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National Award for Smart Growth Achievement 2002 Winners - City/County Association of Governments of San Mateo County

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Project: Transit Oriented Development (TOD) Incentive Program



San Mateo's TOD Incentive Program uses transportation funds to help communities that build more housing near rail stations. It spurs construction of needed housing and creates environmental benefits by giving people the option of commuting and running errands by rail. This program directly links land use with efficient use of the existing transportation system.



Construction underway on Phase 1 of the Franklin Street project, which will provide 206 residential units at the Redwood City Caltrain Station.

In California and in local governments across the country, land use decisions often focus on maximizing sales tax revenue to balance budgets. This creates a greater incentive to build office and retail space but creates a disincentive to construct housing. As jobs and housing spread out, the transportation system can become overburdened. Modeling showed that San Mateo County could reduce congestion by locating more housing near transit stations, giving people easy access to rail.

To address a housing shortfall, reduce congestion, and improve environmental quality, the City/County Association of Governments of San Mateo County (C/CAG) provides incentives for land use agencies (20 constituent cities as well as the county) to create housing near transit stations. C/CAG allocates up to 10 percent of State Transportation Improvement Program funds for the San Mateo County TOD Incentive Program. The program provides a financial incentive for local land use authorities to develop housing near transit stations.

Under the program, a jurisdiction receives incentive funds based on the number of bedrooms in the housing units. Typically, eligible projects receive up to \$2,000 per bedroom. In order to be eligible for the program, housing must be within one-third of a mile of a rail transit station, and density must be at least 40 units per acre. In the event that the program is oversubscribed, C/CAG may reduce the funding per bedroom or provide additional funding to the program. Land use agencies only get the funding once the units are built or are under construction. Funds are then used to support improvements either on- or off-site as determined by the land use agency. In addition to direct transportation improvements, some general improvements such as landscaping, lighting, sidewalks, plazas, and recreational projects are allowed.

For the first cycle, October 1999 to September 2001, C/CAG programmed \$2.3 million to the TOD Incentive Program to support development of 1,282 bedrooms in five projects. The second cycle, February 2002 to February 2004, has programmed over \$2.9 million for 10 projects to facilitate the creation of 2,407 bedrooms.

Highlights

Interest from Other Jurisdictions

The success of C/CAG's TOD Incentive Program has encouraged other jurisdictions to implement similar programs. The Metropolitan Transportation Commission, the metropolitan planning organization for the San Francisco Bay Area, adopted a Housing Incentive Program based on C/CAG's model. Legislation being considered at the state level would create a similar program. Sacramento, Fresno, and Monterey Counties (in California) are also considering similar programs.

Integration with Transportation Planning

The TOD Incentive Program recognizes that coordinating land use and transportation is critical to achieving an efficient transportation system and making the best use of tax dollars. C/CAG's approach is an innovative use of transportation funds that provides incentives to land use decision-makers to achieve transit-oriented development.

“Redwood City is proud to have received the first-ever TOD

Incentive grant from C/CAG for Franklin Project Phase I. This project has been well received by the community and will provide 206 new residential units, including 31 affordable units, and convenient retail — all within walking distance to the Caltrain Station and Downtown District employment/services. ”

- Maureen Riordan, Senior Planner, City of Redwood City



Phase 1 of the Franklin Street Project, near completion. The project received \$1.2 million in TOD Incentive Program funds.

For More Information

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