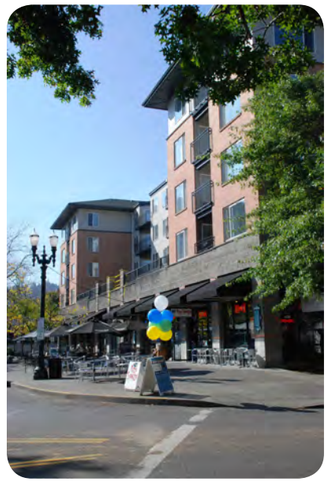
DISCUSSION DRAFT, July 1, 2013









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# Draft steering committee recommendation | Attachment B

# Regulatory framework and financial incentives toolbox

Southwest Corridor Plan Steering Committee discussion:
July 8, 2013

# Toolbox: Regulatory framework that sets the stage

The Southwest Corridor Land Use Vision expresses the collective aspirations of the communities in the Southwest corridor. High capacity transit has the potential to have a catalytic effect on adjacent land uses and help achieve this vision. This will work best if transit supportive regulations and policies are in place well in advance of the high capacity transit investment. These policies will both support the land use vision now and to help to achieve the community's desired goals over time. There are a number of regulatory tools and strategies that can help foster transit ready communities; however, their application differs greatly depending on the context in which they are applied.

This section describes in detail these key transit supportive policies and regulatory tools. Specific project examples of how these tools can be applied are also included to illustrate how the changes can raise the development potential within the corridor. The policies that are recommended for further action by local partners include the following:

- zoning code changes
  - examining density maximums and building height
  - non-compliant use provision
  - stepbacks
  - commercial corridor assessment
- parking requirements and parking management
  - trip generation reductions
  - responsive parking ratios
  - shared parking
  - unbundling parking
- design code changes
  - layered landscapes and active open space
  - ground floor active use provisions.

## ZONING CODE

### ▶ Density maximums and building height

#### WHAT

Local jurisdictions often focus on height limits and density maximums when trying to find the appropriate level of development for a mixed-use district. Often, more suburban development styles necessitate a limit on the height of buildings in a zone so as not to be incompatible with existing residential neighborhoods. In addition to building heights, local building codes often limit the ceiling height of multistory, mixed-use buildings, without a clear understanding of the design needs of these buildings.

#### WHY

Building height and ceiling height have to be linked to work properly. If one of the two is not properly calculated for a mixed-use development type, a developer will be unable to accommodate the desired storefront and living area designs. This problem stifles development or forces developers to underutilize properties in downtowns, main streets and mixed-use corridors.

#### HOW

A local jurisdiction would examine their zoning code and perform an audit to determine if there were instances where ceiling height and building height requirements were not designed to accommodate a mixed-use design type. Additionally, the jurisdiction should also see if density maximums are possible at the required building height maximum for the zone. If conflicts were to be found, the jurisdiction would then take steps to correct one, or both, of the requirements to come into line with the desired development type in the zone.

# ZONING CODE

## ▶ Non-compliant use provision

### WHAT

In downtowns, main streets and mixed-use corridors, a non-conforming use provision can attract redevelopment on a smaller, site-specific scale. These code provisions allow a property with an existing auto-oriented use that would no longer be permitted in most centers and corridors to be continued if the property is redeveloped in exchange for increased density, a greater mix of uses, and higher design standards. This increased flexibility in a code can make a difference in a developer's decision to approach a specific site. The approach highlights an often overlooked point that the redevelopment and design of the site may be more important than the allowed uses.

### WHY

Auto-oriented land use areas, such as the Tigard Triangle and Tualatin Town Center, may find this code change to be useful in incentivizing local developers to approach redevelopment projects that would otherwise be limited in scope to redevelopment of low-density commercial projects.

### HOW

A local jurisdiction would examine their development code and determine the best locations for the application of a non-conforming use provision. Land uses could be targeted to focus the incentive in areas that the city wishes to see redevelopment occur. This approach can be implemented in base zones, plan districts or overlay zones.

## ▶ Stepbacks

### WHAT

A specific design feature of zoning codes can allow buildings to step back subsequent stories from the street, thus lowering the scale of the development on the street front while allowing for slightly higher densities on the project. In these scenarios, additional height and density may be allowed to the extent that the building's upper floors are designed to offer a slenderizing effect to the development. Stepbacks may be used in combination with height limits to ease the transition between higher- and lower-density developments that are abutting each other. Often, stepbacks are used to bridge the different development types of abutting districts.

