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## Transportation for Livable Communities (TLC)

### INCENTIVE PROGRAM OVERVIEW



#### What are Livable Communities?

*Livable communities are characterized by compact, pedestrian- and bicycle-friendly design of streets and buildings often within easy walking distance of a major transit station. Livable communities integrate a range of housing options, jobs, commercial services, and recreational opportunities and include amenities for transit riders, pedestrians, and cyclists. Transit and non-motorized uses promote pedestrian activity and enable people to get around without a car. The healthy mix of homes, shops, work places, schools, parks, and civic institutions, in a livable community gives residents greater access to life's daily essentials and offers a higher quality of life to a wider range of the population than conventional development patterns.*

#### Urban Growth in the Central Valley

The California Department of Finance projects that the population of California's Great Central Valley will triple by 2040. How that growth takes form will have a critical impact on the Valley's air quality problems, economic development, and ability to preserve the prime agricultural land. The American Farmland Trust predicts that current growth patterns will result in the loss of 1 million acres, nearly one fifth of the Valley's remaining farmland, in the next 40 years. Community leaders and widely divergent interest groups agree that growth must be contained in existing urban centers, and alternative modes of transportation be encouraged to stem the tide.

#### Growth Alternatives

Developing compact new suburbs, transit-oriented town centers and neighborhoods and encouraging infill and redevelopment now can help the Central Valley accommodate this growth, while maintaining its rural heritage and capitalizing on existing transportation investments. Increasing the supply of housing in existing communities close to jobs, services, and transit will reduce the demand on the regional road and freeway networks and increase transportation choices. An integrated approach to land use and transportation investments can reduce the number of hours spent driving and improve air quality. Containing growth protects valuable farmland.

#### Transportation for Livable Communities Programs

Transportation for Livable Communities (TLC) programs give COGs a tool to reward jurisdictions that approve compact, mixed-use development in urban locations near transit hubs with grants for transportation improvements. Existing transportation funds are used to invest in existing urban areas thus improving infrastructure where people live and transit exists while protecting valuable agricultural land. A COG initiates a TLC program with a set-aside of money from their local, state, and federal transportation funds.

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## TLC Incentive Program Overview



### Redwood City: Franklin Street Project

- 282 units, 480 bedrooms, broke ground Spring 2001
- Won \$705,000 transportation grant
- Transportation funding "held the deal together"
- Walking distance to frequent rail and bus service

### San Mateo County Model

San Mateo CCAG pioneered the incentive approach in 1999. They funded their initial program with \$2.2M in STIP funds targeted to encourage infill housing near transit. Incentives of \$1,800 per bedroom are awarded to jurisdictions that approve high density housing within 1/3 mile of transit. The funds can be used for any STIP eligible project. The program has received numerous awards and is increasing funding for the program to \$4.5M in STIP funds for new round.

## Potential TLC Program Components

- Planning grants
- Capital investment grants for pedestrian, bicycle, and transit improvements
- Compact new growth incentives
- Housing incentive program
- Conservation easement incentives
- Grants for amending or creating new land development regulations that encourage mixed-use and higher density

## TLC Program Outcomes

A Transportation for Livable Communities program will:

- Leverage additional outcomes with existing transportation funds.
- Increase access to convenient housing, jobs and services.
- Reduce traffic congestion and improve air quality.
- Protect prime agricultural land.
- Make infill and compact development more attractive to developers.

## Benefits of Livable Communities

Recently, researchers at the U.S. Environmental Protection Agency and around the country have concluded that compact, mixed-use, transit-oriented and pedestrian-friendly design has significant benefits. Evidence from the EPA study, *Our Built and Natural Environments*, and others (noted below) show that compact, mixed-use development:

### *Improves Air Quality*

- The location of development within a metropolitan region is a significant factor in determining vehicle travel and emissions. In each of three case studies, infill sites generated between 39% and 52% less VMT per capita and reduced emissions of most air pollutants and greenhouse gases by as much as 50%.<sup>1</sup>

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## TLC Incentive Program Overview



### Vallejo: Sereno Village Apartments

- 125 units affordable housing
- Won \$382,000 HIP grant
- Adjacent to Sereno Transit bus transfer facility

### Bay Area Model

The Metropolitan Transportation Commission in the San Francisco Bay Area also created a Housing Incentive Program called HIP. The program is similar to San Mateo County's however they have included a graded density bonus system so that incentives increase as density goes up. They also give an additional bonus for below market rent units. The program has been very successful. Initially, funding was \$9M a year but it is being tripled to \$27M a year for the next round of grants. So far MTC has funded 31 projects in 15 cities.

