideal time to consider affordable housing policies. Localities should take advantage of the opportunity to plan for affordable housing preservation *before* the transit project is built, when it may be possible to acquire property or apply protections at a lower cost.

Examples of plans and policies to preserve and increase affordable housing include:

- Inclusionary zoning or housing programs, which require or provide incentives for developers to set aside a certain percentage of units (typically 10 to 25 percent) for income-qualified buyers or renters;
- Density bonuses or reduction of parking requirements for the provision of units made available for income-qualified buyers or renters;

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- Employer assisted housing policies, using tax credits, partnerships, matching funds, and/or other mechanisms to encourage employers to help employees to buy or rent homes close to work or transit;
  - Rent controls or condominium conversion controls on existing units to maintain affordability for renters;
  - Zoning to promote housing diversity, such as zoning that permits accessory or “in-law” units, and residential zoning based on floor area ratio rather than dwelling units to reduce the disincentive to build smaller units;
  - Tenant “right of first refusal” laws, which require that an owner provide the tenants with an opportunity to purchase the property at the same price as a third-party buyer; and
  - Affordability covenants, which limit appreciation of rents and/or sales values for units rented or sold to income-qualified tenants for a given length of time.

Affordable housing plans and policies should promote rather than discourage private investment in housing. Such policies must be carefully crafted to ensure that they do not discourage the production of new housing, which serves to increase the overall supply of housing in the area and therefore lower housing costs. For example, rent or cost controls applied to new units brought on the market can discourage production of housing because developers may not be able to make adequate profit to justify their investment. Similarly, inclusionary zoning requirements must recognize the reduced profit for the developer and should not be set at a level so high as to discourage developers from entering the market.

Project sponsors should work with local planning agencies and housing and community development authorities to document the most significant needs and most appropriate policies that can be applied locally to preserve and expand the stock of affordable housing. In their submissions to FTA, project sponsors should document affordable housing plans and policies specifically targeted to station areas, as well as broader plans and policies for the affected communities as a whole.

#### ***4.3.3 Adopted Financing Tools and Strategies Targeted to Preserving and Increasing Affordable Housing in the Region and Corridor***

Planning for affordable housing should also consider appropriate financial mechanisms that could be applied. Affordable housing can be supported through financial mechanisms such as:

- Funding for targeted property acquisition, rehabilitation, and development of low-income housing, including direct funding for public and nonprofit development authorities, Low-Income Housing Tax Credits (including criteria that favor application of credits in transit station areas), and local tax abatements for low-income or senior housing;
- Land banking programs to support the assembly of land for new affordable housing development by public, private, or nonprofit developers;



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- Financial assistance to housing owners and/or tenants through mechanisms, including affordable housing operating subsidies, weatherization and utilities support programs, tax abatements or mortgage or other home ownership assistance for lower-income and senior households;
  - Local or regional affordable housing trust funds to provide a source of low-interest loans for affordable housing developers; and
  - Targeted tax increment financing, other value-capture strategies, or transfer tax programs to generate revenue that can be directed towards low-income housing programs.

Project sponsors should document any available financial mechanisms, as well as provide evidence of their use in the transit corridor.

#### ***4.3.4 Evidence of Developer Activity to Preserve and Increase Affordable Housing in the Corridor***

This issue considers the performance of affordable housing policies as demonstrated through actual provision of housing by private and public developers. Affordable housing can be created or maintained through incentives and/or requirements for private sector developers, direct engagement of public or nonprofit agencies in housing provision, and/or direct subsidies to low-income renters or buyers, or to landlords. In many cases, it will not be feasible or desirable to meet the demand for affordable housing simply through subsidies or public agency actions alone. The private sector plays an important role in creating and maintaining affordable housing. Transit project sponsors should work with local housing authorities and planning staff to identify examples of the provision of affordable housing in new or existing developments and should provide information such as the number of units, specific affordability restrictions, length of time the restrictions apply, etc.

#### ***4.3.5 Extent to Which Plans and Policies Account for Long-Term Affordability and Needs of Very- and Extremely-low Income Households***

Preservation is crucial to ensuring that housing in proposed station areas will remain affordable. Property value appreciation in an affected area can occur over a number of years, yet in many cases, affordability restrictions have time limits. These properties will be at risk of conversion to market-rate housing, contributing to the displacement of low- and moderate-income families.

