

The Business Case for
Aligning Housing Choices and Transportation Investment
Preliminary Framework for Committee Activity

- Randy Deshazo and Eralda Agolli
- **South Florida Regional Planning Council**
- **July 24, 2024 CEDS Meeting**

Agenda

- Review of April Comprehensive Economic Development Strategy (CEDS) Meeting Takeaways
- **Defining the goals of the Business Case**
- Formation of Subcommittees
- Brief Overview of TOD planning in Atlanta and Dallas
 - Comparisons with Broward and MDC
- Discussion of Next Steps



April 17, 2024, CEDS Meeting Summary

Land Use:

- **Policy Frameworks:** Review local and state policies that facilitated Transit Oriented Development (TOD) success. Study successful TOD implementations in other cities like Dallas and Atlanta.
- **Compare MD and Broward with:**
 - **Atlanta:** Examine the Metropolitan Atlanta Rapid Transit Authority (MARTA) and its TOD projects, emphasizing the impact on housing affordability and urban development.
 - **Dallas:** Analyze the Dallas Area Rapid Transit (DART) system, focusing on the integration of transit corridors with residential and commercial developments.

Finance & Funding:

- Address the infrastructure needs to support increased density and TOD.
- **Funding Mechanisms:** Identify funding sources and financial incentives used to promote TOD.
- **Utility Services:** Assess the capacity of utilities (water, electricity, sewage) to support higher density developments.
- **Public Amenities:** Plan for the provision of public amenities such as parks, schools, and healthcare facilities to support increased population density.

Public Transportation Improvements:

- **Bus System Upgrades:**
 - Improve the frequency, reliability, and infrastructure of bus services. This includes adding express routes and better integrating first and last mile solutions.
- Consider **innovative solutions** like digital cities lab for better transportation planning.
- **Stakeholder Engagement:** Understand how these cities engaged with community members, businesses, and local governments to support TOD projects.

Conclusions:

- Encourage local governments to adopt policies that support higher density and TOD.
- The meeting concluded with a consensus on the need for a comprehensive approach to TOD and increased business community involvement.
- Establish 3 CEDS Sub-Committees
 - Improving Transit Service
 - Cultivating Ridership
 - Transit Finance

Follow-Ups

Form Subcommittees for Detailed Work (Completed)

- **Provide First and Last Mile SFRPC Conference Paper and SFRPC/Florida Atlantic University (FAU) TOD Finance Business Plan**
- **Land Use Subcommittee:** Tasked with studying TOD models from other cities and tailoring them to South Florida's context. This group will also focus on compiling comprehensive infrastructure and funding recommendations.
- **Public Transportation Improvement Subcommittee:** Dedicated to evaluating and enhancing the bus and rail systems and exploring integration with other modes of transport.
- **Finance & Funding Subcommittee:** Paying for it all

Host Tours and Workshops (TBD)

- **Digital Cities Lab Tour:** Organize a tour of the AI Digital Cities Lab to explore how data and technology can aid in transportation planning.
- **Workshops with Experts:** Facilitate workshops with transportation experts, urban planners, and local government officials to refine strategies and share best practices.

Engage Broader Community (Ongoing)

- Engage all tri-county stakeholders
- Schedule speaker for next CEDS meeting
 - Tentative Expert: TBD
 - NSU Digital Cities Tour TBD

Subcommittee Members

Land Use:

- **Ana Carolina Coelho Maran Ph.D.**, District Resiliency Officer, South Florida Water Management District
- **Joseph Corradino**, Mayor, Village of Pinecrest
- **Francesca de Quesada Covey**, Chief Innovation and Economic Development Officer, Miami-Dade County
- **Cary Goldberg**, President, Diversified Companies
- **Steven Hudson**, CEO, Hudson Capital
- **Juliet Roulhac**, Director - Corporate External Affairs, FPL
- **Shane Strum**, President & CEO, Broward Health

Finance & Funding:

- **Keith Costello**, President & CEO, Locality Bank
- **Nelson Fernandez**, Executive VP, ANF Construction
- **Jonathan Gueverra Ph.D.**, President, College of the Florida Keys
- **Ron Steiger**, CFO, Miami-Dade County Schools

Public Transportation Improvement:

- **David Dech**, Executive Director, South Florida Regional Transportation Authority
- **Carol Hylton**, President/CEO, CareerSource Broward
- **Rodrlick Miller**, President & CEO, The Miami-Dade Beacon Council
- **Bob Swindell**, President & CEO, Greater Fort Lauderdale Alliance
- **Randall Vitale**, President, BBX Capital Partners
- **John Wensveen Ph.D.**, Chief Innovation Officer & Executive Director, NSU and Alan B. Levan / NSU Broward Center of Innovation.

