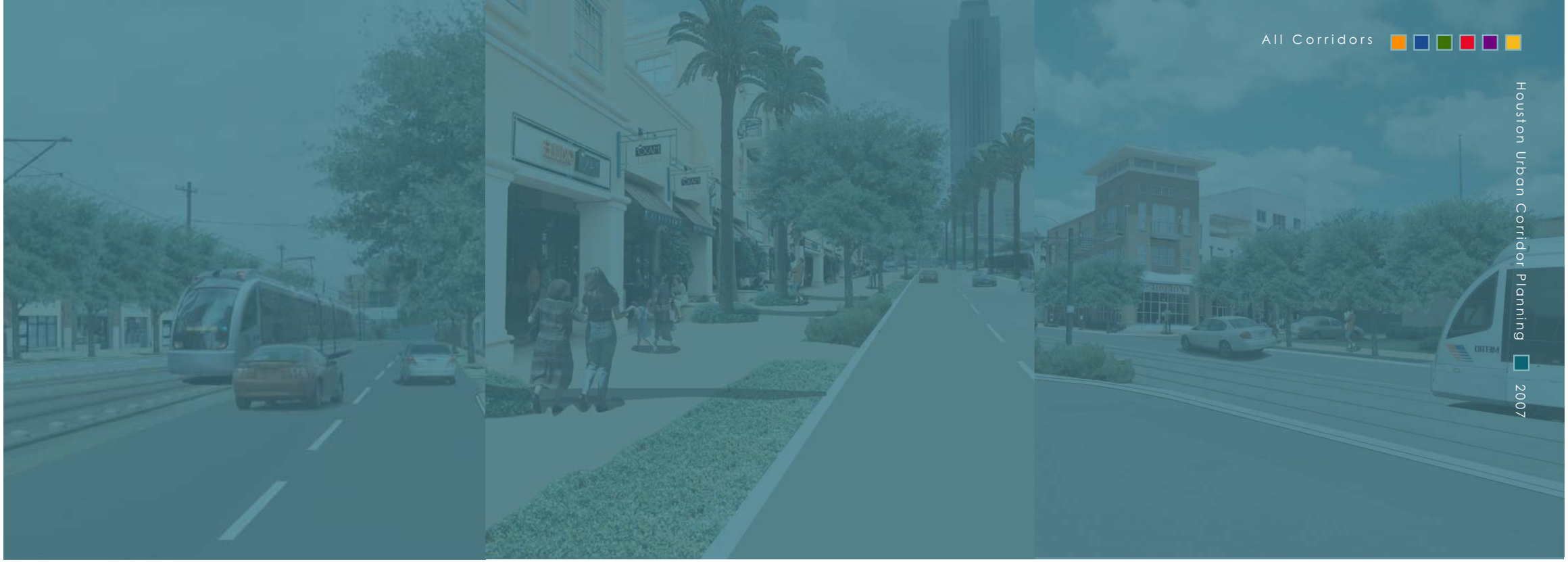


**DRAFT September 2007 - Work in Progress**

# Urban Corridor Planning

## Phase II and III Report

City of Houston

September, 2007

The Planning Partnership

in collaboration with:

Asakura Robinson Company • Gunda Corporation • Cushman & Wakefield LePage • Working Partner

# Executive Summary



**To be inserted once all Corridor Specific Reports have been completed.**

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# Table of Contents

# Introduction

**This chapter introduces the Urban Corridor Planning Study and the study area.**

## 1.1

## Purpose

As one of the fastest growing municipalites in North America - both in demographic and economic terms - the City of Houston is facing, and will continue to face, the pressures associated with its current rapid growth. It is estimated that the metro area's population will grow by another 3 million persons by 2025.

Historically, growth in Houston has been accommodated in a suburban development pattern that has responded to the desire to live and work in low density, relatively discrete and homogenous districts.

Over the past decade, however, the financial and environmental costs of the suburban development pattern have become more evident. So evident, in fact, that planning concepts related to intensification, smart growth and sustainability have moved to the forefront of the public's perception of good planning.

These planning concepts reflect the desire to ensure that the accommodation of future growth balances financial responsibility with environmental protection and the creation of sustainable, livable, diverse and successful communities.

Urban Corridor Planning in Houston concentrates on the areas surrounding the light rail and guided rapid transit currently being developed by METRO on six Corridors, with special emphasis on transit stations. From a transportation perspective, the City and METRO are committed to the implementation of an integrated road and transit network that will support both existing development and planned growth. This commitment is confirmed in METRO Solutions Phase 2 program.

Comprehensive and coordinated transit will have to play a much larger role in moving people to and from, and within the City. It is the goal of the City of Houston to establish a strategy to implement Transit Oriented Development in proximity to the planned higher-order transit facilities and, as a result, to ensure that transit ridership potential is maximized. As such, lands within the six Urban Corridors are expected to evolve with a physical form that is higher in density, human in scale, and designed to be pedestrian-friendly and transit-supportive.

The achievement of this vision requires a fundamental modification to the function and character of the six Urban Corridors that are planned to include these transit facilities. They must evolve from primarily high-speed vehicle routes to multi-purpose Urban Corridors that accommodate a balance among truck and automobile traffic, transit facilities and pedestrians.

The visual attractiveness and image of the Urban Corridors is of prime importance. Development, of both buildings and the pedestrian realm, throughout these Urban Corridors shall be characterized by high quality urban design. Development related and scaled to the pedestrian

is required on all lands within the Urban Corridors, and particularly in proximity to the transit stations.

It is important to recognize that these six Urban Corridors will develop incrementally over a long period of time. It is critical that all private sector development initiatives be supported by a reciprocal commitment by the City and other public agencies to create the components of the pedestrian realm. The improvements to the pedestrian realm and public infrastructure must be developed in concert with private sector investment.

### 1.1.1 Report Organization

This report is organized into 2 parts, the Urban Corridor Planning Report and the Corridor Specific Reports.

The **Urban Corridor Planning Report** provides an overall summary and analysis of the Urban Corridors and includes City-wide policy direction and recommendations for the development of the Urban Corridors.

Augmenting the overall report, the six **Corridor-specific Reports** - one for each Corridor - provide further Corridor specific analysis, development concepts and recommendations. These reports are color-coded by Corridor for easy reference.

## 1.2 Process

### 1.2.1 Study Process

Urban Corridor Planning is being completed in three phases. Phase 1 was launched in June 2006. A community workshop was held in August 2006 during which the project was introduced. At this workshop, a presentation described national urban trends and strategies to build competitive, successful cities, and table groups discussed issues, challenges and opportunities of Urban Corridor planning. The community workshop revealed several key messages that provided direction for Phase 2:

- Create a connected multi-modal network and provide alternative transportation options – including more transit service and streets friendly to pedestrians and bicycles.
- Protect the unique character of existing neighborhoods and preserve historic buildings, homes, landmarks and community treasures.
- Develop urban standards and ordinances that enable, encourage and allow urban development.
- Create neighborhood centers and great places.
- Develop pedestrian-friendly destination places, neighborhood serving amenities and neighborhood center.
- Preserve and expand parks, open space, greens space corridors and trails.
- Encourage and support more urban infill development.
- Make new development sustainable.
- Provide affordable housing in mixed-income neighborhoods.

The purpose of Phase 2 is to define:

- a broadly shared community vision for redevelopment of corridors and areas near transit that are supportive of neighbourhood revitalization and growth; and,
- short term and long term actions and strategies to coordinate public and private investment to implement the vision.

Phase 2 was completed in three primary tasks. Task 1 - Preliminary Assessment - involved the collection and review of background information (such as reports, strategies, studies, data bases), site inventory and briefing sessions with key contacts in each corridor. Task 2 - Concept Plans - involved the community wide and Corridor specific workshops, and preparation of the recommendations for land development, mobility, parking, infrastructure, the pedestrian realm and urban design. Task 3 - Implementation - focuses on the implementation strategy and includes information sessions to discuss recommendations.

Phase 3 will focus on establishing the priorities for Transit Oriented Development in each Corridor with a targeted implementation strategy.

# 1.3

# Study Area

## 1.3.1
## Overall Study Area

The overall study area includes six planned Urban Corridors.

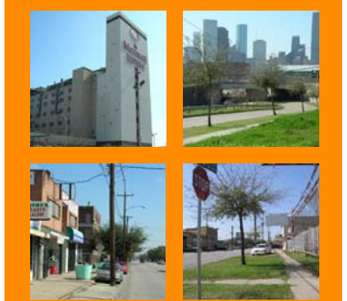
With the exception of the Uptown Corridor and portions of the North Corridor and University Corridor, the Urban Corridors are located within the IH 610 Loop. The study areas are defined by a 1/4 mile boundary on each side of the respective Corridor's proposed alignment.

As indicated, Corridor-specific analysis, concept plans and recommendations are contained in the six Corridor-specific Reports. Each Appendix is colour coded as shown on the images to the right.

### Main Street

**Recently completed and operational north-south LRT line.**

### East End



**Planned east-west line that connects to the existing Main Street line and runs east along Harrisburg Boulevard.**

### Uptown

**Planned north-south line along Post Oak Boulevard.**

### Southeast

**Planned line connects to the existing Main Street line and runs southeast down Scott and MLK Boulevard to the Palm Center.**

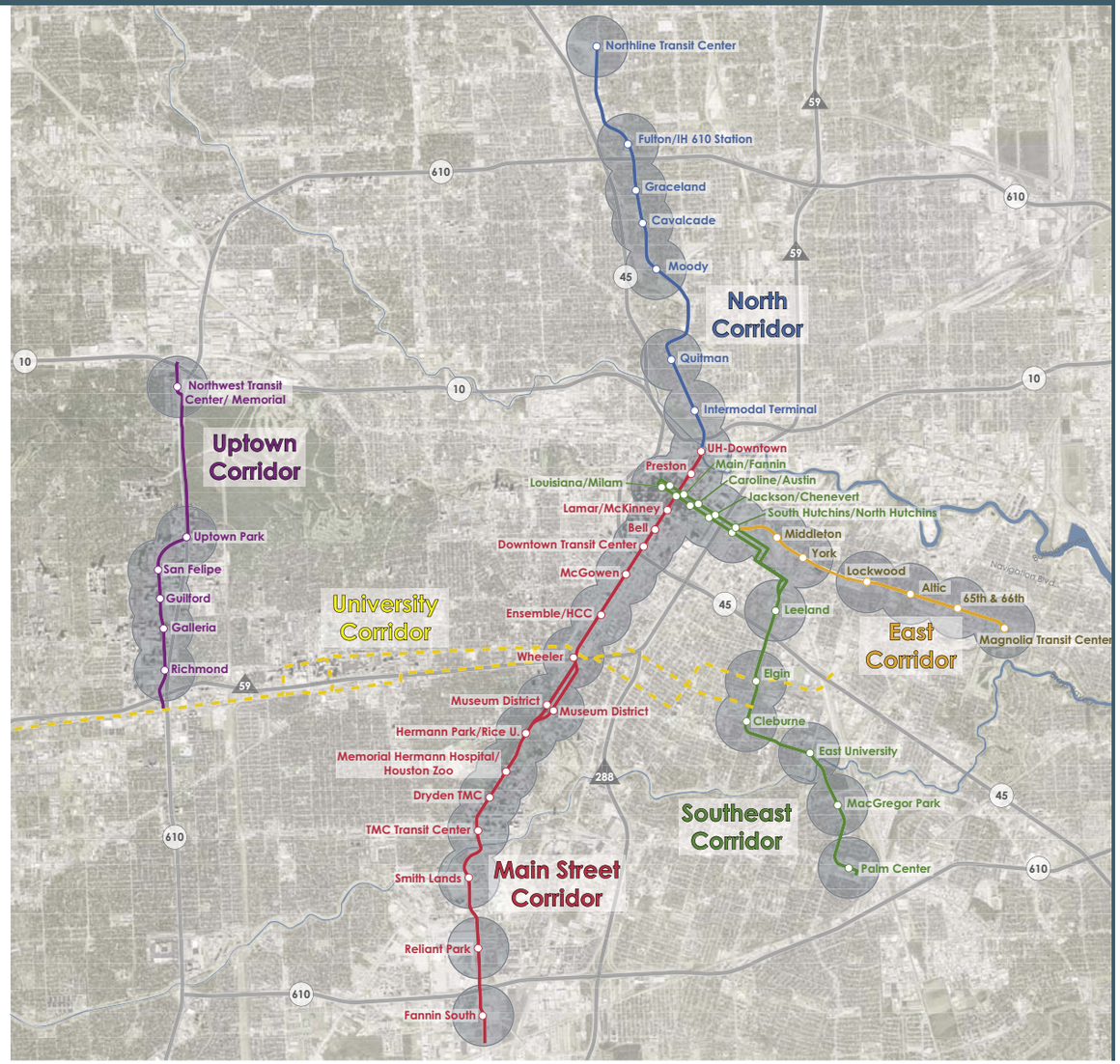
### North

**Planned north-south line that extends north from the existing Main Street line up N. Main Street and Fulton Street to the Northline Mall.**

### University

**Planned east-west line linking the Main Street and Uptown lines, although the alignment is yet to be determined.**

# Overall Study Area




- Main Street Corridor
- East Corridor
- Uptown Corridor
- Southeast Corridor
- North Corridor
- University Corridor (to be determined)
- 5 Minute Walking Distance to Station

# 1.4
# Consultation

## 1.4.1
## Consultation Strategy

The consultation strategy for the Urban Corridor Planning Strategy was multi-faceted and included collaboration with:

- a stakeholder group that represented a broad spectrum of interests from all of the Corridors;
- key contacts from each Corridor; and,
- the community.

The intent was to provide a variety of opportunities to participate through individual conversations, focused meetings, city-wide forums and Corridor specific sessions.

The Urban Corridor Planning initiative is committed to maximizing community participation and has relied on several means to engage and inform the community. Communication with, and coverage by, the media has been key in ensuring this. Advertisements were placed in a major daily newspaper, and several minority newspapers. Press releases were sent to all major media outlets. Media coverage included stories before and after community workshops and major events.

In addition to website updates and posters/flyers in key community facilities, notification about the program and major events was sent to City Council, other elected officials, Super Neighborhoods, civic association newsletters and through the Mayor's email notification system, Citizensnet. In addition, various stakeholder organizations as well as interested community-based entities emailed notifications and updates to their members.

### Urban Corridor Planning Stakeholder Group

The Urban Corridor Planning Stakeholder group was convened in June 2006 and has been meeting frequently. It is comprised of several representatives from the communities along each Corridor, as well as from relevant citywide entities. This includes neighborhood groups, businesses, non-profits, public agencies, elected officials, educational institutions, the development community, related professional organizations and others.

The mandate of the Urban Corridor Planning Stakeholder group was to shape the process for the initiative, and to assist the City and the consultant team in maximizing community participation and dialogue. During the course of the project, this group was instrumental in community outreach, building support for the goals of the initiative, highlighting issues and opportunities, gathering information and ideas important for all the Urban Corridors as well as those that are relevant to individual Corridors.

### Key Contacts from Each Corridor

As an initial task in the Study, the team met with key contacts from each Urban Corridor during a briefing meeting in

December 2006 and corridor tours in February, 2007. The contacts included representatives from the management boards, Council Members, Mayor's office, Mixed-Use / TOD Committee, Community Design Resource Center, Houston Real Estate Council, Greater Houston Builders Association, real estate and development community representatives, Houston Housing Finance Corporation, Convention + Entertainment Facilities (Parking Commission) and the City of Houston Departments - Planning and Development, Building Services Department, Finance and Administration, Public Works and Engineering.

## Community Consultation

The community was consulted through a series of both city-wide workshops and Corridor specific workshops. The city-wide workshops were intended to share information relevant to the Urban Corridor Planning Study in general and as a kick-off and wrap up for the Corridor specific workshops.

A workshop was conducted for each of the Urban Corridors. It was set up as a temporary design studio for 2 consecutive days and nights in a location on each of the Corridors. The workshop enabled the team to begin to understand the complexity of conditions of each Corridor and its surroundings as they were developing preliminary ideas while working right in the study area. It also enabled all those interested with an opportunity to participate.

The workshop was staffed with 7-10 members of the consulting team who prepared the framework for each Urban Corridor Plan over the course of the workshop. while working in three teams: urban design, pedestrian realm and implementation.

Each day of the workshop included studio time for the consulting team, and sequential working sessions with various stakeholder groups and the public to enable participants to join the team every day for 2 hours to review their work as it progressed. If participants were unable to attend the workshop at the pre-assigned time, they were welcome to drop by at any time to talk individually to a member of the team.

