Workforce Housing: The Missing TOD Link

Tuesday, October 19, 2010
Step 1: Communication Strategy
Step 2: Building Neighborhoods

Mission Meridian Village, South Pasadena
New Railroad Square, Santa Rosa
Communication, let’s get our message right. California Infill Builders Association recently conducted polling conducted in California. Here are a few takeaways...
Viewpoints: Is ‘smart growth’ law on the right track? Yes

Special to The Bee: Op-ed by Michael Dieden
Published Wednesday, Sep. 22, 2010

This week is decision time for the California Air Resources Board.

Will board members act to keep California positioned as a leader in reducing our dependence on foreign oil and improve our quality of life?

Or, will they cave into pressure from Big Oil, locking another generation of Californians into just one option when it comes to getting around town – the automobile?

This week the Air Resources Board will have to resist the efforts of lobbyists for Big Oil and suburban sprawl developers who are trying to postpone California’s goal of lowering its greenhouse gas emissions. Low targets mean business as usual. Strong targets mean an exciting new future for California. As a socially responsible real estate developer, I say strong targets, and here’s why.

Since I’m in the housing business, I pay close attention to market demand. The new housing consumers want to live in neighborhoods where they don’t have to jump in the car every time they leave the house. They want more options to get from point A to point B – whether by bike, on foot or using public transit.

The market bears this out. My firm, Creative Housing Associates, completed the Mission Meridian Village project in South Pasadena in 2005. The project features 67 homes located near transit. According to a study by Coldwell Banker, in the five years since its completion, Mission Meridian Village outperformed all other comparable projects in the market area by 26 percent. While my competitors’ properties lost 16 percent of their value, Mission Meridian gained 10 percent. Mission Meridian is more desirable to homebuyers because it offers a better quality of life.

So what does this have to do with greenhouse gas emissions? In setting strong targets, the Air Resources Board will create incentives for the development of homes in walkable communities that are located near transit.

All Californians would benefit from environmentally conscious development. Homes located in neighborhoods that give people more options to get to and from work, school and other destinations mean fewer trips to the gas pump and more cash in their pocketbook.

Imagine living in a neighborhood that would allow you to give up one of the family cars. Doing so would save a family an average of $8,500 annually. Put that into a savings account over a 10-year period and it’s enough to send your kids to college.

Strong targets will also reduce air pollution, creating safer and healthier communities. According to an ARB study, about 9,000 people die prematurely each year from long-term exposure to pollution from diesel-powered vehicles.
Opportunities

• Blighted neighborhoods
• Most are unable to see the potential opportunities
• Housing market fails to meet local needs
• Magic beans
Affordable Housing

The phrase “affordable housing” to most Americans evokes images of failed government public housing projects, government waste, poverty and crime.
Race, Class...

Public transit as an objective is divisive along ideological lines because it triggers attitudes toward government, race, and class.
You only get one chance ...

First impressions are critical

- Approach
- How you meet the neighbors
- Establish relationship with neighbors first and then plan
Barriers

- People don’t think regionally
- Recession, budget crisis, lack of employment opportunities dominate
- Planning debates tied to processes are far removed from everyday life
- Growing cynicism, lack of trust for all levels of government
Effective Communication is tapping into **Shared Values**

Americans share pro-planning values as long as ...

**Contributes and offers:**
- Fairness
- Convenience
- Affordability that is not scary

**Increases:**
- Access
- Preservation
- Open Space

**Offers:**
- Choice
- Community Space
- Preserves historic structure with adaptation reuse strategy
Start with the basics... Relate to people on their level

• **Personal /Family/ Security** – Offer attractive and convenient neighborhoods, local economic development opportunities, cleaner air, improved quality of life

• **Freedom** – More housing choices; more options to get from point A to point B

• **Hope for the Future** – Efficiency, innovation, improved schools and other infrastructure improvement
Values
The key that opens hearts and minds

**PRIMARY VALUES:**
- Family/personal security
- Personal responsibility
- Personal liberty
- Honesty/integrity
- Fairness/equality

**SECONDARY VALUES**
- Care for others
- Stewardship
- Personal fulfillment
- Respect for authority
- Love of country or culture
Our Message MUST be in Alignment with Audience Values
Solution

• Ease the way for innovative development projects that transform abandoned and neglected properties into complete neighborhoods that help communities meet a wider range of housing choices. And create opportunities for surrounding community.
Benefits

- More options to get from point A to B
- Neighborhoods that are attractive and convenient
- A housing market that meets the full range of local needs
- A variety of housing types delivered at different price points
Climate Does Not Work!

