Transit Oriented Development: A Developer’s Perspective

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Who am I?

- UCLA Urban Planning – Not a developer
- Transportation Manager, City of South Pasadena (public)
  - City Commissioner, Transportation
- Deputy Mayor, City of Pasadena (appointed)
- Executive Director, Transportation & Land Use Collaborative (non-profit)
  - TOD Specific Plans & General Plans
  - Latino New Urbanism
  - Community visioning
TOD and the Value Proposition

• Public Private Partnership
  – Minimizes the Risk
  – Public Financing Structure

• Development Intent
  – Vision for the development goal
  – Political leaders and Community

• Market Segmentation
  – Empty nesters/Baby boomers/Young professionals
  – “Urban-lite” alternative
TOD vs. Mixed Use

- Value proposition – added TOD value
- Redevelopment Project Areas
  - Public Infrastructure
  - Entitlement process
  - Public goals
    - Affordable Housing
    - Linkage with Transit
- Political environment - community
Where is the drive for TOD coming from?

- Market driven response
  - Sprawl, commute/traffic, changing lifestyle preferences
  - Urban-Lite alternatives and residential choices

- American Demographics
  - Boomers 74 million
  - Gen X 34 million
  - Gen Y 74 million

- 26% Single living by choice
- 23% ‘Traditional’ family structure
TOD Implementation

• Due Diligence Analysis
  - Market
  - City Administration
  - Political Leadership

• Drivers
  - Cost of Land
  - Cost of Construction
  - Sales price
Significant value add to TOD

• Funding programs that target Transit Oriented Development
  • Local
    - Entitlement process
    - Tax Credits
  • State
    - Proposition 1C Funding
      » TOD Funding/Brownfield and Infill
  • Federal programs
    - Low Income Housing Tax Credits
    - New Market Tax Credits (Retail)
    - Historic Tax Credits
Transit Oriented Development
Biggest handicaps to TOD

- Parking, parking, and more parking
  - Building today’s standards for tomorrow’s demand
  - Significantly impact urban design and quality of experience

- Entitlements
  - Interagency, multi-jurisdictional
  - Outdated planning & zoning documents

- Conflicting public policy goals
  - Housing, transportation, redevelopment, open space

- Environmental & Infrastructure
  - Brownfield, ancient infrastructure
Common Public Sector Mistakes

• Not helping with land assembly
• Requiring retail on every street
• Requiring all vertical mixed-use
• Not understanding density
• Requiring too much parking
Common Public Sector Mistakes

• Investing in the wrong developer
• Expecting the developer to determine the use
• Not insisting on great design and materials, sustainability
• Need to be flexible in today’s market conditions
Development Champions

• Role of the Public Sector
  - Work with community to set long term vision
  - Identify priority development areas
  - Implement meaningful entitlements/incentives
  - Regulate design over use
  - Establish predictable process for decision making

• Role of the Elected Official
  - Support the vision and ensure political backup
  - Run interference with the public
Development Champions

• Role of the Private Sector
  - Bring capital and expertise to implement vision
  - Build the vision of the community by involving public in the design of the development
  - Don’t cut corners
Development Champions

- Role of the Not For Profit Sector
  - Call the question
  - Convene the players
  - Initiate thoughtful planning
  - Educate the community
  - Insist on good design
  - Advocate for good projects
  - Support elected officials
Win-Win-Win TOD

- City gets what they want
- Developer gets what they need
- Community gets new value investment in neighborhood