Five two-day workshops have been held in the Urban Corridors as follows:

| | |
|---|---|
| April 16 and 17 | **East End** |
| April 18 and 19 | **North** |
| April 24 and 25 | **Southeast** |
| April 30 and May 1 | **Main Street** |
| May 2 and 3 | **Uptown** |

The workshop for the **University** line is to be scheduled after METRO has selected a final transit alignment.

Kick-off - April 14, 2007

East End Corridor Workshop - April 16 and 17

Preliminary Findings - May 23, 2007

Favourite streets and places identified at the Kick-off

Kick-off table group discussions


Sample attributes of a vibrant urban environment from Kick-off

## 1.4.2
## Kick-off Input

Three consultation events were held that were not corridor specific, but rather were intended to share information relevant to the Urban Corridor Planning Study in general. A kick-off presentation was held on **April 14, 2007**. The purpose of the kick-off presentation was to introduce the purpose of Phases 2 and 3, the location of the corridors, the principles of Urban Corridor Planning, examples of Transit Oriented Development and the agenda for each of the Corridor specific workshops.

Following the kick-off presentation, participants were asked to have a conversation in table groups to discuss the physical attributes of appealing urban environments. Following brainstorming of a list of attributes, each table group selected the top three elements that were shared in a plenary session. The diagram on facing page summarizes input received. Even through there were about 12 table groups, each with 10-15 people, there was consistency in the top attributes mentioned. The diagram on the facing page is the result of clustering each groups top three attributes. The result was a preference for key characteristcs of built form, access, the public realm, environment, parking and the environment. Participants were also asked to identify their favorite urban street or district that demonstrated the key attributes of appealing urban places. Examples of some of the streets and districts are illustrated in this subsection.

A second city-wide forum was held on **May 23, 2007** to provide a summary of the work generated at the 5 corridor specific workshops. Following a presentation, participants were invited to add comments to the boards that displayed the key products from the workshops.

A final presentation will be held in the fall of **2007** to present the preliminary recommendations of the Urban Corridor Planning Study.

Feedback received during the Corridor Workshops is summarized in the Corridor-specific Reports.

## Built Form

Retention of local historical character

Building diversity

Physical form

Neighborhood character

Acknowledgement of existing characteristics

## Access

Mobility - sidewalks, angled parking, mid-block thru ways, pedestrian and bus feeder routes, ramps

Appropriate transit and access

Alternate transportation options

## Public Realm

Make pedestrian number one priority

Create 24 hour pedestrian environments

Scenic corridor model

Positive perception of place

Standards of public realm

Attractive pedestrian areas

## Environment

Sustainable physical environment

Bike friendly, green corridor, stormwater management and air quality

Pollution - air, noise, light

Mitgating flooding

Trees

## Parking

Reduce parking ratio

Provide as public utility

Shared parking facilities

Site appropriate parking

## Planning

Neighborhood serving businesses

Utilized places

Development incentives

Mixed use

Density

# 2 Transit & TOD

**This chapter introduces the concept of Transit Oriented Development for the six Urban Corridors being studied.**

## 2.1 Rationale

Ongoing growth is a positive sign of a healthy city. It is an enormous opportunity for economic development and the creation of a more rich and diverse urban environment that includes multiple lifestyle choices. However, in order for City of Houston to continue to be successful in the long term – economically, aesthetically and in terms of quality of life – an urban structure that balances typical suburban development forms with greater opportunities for transit supported urban lifestyle choices must be promoted, and more importantly, achieved. Planning has moved forward, but progress on the ground has been slow.

Notwithstanding a general understanding by politicians and the development industry of the importance of transit, the challenges to achieving supportive Transit Oriented Development remain. Issues of location, accessibility, timing, economics, aesthetics and market acceptance are difficult to overcome, especially when substantial, lower density greenfield opportunities continue to compete for developer and attention.

In addition to limited market support (today) for higher density forms of development throughout the City, many studies indicate that the playing field between low intensity greenfield development opportunities and Transit Oriented Development opportunities in Urban Corridors is not level – to the substantial benefit of greenfield development.

Low intensity greenfield development has few technical constraints and substantial market support. It is now recognized that there are numerous "externalities" or imputed and unmeasured costs to this pattern of development. On the other hand, intense, mixed use development in Urban Corridors provides substantial benefits to the broader community and must be viewed as being "in the public interest".

The City is well positioned to make the crucial decisions necessary to support and promote the transition of the Urban Corridors to the higher density, mixed use and transit supportive districts that they are intended to become. There has been a tremendous amount of activity at the City in promoting and speeding up the process of this positive change. A change that is viewed as the natural and appropriate evolution of an urban community.

## 2.2

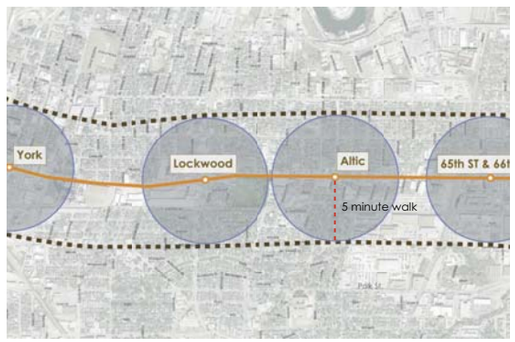
# Transit Planning Principles

The introduction of transit provides a stimulus for the ongoing urbanization of the Inner Core of Houston through the promotion of higher density forms of development. The relationship between transit and higher density, more urban development is seen as mutually supportive, and a key component of city building. Supported by numerous empirical studies and research, four key and interrelated transit planning principles have been identified and are described in the following subsections.

### 2.2.1
### There is a direct relationship between transit ridership and distance from the station.

The maximum ridership capture potential is achieved from development that is within a relatively short walking distance from any transit station, typically measured in terms of a five-minute walk, or about a 1/4 of a mile. The corollary is also true - ridership capture dramatically drops off if the walk to the station is beyond 5 minutes.

A review of empirical studies and implemented policies by organizations such as the UK-based Transportation Research Laboratory (2000) and the Urban Land Institute confirms that locating uses, whether residential or employment, within a short walking distance of transit stations makes public transit the most convenient and attractive travel mode and is thereby effective in achieving the goal of reducing the share of car travel, and promoting transit ridership.



5 minute walking distance to station

**Goal 1** **Promote Transit Oriented Development within a 5 minute walk of the transit stations.**

6 storey mixed use building, Toronto, ON

4 storey residential building, Minneapolis, MN

## 2.2.2
## Density drives transit ridership.

There is a strong correlation between density and transit ridership - the higher the density (in either population, employees and/or students), the higher the ridership potential.

A number of studies at the intrametropolitan level in both North America and Europe (i.e. neighbourhood, activity centre or corridor) have found a strong correlation between density – both residential and employment – and transit ridership (Bernick and Cervero 1996; Paulley and Pedler 2000).

Seminal transportation research by Zupan and Pushkarev (1977) in the late 1970s demonstrated that the number of trips per capita using mechanical means (automobile and public transit) declines with rising density, falling by as much as a factor of 2 at very high densities as uses and activities become more tightly arranged making pedestrian trips more feasible.

The same research also found rising densities resulted in a sharp decline in automobile trips and an increase in public transit trips. Similarly, a US study by the Transportation Cooperative Research Program (1996) found that a 10 percent increase in population density corresponds to a 5 percent increase in transit ridership and that doubling density can reduce car travel by 20 percent.

More recent research supported by the Urban Land Institute in a report titled "Higher-Density Development – Myth and Fact" (2005) has concluded that higher density development generates less traffic than low density development on a per unit basis, thereby making opportunities for walking, shared parking and public transit more feasible.

Therefore, recalling the first principle that there is a direct relationship between ridership and distance from a station, any noticeable enhancement to the development density within proximity to a transit facility will to have a noticeable positive impact on the potential of the existing transit facility to attract ridership.

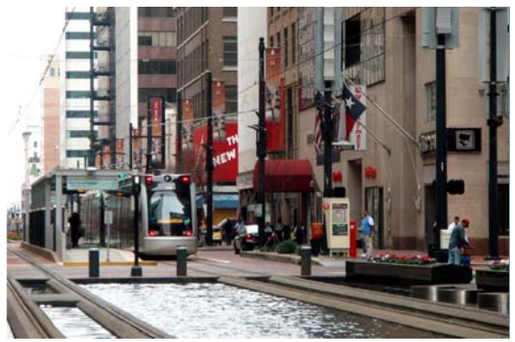
Goal 2

**Promote higher density development within a 5 minute walk of the transit stations.**

### 2.2.3
### Land use has a significant impact on transit use patterns.

While employment and institutional areas draw peak ridership in the morning and out in afternoon, residential areas have an opposite pattern. Retail areas draw ridership throughout the day, with peak use on Saturdays. To promote a balanced ridership pattern that generates ridership in both peak and off-peak times, and throughout the day and week more evenly, it is ideal to have multiple land uses in proximity to each other, along the transit route, connecting key destinations to each other.

As research by Bernick and Cervero (1996) shows, mixed use development tends to balance trips made throughout the day and week more evenly, effectively reducing the amount of peak road capacity required. At the same time, the mix of uses can also result in more balanced, bidirectional travel flows that in turn can enhance transit utilization along a Urban Corridor. In the same regard, mixed land uses and the resulting balance in travel flows can result in increased resource efficiencies such as opportunities for shared parking that can, in turn, translate into more compact, pedestrian-friendly environments.



Main Street Light Rail Transit, Houston, TX

DART, Dallas, TX

Goal 3

**Promote a mix of land uses in proximity to transit stations, and particularly along the Urban Corridors.**

Attractive pedestrian environment, Houston, TX


State Street, Chicago, IL

## 2.2.4
## Urban design has an impact on ridership.

The implementation of transit supportive urban design strategies creates pedestrian-oriented places and increases ridership by enhancing mobility and comfort at stations and along the pedestrian routes to get to and from the stations. Transit supportive design must consider issues such as activity at street level, streetscape elements to create attractive, safe and accessible surroundings, as well as convenient connections to destination points.

Urban design has an impact on ridership and modal choices by enhancing mobility and comfort in proximity to stations and along pedestrian routes to get to the stations. As Bernick and Cervero (1996) suggest, given that all transit trips require some degree of walking, Transit Oriented Development must be pedestrian friendly.

Design is also important in the terms of transit stations themselves and the role and function that they play. For example, studies undertaken by the Charlotte Area Transit System (2005) to develop a hierarchy of transit station typologies highlight the importance of station design. Beyond their functional role, transit stations – depending on their size – have an important role in land development with an impact on surrounding development and the character of a place.

Important to Houston, is the provision of a shaded and connected sidewalk system.

Goal 4

**Promote high quality urban design for both the public and private realms.**

# 2.3

# Description of Transit Oriented Development

## 2.3.1 Definition

Transit Oriented Development includes buildings and land uses that are attractive, walkable, and transit supportive. Transit Oriented Development includes a mix of land uses, with active uses at grade, with residential units and/or commercial office space above. Transit Oriented Development is typically higher density and is based on high quality design standards. The visual attractiveness and consistent image of Transit Oriented Development is of prime importance. Transit Oriented Development is related and scaled to the pedestrian and encourages travel on foot and by other modal alternatives to the car, and which fosters and facilitates public transit ridership. A high quality public realm, the space between the streets and the buildings are critical elements.

## 2.3.2 Transit Oriented Development Prototypes

The prototypes considered for the Urban Corridors Planning Study consist of two elements; the site configuration and location - **Site Prototype** and the built form related to the site - **Building Prototype**.

The Urban Corridors were analyzed with respect to the potential built form that might be achieved within them. The following five prototypes describe the characteristics of a typical site and the most appropriate built form that would create Transit Oriented Development.

Post Development, Houston, TX

Downtown Main Street Corridor, Houston, TX

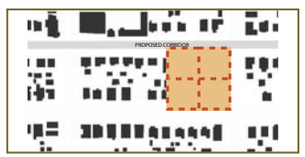
Sage Road, Uptown Corridor, Houston, TX

# Overview

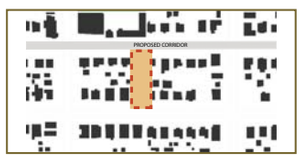
## All Corridors Site/Building Prototypes

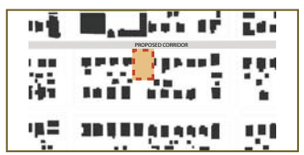
Site

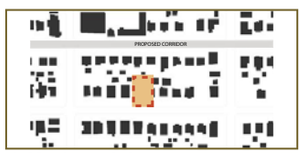
Building

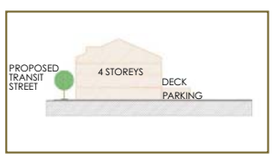

Large Through Sites


1/2 Lot Single Frontage


Narrow Through Lots

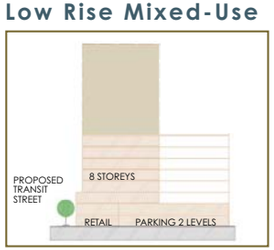

Small Infill Lots


Off-Corridor Lots

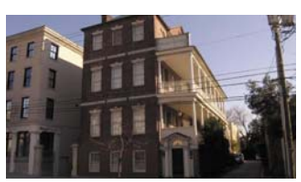


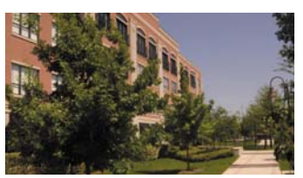
Low Rise

Low Rise Mixed-Use



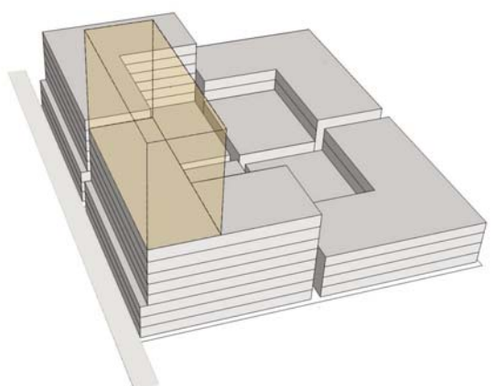
Mid to High Rise

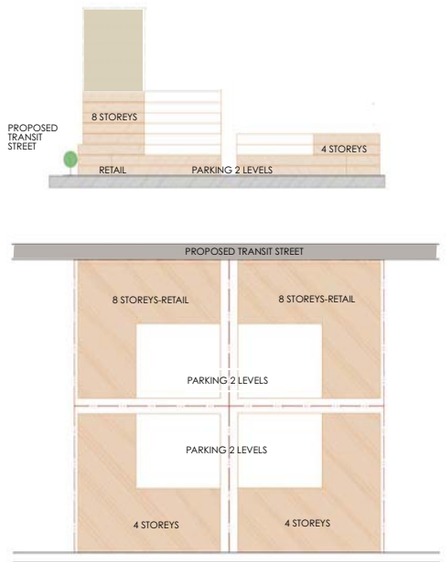




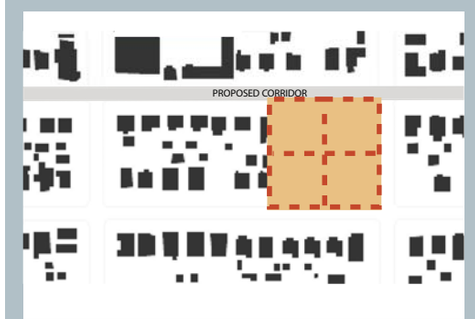
# 1 Large Through Lots








Site/Building Characteristics




This **Site Prototype** is characterized by large through blocks that are large enough to accommodate a range of uses including residential, office and retail. The mix of uses can be spread over the site and are not necessarily in a single building. The development of these sites can occur over a period of time in phases and the parking may also be phased from at grade parking in the beginning to structured parking in the final phases. The sites generally have frontage on the Corridor as well as the first parallel street. The sites lend themselves to a mix of uses because of accessibility and scale of sites. Transition is an important component as a result of the interior street frontage. Parking is integral to the development.

