

Policy Tool: Incorporating Affordable Housing in Joint Development



Examples: Washington Metropolitan Area Transit Authority (DC)
Portland TriMet (OR)
Denver Regional Transit District (CO)

Summary: Transit agencies can leverage the production of affordable housing near transit and increase their ridership by adopting joint development and transit-oriented development policies that encourage production of affordable housing as part of joint development efforts.

While transit agencies are not generally in the real estate development business, they frequently become involved in development efforts near their stations if they own surplus land. The sale or lease of transit authority property for development is called “joint development” because the process involves a partnership between transit agencies and developers. Such joint development may represent an excellent opportunity to spur the production of affordable housing near transit.

Many transit agencies’ joint development policies and programs are designed primarily to maximize revenue to the transit agency by leveraging real estate assets for the most profitable use. But a growing number of transit agencies have worked to incorporate affordable housing into their joint development projects, spurred in part by the realization that the residents of such housing are more likely to ride the transit system and generate fare revenue for the agency. A recent survey conducted by Denver non-profit FRESC found that at least nine transit agencies have joint development policies with provisions designed to spur production of affordable housing and six others have practices of including affordable units in projects even in the absence of written policy (Kneich & Pollack, 2009).

The Washington Metropolitan Area Transit Authority or Metro has long required inclusion of affordable housing for joint development projects on land it controls, even before

Washington, D.C. adopted an inclusionary zoning ordinance. The disposition agreements issued in connection with redevelopment around the Columbia Heights metro station, for example, required that a minimum of 20 percent affordable housing be included on all seven parcels (Quigley, 2010).

In Portland, Oregon, Tri-Met worked in a public-private partnership to redevelop an odd-shaped parcel formed by a light rail alignment that proved unsuitable for mixed-use development. The Goose Hollow Stadium Station apartment project, built in 1998, ended up as a 100 percent affordable, 115-unit project with ground floor retail that required only 69 parking spaces because so few residents own cars.

In Denver, the Regional Transit District is in the process of adopting a new policy that would require considering whether surplus land should be used for affordable housing before surplus land is sold or subject to joint development (Quigley, 2010).