## Benefits of Livable Communities

### *Improves Air Quality (CONTINUED)*

- Even when infill development cannot take advantage of regional transit, infill development tends to reduce air pollution because regionally accessible, centrally located sites require shorter average trip distances than do sites at the periphery.<sup>2</sup>
- Compact development reduces vehicle miles traveled (VMT) and emissions by changing travel behavior. Trip lengths are reduced because activities are closer together. Proximity of different types of land uses gives people a choice of walking, bicycling, taking transit, or driving. Vehicle ownership may also decline because need for multiple vehicles is reduced.<sup>3</sup>
- One California study found that a doubling of residential densities is associated with a decrease of 20-30% VMT per capita.<sup>4</sup>

### *Reduces Infrastructure Costs*

- Transit oriented development can help reduce infrastructure costs (such as water, sewage and roads) to local governments and property owners by up to 25% through more compact and infill development.<sup>5</sup>
- Three major independent studies found that developing compactly instead of following the development trend on average reduces the cost of roads by 25%, schools by 5%, and utilities by 15%.<sup>6</sup>

### *Reduces Development Impacts on Fragile Lands*

- Several analyses of development impacts on fragile lands have found that planned versus trend development would reduce the consumption of fragile environmental lands by almost one fifth. One researcher in the bay area found an even larger land savings under a compact growth scenario.<sup>9</sup>

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## TLC Incentive Program Overview



### City of Visalia, Main Street

Before (top) and after (above) narrowing, adding diagonal parking and streetscape improvements.

## Benefits of Livable Communities

### *Attracts Economic Development*

- Homes built in communities that follow smart growth or new urbanist principles command a \$5,000-\$30,000 premium above nearby units of comparable size.<sup>7</sup>
- New retail development on the edge of town may harm existing businesses by diverting the foot traffic that small stores need to big box malls on the edge of town. Many communities have turned this problem on its head by providing incentives for locating big-box stores and other major retail chains downtown, thereby increasing competition and adding value to the existing retail stores with increased pedestrian traffic while improving their downtowns.<sup>8</sup>

### FOR MORE INFORMATION

- Surface Transportation Policy Project: [www.transact.org/ca/](http://www.transact.org/ca/)
- Metropolitan Transportation Commission: [www.mtc.ca.gov/projects/livable\\_communities/lcindex.htm](http://www.mtc.ca.gov/projects/livable_communities/lcindex.htm)
- Environmental Protection Agency Smart Growth Resource page [www.epa.gov/smartgrowth/index.htm](http://www.epa.gov/smartgrowth/index.htm)

### Sources:

- <sup>1</sup> *Our Built and Natural Environments*, P.48 United States Environmental Protection Agency. January 2001. EPA 231-R01-002 [www.smartgrowth.com](http://www.smartgrowth.com)
- <sup>2,3,4</sup> *Ibid.* P.47; P.44; P.48
- <sup>5</sup> *Statewide Transit-Oriented Development Study: Factors for Success in California Exec. Summary*, P.6 California Department of Transportation Division of Mass Transit. [www.dot.ca.gov/hq/MassTrans/tod.htm](http://www.dot.ca.gov/hq/MassTrans/tod.htm)
- <sup>6</sup> *Why Smart Growth: A Primer International City/County Management Association with Geoff Anderson*, P.23 [www.epa.gov/smartgrowth/pdf/WhySmartGrowth\\_bk.pdf](http://www.epa.gov/smartgrowth/pdf/WhySmartGrowth_bk.pdf)
- <sup>7</sup> *Valuing the New Urbanism: The Impact of the New Urbanism on Prices of Single-Family Homes*, Mark J. Eppli, Charles C. Tu January 1999, Urban Land Institute.
- <sup>8</sup> *Why Smart Growth: A Primer International City/County Management Association with Geoff Anderson*, P.27 [www.epa.gov/smartgrowth/pdf/WhySmartGrowth\\_bk.pdf](http://www.epa.gov/smartgrowth/pdf/WhySmartGrowth_bk.pdf)
- <sup>9</sup> *Our Built and Natural Environments*, P.41