This **Building Prototype** is characterized by:

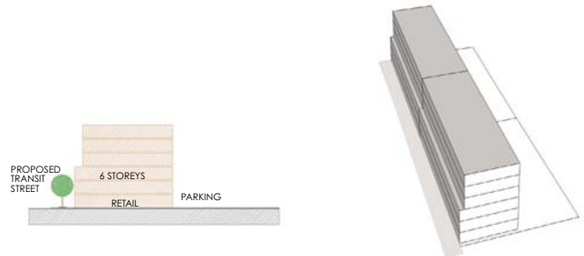
- ☐ Multi-level, mixed use Corridor facing buildings;
- ☐ Most often they will include residential over retail or office over retail;
- ☐ Can accommodate a range of building heights from high rise to mid rise buildings; and,
- ☐ 2-4 level multi-family on adjacent street as a transition.

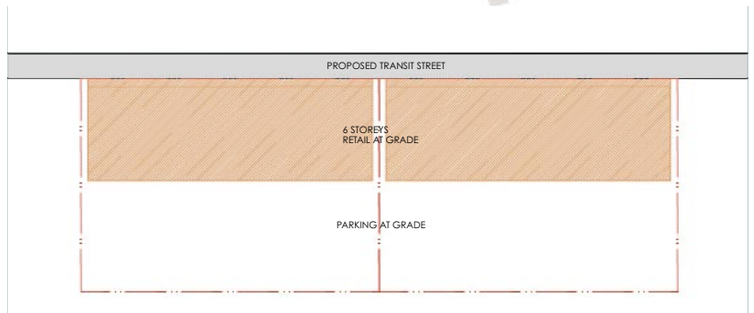
All Corridors **Prototype Two**

# Large1/2 Lot Single Frontage 2






## Site/Building Characteristics

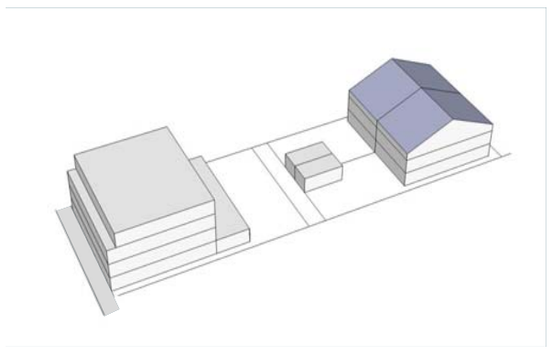
This **Site Prototype** is characterized by having its frontage on the Corridor but only extending to the middle of the block from the Corridor. Generally, these sites are large enough to extend for most of a block or several blocks. Since they are only 1/2 of the depth of the lot, buildings on these sites need access from an alley or adjacent side street.

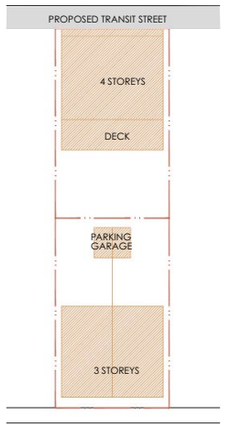
This **Building Prototype** is characterized by:

- ☐ Multi-level, mixed-use buildings - Residential over retail, Office over retail;
- ☐ Live/work; and,
- ☐ 1-2 story retail.

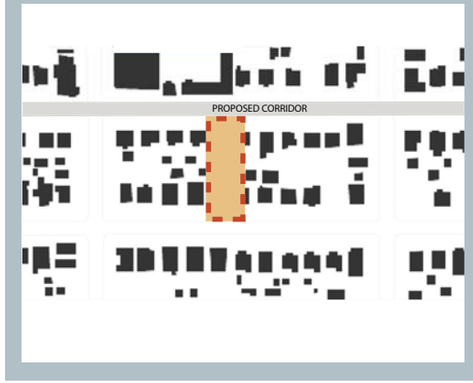
# 3 Narrow Through Lots






## Site/Building Characteristics




This **Site Prototype** is characterized by lots that are facing the Corridors as well as the next adjacent street. They are often vacant or underutilized lots and are restricted by their width. Many times these sites include buildings that are ready for redevelopment. An important element of such lots is that they have a primary face on the Corridor and, as a result, are in transit supportive locations. As a result, the ability to provide a transition between new development and existing neighborhoods is fundamental to their development.

This **Building Prototype** is characterized by:

- Transitional scale buildings;
- Up to 4 storeys in height;
- Mixed use on the Corridor; and,
- Primarily residential on the adjacent street.

All Corridors

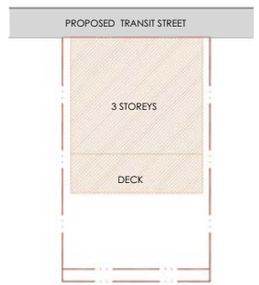
# Prototype Four

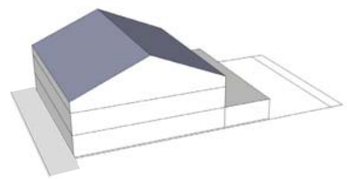
## Small Infill Lots 4









### Site/Building Characteristics

This **Site Prototype** is characterized by small lots that are vacant or underutilized. Since they have limited frontage they have small portions of street front. In some cases they are corner sites but never go through to the next street. The shape and size of the site is important because it dictates the scale and form of development that can occur. However, the key element is that the site fronts on the corridor resulting in the need for transit supportive forms of development. These sites often form part of a continuing redevelopment of a block and need to be designed with great care to recognize the existing and future site conditions.

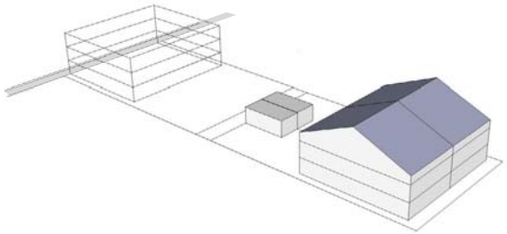
This **Building Prototype** is characterized by:

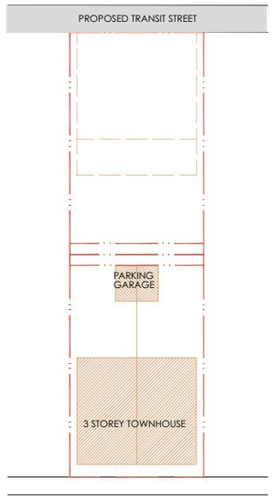
- ☐ Mixed-use retail or office over residential;
- ☐ Live/work; and,
- ☐ Apartments.

# 5 Off - Corridor

## Prototype Five

All Corridors




### Site/Building Characteristics


This **Site Prototype** occurs on the streets leading to the Corridor as well as those parallel to the Corridor but not on it. These sites act as a transition between the Transit Oriented Development and the existing community. The sites range from single lots to entire blocks and the nature of the development depends on that of the existing neighborhood.

This **Building Prototype** is characterized by:

- ☐ Low-medium density residential;
- ☐ Height compatible with existing buildings across the common street;
- ☐ Access to parking to match the facing condition except when backing onto the Urban Corridor; and,
- ☐ Access to parking from an alley when backing onto the Corridor.

## 2.4

# The Benefits of Transit Oriented Development

The benefits of Transit Oriented Development have been recognized and widely accepted for years. The five key benefits of Transit Oriented Development are described as follows.

1

### Enhanced Support for Transit

**The primary benefit of TOD is to provide increased ridership for the adjacent transit system.**

Transit Oriented Development is typically developed at higher densities than typical low density neighborhoods, and therefore would generate more residents and/or jobs in proximity to the transit facility.

2

### Greater Housing Choices

**TOD generates medium and higher density house forms (townhouse and apartments).**

Many of the neighborhoods in proximity to the Urban Corridors are dominated by single detached house forms. Implementing Transit Oriented Development would diversify the housing stock, and provide additional choice in the housing market.

## 3 Increased Shopping/ Employment Opportunities

**TOD is usually mixed use, including opportunities for housing, for office uses and retail uses.**

The retail/employment floor space requirements generates opportunities for multiple and multiple types of retail stores and office space users that may serve the local residents, or a wider market. The proliferation of retail facilities/office space provides the ability for local residents to shop, to work, or to utilize commercial and/or institutional services in proximity to their homes. This promotes the use of alternative modes of transportation - other than the personal automobile.

## 4 Enhanced Pedestrian Environment

**TOD that incorporates retail uses at grade animate the streetscape, and are a crucial component of a comfortable pedestrian environment.**

Further, Transit Oriented Development is considered a more "urban" built form - with buildings closer to the street edge, a lack of front yard parking lots and an improved sidewalk condition, with street trees and urban street furniture. All of these elements work together to enhance the pedestrian environment and improve the opportunity for pedestrian activity.

## 5 Improved Environmental Sustainability

**TOD is supportive of transit - which is good for the environment.**

Further, higher density development represents a more effective use of land resources, reducing per capita land and space requirements. Smaller units are cheaper to heat/cool, and are more energy efficient. In addition, there is an opportunity to promote "green building" technology, further enhancing Transit Oriented Development's environmental sustainability.

# 3 Context/Background Analysis

**This chapter introduces the concept of transit oriented development for the six urban corridors being studied.**

## 3.1 Demographic Market Overview

### 3.1.1 Residential Densities in City of Houston

In order to promote a compact urban form and higher intensity development of the type desired in the Urban Corridors, higher density forms of housing must be demanded by the market and subsequently built by the private sector. A considerable increase in compact (row and apartment) living will have to occur.

To date, roughly 46% of the existing housing stock (occupied and vacant) in the City of Houston is in single-detached dwellings and 54% has 2 units or more. Within the City, despite significant housing growth, this share in multi-family dwellings has remained relatively unchanged over the past five years.

The housing market in the City and surrounding municipalities has largely been influenced by very strong demand for lower density suburban forms of housing. Consequently, the increase in the share of higher density occupied housing has at best remained constant.

Based on the review of the residential densities within City of Houston, it is clear that, although some minor strides have been made toward increasing the share of higher density housing, considerably more will have to take place in order to support the proposed more compact urban form and the transit and planning objectives for Urban Corridors.

An examination of multi-family markets emphasizes that apartment and townhouse residents prefer to live near:

- rapid transit facilities;
- work; and/or,
- urban amenities (cultural, recreational and shopping).

To achieve the type of Urban Corridor development desired by the City of Houston, an evolution to a more diverse urban environment will be required. The choice of any type of living environment is a complex and personal choice requiring trade-offs. The Study of the Reurbanisation of Metropolitan Toronto provides a good description of the trade-offs implicit in choosing a higher density and more urban lifestyle:

> *"Housing is a bundle of amenities and relationships, and the choice of housing always involves trade-offs. High rise or higher density living may be acceptable if there are other compensating factors, such as the possibility of home ownership, ability to walk to work, or access to top-level cultural amenities or shopping, for example." "...higher overall densities also bring the possibility for improved quality of life, better local amenities".*

During the next two decades and beyond, the average age of Houston residents will become increasingly older. This trend will generally be positive for higher density housing for which demand is concentrated in the older age groups.

## 3.1.2
## Increasing Employment Densities in City of Houston

For employment uses, there are few compact urban forms. Industrial uses require truck access and land extensive sites. Even in the most dense urban areas, there is relatively little retail space that is feasible beyond the ground floor, although it is often part of a mixed use building with office or apartment uses located above grade.

Retail uses also typically require substantial parking (usually surface parking) and are generally land extensive. Only office (and perhaps some institutional or hotel uses) provide the sort of non-residential density that is required to enhance the Urban Corridors structure. Retail and service uses provide an important element of the urban form, but are not the primary driver of intensified development by themselves.

The ability to attract major office users to the Urban Corridors is important to the long term success of these areas. While retail service, institutional and hotel uses can add an urban element, only office and apartment uses can generate the type of densities needed to achieve the transit and land use planning objectives established within Urban Corridors. Consequently, the focus of this market review and development pragmatics is on those types of uses.

The City of Houston, and particularly the Downtown, Energy Corridor (the Katy Freeway) and Uptown have been successful in the past in attracting new office construction since the 1980's.

These factors have helped establish parts of City of Houston as an office destination, but outside Downtown this development has been relatively land extensive (most with surface parking) and located close to highways and not necessarily within the proposed Urban Corridors.

The development of higher density forms of employment uses in City of Houston has paralleled the situation for residential uses. The atmosphere and level of density/ intensity envisaged for the City of Houston's Urban Corridors, however, has yet to develop. Instead, office development has largely been focused on greenfield sites which afford highway access, visibility and opportunities for large areas of landscape and surface parking.

In summary, there is every reason to believe that City of Houston will naturally evolve into a more urbanized municipality over the long term as the expansion of the urban envelope makes commuting extremely difficult by private automobile and urban land uses subsequently intensify. To date, however, high density development in the Urban Corridors has largely not materialized due to lack of market demand.

The market demand for higher density development will take time to establish itself, but will occur as competitive locations for higher density residential and employment uses become more scarce within the intensifying urban envelope. While the ability for a municipality to manipulate market demand and supply may be limited, there are certain measures or "tools" that can influence or accelerate the location decisions of developers, residents

**City of Houston, Units in Housing Stock**

| | 2005 | | 2000 | |
|---|---|---|---|---|
| | Estimate | Share | Estimate | Share |
| Total: | 838,050 | 100.0% | 782,378 | 100.0% |
| 1, detached | 388,891 | 46.4% | 364,905 | 46.6% |
| 1, attached | 39,871 | 4.8% | 42,105 | 5.4% |
| 2 units | 15,798 | 1.9% | 16,323 | 2.1% |
| 3 or 4 | 31,114 | 3.7% | 32,534 | 4.2% |
| 5 to 9 | 67,776 | 8.1% | 46,999 | 6.0% |
| 10 to 19 | 152,279 | 18.2% | 64,550 | 8.3% |
| 20 or more units | 136,918 | 16.3% | 206,896 | 26.4% |
| Mobile home | 5,347 | 0.6% | 7,703 | 1.0% |
| Boat, RV, van, etc. | 56 | 0.0% | 363 | 0.0% |

Source: U.S. Census Bureau

and employees towards Urban Corridors. These are examined in further detail in later sections of this report.

Experience in other jurisdictions indicates that successful and livable high density urban centres almost always include an efficient, extensive and affordable public transit system. City of Houston has recognized this requirement for transit, and are now working toward its early implementation as a key catalyst for change.

### 3.1.3 Overview of the Houston Area

#### Economic Snapshot

The following are some highlights of Houston's recent economic performance as it relates to real estate market demand:

- The Houston economy continued its steady improvement through 2006 and so far in 2007, with the key growth stimulus being the energy sector. Expansion of energy-related businesses such as oil field and equipment services and engineering firms as well as the financial sector dominated the major lease and growth in the Houston office market this past year. Job growth in Metro Houston was 81,000 jobs over the May 2006 to May 2007. Other than the energy sector, primary economic drivers generating real estate demand continue to be the Port of Houston and foreign trade, along with the construction sector.

- The housing industry performed well in 2006 compared to a significant downturn nationwide. Some 50,000 starts were recorded this past year, although this figure is slowing in 2007, as financial market concerns impact the market.

- Looking forward, the energy industry and energy-related support industries will continue to drive the local economy and stimulate business expansion and consumer spending. Skilled labour shortages (especially in the oil fields segment) could slow economic output.

- Alleviating this somewhat is a weaker currency exchange rate (which stimulates port-related export activity) and the strong performance of the energy sector and related industries. Predictions of a job growth rate of around 2.6% annually through 2011 would easily outpace the national average.

### 3.1.4 Real Estate Markets

A real estate market overview for the City of Houston is presented below with an emphasis on the office and residential sectors since these will be the primary catalyst for transit oriented development along the corridors.

#### Office Market Overview

In 2006, the Houston office market experienced one of its strongest performing years in the last decade, with Class A space posting dramatic decreases in space in several submarkets. The Central Business District (CBD), the Katy Freeway (also known as the Energy Corridor), the West Loop/Galleria and the North Belt – all primarily driven by energy-sector related leasing transactions – posted limited availability of prime space by year-end.

Leasing activity increased this past year, reaching 19.9 million sf, up from 14.2 million sf one year earlier. As a result, the overall vacancy rate for All Classes declined to 14.7% (down 370 basis points year-over-year), while Class A vacancy ended the year at just 9.2% - the lowest since 2001.

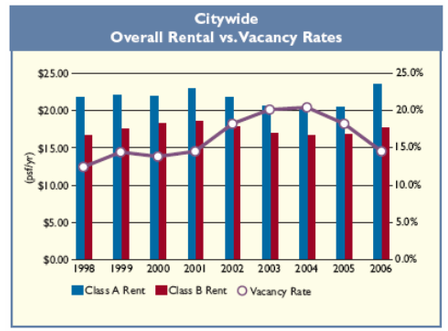
**New construction** – especially speculative development – was active in 2006, accounting for some 1.7 million sf of new office space city-wide. The Katy Freeway submarket accounted for some 1 million sf of this new construction activity, with close to 1 million sf of additional space currently under construction.