Business Case Report

- **What the economy stands to gain or lose with access to labor/jobs. What local and state actions will expand labor and job access through improved transit?**
- **Scope**
- Review local and state policies that facilitated TOD success. Study successful TOD implementations in other cities like Dallas and Atlanta
 - **Land Use Subcommittee**
 - **Public Transportation Improvement Subcommittee**
 - **Financing & Funding Mechanisms Subcommittee** – See [“2019 Business Plan For A South Florida Transit-Oriented Development Fund Report”](#)
- **What Regionally-Focused Outcomes will the Report Deliver?**
 - Economic value generated by transit-driven increased labor-shed accessibility
 - Focused Plans, Policy Blueprint or Agenda, with special attention to-
 - **How do we improve service?** Performance weaknesses and means to address weaknesses (a lot of existing work on this)
 - **Legislative/Advocacy**
 - Identify unfunded transit and non-motorized needs in coordination with MPOs (SEFTC) –State fuel taxes, motor vehicle fees, and rental car taxes. Doc tax can be used in New Starts. (Tricky, using federal funds for this report)
 - **Bridging Potential Gaps in Existing Plans**
 - Regional Housing Goal in Defined Transit Corridors
 - Reaching Jobs/Housing Balance within TOD/transit corridors
 - Establishing a South Florida TOD Development Fund



Miami MSA more populous and denser than similar MSAs

UZA	Population	UZA Square Miles	Population Density
Miami-Ft Lauderdale	6.1 M	1,244	4,885
Houston	5.9 M	1,753	3,340
Dallas-Ft Worth	5.7 M	1,747	3,281
Atlanta	5.1 M	2,553	1,998
Phoenix	4.0 M	1,110	3,581
Denver-Aurora	2.7 M	644	4,168

But Ridership
is Lower
Compared to
Similar
Metros (2022)

UZA Rank (Pop.)	UZA Name	Commuter Rail	Heavy Rail	Hybrid Rail	Light Rail	Streetcar Rail	Other Rail	Total
2	Los Angeles–Long Beach–Anaheim, CA	6.0 M	6.1 M	-	13.5 M	-	-	25.6 M
9	Atlanta, GA	-	17.9 M	-	-	0.1 M	-	18.0 M
18	Denver–Aurora, CO	6.3 M	-	-	10.1 M	-	-	16.4 M
15	San Diego, CA	2.1 M	-	0.8 M	11.6 M	-	-	14.5 M
6	Dallas--Fort Worth--Arlington, TX	3.8 M	-	-	9.6 M	0.2 M	-	13.6 M
4	Miami–Fort Lauderdale, FL	3.6 M	7.3 M	-	-	-	0.9 M	11.9 M

	Population	Miami-FLL is	Ridership	Miami-FLL is
Miami	6.1 M		11.6 M	
Denver	6.3 M	+3%	16.4 M	-29%
Dallas	5.7 M	+7%	13.9 M	-17%
Atlanta	5.1 M	+20%	18 M	-36%

Comparing Transit Operations (Δ 2012-2018)

Miami-FLL MSA

- Population + Employment (P+E) grew by 10.0% (Emp +20%, Pop +6%)
- Median PCI Δ 7.8%
- P+E % Change in Transit Density (Bus) Δ -1.4%
- Ridership (Bus) Δ -31.8%
- P+E % in Transit Density (Train) Δ -1.4%
- Ridership (Train) Δ 0.0%