### WHY

Developments like the Armory site in Portland would benefit from this particular application, as the site is directly adjacent to single-family housing to the west. To negate the possible negative effect of high density development on this neighborhood, stepback provisions would allow for a smoother transition in the street frontage and a more aesthetically pleasing development to the neighbors along Multnomah Boulevard.

### HOW

A local jurisdiction would examine their land use plans and determine the best locations for the application of stepback requirements. The focus should be on areas where the city is seeking new development that is directly adjacent to single-family neighborhoods or other sensitive land uses. The stepbacks can be implemented though existing design standards in particular plan districts or overlay zones.

# ZONING CODE

## ▶ Commercial corridor assessment

### WHAT

To better position the Barbur/99W corridor to take advantage of market demand, the corridor must be significantly and deliberately re-evaluated to determine a new form that property owners and developers will once again invest in. For properties within the corridor, revitalization requires a restructuring of land use and development patterns. A change from auto-oriented to multimodal transportation through and near the corridor can help guide and focus redevelopment, which in turn will enhance mobility through the corridor. The land use pattern and the street design should be planned together and reinforce each other to promote multimodal access. A change in commercial/retail corridor alignment will not prove easy, but is necessary if jurisdictions are to achieve sustained success.

### WHY

Dissatisfaction with the Barbur/99W commercial strip has become increasingly common. Issues often revolve around its poor design and continued traffic congestion, which hurts businesses along the corridor. Pedestrians and bicyclists want this corridor to be safer and more appealing for people not in cars. The corridor's extensive parking lots and paved surfaces, long distances between stores, poor connectivity between businesses and neighborhoods, and low-efficiency land uses all discourage walking, bicycling and transit use; generate multiple single-purpose vehicle trips; increase use of and dependence on fossil fuels; and contribute to air pollution, increased stormwater runoff and depletion of water resources and wildlife habitat. Due to its current form, the Barbur/99W corridor has no focus, thereby creating more competition between jurisdictions, instead of mutually rewarding cooperation.

### HOW

The four jurisdictions that comprise the bulk of the commercial corridor along Barbur/99W must agree to partner on a multi-jurisdictional effort to re-examine commercial/retail uses and identify the optimal location for a focus on nodal, retail development. The study should attempt to determine the best locations for different intensities of commercial uses and, consequently, identify locations best suited for land use changes that would focus on new housing and employment opportunities between identified commercial/retail nodes.

# PARKING

## ▶ Trip generation reductions

### WHAT

Local governments typically use the ITE Trip Generation Handbook to evaluate the transportation impacts of development projects and to calculate Transportation System Development Charges (TSDCs). By its own admission, the rates in the ITE Trip Generation Handbook are focused on single-use, vehicle-oriented suburban sites; for sites with pedestrian access, transit service and limited or paid parking, local trip rates should be established. To develop the transit-supportive land uses envisioned for this corridor, local jurisdictions need to reduce trip generation assumptions. Trip generation reductions support people-oriented design attracting more people and amenities to the area. As a result, development projects can increase lot coverage, accessibility and active uses and become financially feasible due, in part, to lower parking and TSDC costs.

### WHY

In this region, trip generation along corridors and in centers outside of the central city, is 50 to 70 percent below ITE trip generation rates. Suburban corridors in the region experience a non-auto mode share ranging from 15 to 45 percent. As these locations experience additional transit-oriented development, attracting more people and amenities, it is likely this range will shift to 30 to 70 percent non-auto based trips in these places consistent with existing data collection in the metro region. These levels of non-auto mode share rates also correspond with the land use envisioned in the Southwest Corridor Plan and, therefore, should be what the corridor plans for. Trip generation rates consistent with ITE can require 50 to 75 percent of a site to be dedicated to parking (a non-income generating use) and trigger additional auto capacity without acknowledging the streets capacity to serve pedestrians, bicyclists, and businesses. By reducing trip generation rates to be more accurate with the vision, parking costs can be reduced from 10 percent to less than 1 percent of total project costs, and TSDC fees can be scaled based on project form and land use, reducing them to only 1 to 2 percent of total project costs.