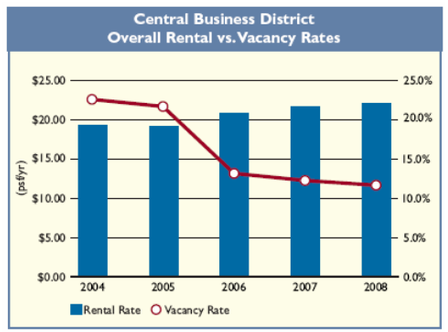
**Central Business District -** At year-end 2006, rental rates in the CBD had reached $25.10 psf for Class A space (up nearly $4.50 psf from one year earlier) and $20.75 for All Classes. During this time, vacancy fell from nearly 22% down to around 13% for All Classes, and the vacancy rate for Class A space is even lower, now at just 9.0% - half the volume of one year ago.

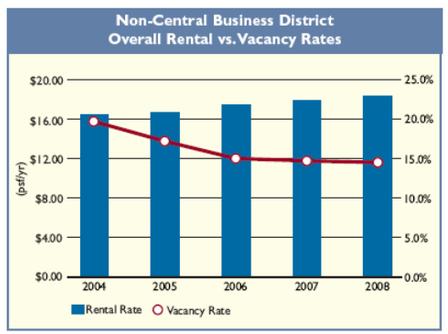
Leasing activity this past year of 4.5 million sf was twice the level recorded in 2006 – space demand was predominantly Class A. This leasing activity performance translated into 2.8 million sf of positive absorption – again, primarily in Class A space.

**Suburban Markets** - Houston's non-CBD/suburban market experienced growth in 2006 as well, with non-CBD Class A office space vacancy falling to levels not seen since 1998, at approximately 9.0%. The lower vacancy rate posted in every office class among several suburban markets was further evidence of the diversity of the city's market and economy. Like the downtown market, energy companies were major drivers of space demand in 2006 across the suburbs –especially the Katy Freeway submarket.

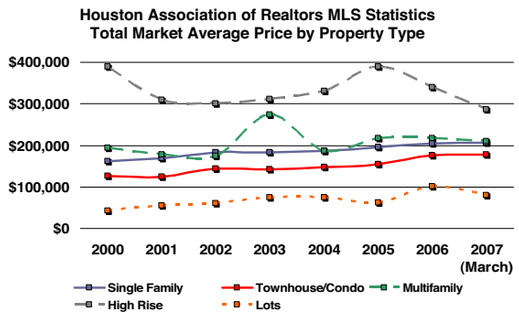
Overall absorption in the non-CBD submarkets totaled 3.2 million sf – on par with the performance in 2005. Across All Classes, rents rose to around $17.50 psf, up close to $1.00 psf year-over-year. Class A rates reached $22.50 psf by year-end 2006, up almost $2.00 psf from 2005. New supply accelerated in 2005, with 1.7 million sf added to the market, following just over 800,000 sf the year previous.




Source: Cushman & Wakefield, 2007




*Note: Data shown is for month of December, other than for current month (March, 2007).*
*Source: Real Estate Centre at Texas A&M University and Houston Association of Realtors*

## Homeownership Market

According to the Houston Association of Realtors MLS data, home sales declined by almost 10% in the month of March 2007 compared to one year earlier, to just less than 7,300 units. The average single family home sales price was $205,800, compared to $192,200 one year earlier. The median single family home sales price was $150,600, compared to $143,200 one year earlier. There are presently nearly 48,000 active listings, which represents an increase of 14% year-over-year.

Houston's current median price is around $150,000 - representing another monthly record for the Houston market - which is nearly 29% less than the national median price, which reached $211,000 in February, according to statistics released by the National Association of Realtors. The overall median price in the townhouse/condo segment in Houston was up over 15% for March, with the median sales price for the month being $136,000. The average sales price for a townhouse or condo sold in the greater Houston area was $177,900 in March 2007, which was a nearly 19% increase from the same month last year. Conversely, the number of townhouses and condos that sold in March declined compared to the previous year's sales for the second month in a row, which is the first time that has happened since early 2003.

The following milestones were recorded in March, according to the Houston Association of Realtors:

- Highest average sales price for the month of March and second highest ever;
- Highest ever number of single-family homes listed for sale;
- Highest median sales price for the month of March and the fourth highest in Houston history;
- First decline in single-family home sales since January 2004;
- Highest median townhouse/condo sales price for the month of March and second highest ever; and,
- Highest ever average townhouse/condo sales price.

**Houston Real Estate Market MLS Report - Month of March, 2007**

| *Property Type* | *Total Sales* | *% Change Year Ago* | *Average Price* | *% Change Year Ago* | *Days on Market* | *% Change Year Ago* |
|---|---|---|---|---|---|---|
| Single Family | 6,004 | -9% | $205,815 | 7% | 79 | -6% |
| Townhouse/Condominium | 601 | -15% | $177,891 | 19% | 86 | 2% |
| Multifamily | 47 | 0% | $209,945 | -9% | 72 | 44% |
| Country Homes | 84 | -5% | $399,428 | 39% | 168 | 17% |
| High Rise | 70 | 17% | $285,385 | -23% | 74 | -41% |
| Lots | 461 | -18% | $79,422 | 5% | 154 | 11% |
| Rentals - Single Family | 1,470 | 31% | $1,269 | -3% | 58 | -2% |
| Rentals - Townhouse/Condominium | 362 | 24% | $1,208 | 8% | 67 | -8% |
| Rentals - Multifamily | 117 | 14% | $789 | 5% | 57 | 0% |
| Rentals - High Rise | 27 | 23% | $1,874 | -24% | 98 | -2% |

***Source: Real Estate Centre at Texas A&M University and Houston Association of Realtors***

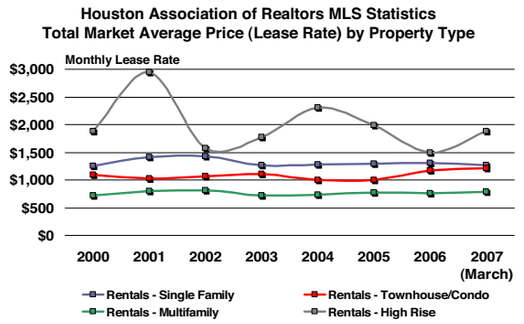
## Rental Housing Market

The Houston multi-family market continues to normalize after artificially-created market conditions related to Hurricane Katrina evacuees coming to the City. Federally funded housing vouchers expired in 2006, and the occupancy rate decreased to around 90% by the third quarter of 2006 (and was anticipated to finish the year at around this level). This is up some 160 basis points from one year earlier. Absorption rates decreased through 2006 as evacuees relocated out of the city, but compensating for this, job and population growth have remained strong and resulted in rental rate increases. Looking back, the Hurricane Katrina refugee influx of mid-2005 to year-end 2006 had a short term 300 basis point effect on occupancy across the market.

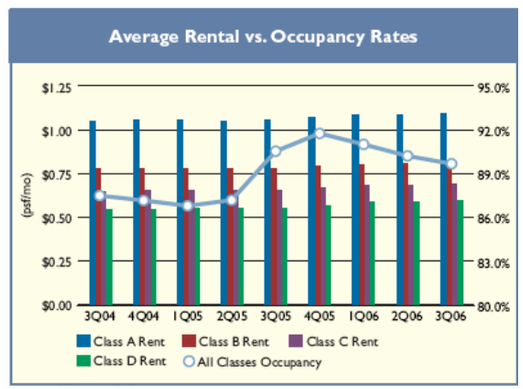
In recent years, house prices in Houston have not increased at the same rate as those in many other major metropolitan areas, and the median house price is still considered affordable in relation to incomes, increasing the attractiveness of home buying and impacting the potential pool of rental market households.

Asking rents were on pace to record 3% growth in 2006, to finish the year at $724 per month. While All Classes were on track to record growth, the Class A market exhibited the strongest performance. Construction remained active, with 10 projects totaling nearly 3,500 units completed by mid-year 2006, and an additional 12,000 units under construction at the end of the third quarter. Redevelopment of older Class B and C properties is a continuing trend, especially in prime locations near employment and entertainment centres.

The outlook for the Houston multi-family market is stable, with vacancy rates anticipated to increase as hurricane evacuees relocate outside the city, but the positive economic environment will offset this to some degree. However, the positive increases in local employment and the leveling off of new construction will prompt continued rental rate growth that landlords can capitalize on.




*Note: Data shown is for month of December, other than for current month (March, 2007).*
*Source: Real Estate Centre at Texas A&M University and Houston Association of Realtors*




*Source: O'Connor & Associates*

### 3.1.5
### Development Pragmatics for Higher Density Development

A review of the economics of higher density development provides insight into the catalysts for change that are required from a market and financial perspective in order to trigger more substantial development in the City of Houston's Urban Corridors. This analysis also includes an investigation of development cost components and how they impact the financial feasibility of development.

A generic development proforma was created for the types of higher density developments that will be required to achieve the planning and transit objectives for the Urban Corridors. These proformas are not intended to represent specific projects and locations, but are indicative of the types of costs and financial returns that a private developer would require to build higher density office, townhouse or apartment uses in urban environments. While the analysis for apartment uses focuses on condominium (sale), the analysis is similar in many respects for rental projects, which would require similar construction and land costs as well as a financial return for the developer.

Each of these higher density uses require considerable hard construction costs including underground parking, as well as some municipal fees and soft costs to development (including legal costs, architectural fees, marketing and sales or leasing commissions). Of course, a developer would require a return for the outlay of capital either in the form of a profit component of a sale price, or a required net rent in order to provide a certain financial yield for an investment property which is held in ownership.

A review of the proformas includes the following observations:

- In all cases, hard construction costs represent by far the largest component of total project development costs, ranging from 55 to 75 percent.
- Aside from reducing parking requirements, there is little or nothing a municipality can do to affect this cost which is determined by market prices for construction materials and trade labour costs.
- Similarly, soft costs (10 to 20 percent) including legal fees, architectural drawings and interest carrying costs, are largely not impacted by municipalities.
- Land prices (representing roughly 10 to 20 percent of project costs) are largely determined by market forces, although land use planning and municipal services can influence the market, potentially to a significant extent.
- Obviously, municipalities have control over the fees that they charge developers. There is an array of municipal fees that can be attributed to development projects ranging from costs for plan reviews, to permit fees. These fees and charges are relatively minor in Houston.

A reduction in parking standards for individual developments with the provision of municipal parking facilities in proximity would potentially have a significant impact on development feasibility for the private sector. For example, there are a variety of potential office project densities achievable in various development forms, ranging

from less than 1 times coverage with surface parking, to almost 8 times coverage with multi-level structured parking, located at a transit station. A mix of structured and surface parking can result in a range of densities. Importantly, the inclusion of structured parking can add as much as $4 per square foot to the required net office rent to make a project financially feasible (net rents are the rent paid to landlords exclusive of taxes and operating costs, which tenants also pay but are generally a direct pass through of the landlord's expenses to the tenant).

Using the proformas, some sensitivities can be tested regarding municipal fees. This "gap analysis" looks at the current achievable net office rents and housing unit prices versus "economic" rents or sale prices (those rents or sale prices which make a project financially feasible).

**Impacts of Ongoing Costs** – Development proformas were prepared on a Corridor-specific basis and are described analyzed in detail in the Development Analysis section in each of the Corridor-specific Reports. The proformas focused on the feasibility of high density residential and office development from a capital cost and return basis for a developer. The demand from a user's perspective, however, is largely influenced by ongoing operating costs. In this regard, property taxes can be a critical component.

The substantial amount of higher density housing needed and anticipated in Urban Corridors will require multi-level government intervention and assistance - it can not all be private market condominium development. Already some changes are taking place that can support rental and more affordable housing development in Urban Corridors. A multitude of additional tools will also have to be considered, many of which will require changes in senior government policies (income tax, mortgage under-writing, shelter allowance). Full cooperation among all levels of government will have to be co-ordinated. Furthermore, the delivery of a broad spectrum and diversity in higher density housing forms in Urban Corridors, including affordable housing, is necessary to establish healthy communities that are balanced and flexible enough to adapt to changing demographics and markets.

# 4 The Planning Strategy

**This chapter introduces the Planning Strategy and describes the Pedestrian Realm/ Mobility Plan, the Land Development Concept Plan and Infrastructure Plan.**

## 4.1 The Plan

**Urban Corridor Context** - Each Urban Corridor is different in terms of lot sizes and configuration, street width and right-of-way width, existing uses, neighboring uses and streetscape potential. There is no one size fits all program for the vision for each Corridor. A framework for change will be tailored to the situation of each Urban Corridor, and will articulate:

- Where the Transit Oriented Development Opportunity Areas will be located, and how that form of development will be facilitated.
- Where the Stable Areas are defined, and how their unique characteristics can be maintained and enhanced

## 4.2 Principles

The overall objectives for the planning strategy within each of the Urban Corridors include:

### Protect and Enhance Existing Communities

#### Strong Community Image

Maintain a strong community image by protecting significant cultural heritage resources, enhancing the character of the built environment including building design and massing, signage, planting and streetscapes within each of the Urban Corridors.

#### Sensitive Transition to Stable Neighborhoods

Provide a sensitive transition between the concentration, mix and massing of buildings within the Urban Corridors and the adjacent stable neighborhoods, and to ensure that neighboring developments are physically compatible and complementary. Transit Oriented Development that is proposed adjacent to a Stable Area will provide a gradual transition of height, density and intensity through setbacks and angular plane provisions.

## Promote Attractive Streetscapes and Great Buildings

### Attractive Streetscapes

Develop attractive streetscape environments through attention to the design of the pedestrian realm, built form, and the relationship between buildings, streetscapes and other public areas:

- ☐ Ensure that development within and adjacent to the corridors is designed to establish a comfortable, human-scale environment for pedestrians.
- ☐ Encourage pedestrian travel throughout the corridors through establishment of a convenient, comfortable, safe and attractive walking environment, and connectivity to parks, public buildings and parking facilities.
- ☐ Provide a consistent level of streetscape design, lighting, planting, signage, street furniture and other amenities.
- ☐ Ensure that all public and private areas are designed in a manner which is safe, secure, and subject to informal surveillance, including walkways, building entrances and parking areas.
- ☐ Establish a strong relationship between buildings and the street by minimizing setbacks and orienting main entrances to adjacent sidewalks.
- ☐ Design service and parking facilities to complement the pedestrian system and enhance the attractiveness of the public realm.
- ☐ Plan and design open space linkages that facilitate continuous, uninterrupted pedestrian and cycling movement within the Urban Corridors, and to adjacent communities.

### Great Buildings

Design great buildings that provide architectural variation and visual interest, while enhancing and shaping the public realm through context appropriate scale, massing, height and placement:

- ☐ Ensure that buildings are located at the sidewalk with no parking in front.
- ☐ Ensure the buildings are a higher density to support adjacent transit.
- ☐ Ensure that active uses are located at the ground floor.
- ☐ Articulate building facades with doors and windows.
- ☐ Ensure that the main entrance is oriented to the street and connected to the pedestrian realm.

## Focus Activities on Key Locations

Focus the City's financial resources and implementation energy on key locations to facilitate Transit Oriented Development and to protect Stable Areas.

# 4.3

# The Big Picture

With implementation of transit on the six Urban Corridors, the City's key employment, institutional, commercial, recreation and cultural facilities will be connected. Residents in many neighborhoods inside the 610 Loop will be able to travel by transit to the City's key destinations.

The intent of the Land Development Concept Plan is to illustrate and determine development potential along each of the six Urban Corridors. In doing so, the Land Development Concept Plan will also inform recommendations for establishing new initiatives, such as TIRZ, PIDs and MMDs, to promote Transit Oriented Development along the six Corridors. Generated as part of the design workshop for each of the Urban Corridors, the Land Development Concept Plan builds on the City of Houston's own land use mapping, the Initiatives Plan, input from property owners, local business operators and residents, and closely considers the Corridor alignment, station locations and a 1/4 radius (representing a 5 minute walk) around each proposed station. Detailed Land Development Concept Plans for each Corridor are located in the respective Reports.

The planning tools available within the City of Houston suggest that Transit Oriented Development is to be promoted. Through promotion of Transit Oriented Development to specific geographic locations there is an inherent discouragement in locations that are less desired by the City, within the Stable Areas for example.