- Voters favor action on climate change, but...
- Support is diffuse, declining and split on political/geographical lines
- The economy and jobs is a far more immediate concern
Contradictory Views

• Voters may support climate action, yet oppose planning measures.

• Voters’ positions are highly fluid and subject to significant shifts based on how the redevelopment proposal is framed.
Local Development

- Depending on framing, which provides comfort, then people can support infill and mixed-use development.

- Voters in these communities universally agree that development that offers the convenience of mixed uses is attractive, even though it might not be for them personally but for their neighbors.
Smart growth, smart code... **“Smart”** this is **NOT SO SMART** when communicating with real people...

Bureaucrats and intellectuals v. regular folks. Planning experts and their language is seen as condescending, and therefore not heard.
Avoid the Sprawl Frame

“We need to refute the popular conception that good planning is a top down, big brother, ivory tower concept that wants to change how often you drive your car.”

-Mike McKeever, Sacramento Area Council of Governments
Avoid the Climate Frame

“When compared to other issues, global warming seemed a less visceral concern and less in need of an immediate response.”

“The message shouldn’t be about global warming unless we’re talking to a core environmental group.”
How to manage the communication: Developer as a Community Organizer

- Walk door to door.
- Survey/Questionnaire (know what neighbors really think)
- See neighbors as your best friend
- Get out of the car, walk the back alleys, knock on doors of boarded up buildings
The Medium is the Message: Do NOT rely on mainstream media.

Land Use Media Coverage

- Press is process-focused
- Developer messaging fails to connect to community values
- Controversy scares people
The Opposition’s concerns:

- Government regulation and control
- Bureaucracy and red tape
- Economy seen as the priority

“Leadership is listening to those who we really don’t want to listen to.”

– Jerry Brown
Breakthroughs

- Burst in housing bubble
- New housing consumer want shorter commutes, convenient locations
- Creating complete neighborhoods near jobs and city centers is a win-win for everyone
Sharpen the Message

- Frame development/growth in the way people truly experience it.
- Discuss the benefits and opportunities of a new approach to neighborhood building, not the process.
Dieden’s Do’s & Don’ts

Do

• Talk about increasing the supply of homes people can afford

• Talk about neighborhoods that give people more options to get from point A to point B

• Talk about building neighborhoods that are attractive, convenient

• Talk about local development and economic opportunities

• Talk about local benefits you are contributing i.e. charter school, recreation center, open space

• Town Builder

Don’t

• Talk about affordable, low-income or workforce housing

• Talk about transit-oriented development, infill or public transportation

• Talk about mixed-use housing

• Talk about regional planning
Building Neighborhoods

Two Case Studies:

Mission Meridian Village, South Pasadena
New Railroad Square, Santa Rosa
Mission Meridian Village, South Pasadena
Mission Meridian Village: Project History
Mission Meridian Village: Transit Connection
Mission Meridian Village: Planning Context
Mission Meridian Village: Precedent
Magnolia Court:
Turning lemons into lemonade...
Magnolia Court
In partnership with the Heritage Housing Partners of South Pasadena

Before

After
Mission Meridian Village: Planning Context
Mission Meridian Village: Public Space
• Winner of the Charter Award from the Congress for New Urbanism, 2006

• Winner of the “Tranny Award” from the California Department of Transportation (Caltrans), 2006

• Winner of five Golden Nugget Awards from the Pacific Coast Builders Conference

• Selected as the Outstanding Transit Project in America by Urban Land Institute, 2006
Why TODs Achieve Greater Value

- Easier for lenders to underwrite
- Land value premium due to eligibility for public financing
- Public land adjacent to transit with little or no carrying costs
Coldwell Banker Study of Mission Meridian Village

MMV vs. S. Pasadena

26% greater retention in value

October 2009
New Railroad Square, Santa Rosa, CA
SMART Rail Corridor: Alleviating Sprawl & Congestion
5 minute walk

Railroad Square Historic District
Site Master Plan

- PHASE II
  - 118 market rate condominiums

- CIRCA 1900
  - Historic Railroad Depot

- OXBOW PUBLIC MARKET

- PHASE I
  - Office/Restaurant/Retail

- PLANT NO. 5
  - Public Parking Garage

- THE CANNERY
  - 68 Affordable Housing (above)
  - Club One Community Fitness Center (below)
New Railroad Square Aerial View
In today’s economy, neighborhood building is no longer residentially driven