Atlanta MSA

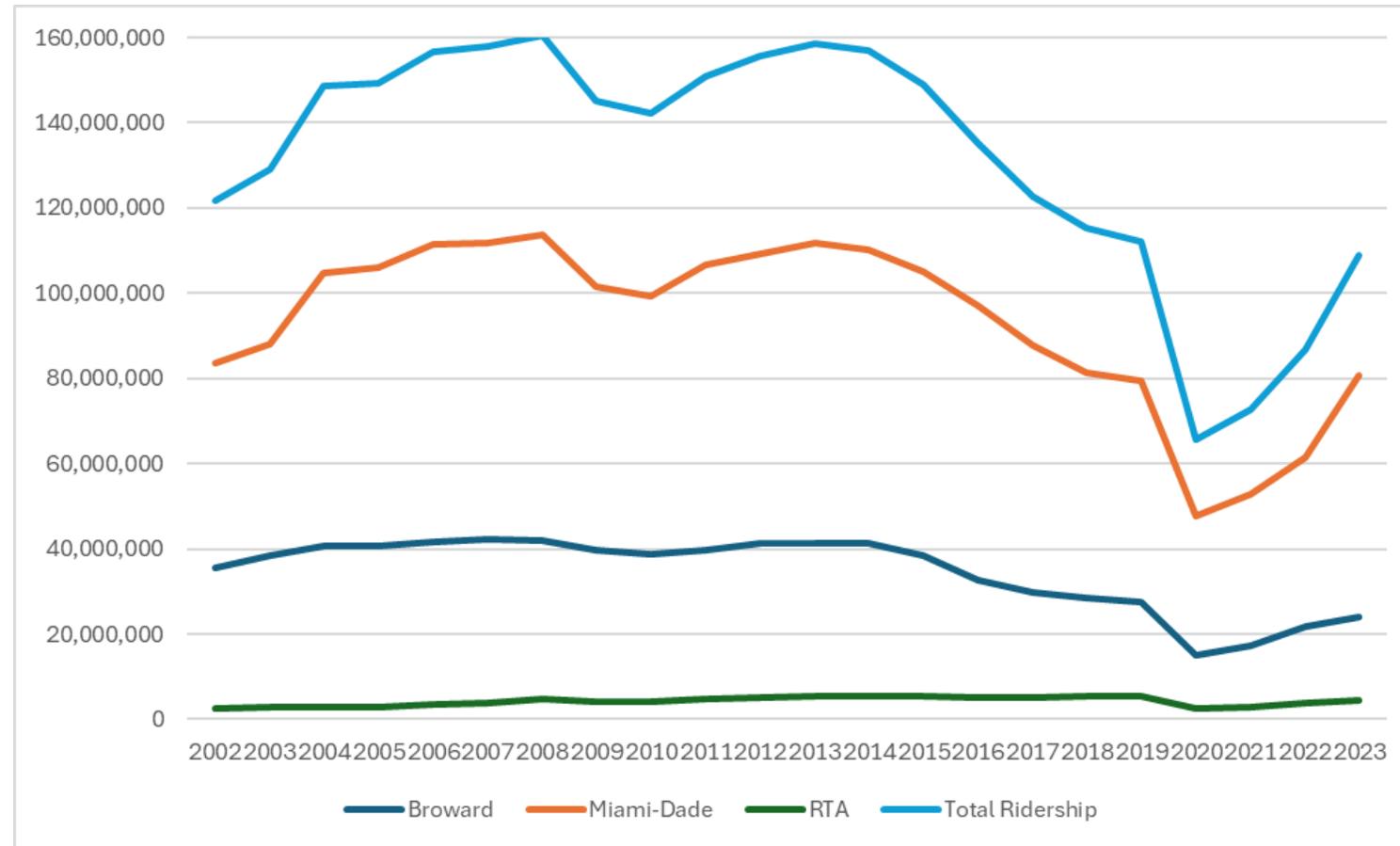
- Population + Employment grew by 12.1% (Emp +13.8%, Pop +9.7%)
- Median PCI Δ 10.7%
- P+E % in Transit Density (Bus) Δ 4.3%
- Ridership (Bus) Δ -17.9%
- P+E % in Transit Density (Train) Δ 4.3%
- Ridership (Train) Δ -7.4%