### HOW

Local jurisdictions can use the model created in the Contextual Influences on Trip Generation study to adjust ITE trip generation rates to be consistent with the context of the envisioned built environment. The rate adjustment utilizes Metro's Context Tool, which correlates with a number of built environment measures, including number of transit corridors, people density, number of high-frequency transit routes, lot coverage, bike facilities and intersection density. By using built measures or the Context Tool, trip generation rates can be rightsized to the local context and the vision for growth in that location. Cities and counties would adopt this adjustment factor for calculating trip generation and amend capital improvement plans to reflect these adjustments in the project list as well as the TSDC rates.

# PARKING

## ▶ Responsive parking ratios

### WHAT

Existing parking ratios support existing form not the transportation and land uses envisioned in the Southwest Corridor Land Use Vision. In order to support the transit investment, parking ratios along the corridor and in key places need to be rightsized. It can be difficult to ascertain what number is right, particularly given the change these areas will experience. Thus, it is best to adopt parking ratios that respond, or change, based on existing performance in the station area. Performance typically is measured by the existing inventory of parking spaces, occupancy during peak hour occupancies and elements of the built environment (current and planned for). A good benchmark is 85 percent occupancy during peak hour occupancies. As the market, form and utilization changes, so do the parking ratios.

### WHY

Given trip generation rates in this region well below those of ITE, the high cost of parking to developers and end users, and the negative impact to pedestrian-oriented design, existing parking ratios do not support the transit-oriented vision for the Southwest corridor. A number of recent parking studies in the region's centers have also shown an excess supply of parking with utilization rates well below 85 percent. By providing parking at levels appropriate for multimodal areas, municipalities can reduce the cost of development and support transit-oriented design, an attractive streetscape, and increased amenities in the corridor. In the project examples, existing parking ratios called for 50 to 60 percent of a parcel to be dedicated to parking. With ratios more reflective of transit-oriented form and travel behavior, this was reduced to 30 percent or less, providing additional space for local amenities such as storefronts and pocket parks.

### HOW

First, it is imperative to understand the current supply of parking in these areas by taking an inventory of parking spaces in the district and the utilization rate of those spaces. The local jurisdiction should then adopt a parking district with appropriate parking management strategies (shared parking, unbundling, pricing, etc.) to use the parking supply most efficiently. Simultaneously, the municipality would adopt a set of parking ratios that respond to specific supply, occupancy and built environment performance measures. As performance in the district fluctuates, a new ratio is triggered. Since parking is managed at the district level, it is best to provide one ratio set for residential uses and another for non-residential uses.

## ▶ Unbundled parking

### WHAT

In transit served communities, parking can be "unbundled," or separated, from residential and retail units. Developers provide what the market needs and what the market can support. Typically, early projects do not provide much parking, because there is already an abundance of unused parking supply that can be leased nearby and the costs to provide the parking are too high to result in a feasible project. As a market develops, parking supply gets tighter and projects become more profitable, developers capture a premium from pricing parking separately from the residential units and storefronts, enabling residents and retailers to determine how much parking they need and what they are willing to pay. As a result, unbundling parking is more responsive to local demand; extra supply unused by residents can be leased to surrounding businesses, reducing the overall number of parking spaces projects must provide.

### WHY

This is a great parking strategy for areas transitioning to a more transit-oriented form as it is well linked with parking supply and demand as well as what the market can build. It is also a policy that enables more housing choices, especially at lower price points for young individuals and families and those on a fixed income. These projects have attracted significant interest from buyers who do not need parking spots and people, both with and without cars, wanting to live in a transit-oriented development. In one of the project examples, unbundling parking would result in a $6 to 12 thousand decrease in cost, and therefore price, per unit just for the parking spaces. For units without cars, TSDC discounts for lower transportation system impacts would reduce unit costs by a total of $13 to 19 thousand.

### HOW

In transit station areas and key places along the Southwest corridor, local jurisdictions should enable unbundled parking.  The option of unbundling parking would be adopted into the city's parking standards in the zoning code for these specific areas. Unbundling should be allowed by right in areas adjacent to the corridor and station areas. In areas with a tight supply of parking, it can also be allowed as a condition of approval or for a percentage of the units or square footage (greater than half), providing flexibility and market relevance while ensuring that at least some parking is provided on site.

