What’s Going On—A Glimpse At the Impact of Transit Oriented Development 2000-2010

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Purpose

• How has the growth in transit and TOD affected the regional economies where it is located?
• What kinds of information tools are now available that can reveal this performance?
• What else can we look forward to having available to aid in planning and supporting the capture of local economic benefits from transit oriented development?
Available Tools

• National statistics
• Housing and Transportation Affordability Index, http://htaindex.org
• National TOD Data Base, http://toddata.cnt.org
• Upcoming reports
While Volatile and Climbing Gas Prices Give Cause for Concern--Chicago Weekly Gas Prices October 8 2000-October 9 2012
Demographic & Price Trends Promote Urbanism and Demand Reduction

- Continuous drop in household size since 1790
- HH Size dropped from 3.3 to 2.6 1960-2000 while home size built increased 1400-2100 square feet
- “Married w/kids” only 23% of total, HHs w/Kids 30%
- Rapid increase in older HHs

Homes get larger while HHs get smaller
Housing + Transportation Affordability Index

http://htaindex.org
Data Used in Estimating Travel Demand and Costs

**Neighborhood Characteristics**

- Household Density
  - Net Residential Density
  - Gross Density
- Street Connectivity and Walkability
  - Average Block Size
  - Intersection Density
- Transit Access
  - Transit Connectivity Index
  - Transit Access Shed
- Jobs Access
  - Employment Accessibility Index

**Household Characteristics**

- Household Income
- Per Capita Income
- Household Composition
  - Average Household Size
  - Average Commuters per Household

**HH Travel Demand**

- Auto Ownership
  + Auto Use (VMT)
  + Public Transit Use

**Times Unit Costs**

- Fixed
- Variable

**Total Transportation Costs**
What We Found Nationally in our 2010 and 2012 Studies of all US Regions

• 2010 using 2000 data—69% of US metro communities “affordable” using housing-only index; dropped to 39% using new Index setting goal of keeping H+T at < 45% of household income

• 2012 using 2005-2009 data—76% of communities look “affordable” using housing-only index, drops to 28% using H+T Index

• Household income nationally increased 21% 2000-2009, but housing increased 37% and transportation 39% respectively
Rising Housing and Transportation Costs vs. Incomes for the Median-Income Household in the Largest 25 Metro Areas (costs and income are not adjusted for inflation)

Percentage Change (2000 - 2010)

- Housing Costs: +52%
- Transportation Costs: +33%
- Combined Housing + Transportation Costs: +44%
- Household Income: +25%

NOTE: Households in this figure include renters and homeowners carrying a mortgage. On subsequent pages, our analysis focuses on all renters and owners, including homeowners who own their home outright.

Source: Housing + Transportation (H+T®) Affordability Index applied to 2000 Census data and 2006-2010 American Community Survey data (Center for Neighborhood Technology and Center for Housing Policy).
If you build it, operate it frequently and connect it regionally, they will ride it.
Putting it All Together—For HHs Earning Median Income, Housing Costs 28.2% and Transportation 21.8% of Income, H+T Index = 50%

Increases # HHs Who Cannot Afford From 1.2 Million to 2.1 Million
CTOD TOD Database
(Total = 5,999 Transit Stations)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2007 Growth</th>
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5-Year Growth Fixed Guideway Stations

http://toddata.cnt.org
http://ctod.org
25% of net new American HHs will “demand” housing near transit in 2030—

Center for Transit-Oriented Development
Hidden in Plain Sight—
The Coming Demand for Housing Near Transit
CTOD for FTA/HUD, 2005 and
Updated Demand Estimate Feb. 2007

CTOD TOD Database
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5-Year Growth Fixed Guideway Stations

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Data Now Available for all 6,000 Existing and Planned Station Areas—1/4 and ½ Mile Buffers—70,000 Measures Total
Rate of System Growth & Ease of Development

Make a Difference
Which Shows Up in Regional Average Household Transportation Expenditures

% of Region’s HH Growth
2009 T-Cost
Extent of Transit Shed Helps Promote Choice

2009 Percent Taking Public Transit, Walking or Biking to Work

- Percent Public Transit 2009
- Percent Walking to Work 2009
- Percent Biking To Work 2009
Foreclosure Prevention—Can This Predict...

Chicago Foreclosure Rates Highest in Areas of High T-Cost and Extensive Use of Variable Rate Financing
Can Gas Price Spikes & Location Efficiency Help Provide Early Warning of Defaults and Foreclosures?

26-week moving averages
Gas prices

Foreclosures drop with transit connectivity

Foreclosure filings –spikes follow gas price spikes with 6-9 month lag

Foreclosures increase with VMT > 15,000
Observations and Recommendations

- Community and regional leaders need to prioritize reducing the cost of living to complement efforts toward globalization and international connections.
- The money is actually there to do this—Chicago metro households spend $30 Billion/Year on inadequate transportation, businesses another $45 Billion—LA shows this is a cash flow problem only.
- In Chicago, investment capital is bypassing the region and we’re “leaking” wealth rather than building it.
- The policies which accomplish location efficiency can deliver climate protection and economic security and help align and coordinate these efforts.
- Cities are the solution, not the problem.
Coming Soon
Report Release October 18 2012

Losing Ground

The Struggle of Moderate-Income Households to Afford the Rising Costs of Housing and Transportation
Thank You!

- Scott@cnt.org
- www.cnt.org
- Affordability Index, http://htaindex.org
- TOD Data Base, http://toddata.cnt.org
- Center for Housing Policy http://www.nhc.org/about/Center-Mission-Goals.html