A housing unit that is affordable at the time of FTA's evaluation and review of the project could have its affordability restrictions expire either during the planning and construction phase or shortly after the transit project is open for service, thus negating the benefits of the transit investment for low and moderate income households. Therefore, there should be evidence of continuance of a legally binding affordability restriction in the transit corridor over the long-term following the project's opening. There are a number of different ways that long-term affordability can be assured, including commitments tied to the receipt of Low-Income Housing Tax Credits, HOME or other HUD funds, payment in lieu of taxes (PILOT) agreements, and other legal instruments tied to the receipt of Federal, state, local, and/or private funds/financing.

For a proposed station area with very low housing costs and very high poverty levels, additional investments in long-term affordable housing may not be warranted. Where rents and housing sale prices are very low, and poverty rates are very high within a one-half mile of a proposed station, no additional affordable housing may be necessary in that station area. However, this would not affect the requirement to adopt plans to preserve the existing affordable housing in that area.

**Table 11. Ratings of Tools to Maintain or Increase Share of Affordable Housing**

Decision or Approval Phase	Rating	
Engineering	HIGH	<p>Plans and policies are in place in most of the jurisdictions covered by the project corridor that identify and address the current and prospective housing affordability needs along the corridor. The plans outline a strategy to preserve existing affordable housing (both legally binding affordability restricted housing and market-rate affordable housing.) The plans also explicitly address the housing affordability and quality needs of very- and extremely-low income households.</p> <p>Financing commitments and/or sources of funding and robust financial incentives are identified and secured to support affordable housing acquisition (including acquisition of land and/or properties intended to be converted to affordable housing), development and/or preservation consistent with adopted plans and policies. These commitments may include early phase or acquisition financing as well as permanent financing.</p> <p>A strategy is in place to encourage jurisdictions to adopt local policies and zoning codes that support and encourage affordable housing development in transit corridors.</p> <p>Developers are actively working in the corridor to secure priority development sites and/or maintain affordability levels in existing housing units.</p>
	MEDIUM	<p>Affordable housing plans are being prepared in most of the jurisdictions covered by the project corridor that identify and address the current and prospective housing affordability needs along the corridor. The plans outline a strategy to preserve existing affordable housing (both legally binding affordability restricted housing and market-rate affordable housing). The plans also explicitly address the housing affordability and quality needs of very- and extremely-low income households.</p>

**Table 11. Ratings of Tools to Maintain or Increase Share of Affordable Housing (continued)**

Decision or Approval Phase	Rating	
	MEDIUM (continued)	<p>Some financing commitments and/or sources of funding and have been identified and secured to support affordable housing acquisition (including acquisition of land and/or properties intended to be converted to affordable housing), development and/or preservation. These commitments may include early phase or acquisition financing as well as permanent financing.</p> <p>A strategy is in place to encourage jurisdictions to adopt local policies and zoning codes that support and encourage affordable housing development in transit corridors.</p> <p>Developers are starting to work in the corridor to secure priority development sites and/or maintain affordability levels in existing housing units.</p>
	LOW	<p>Plans and policies are not in place or being prepared that identify and address the specific housing affordability needs along the corridor.</p> <p>Financing commitments and/or sources of funding have not been identified and secured to preserve and/or build new affordable housing consistent with adopted plans.</p> <p>There is no strategy to encourage jurisdictions to adopt local policies and zoning codes that support and encourage affordable housing development in transit corridors.</p> <p>There is little or no affordable housing development/preservation activity in the corridor.</p>
FFGA/SSGA	HIGH	<p>Comprehensive affordable housing plans have been developed and are being implemented that identify and address the current and prospective housing affordability needs along the corridor. The plans include efforts to preserve existing affordable housing (both legally binding affordability restricted housing and market-rate affordable housing.) The plans also explicitly address the housing affordability and quality needs of very- and extremely-low income households.</p>