## PARKING

### ▶ Shared parking

#### WHAT

Shared parking is a parking strategy whereby parking spaces are shared by more than one user, which allows parking facilities to be utilized more efficiently. Shared parking takes advantage of the fact that most parking spaces are only used part time by an automobile, with many parking facilities having a significant portion of unused spaces that follow predictable daily, weekly and annual cycles.

#### WHY

Shared parking can reduce parking facility costs (including aesthetic and environmental impacts), allow greater flexibility in facility location and site design, and encourage more efficient land use.

#### HOW

The option of shared parking needs to be provided in city code, by right in specific areas or as a condition of approval on specific development projects. Typically, this would require arrangements be made between individual facility developers and managers that would be participating in the shared parking effort.

## DESIGN CODE

### ▶ Ground floor active-use provisions

#### WHAT

Requiring retail ground floor uses in mixed-use buildings often discourages development in the near-term in areas where the market does not yet support such uses. One way to deal with this market gap is to allow interim storefront uses, while also requiring that ground floor spaces be designed to support retail or commercial uses once the market is ready for them. Codes that recognize the realities of a specific market and identify provisions that help support a long-term vision for an area or district are of paramount importance when a community is trying to activate land uses.

#### WHY

Utilizing these provisions allow a developer to create good "bones" in a development that can later be utilized for the uses ultimately envisioned by the local jurisdiction. This action also allows for some type of use (usually of a lower intensity) to exist in the space in the interim, helping to provide street-level activity for the area. Over time, as rents increase in an area, non-retail uses are pushed out of ground floor locations and either move up a floor, or to the periphery of the district.

#### HOW

A local jurisdiction should address this particular provision in their mixed-use districts that require ground floor commercial/retail uses. The provisions in the code should continue to require the specific ceiling heights, footprint requirements and depth needs that standard commercial/retail uses require, but allow for non-retail uses to temporarily occupy the space.

### ▶ Layered landscapes and active open spaces

#### WHAT

Layered landscapes attempt to replicate the natural environment and, thus, integrate multiple levels or layers of native species of plants. The resulting landscape can differ from project to project but will consist of some combination of the following: ground surfaces, such as dirt paths, bioswales and pervious pavers; habitat at the human level, including shrubs, flowers, wetlands or green walls; and a habitat canopy, using multiple layers of trees as well as green roofs. Layered landscapes help produce aesthetically pleasing open spaces that also serve to filter and absorb on-site stormwater runoff.

#### WHY

Each layer, rather than a total footprint, counts toward habitat and open space requirements, allowing businesses and communities to maximize the use of a property and mitigate development impacts within smaller spaces. Layered landscapes also require less maintenance and operating costs, relying on local climate with less watering. More traditional forms of landscaping requirements ask for a percentage of the property to be set aside, which does not necessarily result in more sustainable, low-impact development.

#### HOW

Jurisdictions would amend their code to move away from mandated percentages of open space on a development site and focus instead on performance of the natural landscape features. This can be done by implementing a flexible menu of design standards that allow different features to be assigned a point value and mixed together for ecological effectiveness rather than total square feet of coverage.

# Toolbox: Financial incentives that set the stage

In addition to regulatory and policy changs, the public sector can help stimulate investment in strategic locations. These tools can help bridge the financial gap between what is financially feasible today and what is desired by the community. In many cases the community's vision is above and beyond what the current market can provide. Investments in the public realm (such as streetscape enhancements and transit investments) are one way to send a message to the private sector that the public is committed to making the community vision a reality. Direct financial incentives provided to key catalytic projects offer a "proof of concept" – and through strategic investment in such projects,  can lead to increased value in the market. Eventually, this can  allow for private investment without public support.

Current market conditions in the Southwest corridor are not supportive of many development forms that are envisioned by the local communities. In particular this is true in areas that would like to see more walkable, attractive and business-friendly neighborhoods than exist today. This section highlights key financial tools that are available to public sector partners to leverage investment and new development in specific Southwest corridor locations. The project examples illustrate how these incentives can help fill the financial gap and achieve the desired development outcomes in the corridor. These tools are recommended for consideration by public sector partners in areas of change throughout the Southwest corridor:

- Transit Oriented Tax Exemption (TOTE)
- Vertical Housing Program
- brownfield cleanup
- System Development Charges strategies
- urban renewal
- Transit Oriented Development Program
- land acquisition and banking.