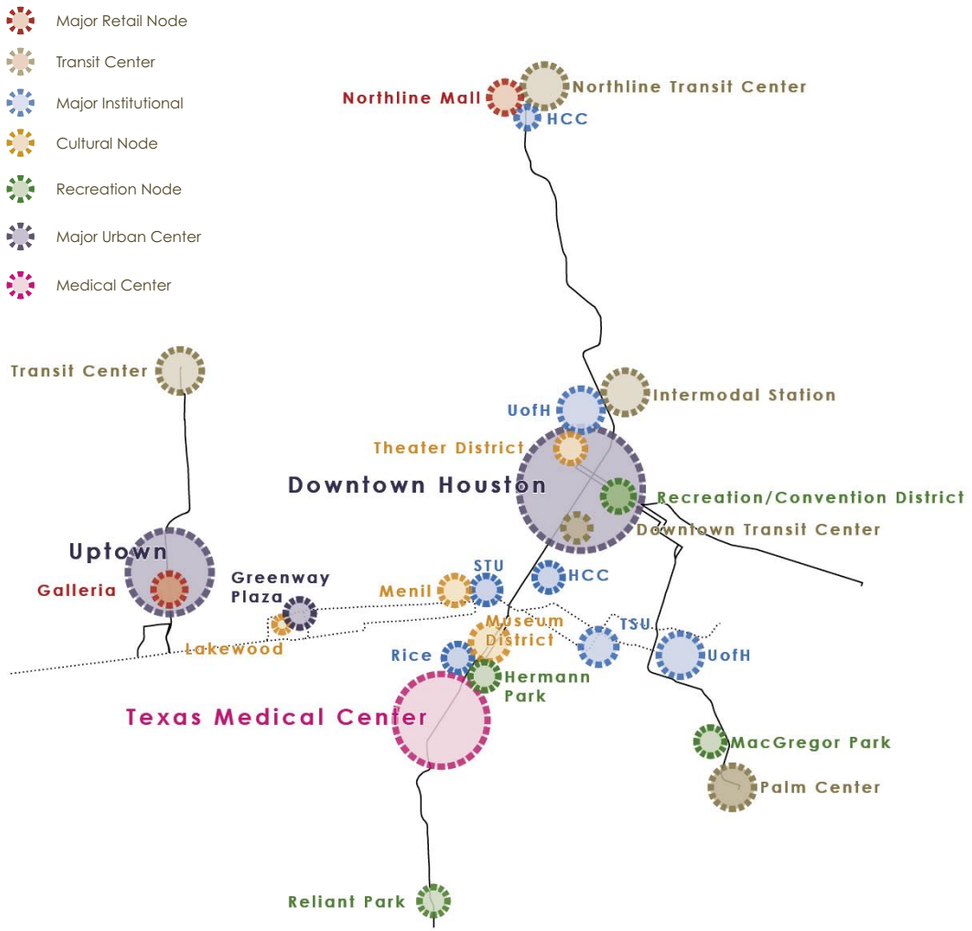
In addition, Transit Oriented Development may be appropriate in other locations throughout the City, or may be proposed in areas where it may be less desirable. Notwithstanding either circumstance, in all other locations throughout the City of Houston, Transit Oriented Development shall only be considered through the other policy and regulatory frameworks of the City.

From a planning perspective, there are areas within the various Urban Corridors that have substantially different development/redevelopment characteristics and will therefore require different implementation strategies and/or corresponding development regulations. The following key districts have been identified:

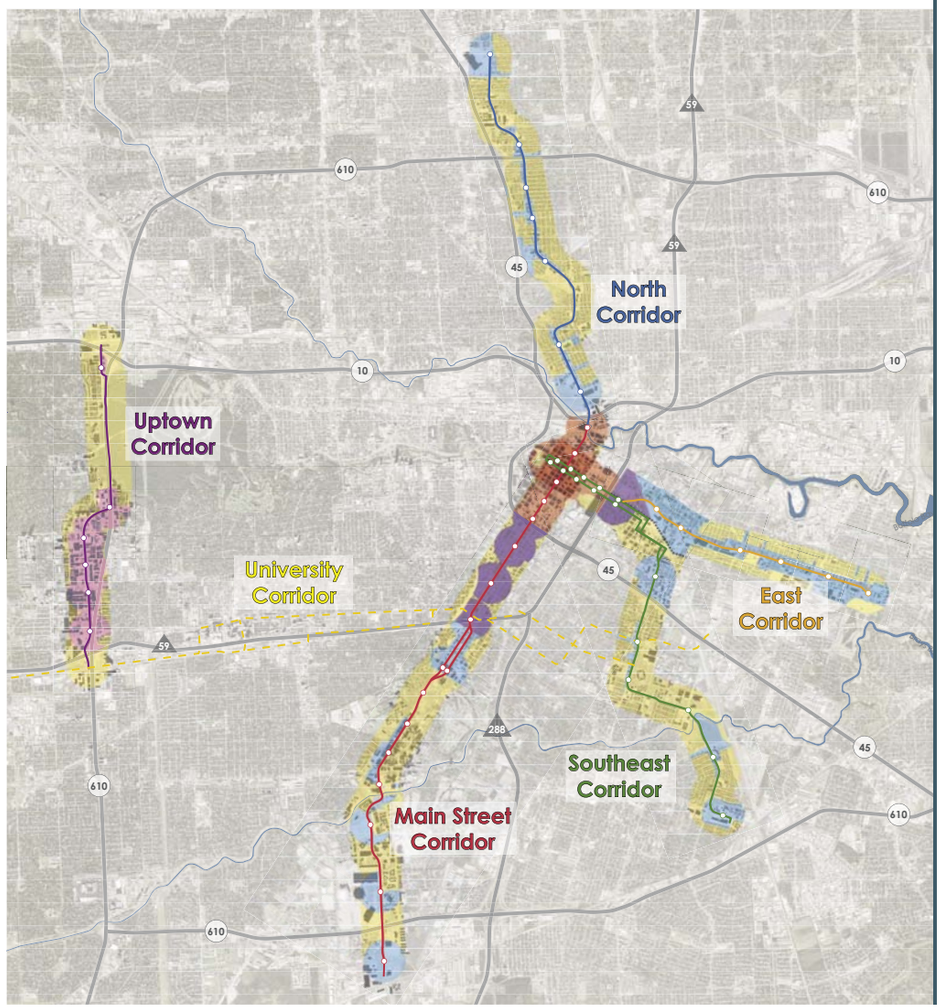
- Development Opportunity Areas 1 - Downtown Houston;
- Development Opportunity Area 2 - Downtown Shoulder and Texas Medical Centre;
- Development Opportunity Area 3 - Corridor;
- Development Opportunity Area 4 - Uptown Urban Corridor; and,
- Stable Areas.

These districts and their specific characteristics are described in further detail in the proceeding section and in Chapter 6 of this report.

# Transit Network Destinations/Overall Land Development Concept Plan




Overall Study Area

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# 4.4

# Land Development Concept Plan

The City of Houston intends to promote Transit Oriented Development in Development Opportunity Areas. It is also the intent that a Transit Oriented Development Ordinance and related development standards/guidelines be prepared. The concept of the new Transit Oriented Development specific Ordinance is to remove the risk of the current approvals process. Further, it is believed that by preparing the Ordinance, and identifying the key locations where Transit Oriented Development is to be promoted, the propensity for Transit Oriented Development infiltration into stable neighborhoods will be reduced, allaying the fears of the public about mass gentrification.

In recognition of the planning philosophies and planning culture of the City of Houston, conformity with the Transit Oriented Development Ordinance shall only be implemented in key locations that will be identified within the Ordinance. It is the intent of the City to provide as-of-right planning approval for Transit Oriented Development on the basis of an Ordinance that is specifically designed to facilitate Transit Oriented Development.

It is believed that by making the Transit Oriented Development Ordinance mandatory in key locations and available for use in other locations, as well as making the Ordinance provisions attractive to the development industry, Transit Oriented Development will be built. The key is to make the Ordinance so attractive - through development cost reductions - that it will be, at the very least, as financially attractive to build Transit Oriented Development, as it is to build the traditional suburban development model.

The diversity of the neighborhoods that are adjacent to the Urban Corridors, in terms of scale, local amenities, employment opportunities, local culture, retail services and demographic make-up offers tremendous opportunity in choices of places to live, to work, and to shop.

For each Urban Corridor, stakeholders were asked to generally identify those areas within their communities that they valued as 'stable' and had some concern that the introduction of Transit Oriented Development would have some detrimental impact. The definition and delineation of the Stable Area designation is not a scientific exercise, but rather an effort to help determine where Transit Oriented Development should be focused, and where it should not. It is felt that the Stable Areas will still benefit from the development of transit facilities and Transit Oriented Development through the enjoyment of enhanced transit facilities, greater housing choices, increased shopping opportunities, and an improved pedestrian environment.

Further, by focusing Transit Oriented Development along the Urban Corridors, within Development Opportunity Areas, there is the potential to inherently (through non-promotion) protect the character of Stable Areas. However, Stable Areas should not be frozen in time. Some physical change

will occur over time as additions and infill development occurs on individual sites. It is a fundamental concept to ensure that new development within the Stable Areas respects the existing physical character of the area.

At the boundary between the Stable Areas and the Development Opportunity Areas, development will be required to demonstrate a transition in height, density and intensity to ensure that the stability and general amenity of the adjacent Stable Area is not adversely affected.

To ensure the protection of the physical character of the Stable Area, the City shall consider the basic principle of "compatible development" in their consideration of variance applications, and the general improvement of the neighborhood through a program of enhanced community amenities.

# 5 Design Guidelines For TOD

**This chapter describes the design guidelines for buildings, streetscapes/public parks, parking, access and service facilities and engineering.**

## 5.1 Introduction

The successful realization of the Urban Corridor Plan requires that the guidelines for new buildings outlined in this chapter form the basis of the City's new planning regime for Transit Oriented Development. The guidelines clarify the City's expectations and provide the framework for the coordinated and consistent review and evaluation of applications for Transit Oriented Development within the Urban Corridors.

The guidelines are divided into four categories, including :

- **Streetscapes/Pedestrian Realm**

  The discussion on streetscapes is complex and includes guidance on the pedestrian realm, which may include public and private lands, and is comprised of sidewalks, urban squares/plazas, as well as the paved component of the street (the area between the curbs), including the portion that accommodates the transit facility, and other streets that are important to feed the transit system. In addition, public parks in proximity to the transit facilities require additional attention as key components of the public realm. The Streetscapes/ Public Parks section includes regulations for:

  - Compensating Open Space/Street Trees;
  - Urban Squares/Plazas;
  - Corridor Gateways;
  - Mid Block Pedestrian Connections;
  - Street Hierarchy;
  - Public Parks; and,
  - Signage and Lighting.

- **Buildings**

  The discussion of buildings includes all forms of development on lands considered to comprise the "private realm". The guidelines include a discussion about the transition between development within the identified Development Opportunity Areas and the Stable Areas (see Chapter 4). In addition, regulations are included that identify key built form requirements for Transit Oriented Development, including:

  - Height and Compatible Development,
  - Density,
  - Development Block Size/Frontage,
  - Setbacks/Build-Within Zones,
  - Built Frontage,
  - Encroachments,
  - Space Between Buildings,
  - Building Facades,
  - Corner Buildings, and,
  - At Grade Uses.

## Parking, Access and Service Facilities

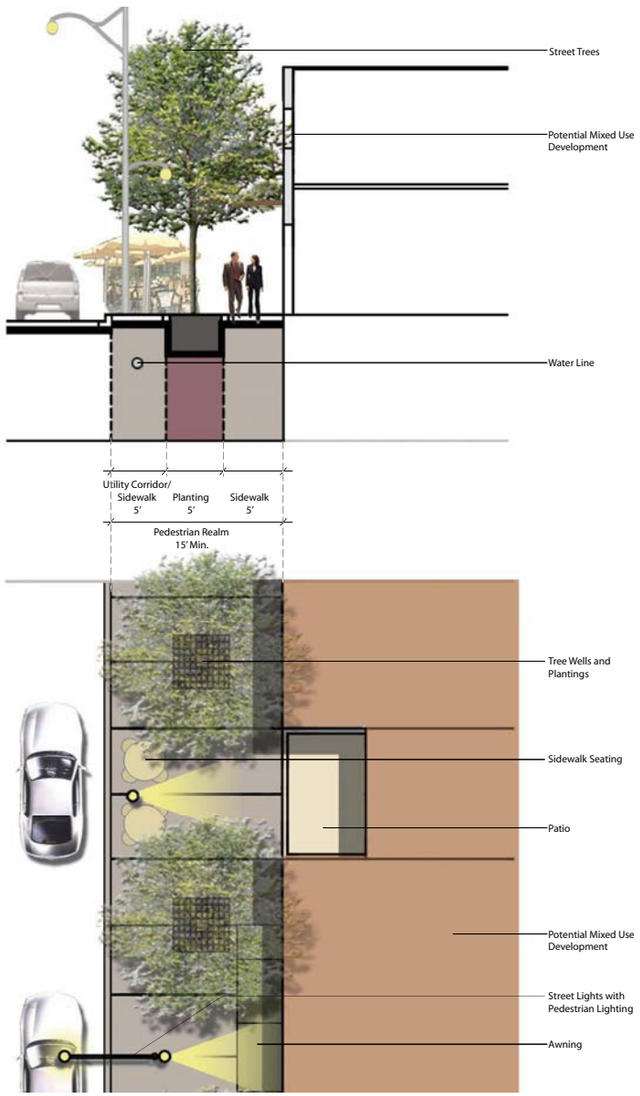
Parking, access and service facilities have been identified as a vital issue in establishing an urban environment and visually pleasing streetscapes in conjunction with Transit Oriented Development. In addition, parking is a crucial element in influencing the cost of Transit Oriented Development. Urban development typically requires less parking than suburban forms of development, and also provides opportunities for shared parking. Higher density built form demands parking in structure. The parking and access section provides guidelines for:

- Public Parking;
- Parking Requirements; and,
- The Design of Parking, Access and Service Facilities.

## Engineering

One of the primary objectives of the study of Urban Corridors is to develop a comprehensive approach to development. An important component of that process is to standardize the implementation of engineering design standards. The key objectives are to:

- The design standards should be for a new character of urban development;
- The new engineering standards should enable incremental development over time;
- The new standards should work to support Transit Oriented Development; and,
- The new standards should assist in achieving a pedestrian friendly and beautiful pedestrian realm.



Typical Pedestrian Realm Section

# 5.2

# Streetscapes/ Pedestrian Realm

The Pedestrian Realm/Mobility Plan has identified Pedestrian Character streets throughout each Corridor, including adjacent parallel and perpendicular streets. These Pedestrian Character streets require upgrading to become more pedestrian friendly with sidewalks, street trees and lighting.

This section illustrates a typical pedestrian realm condition that will form the basis of scale and form of development between the back of the curb and the face of buildings along the transit street. The pedestrian realm is divided into three components including a five foot utility corridor adjacent to the curb; a five foot planting and street furniture zone: and a minimum five foot unobstructed sidewalk adjacent to the face of the building.

All of the transit streets in the six corridors will use this typology as the basis of the pedestrian realm. It is intended to set the basic form for all of the corridors in a manner that will result in a consistent pedestrian realm for all of the transit corridors. The sections on the following pages illustrate that while different conditions may occur in the corridors the pedestrian realm will be consistently identifiable.

The creation of a consistent and comfortable streetscape, including the pedestrian realm and the adjacent street, is fundamental to achieving a transit supportive and pedestrian friendly environment within each Urban Corridor. It is the streetscape component that provides the thread linking the urban spaces of each Corridor together.

Public Parks, either abutting a proposed Transit Street, or within the broader Urban Corridor, provide additional pedestrian comfort, and destinations for residents and transit riders.

To promote the comfortable pedestrian use of street and public parks, the following are the key objectives of the City in support of Transit Oriented Development:

- A well-designed, coordinated streetscape system with publicly accessible open spaces including walkways and urban squares/plazas that promote access, shelter from the elements, clear orientation and confidence of personal safety.
- The provision of high quality usable, urban squares/ plazas throughout the Urban Corridor which are physically and visually linked to streets, sidewalks and mid-block pedestrian routes.
- Pedestrian linkages be planned and designed to facilitate continuous, uninterrupted movement through, and within the Urban Corridors. These linkages shall also be connected to the adjacent communities and public parks.

See Corridor-specific Reports for detailed sections that illustrate the street hierarchy of pedestrian oriented streets for each Urban Corridor.