Dallas MSA

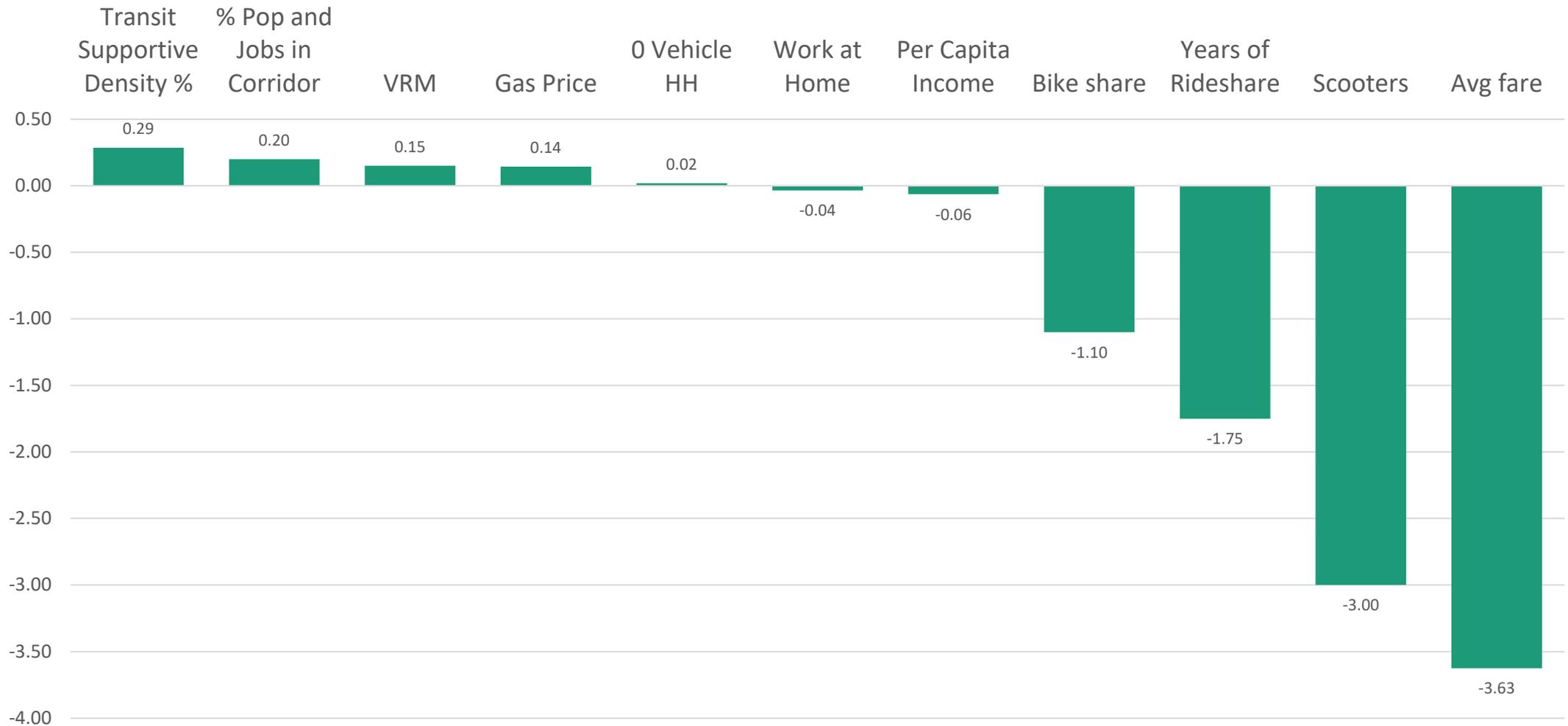
- Population + Employment 15.0% (Emp +17%, Pop +13%)
- Median PCI Δ 10.7%
- P+E % in Transit Density (Bus) Δ -1.2%
- Ridership (Bus) Δ -19.2%
- P+E % in Transit Density (Train) Δ -0.2%
- Ridership (Train) Δ 0.5%