## ▶ Transit-Oriented Tax Exemption

### WHAT

The Transit-Oriented Tax Exemption (TOTE) encourages the construction of transit-supportive, multiple-unit housing in corridors and centers in order to improve the balance between the residential and commercial nature of those areas. It seeks to ensure full-time use of these places where citizens have an opportunity to live and work. The TOTE reduces operating costs through a 10-year, 100 percent property tax exemption on the improvement value. With immediate relief from a significant increase in taxes, it becomes more feasible to provide the amenities, form,and high-quality design of the development envisioned in these areas.

### WHY

Using the TOTE in the Southwest corridor would have significant impacts on the feasibility of high-quality, transit-oriented projects. Catalytic projects, by their nature, occur in areas where the market is marginal, and therefore raequire the public sector's assistance to overcome significant gaps in financial feasibility. The public's portion can often be as high as 20 to 25 percent of total development costs. The TOTE can cover half or more of that share without requiring any upfront cash from the public sector. In the Southwest corridor, project examples showed the TOTE can reduce costs to the developer by 10 to 15 percent of the total development cost, and as a result, bring more housing, jobs and transit-oriented design to the corridor. In one example, the TOTE was combined with impact fee reductions and a land value write-down, and together this package made the project feasible without requiring a cash investment from the city.

### HOW

A local jurisdiction designs their own TOTE program, local application and approval criteria consist with criteria set forth by the state, which emphasizes development of multi-unit housing accessible to a broad range of residents, on underutilized sites in light rail station areas, transit-oriented and core areas. The city or county adopts, by resolution or ordinance, through a public process, the provisions of ORS 307.600-637 and a designated TOTE area. Applicants must apply by February 1 of the year prior to which the applicant is requesting the exemption, and the local jurisdiction must approve or deny the application within 180 days through a public resolution or ordinance process. The City of Portland has an established TOTE program, so development in that portion of the corridor only requires an application demonstrating how the project meets the city's program criteria.

## ▶ Vertical Housing Program

### WHAT

In transit-oriented areas, light rail station areas and urban centers, the Vertical Housing Program reduces costs at the front end of a developer's investment through a temporary tax relief for on-site improvements. With immediate relief from a significant increase in taxes, developers can invest additional funds in projects that often have higher initial costs. This tax abatement opportunity is available for multistory, mixed-use development projects (construction or rehabilitation) that include residential units. The rate of the 10-year tax abatement ranges from 20 to 80 percent of improvement value depending on the number of floors of housing in the project. By providing affordable housing units, the developer may also qualify to receive a partial property tax exemption on the land value.

### WHY

As a partial tax abatement, the VHP provides a smaller reduction of costs to a project than the TOTE. That said, it is also easier to implement and requires fewer resources at the local level to manage than the TOTE, and it can still have a significant impact on the feasibility of mixed-use housing projects along the transit corridor. Project examples from the Southwest corridor showed the vertical housing tax abatement covered 6 to 8 percent of total development costs, which for one project covered 70 percent of the gap in financial feasibility. By foregoing initial years of tax revenue, local jurisdictions can solidify additional housing opportunities in transit rich areas without needing to spend any upfront cash on the project. In doing so, they will also attract additional development projects and tax revenue to the area, generating return even during the years of the abatement.

### HOW

A local jurisdiction, or a combination of jurisdictions, applies to the state for the designation of a Vertical Housing Development Zone. Once the zone is in place, mixed-use residential development projects that are located within the approved zone are eligible for the tax abatement. Developers follow all local development standards and codes, simply filing an additional application with the state for the tax abatement. Once the development market is strong and incentives are no longer needed, the local jurisdiction files a request with the state to discontinue the zone.