## 5.2.1 General Streetscape/Pedestrian Realm Guidelines

Streetscape guidelines address two components of the street: the travel and parking lanes between the curbs, and the area between the building wall and the back edge of the curb. The area beyond the curb serves as the transition zone between the public and private realms, and constitutes an important social and visual element of the streetscape image.

The following are general streetscape guidelines for all Pedestrian Character streets:

**S1** A connected sidewalk system shall be provided on both sides of streets that have been identified as Pedestrian Character to facilitate access by pedestrians to the transit stations, adjacent businesses and local pedestrian traffic generators.

**S2** Street tree planting should form a continuous canopy along the street. Tree species should be selected by the applicable TIRZ/MMD to reinforce the role of the various street hierarchies within the Urban Corridors and to visually and thematically distinguish the Urban Corridors from one another. In instances where no TIRZ/MMD exists, the City will select the trees that they will plant.

**S3** Street trees should have a minimum size of 45 gal. and be planted 30 feet on-centre. Trees should be located in open planting pits where space permits and with wells sized at a minimum of 5'x10'. The planting pits should be filled with shrubs, perennials and annual plants. Planting pits should be edged with a low wall and/or fence.

**S4** Where space is limited, trees should be planted in continuous trenches. The rootball should be protected with a tree grate, ground cover or material such as gravel.

**S5** Where there is no room for street trees, consider a vertical shade element planted with vines so add special landscape treatment to the street.

**S6** Coordination of utilities, especially overhead power lines will be required during the design phase of street tree planting.

**S7** Consider a palette of the street furnishings, newspaper boxes, notice boards, bicycles racks, flower pots, luminaires and poles that will visually and thematically distinguish the each particular Urban Corridor from the others.

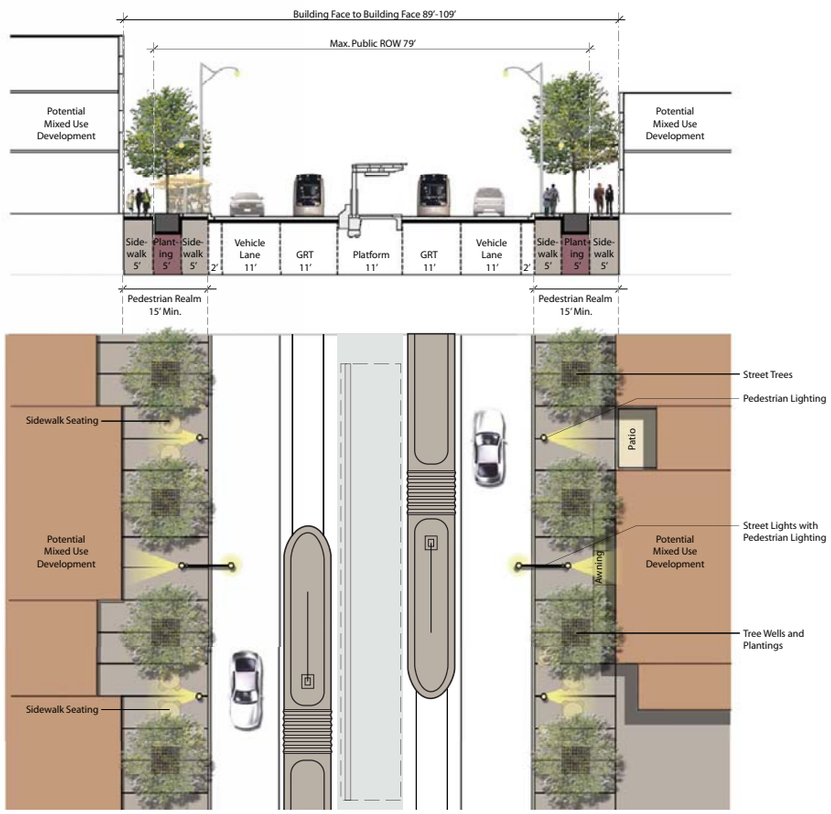
**S8** Concentrate mailboxes, vending machines, trash cans, and recycling bins in single locations to create active public space and minimize visual clutter.

Pedestrian Activity, Toronto, ON

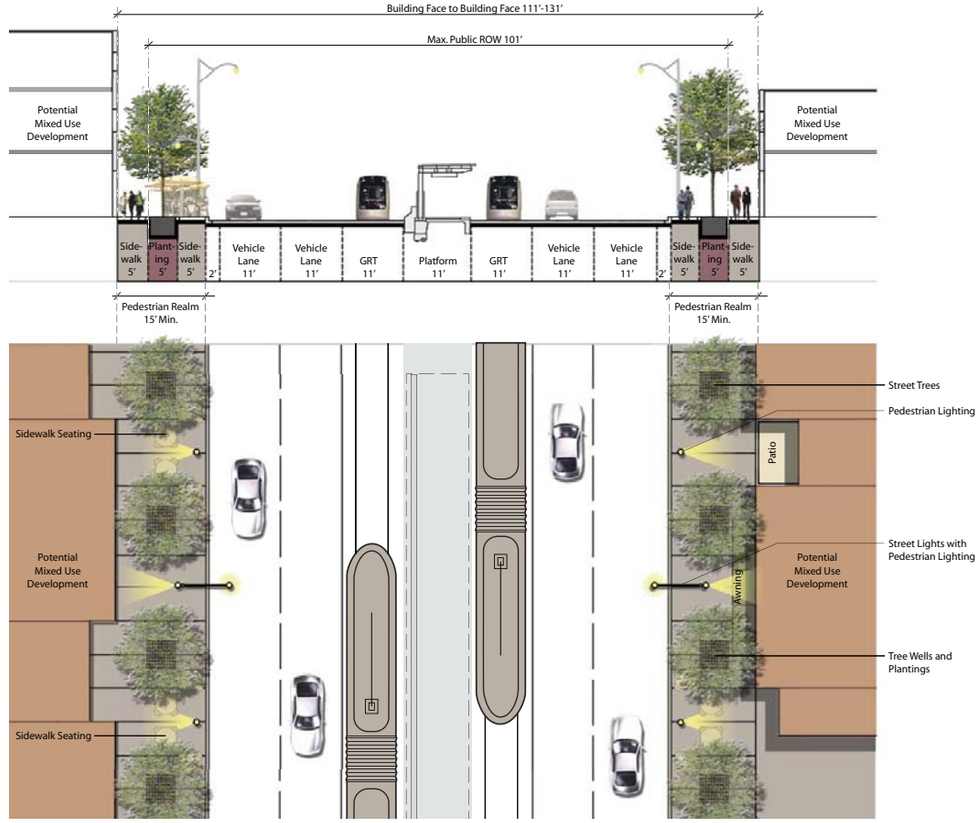
State Street, Chicago, IL

## Typical Cross Section

# Transit Street - Offset Station Platform




15' Pedestrian Realm, 2 Vehicle Lanes with Offset Station Platform

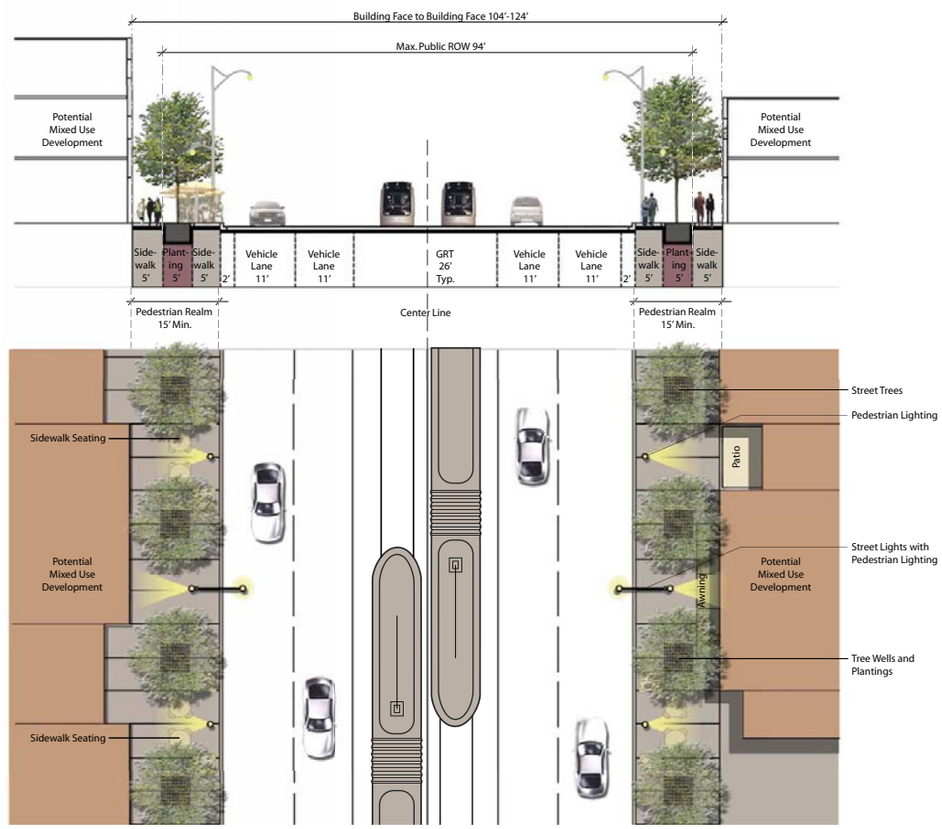



15' Pedestrian Realm, 4 Vehicle Lanes with Offset Station Platform

# Transit Street - No Station Platforms

## Typical Cross Section

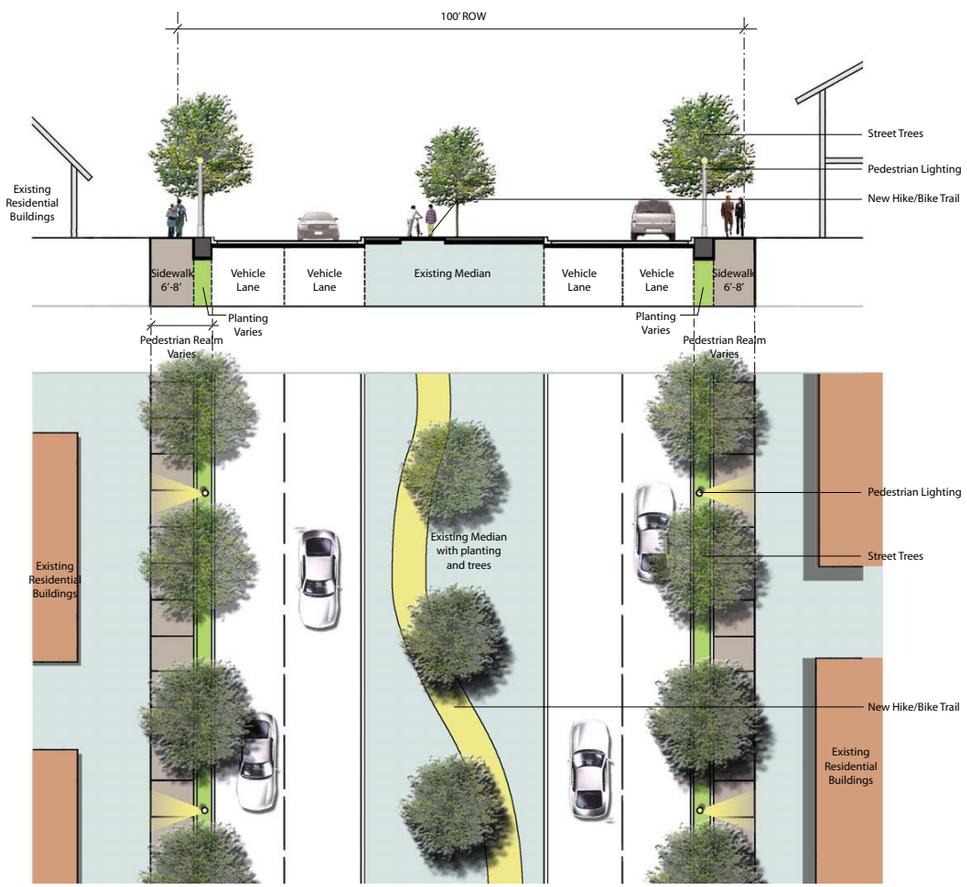

15' Pedestrian Realm, 2 Vehicle Lanes with No Station



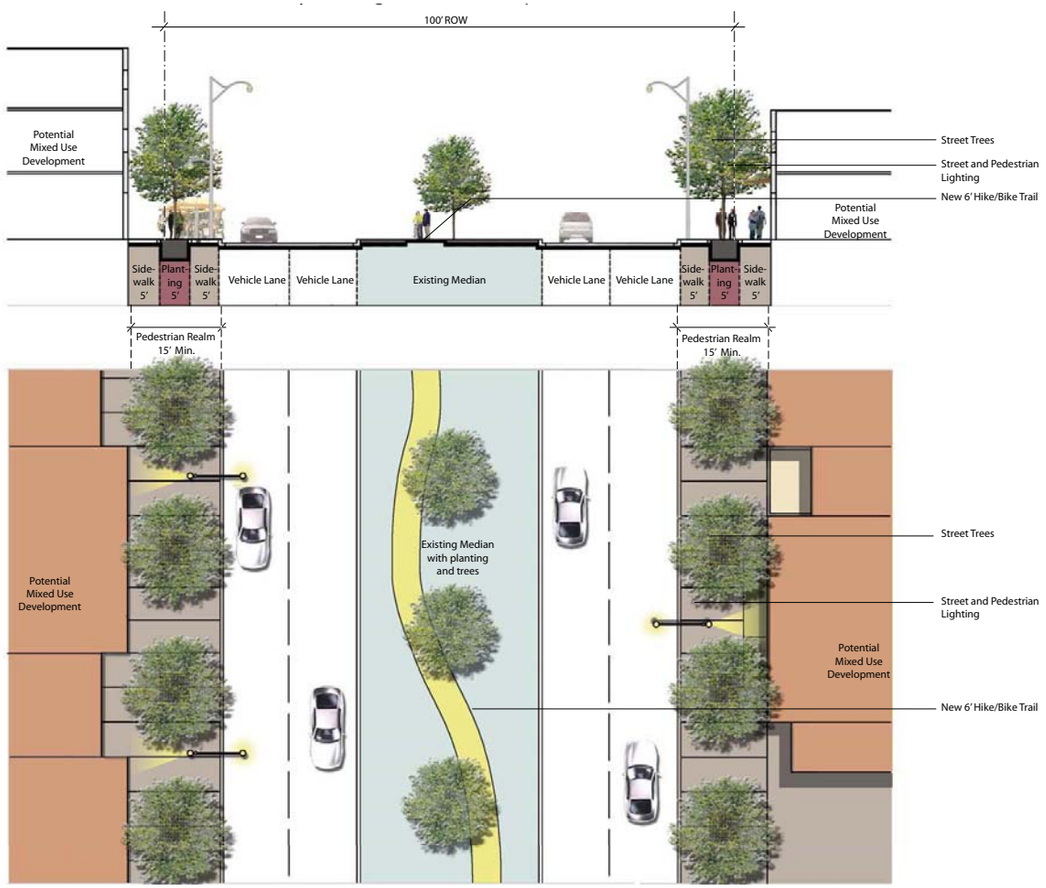

15' Pedestrian Realm, 4 Vehicle Lanes with No Station

## Typical Cross Section

# Pedestrian Character Major Thoroughfare



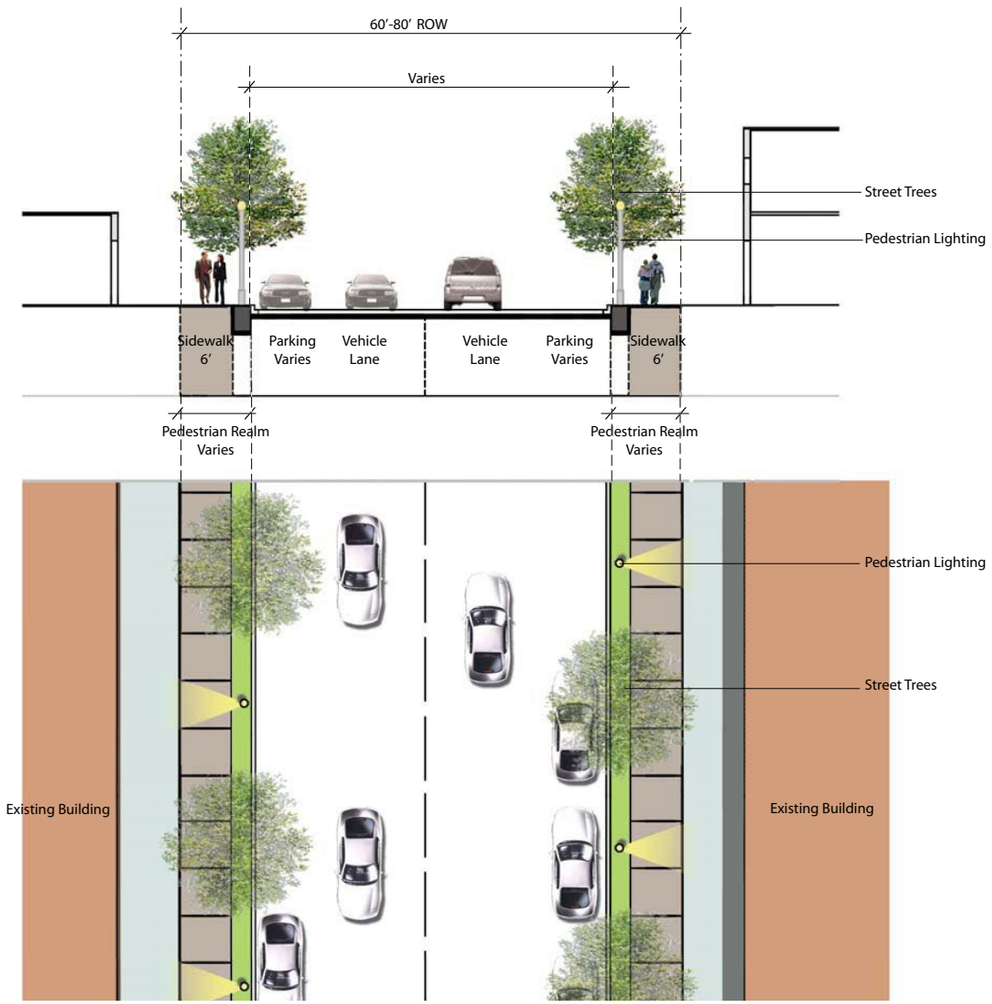

Variable Pedestrian Realm, 4 Vehicle Lanes with Central Median in Residential Area