**Table 11. Ratings of Tools to Maintain or Increase Share of Affordable Housing (continued)**

<b>Decision or Approval Phase</b>	<b>Rating</b>	
FFGA/SSGA (continued)	HIGH (continued)	<p>Financing commitments and/or sources of funding and robust financial incentives are secured and available at the local and/or regional level and along the proposed corridor to support affordable housing acquisition (including acquisition of land and/or properties intended to be converted to affordable housing), development and/or preservation consistent with adopted plans and policies. These commitments may include early phase or acquisition financing as well as permanent financing.</p> <p>Local policies and zoning codes support and encourage affordable housing development in transit corridors.</p> <p>Developers are actively working in the corridor to secure priority development sites and/or maintain affordability levels in existing housing units.</p>
	MEDIUM	<p>Affordable housing plans have been developed and are being implemented that identify and address the current and prospective housing affordability needs along the corridor. The plans include efforts to preserve existing subsidized housing. The plans also explicitly address the needs of very- and extremely-low income households.</p> <p>Some financial incentives are available along the proposed corridor to support affordable housing acquisition (including acquisition of land and/or properties intended to be converted to affordable housing), development and/or preservation consistent with adopted plans and policies. These commitments may include early phase or acquisition financing as well as permanent financing.</p> <p>Local policies and zoning codes support affordable housing development in and near transit corridors to a moderate extent.</p> <p>Developers are starting to work in the corridor to secure priority development sites and/or maintain affordability levels in existing housing units.</p>

**Table 11. Ratings of Tools to Maintain or Increase Share of Affordable Housing (continued)**

Decision or Approval Phase	Rating	
FFGA/SSGA (continued)	LOW	<p>Affordable housing plans and policies are in development or non-existent, or fail to address key elements such as length of affordability, preservation of existing affordable housing, and the needs of very- and extremely-low income households.</p> <p>Little or no financial incentives are available to support affordable housing development and preservation.</p> <p>Local policies and zoning codes support affordable housing development in and near transit corridors to a lesser extent.</p> <p>There is little or no affordable housing development/preservation activity in the corridor.</p>
	<p>Ratings based on assessment of the following:</p> <ul style="list-style-type: none"> <li>• Evaluation of corridor-specific affordable housing needs and supply;</li> <li>• Plans and policies to preserve and increase affordable housing in region and/or corridor;</li> <li>• Adopted financing tools and strategies targeted to preserving and increasing affordable housing in the region and/or corridor;</li> <li>• Evidence of developer activity to preserve and increase affordable housing in the corridor; and</li> <li>• The extent to which the plans and policies account for long-term affordability and the needs of very- and extremely-low income households in the corridor.</li> </ul>	

**Table 12. Quantitative Element Rating Guide**

Rating	Existing Land Use				Corridor Policies and Station Area Zoning				
	Station Area Development		Parking Supply		Station Area Development		Parking Supply		
	Employees served by system <sup>a</sup>	Average population density (persons per square mile)	CBD typical cost per day <sup>b</sup>	CBD spaces per employee <sup>c</sup>	CBD comm. FAR <sup>d</sup>	Other comm. FAR <sup>e</sup>	Residential DU per acre	CBD spaces per 1,000 square feet	Other spaces per 1,000 square feet
High (5)	> 220,000	> 15,000	> \$16	< 0.2	> 10.0	> 2.5	> 25	< 1	< 1.5
Medium-High (4)	140,000 - 219,999	9,600 - 15,000	\$12 - 16	0.2 - 0.3	8.0 - 10.0	1.75 - 2.5	15 - 25	1 - 1.75	1.5 - 2.25
Medium (3)	70,000 - 139,999	5,760 - 9,599	\$8 - 12	0.3 - 0.4	6.0 - 8.0	1.0 - 1.75	10 - 15	1.75 - 2.5	2.25 - 3.0
Low-Medium (2)	40,000 - 69,999	2,561 - 5,759	\$4 - 8	0.4 - 0.5	4.0 - 6.0	0.5 - 1.0	5 - 10	2.5 - 3.25	3.0 - 3.75
Low (1)	< 40,000	< 2,560	< \$4	> 0.5	< 4.0	< 0.5	< 5	> 3.25	> 3.75

Note: This table is intended as a rough guide for assigning ratings for items in which quantitative data are given primary consideration.

<sup>a</sup> Based on the Institute of Transportation Engineers’ document entitled “A Toolbox for Alleviating Traffic Congestion.” The total employment served includes employment along the entire line on which a no-transfer ride from the proposed project’s stations can be reached.

<sup>b</sup> CBD core (not fringe parking).

<sup>c</sup> Average across CBD.

<sup>d</sup> CBD core area.

<sup>e</sup> Elsewhere in corridor (typical for commercial districts).