## ▶ Brownfield cleanup

### WHAT

Environmental contamination from historic uses impacts all of the region's centers and corridors, leaving these places underutilized and undervalued. State and federal brownfield cleanup funds, coupled with a proactive local government, can stimulate the market and return these sites to productive use. Public grants and financing options cover due diligence expenses before project financing is available to developers. Interim public ownership and cleanup, particularly when negotiated through a Prospective Purchaser Agreement with Oregon DEQ, limits liability risks for future owners and prepares shovel-ready sites. Local development incentives prioritize investment and make development easier on these sites. Cities can apply all of these tools to remove brownfield-related obstacles and enable the private sector to develop these sites and return them to productive use.

### WHY

Cleanup costs range from $50 to $500 thousand per acre, which can kill a project in areas with weak or average market conditions. With land being one of the most valuable assets to a local government, the opportunities lost (housing, jobs, tax revenue) on brownfields are far greater than the investment needed by the public sector to revitalize these sites. The project examples in the Southwest corridor included a brownfield with $300 thousand in assessment and cleanup costs; only 1.8 percent of the total development costs for a project designed consistent with the vision. This illustrates the significant potential return for a relatively small public investment. Without removing the risk associated with uncertainty, it is not unreasonable for a developer to assume up to a 12 percent brownfield line item for this site. With other project feasibility issues, a developer would not even consider pursuing the development, and the city would lose the people, jobs and amenities it would have brought to the town center. By making the project happen, the city also experiences a radiating effect on property values, improving market conditions throughout the district and attracting additional development.

### HOW

Local jurisdictions can waive fees and expedite the permitting and review process for projects on brownfield sites. Local jurisdictions also qualify for federal and state environmental assessment and cleanup funds for contaminated, underutilized sites. The first step is to explore the different funding options with the Oregon Brownfields Program and an EPA Brownfields Program officer as well as potential ownership and liability protections with Oregon DEQ.

## ▶ System Development Charges

### WHAT

System Development Charges (SDCs) are collected to pay for infrastructure needs associated with growth. These fees can be reduced in dense, mixed-use neighborhoods to be more reflective of the reduced impacts of sustainable development patterns. Similarly, if the developer constructs public improvements, such as a new park to serve the surrounding community or street improvements, then cities need to provide credits reducing the developers overall SDCs. By reducing or eliminating SDCs, which can be particularly high for projects with multiple-unit housing, funds at the front end of development are freed up to provide affordable units and the amenities, form and high-quality design envisioned along the corridor.

### WHY

In the Southwest corridor project examples SDCs accounted for 3 to 5 percent of total development costs. This is a decent portion of the 20 to 25 percent the public sector may need to provide for a catalytic project and, again, does not require a cash investment. More importantly, when the design of these projects was altered to be more consistent with transit and the land use vision, the SDCs did not. Even though the unit size and parking ratios changed to reflect a multimodal, mixed-use corridor environment rather than a suburban context, the per-unit SDC remained the same. Research has shown these development types have reduced impact to the transportation and water systems and, as such, should be reflected through reduced SDC fees.

### HOW

Local jurisdictions can ensure that transit-supportive infrastructure projects, including transit connections and parking garages, are incorporated into infrastructure project lists so that growth is paying for all kinds of infrastructure needed to serve the area's new residents. Cities and counties can also reduce SDC fees, particularly for transportation, in dense, mixed-use and accessible areas and for projects providing lower parking ratios. Local data confirms national findings that vehicle trip rates decrease as neighborhood types become more urban. In this region, businesses located along corridors and in neighborhood centers find 50 to 70 percent of their customers arriving by transit, walking or biking. Local jurisdictions can use the model created in the Contextual Influences on Trip Generation study to adjust ITE trip generation rates to be consistent with the context of the envisioned built environment.

## ▶ Urban renewal

### WHAT

Urban renewal serves as a strong financial incentive to stimulate investment in targeted areas by borrowing against the projected increase in property values in those areas. Using this Tax Increment Financing (TIF) allows areas with weak markets and disinvestment a substantial source of equity to make capital improvements and development projects financially viable while kick-starting private investments. Any area lacking adequate infrastructure or needing capacity improvements can establish an Urban Renewal Area to make public realm improvements and invest in underutilized properties.