Variable Pedestrian Realm, 4 Vehicle Lanes with Central Median in Commercial Area
- only in designated redevelopment areas

## Pedestrian Character Major Collector

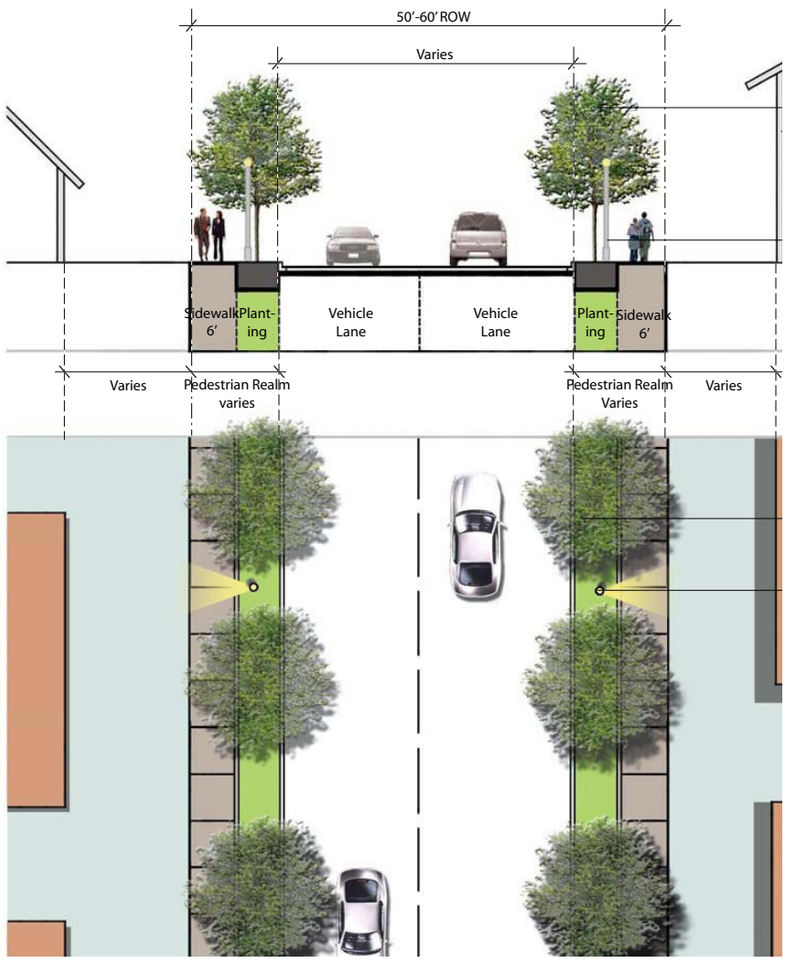
### Typical Cross Section




Variable Pedestrian Realm, 2 Vehicle Lanes with On-street Parking

## Typical Cross Section

# Pedestrian Character Local Street




Variable Pedestrian Realm, 2 Lane Pedestrian Character Local Street

## 5.2.2 Compensating Open Space/Street Trees

Existing policies with respect to Compensating Open Space identify requirements based on the density of development. This approach is considered a substantial penalty to the achievement of Transit Oriented Development. Notwithstanding that, it is recognized that the Urban Corridors require publicly accessible open space, as a key component of the pedestrian realm. An alternative approach is promoted in the discussion of Urban Squares/Plazas.

In addition, it is a clear objective that all the components of the pedestrian realm be comfortable to pedestrians, and that translates partly into a requirement for shade and protection from rain. Street trees are a fundamental requirement to achieve this objective. As such:

**S9** There shall be no compensating open space requirement for any Transit Oriented Development. Urban Squares/Plazas shall be provided in accordance with section 5.3.2.

**S10** The City shall not accept cash-in-lieu of required street trees, unless a substantiated technical reason is provided that precludes street tree planting.

## 5.2.3 Urban Squares/Plazas

An Urban Corridor is different than a suburban neighbourhood. It typically requires smaller park spaces, distributed strategically throughout the Corridor to enhance adjacent development. It is the intention of the City to promote public open space features as key aesthetic and functional components to complement the anticipated Transit Oriented Development. The following guidelines apply:

**S11** Notwithstanding that there is no requirement for compensating open space, all development applications on sites greater than .5 of an acre in size shall include a location for an urban square. Urban squares are intended as formal pedestrian spaces, in support of the adjacent higher density, mixed use development.

**S12** Lands shall be set aside for an urban square/plaza as follows:

- for all non-residential development, the land requirement for an urban square/plaza shall constitute a minimum of 2 percent of the net developable site area;
- for all primarily residential development (where more than 80 percent of the Gross Floor Area is residential), the land requirement for an urban square/plaza shall constitute a minimum of 4 percent of the net developable site area; or,
- for development that include a mix of land uses, where the secondary use comprises at least 20 percent of the Gross Floor Area, the land requirement for an urban square/plaza shall constitute a minimum of 2% of the net developable site area;

Michigan Avenue, Chicago, IL

Urban Square/Plaza, West Palm Beach, FL

Urban Square/Plaza, Houston, TX

Urban Square/Plaza, Toronto, ON

Streetscape/Pedestrian Realm, Bethesda, ML

Urban Square/Plaza, West Palm Beach, FL

**S13** An urban square shall have a minimum frontage on the abutting sidewalk of 15 feet, and a depth of at least 15 feet.

**S14** Large sites may include a single, large scale Urban Square/Plaza and/or a series of smaller Urban Squares/Plazas.

**S15** Urban squares shall be designed to reinforce a high quality formalized relationship with its adjacent building use and streetscape.

**S16** Hard and soft landscape elements and features within the urban square shall be designed to define and articulate activity areas, circulation, entry points, seating and gathering areas.

**S17** Urban squares shall be built and maintained by the landowner, and an easement with the City shall ensure that the space is open and accessible to the public at all times, or as identified in the easement agreement.

**S18** Urban squares shall provide sitting, shade, trash receptacles and bicycle racks.

## 5.2.4
## Corridor Gateways

Gateways highlight the entrances to the Urban Corridors and are important to distinguish the culture and heritage of the area. The following guidelines apply:

**S19** Gateways shall be either architectural, stand-alone features, or landscape treatments that define the main entrances to the Urban Corridors.

**S20** Features shall be lit to enhance their legibility at night.

**S21** The scale of the gateway shall be large enough to be visible from a car at a distance of at least 300 feet.

**S22** Gateways shall enhance and not compete with surrounding existing architectural and natural features.

## 5.2.5
## Mid-Block Pedestrian Connections

The provision of publicly accessible, privately owned, mid-block pedestrian connections are encouraged on individual sites to complement the public open space system. These will be provided on an incremental basis as development occurs. The following guidelines apply:

**S23** Mid-block pedestrian connections shall be provided within larger development parcels. These are intended to be designed as pedestrian landscaped lanes and should be lit, landscaped and maintained for public use.

**S24** Mid-block pedestrian connections shall provide a fine grain of pedestrian circulation and an important connection between two streets.

**S25** Mid-block pedestrian connections shall lead to public destinations such as schools, parks and public transit stations.

**S26** Mid-block pedestrian connections shall provide an address to individual residential or business frontages along their lengths.

Mid Block Pedestrian Connection, Houston, TX


Mid Block Pedestrian Connection, Toronto, ON

Gateway Marker, Toronto, ON

Mid Block Pedestrian Connection, Toronto, ON

Humber Bay Shores, Etobicoke, ON

Boston Common, Boston, MA

## 5.2.6
## Public Parks

Parks are the publicly accessible existing green spaces in the City that offer opportunities for an outdoor experience. Parks provide for a wide range of activities from passive to active uses. They include valley lands, outdoor sport facilities, public gardens, woodlots and trail systems. The following guidelines shall apply to the Urban Corridors:

**S27** Provide public amenities such as washrooms and field house where appropriate.

**S28** Provide programmed activities for a range of ages and demographics with emphasis on children and youth.

**S29** Provide a balance of passive and active park space and provide for the maximum program flexibility in the design of the parks.

**S30** Incorporate a greening strategy that includes tree planting and seasonal horticultural displays.

**S31** Incorporate sustainability practices both in terms of capital projects and operations.

**S32** Provide wayfinding and program information displays as well as heritage interpretation and public art.

# 5.3

# Buildings

Establishing detailed guidelines for buildings will help to ensure that, over time, there is a consistency in built form in appropriate locations within the Urban Corridors and, specifically, along the Transit Streets and in proximity to the planned transit stations. The objectives for the City with respect to buildings are:

- To require an appropriate transition from new Transit Oriented Development in Development Opportunity Areas to existing Stable Areas, particularly to existing single detached houses.
- To promote higher density, mixed use development in proximity to transit stations to ensure enhanced and balanced ridership on the transit system.
- To ensure a comfortable pedestrian environment through the provision of a consistent street wall, animated facades, urban parks, and a mix of active uses at grade.

## 5.3.1 Height and Compatible Development

In an urban context, where a broad range and mix of land uses and building forms can be anticipated, it is an objective of the City to avoid and/or mitigate inappropriate interface conditions between buildings and uses. As such, the concept of Compatible Development is of paramount importance.

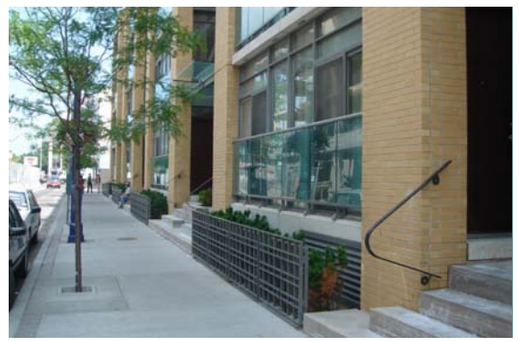
One of the primary issues related to Compatible Development is height. It is the intention of the City to balance the desire for Transit Oriented Development adjacent to transit facilities with the desire to mitigate the impacts of Transit Oriented Development on abutting single detached houses. As such, the height of development shall be related to the size of the site and the relationship of the development to the street and to abutting single family housing within an identified Stable Area. The following guidelines apply:

**B1** Within the identified Development Opportunity Area 1 - Downtown and Development Opportunity Area 2 - Downtown Shoulder - The minimum height for any Transit Oriented Development building shall be 3 storeys, or 27 feet, whichever is greater. Buildings on corner sites shall be a minimum of 4 storeys, or 36 feet, whichever is greater.

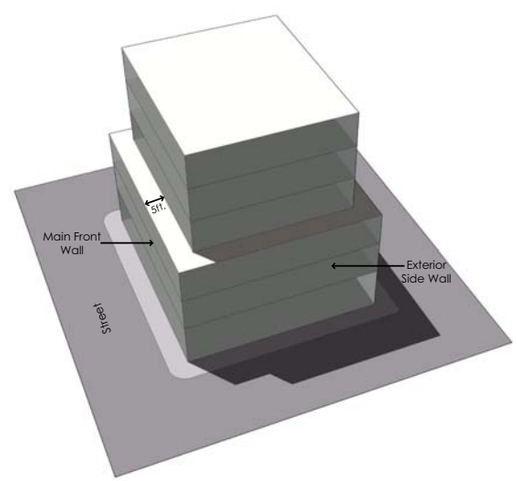
Within the identified Development Opportunity Area 3 - Corridor and Development Opportunity Area 4 - Uptown Corridor - The minimum height for any Transit Oriented Development building shall be 2 storeys, or 18 feet, whichever is greater. Buildings on corner sites shall be a minimum of 3 storeys, or 27 feet, whichever is greater.

**B2** Where any Transit Oriented Development building abuts a street, the building height shall be established as follows:

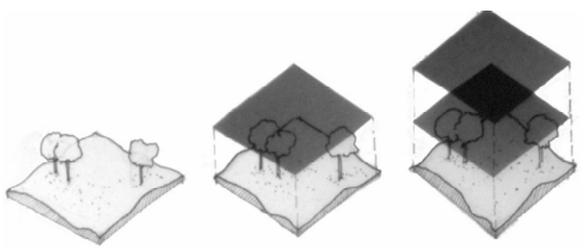
- the main front wall and/or exterior side wall shall be permitted up to 3 storeys (or 27 feet, whichever is greater) within the corresponding build within zone; and,
- for any main front wall and/or exterior side wall above 3 storeys (or 27 feet, whichever is greater), the building shall be stepped back from the main front wall and/or the exterior side wall of the base building by a minimum of 5 feet.



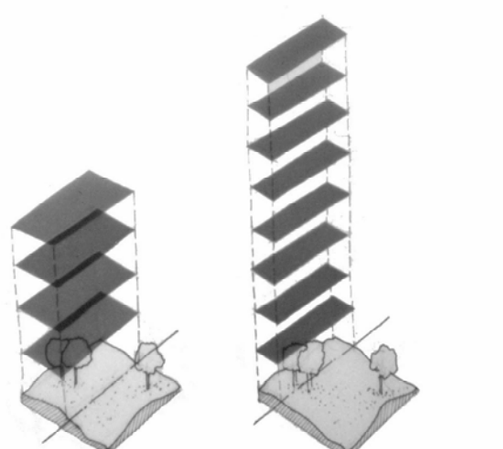
Street Wall Building, Toronto, ON




Step Back



Site, FAR of 1.2 means that the total floor area of a building is one times the gross area of the lot. FAR of 2.0 means the floor area is two times the gross area of the lot



Cover 50% of the lot, at FAR of 2.0 and the building is 4 storeys. Cover 25% of the lot at 2.0 and the building is 8 storeys.

**B3** Where the rear yard or interior side yard of a Transit Oriented Development site abuts a single detached house that has been identified as within a Stable Area, an angular plane shall be implemented to control the height of the building. The angular plane shall be established as follows:

- a line from the abutting rear lot line and/or the abutting interior side lot line to be drawn to a point 10 feet above grade; then,
- a 45 degree angle from the previous point into the development site shall establish the maximum height of buildings within the development site.

**B4** Where the rear yard or interior side yard of a Transit Oriented Development site does not abut a single detached house that has been identified as within a Stable Area, there shall be no specific height limit.


Angular Plane

## 5.3.2 Density

Density drives transit ridership, and it is an objective of the City to increase development density in proximity to transit stations. It is intended that the density of Transit Oriented Development will be expressed through the use of a Floor Area Ratio. The following guidelines apply:

**B5** Within the identified Development Opportunity Area 1 - Downtown and Development Opportunity Area 2 - Downtown Shoulder - The minimum density for any Transit Oriented Development project shall be a Floor Area Ratio of 1.75.