TOD Needs Ridership. What works/does not?

- US Transit sustained investment and increased Land Use (LU) density increased bus ridership by 4.7% and rail by 10.7% between 2012-2018
- But losses due to other factors reduced have **overall reduced bus ridership by 15% and rail by 3%**
- In South Florida, population growth was the largest factor in bus ridership growth but income gains and gentrification, fare increases, and Transportation Networked Companies (TNCs, or rideshare platforms) drove ridership down;
- Rail: Vehicle Revenue Miles (VRM), transit supportive share of pop and jobs, and TNCs increased ridership; Work from Home, scooters and e-bikes drove ridership down

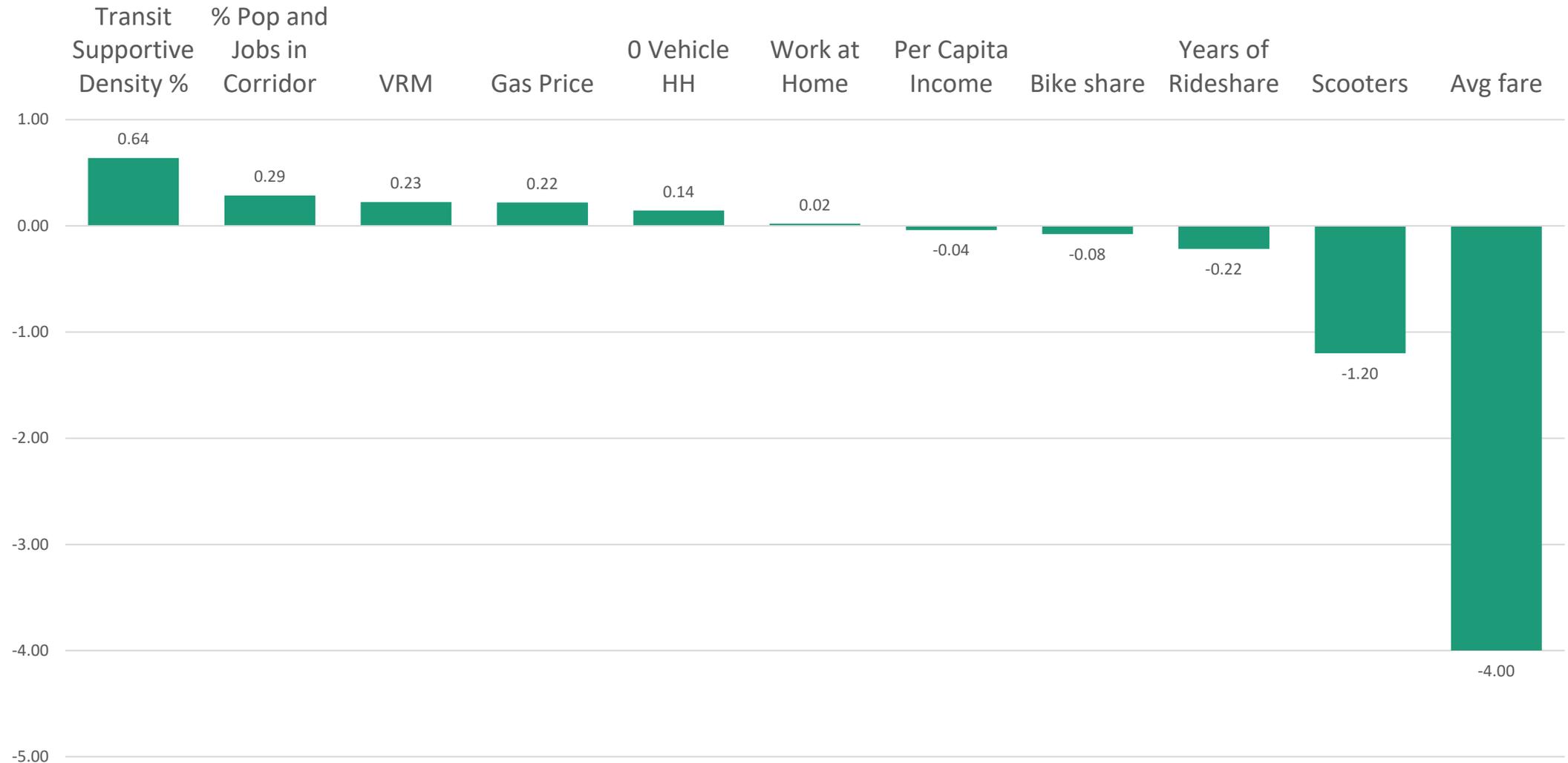


South Florida Bus Ridership Changes by X% for every 1% Increase in:



Source: Erhardt, 2022. Why has public transit ridership declined in the United States. Trans. Research, Part A. 161, 68-87

South Florida Train Ridership Changes by X% for every 1% Increase in:



Source: Erhardt, 2022. Why has public transit ridership declined in the United States. Trans. Research, Part A. 161, 68-87

Land Use (Controls, Uses, Design Guidelines)

Broward

- **Geller/PCT 24-2 Amendment:**
 - *Bonus Residential Density for Affordable Housing*
 - Local government minimum 25 du/acre w/in ½ mile qualified rail station incentive. Higher densities in
 - **Affordable Housing Density Bonus Program**
 - One or more of the affordable housing categories, as defined by this Plan, must be a
 - component of the residential development based on the following “bonus” units to
 - “affordable” unit formula(s) described below:
 - (a) Moderate income: six (6) bonus units for every (1) one moderate income unit.
 - (b) Low income: nine (9) bonus units for every (1) one low income unit.
 - (c) Very-low income: nineteen (19) bonus units for every (1) one very-low income unit.

Miami-Dade

- [The Miami-Dade County Zoning Department](#)
 - Enforce impact fee exemptions for affordable and workforce housing.
 - The [Miami-Dade Rapid Transit Zone](#) The RTZ code includes the following housing regulations:
 - All residential or mixed-use developments located within an RTZ, with more than four residential units, shall provide a minimum of 12.5% of their [rental] units for households making up to 120% of the AMI or provide housing for the elderly. Densities up to 60 du/acre within a major/mixed-use corridor; up to 500 du/acre in regional activity centers
 - Encourages workforce housing in projects within specific areas that address government service and has increased infrastructure needs.
 - Allows parking reductions if developments include incomes earning up to 120% of the AMI.
- Live Local Projects in TODs:
 - Must be mixed-use residential
 - Mandatory 20% parking reduction if within 1 mile of transit hub.

Land Use (Controls, Uses, Design Guidelines)

Atlanta

MARTA TOD station typology

- Density varies by station based on its location, transit function, and community context.
- **Station Typologies:**
 - *Urban Core* (75+ units per acre)
 - *Town Centers, Commuter Town Centers* (25-75 units per acre)
 - *Neighborhood Stations* (15-50 units per acre)
 - *Arterial Corridors* (15-50 units per acre)
 - *Special Regional Destination*
 - *Collectors*
- **Affordable Housing:** At least 20% of units in residential or mixed-use TOD should be affordable.
- **Prohibited Throughout a TOD District:** Automotive sales, rental, washing, or storage, equipment sale, rental, or repair, industrial, warehousing, or distribution activities, strip commercial development (retail in excess of 50,000 square feet in detached one or two-story structures with surface parking in front), commercial parking facilities (surface lots), self- or mini-storage, commercial parking facilities (garages), Low-density housing (under 15 units per acre).

Dallas

- Expected population increase by 400K by 2045
- Avg. density of 20 units/acre [20-638 - Presentation \(dmagstatic.com\)](#)
- Design Guidelines:
 - Underground Station Facility Design
 - Station Portal Design & Placement
 - Platform Design + Amenities Station Artwork
 - Wayfinding Bike Parking and Facilities
 - Surface Station Facility Design
 - Landscaping Wayfinding Accessibility Lighting
 - Bike Parking and Facilities
 - Station Amenities Layout and Block Design Station/ Shelter Design
 - Passenger vs. Pedestrian Zone
- Dallas also issued design guidelines for [TIF districts](#).
- [City of Dallas Developer Guidebook](#)
 - For a development with transit proximity maximum lot coverage is 85%.