- Most residential is NOT FINANCEABLE

- First step is to anchor with a community serving public asset

- Community assets can be financed with innovative devices, i.e. NMTC and EB-5 Programs

- After community asset is in place, the neighborhood is stabilized, then retail and residential can be gradually introduced
Site Adjacent to 5 Bus Routes

Taxi Stand

Kiss and Ride

Intermodal Connections
Residential Lobby

Day-lighting from above

Sonoma Market Hall
Stormwater Management Through Reuse of Existing Iconic Water Tower

Filtered rain water storage under street

Water Tower

Irrigation to planting

Roof water collected

Stormwater Retention & Re-circulation for Irrigation

Historic Water Tower
Community Recreation Center
Important Public Investment

$15 million keeps Santa Rosa project on track

Developers hope to start building food and wine center in Railroad Square next year

By CLARE MAISON
THE PRESS DEMOCRAT

The developer of a proposed Railroad Square food and wine center has accepted $15 million in grants and federal stimulus funds to keep the project on track.

With the help of Santa Rosa officials, the developer of the ambitious housing and commercial project was awarded an $11.5 million grant to use primarily for street, water and sewer work.

The city agreed to kick in another $11.5 million of its share of anticipated federal stimulus money to help with infrastructure and environmental cleanup.

Developers hope to break ground on the first phase of the project — a retail portion, some housing and a parking garage — in about a year.

"It's very catalytic to have these funds," developer John Stewart said Tuesday. The money helps clear a funding gap in the $80 million project, which is planned in three phases, he said.

"We consider this to be an economic catalyst for all of the downtown," Santa Rosa Mayor Susan Gorin said.

The grant money awarded by the state "is critical for this project," she said.

The partners still need to secure all their financing and some city entitlements, but "if everything falls in place, we can start soon summer on the first phase," Stewart said.

The developers last year got a green light on the project from the Sonoma Marin Area Rail Transit district, which owns the 1.3-acre site and wants to develop the property for the coming SMART train.

Traditionally, the site is zoned for hotel and commercial uses, but the SMART board has approved the site as a transit-oriented housing and commercial shopping.

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By JAMES V. LECOFF, Business Journal Staff Reporter

July 2nd, 2009 11:56am

Backers of $200 million development on Railroad Square 'just ecstatic'

NORTH BAY - Funding, the primary obstacle of the mixed-use Railroad Square project in Santa Rosa, no longer stands in the way.

The project was approved to receive $15 million in state bond and federal stimulus funds.

The multi-phase, multi-use rail in fill project will include affordable for-rent housing, market rate for-sale condominiums, a 40,000-square-foot public market, 40,000 square feet of office space, the Sonoma County Food and Wine center, a 263-space parking garage and several restaurants.
CA developers fight weakening of greenhouse gas laws

Meanwhile, the state’s urban developers are looking to create TOD projects along a future 70-mile passenger rail line.

Despite spirited talk in California about a “transportation revolution,” developers there complain that funds for transit-oriented development (TOD) are in short supply. To improve the outlook, smart-growth-oriented developers are forming a new organization — the California Infill Builders Association — which will advocate infill development and seek more plentiful financing.

“Most lenders just don’t get it — the added value of transit,” says Michael Dieden, who chairs the infill builders group and also heads Creative Housing Associates, a Los Angeles firm that developed the well-received Mission

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View of Railroad Square Historic District, 2012
Transit-Oriented Development (TOD) is Cited as One of the Best Investment Opportunities

ULI/PRICEWATERHOUSECOOPERS "EMERGING TRENDS" REPORT RANKED TOD AS BEST BET FOR INVESTORS 5 YEARS IN A ROW

- **2009**: “Best Bets 2009” ... Developers can’t miss securing project sites near rail stops and train stations.

- **2008**: “Best Bets 2008” ... Congestion mounts everywhere & people get sick of losing time. Condominiums, apartments, and retail near light rail or subway/train stops “increasingly attractive,” almost can’t miss.

- **2007**: “Best Bets 2007” ... Global gateways with 24-hour characteristics and mass transportation “have turned into the nation’s investment property mecca’s.”

- **2006**: “The distance between where we live and work will matter more ... TOD near subway or light rail lines almost can’t miss ... People congregate there.”