### WHY

Urban renewal can be critical to revitalizing main streets, downtowns and mixed-use corridors such as Old Town Sherwood and Tualatin Commons. Long-term public financing can leverage private investment for downtown redevelopment, affordable housing and economic development projects. Local jurisdiction can use low-interest loans or sell land at "fair reuse value" in order to lower redevelopment costs and stimulate activity in these areas. Public realm improvements (infrastructure, streetscape, open spaces, civic buildings, façade enhancements) made through the use of TIF also helps by increasing the desirability and value of the area, raising market rents and attracting new construction. In Old Town Sherwood, over $35 million was generated and spent on a number of improvement projects including the cleanup of a large and difficult brownfield site, resulting in the first building permit application in over 40 years.

### HOW

Municipalities establish an urban renewal area and adopt an urban renewal plan through a public process. An urban renewal agency, consisting of the governing body or an independent organization, then manages the projects, provisions and expenditures outlined in the urban renewal plan. It is important to work with local taxing districts from the beginning of the process to help prevent or reduce their opposition to the plan. Communities will also want to consider affordable housing policies since the purpose of urban renewal areas is to increase investment and value in these places.

## ▶ Transit-oriented development program

### WHAT

The Metro Transit-Oriented Development Program contributes directly to the construction of projects that are not currently feasible under current market conditions. This is achieved through some combination of direct capital investment, development easements or land value write-downs. Through active engagement in the design and construction of real projects, the program can help identify and remove obstacles to the creation of transit villages, main streets and mixed-used urban centers.

### WHY

Focusing housing and employment near transit is one of the most effective ways to reduce regional road congestion, improve air quality and increase transit ridership. Car trips are less frequent in centers with a balance of jobs, housing and urban amenities. Focusing development in existing urban areas uses land more efficiently, reduces the need for costly new public facilities and prevents unnecessary conversion of farmland and natural areas to urban use.

### HOW

A developer with site control may take the initiative to contact Metro directly to determine eligibility for funding for compact and mixed-use transit-oriented development projects that would not be feasible without public participation. Local jurisdictions are encouraged to engage with developers and point them in the direction of the Metro Transit-Oreitnted Development Program if their project visions meet the standards set forth by the program.

## ▶ Land acquisition and banking

### WHAT

Communities will often acquire properties, in an effort to influence the land development process. Additionally, some cities operate a land banking program, which is the holding and management of properties for strategic investment over a period of time. Cities may leverage their ownership to influence a development project or utilize properties within their inventory as bargaining chips in possible property exchanges with interested developers. Land banking can be used to influence all development types, from employment and retail, to new housing and mixed-use projects.

### WHY

The acquisition of properties allows cities to be active participants in the development process, giving them the leverage necessary to guide the process towards their desired outcome. Often, properties are scattered and owned by multiple parties. This can make large-scale redevelopment difficult, as working with multiple ownership parties and a large geographic area lead to a lack of redevelopment focus. By acquiring and banking property, a city can aggregate disparate parcels and bring an ownership focus that allows for a more streamlined development process with a private developer.

### HOW

A local jurisdiction would formalize a land acquisition and/or banking program for the purpose of influencing development. Most programs establish an independent entity with clear control over the land banking process. Direct government control is possible, but an independent agency often has more flexibility and leverage in any future redevelopment opportunities. Traditionally, land banking programs focus on tax foreclosure properties, but they may also explore eminent domain, voluntary donation, or purchase on the open market.

### More information about these development strategies

**Metro's Community Investment Toolkit**
http://www.oregonmetro.gov/communityinvestment

**Vertical Housing Program**

Oregon Housing and Community Services
http://www.oregon.gov/OHCS/Pages/HFS_Vertical_Housing_Program.aspx

**Brownfield cleanup**

Oregon Brownfields Program
http://www.oregon4biz.com/Business-financing-resources/Oregon-Finance-Programs/Brownfields-Redevelopment-Fund/

Oregon DEQ Prospective Purchaser Agreement
http://www.deq.state.or.us/lq/cu/ppa.htm

EPA Oregon Office
http://www2.epa.gov/aboutepa/epa-oregon

Metro's Brownfield Recycling Program
http://www.oregonmetro.gov/brownfields

**Transit Oriented Tax Exemption**

ORS Chapter 307.600-637
http://www.leg.state.or.us/ors/307.html

**Trip generation reductions and System Development Charges**

Contextual Influences on Trip Generation
http://otrec.us/project/407

**Urban renewal**

links

**Grant programs**

links

Other Zoning Code / Design links?