DART: A Closer Look

- System operating since 1996 with only 20 miles of Light Rail, and another 24 miles by 2003, now 93 miles with 163 cars serving 65 stations with 14.5 million rides
- Median valuation of office properties increased 24.7% around LR stations compared to 11.5 percent in control group bw 1997-2001
- Bond proposal to expand DART in 2000 passed with 77% majority





Comparative Finance

Broward

- [Expired Tax increment financing \(TIF\)](#)
- [Broward County Affordable Housing Trust Fund](#)
 - *[Municipal Affordable Housing Trust Funds](#)*
- [Multi-Family Housing Bond Program](#)
- [Mortgage Credit Certificate Program](#)

Miami-Dade:

- [Miami-Dade County's Affordable Housing Surtax Program.](#)
- [Affordable Housing Trust Fund](#)
- [Miami-Dade Building Blocks Fund](#)
- [Live Local Program Tax Credit](#)
- [Multifamily Middle Market Certification](#)
- [Hometown Heroes Loan Program](#)
- [Live Local SAIL Funding Opportunities](#)

Dallas:

- Dallas TOD's program is tax increment financed
 - Sunsets in 2038
- As of 9/30/2023 - Projects Within TIF District Utilizing TIF District Funding
 - Total of 4 projects – 2 complete, 1 under renovation, 1 planned
 - 622 resid. units; 97,131 sq/ft. retail; (incl. entertainment space)
 - TIF Investment \$40,997,273
- Source: [Dallas TOD TIF Annual Report.](#)

More Comparative Finance and a South Florida Proposal

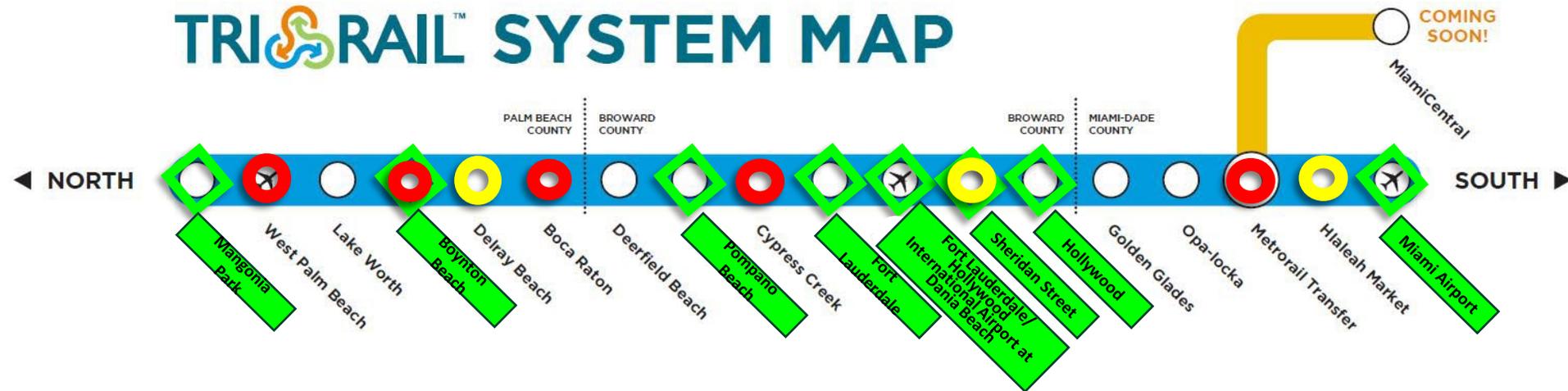
Denver

- **Denver Regional TOD Development Fund:**
 - Leverages a capital stack to provide lower-cost debt to finance land acquisition for affordable housing and related community facilities.
- Four tiers: *Borrower Equity, Credit Enhancement/Top Loss, Program Related Investment, and Senior Debt.*
- Borrowers contribute at least 10% toward equity, public/quasi-public dollars provide enhancement via loan-loss absorption and low returns.
- The Fund supports a range of eligible activities, including acquisition, holding and pre-development costs, loaning up to \$5 million offering below market-rates.

South Florida TOD Development Fund

- As proposed in “*BUSINESS PLAN FOR A SOUTH FLORIDA TOD FUND*” report
 - Harnessing the Potential for Infill Development along the Tri-Rail Coastal Link Corridor
 - Modeled on Denver’s program. Existing but uninitiated Business Plan
 - Value Capture focused, modeled on existing MDC TIF structure
 - Within the existing TRCL Corridor, an additional 125,238 DU can be built at 15du/acre
- **ADDITIONAL SLIDES AT THE END OF THE PPT**

Tri-Rail Corridor Status of TOD Regulations



To Be Updated

LEGEND	
	TOD Initiatives (Underway)
	TOD Opportunities (Pending)
	TOD Regulations Needed



Synthesis of TOD Findings

Market Conditions and Finance

- TOD cannot overcome flat or anemic real estate market
- Zero Fare Services do increase ridership
 - But is it a perverse incentive for travelers seeking “safe” environments?