- **2005**: “Locations near transit rank as the No. 1 choice for all development types.”
Awesome Train Set, Mr. Buffett

By DAN BARRY

For $30 or so, you can buy a Thomas the Tank Engine train set and feel as powerful as Sir Topham Hatt, the somewhat wooden overseer of the mythical North Western Railway Company. Or, if you are the investor Warren E. Buffett, you can purchase the complete set of the Burlington Northern Santa Fe Corporation, for $28 billion or so.

Comes with 40,000 employees, 6,700 locomotives, and access to hundreds of thousands of freight cars. Some assembly required.

In announcing his plans last week to buy Burlington Northern, Mr. Buffett explained that good old trains are the future: an efficient and relatively green way to ship coal, grain and just about everything else that makes this country run. Another reason for his purchase, he joked, was that “my father didn’t buy me a train set as a kid.”

Although Mr. Buffett’s plans are rooted in the cool calculation of good returns on an investment, his throwaway line taps into the romantic distinction of his latest acquisition. He is not buying just anything. He is buying trains — and thus the rapt attention of the societal subset known as railfans. A quarter-million strong, by their estimates, they are deeply knowledgeable, a little prickly about being dismissed as nerds, and so enthusiastic that Mr. Buffett’s following of devoted investors will seem disengaged by comparison.

Knowing all the lyrics to “Orange Blossom Special” does not make you a railfan. To join this crowded club car, you must be train-obsessed, and possess a profound appreciation for the conquest of challenging landscape by powerful machinery moving ever forward. If you cannot muster this level of passion, you can get off at the next stop.

You’re a railfan if you have waited in the chill of early morning to watch a freight train pass through Horseshoe Curve in Altoona, Pa. You’re a railfan if you live for a serendipitous “meet” — when, with camera in hand, you witness the point at which trains traveling in opposite directions pass each other.

“There’s also the sound,” explained Steve Barry, the managing editor of Railfan & Railroad magazine, circulation 40,000. “The sound of a train as it works up the grade is just awesome.”

When asked to elaborate, Mr. Barry paused for several seconds, as if to compose in his mind the humming of the steel wheels on steel rails, the hugging of the couplers connecting cars.

“Wow,” he said, finally. “Thundering, but unlike thunder. It lasts a lot longer. It is machinery at work — at its best.”

Mr. Barry said that many railfans dedicate themselves to preserving the historical record. One Web site, RailPictures.net, features more than 271,000 photographs of trains, with updates of the most popular from the last week, the last 24 hours. “Eastbound KJRY train (April 30, 2009) and location (Krook, Iowa).”

Other fans focus on timetables, standing beside the track in, say, Yanna City, Miss., to chronicle what time the city of New Orleans passes through. But this is “more of a British thing,” Mr. Barry said. “Americans are more apt to photograph.”

You are also a railfan if you collect “railroadiana,” the memorabilia of trains: dining car china, or steam locomotive whistles, or railroad uniform buttons, or brass rail locks from the Baltimore & Ohio Railroad. Steve Glischinski, the author of several books about trains, says a friend of his has a caboose in his backyard.

Both Mr. Barry and Mr. Glischinski acknowledged that railroad employees long ago christened railfans as “foamers,” though they differ in their understanding of the term’s origin. Mr. Barry said it derives from Foamite, which stands for “Far Out and Mentally Incompetent Train Enthusiasts”; Mr. Glischinski said it comes from the notion of foaming-at-the-mouth craziness.

Mr. Barry said that some railfans now proudly declare themselves foamers to deny the term its derogatory intent. Even so, Mr. Glischinski doesn’t care for enthusiasts who say “I went foaming today.”

“I find that weird,” he said. “I am just a railroad fan.”

He also noted that railroad employees who dismiss enthusiasts as foamers and worse — one acronym uses a very, very bad word — often will come back a decade later, after they’ve retired, and ask, “Say, you wouldn’t happen to have a picture of that train I used to work on, would you?”

To which Mr. Glischinski says he often answers: “Yes, I do.”

Since we’re talking about terminology, Mr. Glischinski said, how about you reporters? “Every train is ‘chugging’ into town,” he said. “Steam locomotives are long, long, long gone.”

Another thing, what is so nerdy about a hobby that encourages you to travel this country — to see trains passing through Altoona, or climbing the swirl of California’s Tehachapi Loop, or rumbling along the Wyoming flatness of nowhere place called Big? Just the other day, Mr. Glischinski saw a “meet” in the central Illinois town of Monica. On the Warren E. Buffett line, as a matter of fact: the Burlington Northern.