Applicable Land Use and Incentives

- **Planning and Zoning**
- **Incentives**
 - Sliding-Scale Impact Fees
 - Tax Abatements
 - Financial Participation
 - TIF
 - Benefit Assessment Districts

Transit Operations Improvements

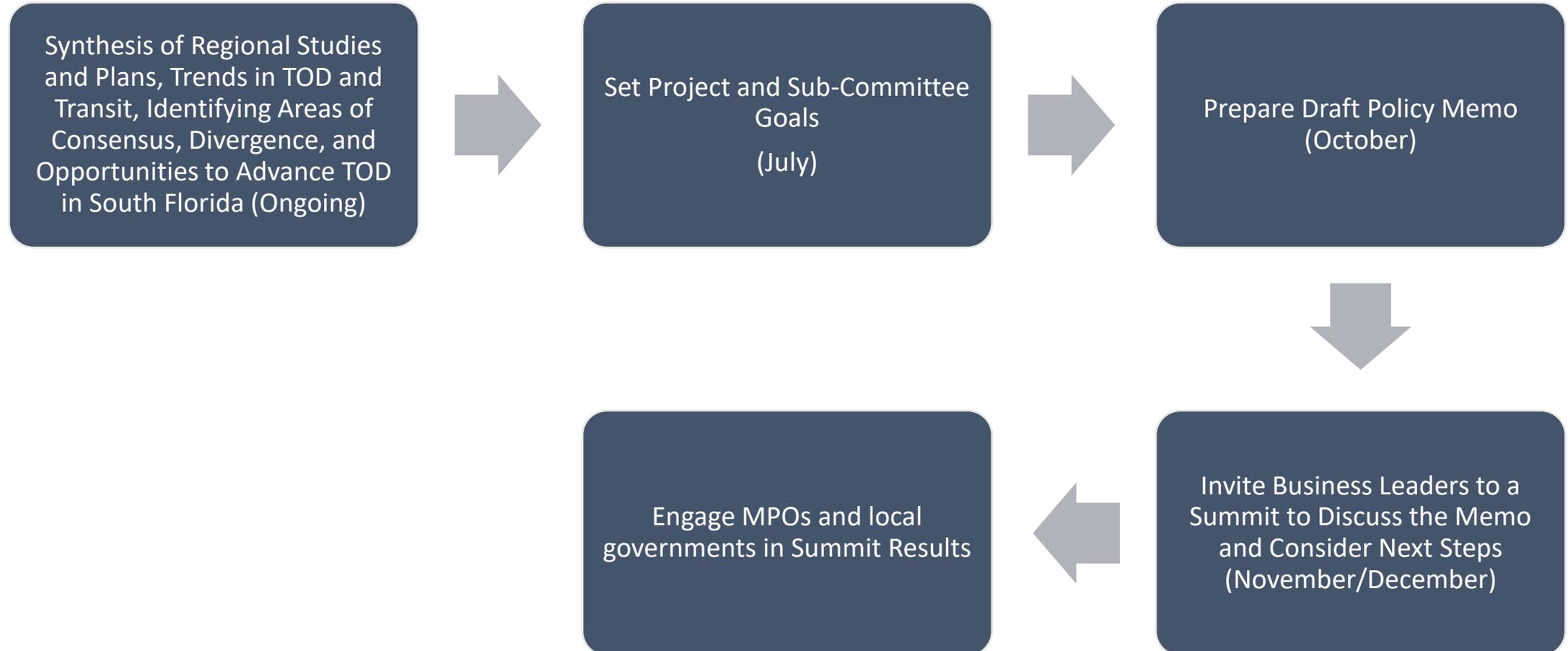
- Strategic Miami Area Rapid Transit (Smart) Program and Premo (Broward)
- East-West Connectivity
- Safety
- Reliability
- Public Amenities
- High Frequency
- Extensive Network
- Seamless Transfers
- Speed and Directness
- Direct Routes
- Priority Measures

Synthesis of TOD Recommendations

Policy & Legislative Changes

- Adopt MDC Miami-Dade TIF structure for Broward, modify both MDC and Broward so that value capture \$ can be used for TOD affordable housing
- Encourage local governments to adopt policies that support higher density and TOD
- Set a Regional Goal for Housing in Corridors
- Miami-Dade's Workforce Housing Incentive Program (WHIP) being available to smaller-scale affordable housing developments in TOD - Currently the WHIP incentives go toward landlords and property management companies to incentivize larger apartment buildings from raising their rents.

A Pathway Forward: Next Steps



Business Case Report

- What the economy stands to gain or lose with access to labor/jobs. What local and state actions will expand labor and job access through improved transit?
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 - **Regionalism**
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Thank You!

Comments or Questions?

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Scan the QR Code to download the full CEDS report
and learn more about the Council's work.



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Transit Cost Factors



Cost Efficiency Metrics:

- Operating cost per revenue hour or mile
- Operating cost per vehicle operated in maximum service (VOMS)
- Annual cost to operate a VOMS

Cost Effectiveness Metrics:

- Farebox recovery
- Operating cost per passenger trip, passenger mile, or per capita
- Subsidy per boarding

Service Factors

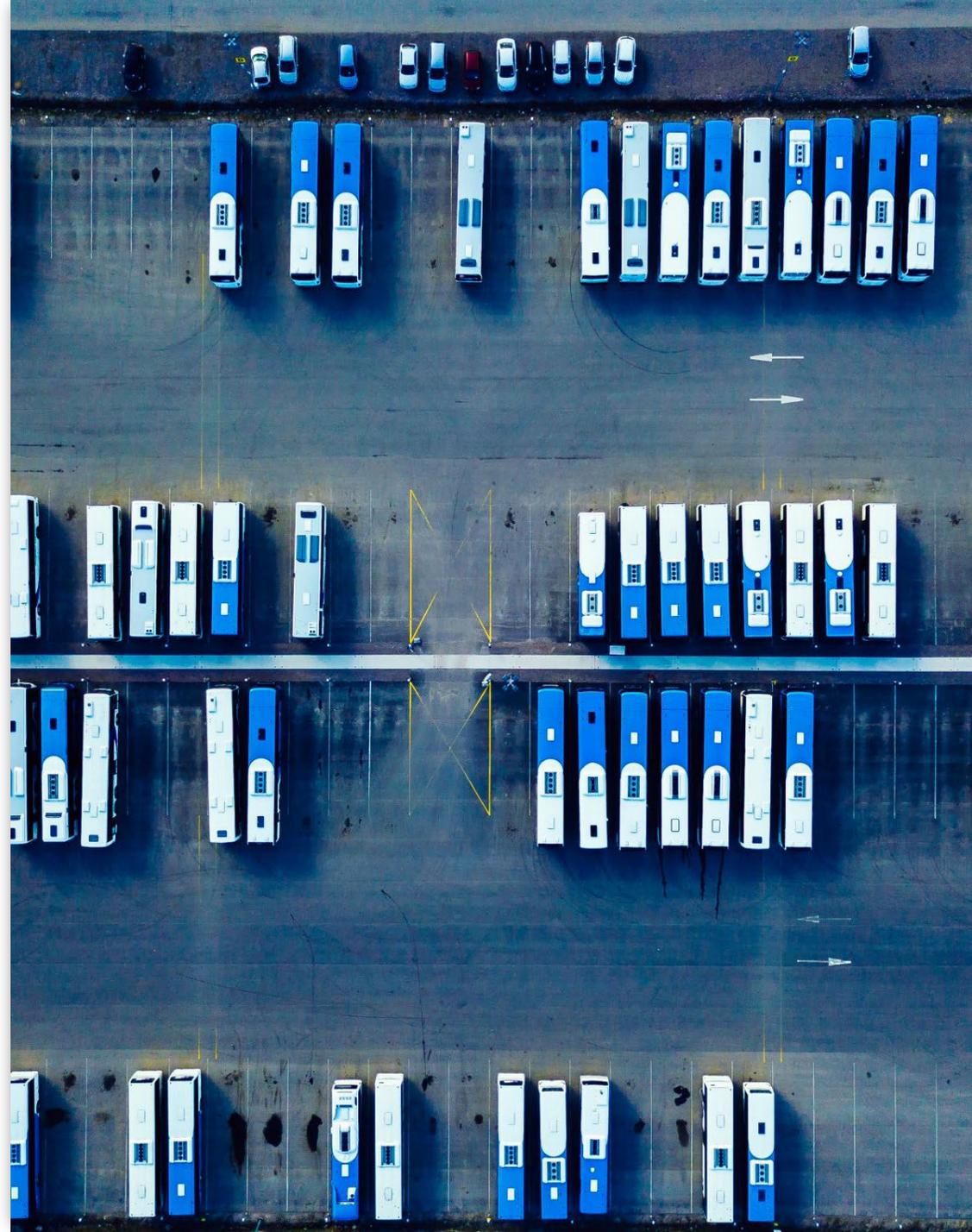
- Safety
- Amenities (Seating, Canopy, ITS)

Passenger Usage Review:

- Passenger trips
- Passenger miles
- Average trip length

Glossary of Terms

- Capacity Equivalent Vehicle Revenue Miles (CEVRM). Capacity equivalent factor for each mode is calculated by dividing average full-seating and full standing capacities of active vehicles by avg. capacities of all motor bus modes in active service. Avg capacity was 28 seated and 20 standing, 48 riders.
- [2022 NTD Annual Data - Metrics | Department of Transportation - Data Portal](#)





The Need for a TOD Fund

- ---- Objective: Harness potential for infill development along the Tri-Rail Coastal Link (TRCL) corridor.
- - Key Legislation: Miami-Dade County passed Transportation Infrastructure Improvement District legislation in 2018.
- - Revenue Projections: Over the next 30 years, TIF generated revenue:
 - - Miami-Dade County: \$11.3 billion
 - - Palm Beach County: \$11.5 billion
 - - Broward County: \$8.1 billion
 - - Total Potential Revenue: \$30 billion

TOD Fund Strategy and Best Practices

- - Best Practices:
 - 1. Use Denver as a model for South Florida.
 - 2. TOD loan funds should support development, not operations.
 - 3. Focus on improving local affordability.
 - 4. Broad coalitions led by a local champion.
 - 5. TOD funds target more than residential development.
- - Development and Value Capture:
 - - Infill Development: 77,626 residential units within a half-mile of proposed stations.
 - - Potential additional units over 30 years: 115,738.
 - - TIF model based on conservative land value growth projections.