Within the identified Development Opportunity Area 3 - Corridor and Development Opportunity Area 4 - Uptown Corridor - The minimum density for any Transit Oriented Development project shall be a Floor Area Ratio of 1.00.

**B6** There shall be no specified maximum density.

## 5.3.3
## Development Block Size/Frontage

Urban development requires an urban structure, small development blocks or lots, and a finer grained street pattern that is vital for enhanced pedestrian, cyclist and vehicular connectivity and mobility.

**B7** For all large scale Transit Oriented Development projects (defined as projects on development blocks or lots that are greater than 5 acres in size), the maximum development block or lot size shall be approximately 5 acres in area. In all cases, there shall be no minimum development block or lot area.

**B8** No development block or lot frontage on a street shall exceed 600 feet. In all cases, the minimum development block or lot frontage shall be 25 feet.

**B9** Large scale Transit Oriented Development projects shall provide public streets, or publicly accessible private streets, to subdivide any development block or lot greater than 5 acres in size into smaller development blocks or lots in accordance with this policy.

## 5.3.4
## Setbacks/Build-Within Zones

A relatively consistent building edge is important to provide spatial definition and containment to the street. Build-within zones are recommended for all Transit Oriented Developments, requiring buildings to locate their front and exterior side walls within a defined zone on the lot - measured from the back of the curb, rather than from the property line/street right-of-way line.

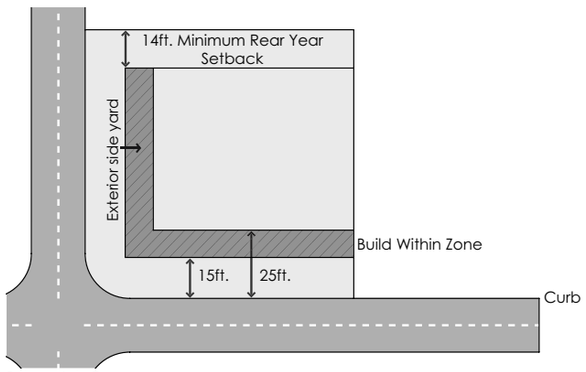
The build-within zones essentially set both a minimum and maximum setback. It is anticipated that, due to varying street right-of-way widths and pavement/transit facility requirements that the build-within zone may incorporate public land, and/or private lands from the abutting development block or lot. The following guidelines apply:

**B10** Within the identified Development Opportunity Area 1 - Downtown all buildings shall be developed with a substantial portion of their front and exterior side facades between 15 and 25 feet of the back edge of the curb. It is understood that where a lot has three sides abutting a public street, the build-within concept may not be achieved on the third side.

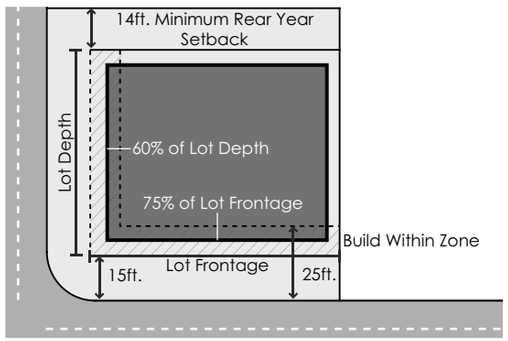
Within the identified Development Opportunity Area 2 - Downtown Shoulder, Development Opportunity Area 3 - Corridor and Development Opportunity Area 4 - Uptown Corridor, all buildings, with the exception of street facing townhouse units, shall be developed with a substantial portion of their front and exterior side facades between 15 and 25 feet of the back edge of the curb. It is understood that where a lot has three sides abutting a public street, the build-within concept may not be achieved on the third side.

A consistent building facade helps frame the street

Mixed Use building located at edge of the right of way, Oakville, ON




Build-within Zone



Built Frontage


Restaurant Seating - Temporary Encroachment, Bethesda, ML


Colonnade, Balcony, Awnings – Temporary and Permanent Encroachments, West Palm Beach, FL

This guideline does not apply within the identified Development Opportunity Area 1 - Downtown.

**B11** Within the identified Development Opportunity Area 2 - Downtown Shoulder, Development Opportunity Area 3 - Corridor and Development Opportunity Area 4 - Uptown Corridor, street facing townhouses with no street facing garage shall ensure that the main front wall of the unit be built within 15 and 30 feet of the back edge of the curb.

Where front garages are proposed, the main front wall of the building shall be built within 20 and 40 feet of the back of the curb.

This guideline does not apply within the identified Development Opportunity Area 1 - Downtown.

**B12** In all cases within the identified Development Opportunity Area 2 - Downtown Shoulder, Development Opportunity Area 3 - Corridor and Development Opportunity Area 4 - Uptown Corridor, the exterior side build-within zone for street townhouses shall be between 15 and 30 feet of the back edge of the curb.

This guideline does not apply within the identified Development Opportunity Area 1 - Downtown.

**B13** In locations where the public street right-of-way is equal to, or greater than the required 15 feet, the build-within zone shall be established from the edge of the street right-of-way and shall be between 0 and 10 feet.

**B14** In all cases, the minimum rear yard setback shall be 14 feet to facilitate a potential lane access and/or a utilities easement.

## 5.3.5 Built Frontage

A consistent street wall provides important spatial definition and a sense of enclosure for that street. To achieve this consistency, a substantial amount of main front building wall or exterior side building wall located within the corresponding build-within zone shall be required, as follows:

**B15** On all lands fronting onto a public street, a Major Thoroughfare and/or a Major Collector, the minimum built frontage requirement shall be 75 percent of the lot frontage shall be occupied by the main front wall of a building within the build within zone.

**B16** On corner lots within the identified Development Opportunity Area 2 - Downtown Shoulder, Development Opportunity Area 3 - Corridor and Development Opportunity Area 4 - Uptown Corridor, the exterior side yard shall also include a build within zone located between 15 and 25 feet from the back edge of the curb, and the main exterior side wall shall occupy a minimum of 60 percent of the depth of the lot, within the build within zone.

This guideline does not apply within the identified Development Opportunity Area 1 - Downtown.

**B17** Notwithstanding the requirements for a minimum built frontage, where an urban square is provided abutting a front and/or exterior side lot line, the frontage occupied by the urban square shall be counted toward the minimum built frontage requirement

## 5.3.6
## Encroachments

It is an objective of the City to ensure a comfortable pedestrian environment, and part of that comfort is weather protection. As a result, it is important to promote the provision of building elements that provide shade and/or shelter from the rain through permissions for encroachments into the pedestrian realm. In addition, it is an objective of the City to promote street activity/animation and street cafes and outdoor seating for restaurants should also be considered. Permissions for encroachments shall be considered by the City, as follows:

**B18** Temporary encroachments (i.e. awnings), may be permitted to encroach into the pedestrian realm subject to approval of a Temporary Encroachment Permit from the City.

**B19** Outdoor cafes and seating for restaurants may be permitted to encroach into the pedestrian realm subject to approval of a Temporary Encroachment Permit from the City.

**B20** Semi-permanent structures over the sidewalk, including entry features, arcades and perpendicular signage attached to the building may be permitted to encroach into the pedestrian realm subject to approval of an Encroachment Permit from the City.

**B21** Permanent structural components of the building (structured parking lots, colonnades and balconies) are not permitted to encroach into the defined pedestrian realm.

**B22** The amount of any permitted encroachment shall be established by the City on a site-by-site basis, and in consideration of the following criteria:

- the encroachment enhances pedestrian comfort by providing shade and/or protection from the rain; and,
- the encroachment does not impede pedestrian movement, and maintains an unobstructed sidewalk area of a minimum width of 5 feet.

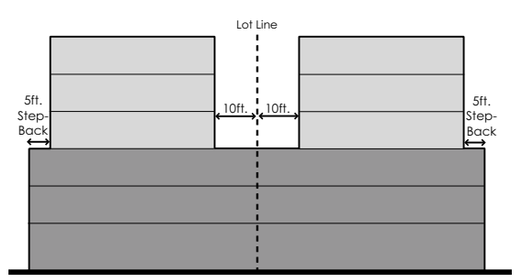
## 5.3.7
## Space Between Buildings

In order to achieve appropriate spacing between buildings on the same lot or on the same block, light, view and privacy setbacks may be used to provide the appropriate relationship between building facing conditions. The following guidelines apply to Transit Oriented Development projects:

**B23** Buildings of up to 3 storeys may be built with zero setbacks to interior side lot lines. Exterior side yards shall conform to the described build-within zones.

**B24** Buildings above 3 storeys may include a zero interior side yard setback for the base building of 3 storeys, but building side walls must be set back a minimum of 10 feet from the interior side yards for that component of the building above 3 storeys.


Colonnade, South Lake, TX




Space Between Buildings


Pedestrian Weather Protection, Bethesda, ML


Corner Building, Dallas, TX


Active Uses at Grade, Bethesda, ML

## 5.3.8 Building Facades

Architectural variety is crucial in creating a visually stimulating urban environment. Street walls composed of buildings of similar style and form can succeed through subtle variations in the façade treatment and building mass in projecting an image of architectural richness, variety, and building articulation. The following guidelines shall apply:

**B25** Buildings shall be sited and organized to create a street space scaled to the pedestrian, and organized to present an appropriate façade to all adjacent streets to provide interest and comfort at ground level for pedestrians.

**B26** Main building entrances shall, wherever possible, be oriented toward adjacent streets to provide convenient access to pedestrians and public transit; buildings, and their main public entrances, shall be located close to the front and exterior side property lines, on-street parking, and the public sidewalk.

**B27** Buildings are to be generally sited parallel to the public street and along the edges of parks and open spaces. The public faces of these buildings are to align with neighboring buildings in a manner that defines these spaces with a consistent building face lining the street.

**B28** Large areas and continuous rows of monotonous and repetitive façades shall be avoided. A more textured architectural quality can be achieved by introducing variation in certain elements of the façade treatment.

**B29** Variation in three-dimensional elements, such as balconies, bay windows and porches, cornices, window trim, entrances and the articulation of the building mass, shall be used to create a dynamic façade.

**B30** Variation and articulation in the building mass including horizontal and vertical setbacks, such as step backs at the upper storeys, shall be established.

**B31** A pedestrian weather protection system including awnings, canopies, colonnades, or front porches along the sidewalk edges and adjacent to the urban squares/plazas and at entrances to buildings shall be considered. The City will promote Temporary or Permanent Encroachment Permits for both signage and awnings.

**B32** Accessible building design, streets and publicly accessible open spaces shall conform with the requirements of the American Disabilities Act.

## 5.3.9 Corner Buildings

The advantages of better visibility, light and view, make corner sites good locations for landmark buildings. Corner sites are consequently often occupied by prestigious buildings, or by buildings of notable community status. Within the Urban Corridors, corner sites will play a particularly significant role in defining landmarks. It is therefore important that the treatment of the corner sites be consistent, in consideration of the following guidelines:

**B33** Corner building designs shall articulate, define and enhance the intersection at which it is located by enhancing the building's presence at each corner.

**B34** Buildings should 'turn' the corner, i.e. they should have primary, articulated facades towards both streets and should be visually different from adjacent development.

## 5.3.10 At Grade Uses

For all Transit Oriented Development buildings, the provision of active uses at grade provide visual interest, encourages the use of sidewalks, promotes retail continuity and viability, and contributes to a safer and more vibrant pedestrian environment and urban character. The following guidelines apply:

**B35** Non-residential buildings shall, to the greatest extent possible, front onto adjacent streets, be flush with grade and provide an active use at grade in order to promote pedestrian activity.

**B36** All residential buildings with direct access to dwelling units from the street, with the exception of those located within the identified Development Opportunity Area 1 - Downtown, shall be elevated a minimum of 2 feet 6 inches to provide privacy and a sense of entry to the unit. The maximum elevation from grade to the entrance landing shall be 5 feet.

**B37** Buildings shall provide active façades that include windows and entry features and, where appropriate, outdoor cafés and restaurants, community services, retail stores and display windows.

**B38** Buildings shall connect to the street - by proximity, by the location of windows and entranceways and the level of architectural detail. A minimum of 75 percent of the main front wall at grade and, on a corner lot, exterior side wall at grade of any non-residential building shall consist of windows and entranceways that facilitate visibility into the building.

## 5.3.11 Signage and Lighting

Signage is a critical component of building design and can demean the quality of the street if not designed to be complementary to the character of the Urban Corridor. Lighting is an essential consideration to ensure safe pedestrian places. The following guidelines shall apply to all Urban Corridors:

**B39** Signage will address the amount and type of illumination, size, materials, typography and design.

**B40** Signage should be an integral part of the architecture of a building.

**B41** Signs should be designed to complement the building and enhance the visual appeal of the street.

**B42** Signs should be designed in consideration of nearby residential uses, in terms of size, materials, and location.

**B43** The ratio of sign band to building mass should be restricted such that the signage does not dominate the facade.

**B44** Mobile box signage is not allowed.

**B45** Neon lights are allowed when they do not dominate the signage and have no negative impacts on nearby residences.

**B46** Exterior lighting shall be designed to promote pedestrian comfort, safety and provide a high quality ambiance. In addition, accent lighting is required to emphasize built form and landscape elements. Pedestrian scale lighting shall be provided adjacent to streets, walkways, urban squares, pedestrian routes and in parks, urban squares and courtyards.

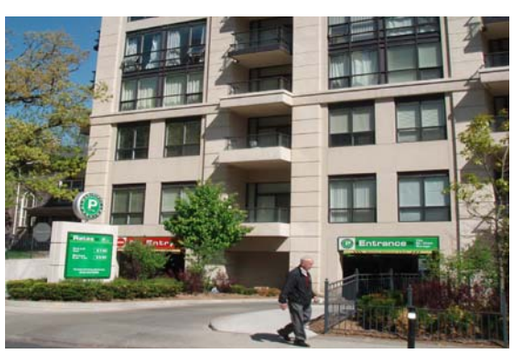
**B47** Internally lit canopies are strongly discouraged.

**B48** Commercial facades should be appropriately lit.

**B49** Pedestrian realm signage and lighting should be coordinated. Pole mounted pedestrian light fixtures with a light source at 12 to 15 feet high and a spacing of 30 to 50 feet is recommended.

Signs, Winter Park, CO


Lighting, South Lake, TX



Public Parking Garage in a private condominium, Toronto, ON

# 5.4

# Parking, Access and Service Facilities

Parking, access and service facilities have been identified as a vital issue in establishing an urban environment and visually pleasing streetscapes in conjunction with Transit Oriented Development.

In addition, parking is a crucial element in influencing the cost of Transit Oriented Development. It is important to ensure, in an urban environment, that the parking supply is adequate, but that it is not an overwhelming presence in the design and functionality of development. Urban development typically requires less parking than suburban forms of development, and alos provides opportunities for shared parking. Higher density built forms demand parking in structure. The key objectives of the City related to parking and access include:

- Ensure the parking supply reflects the true need of Transit Oriented Development, and that opportunities to share parking and to reduce parking requirements (and reduce the cost of development) are maximized.
- Understand that the City has a substantial role to play in the provision of parking, both to augment supply, and to use parking as a redevelopment incentive. The City needs to become actively involved in the redevelopment process to identify their opportunities to influence and direct redevelopment.
- Promote the rationalization of private access points off of each proposed Transit Streets through the promotion of shared access and rear lane access opportunities.
- Ensure that all parking facilities, both public and privately developed, are appropriately designed to blend into, and not dominate the streetscape, in keeping with the anticipated urban character of the Urban Corridor.

## 5.4.1 Public Parking

New parking structures and the provision of on street parking are both important components of a comprehensive City parking strategy in the Urban Corridors. The City needs to become actively involved in the redevelopment process to identify their opportunities to influence and direct redevelopment. The following guidelines apply:

**P1** The City shall provide public parking lots (surface lots and/or structured parking facilities) within the Urban Corridors to augment the supply of parking.

**P2** On-street parking shall be promoted within all of the Urban Corridors.

**P3** The City shall pursue opportunities for the establishment of on-street parking in partnership with adjacent landowners where the spaces are provided on a combination of public land and private property, with public access to the parking spaces secured through agreements with the City.

**P4** Within the identified Development Opportunity Area 2 - Downtown Shoulder and Development Opportunity Area 3 - Corridor, where on-street parking is provided, the number of spaces may be

deducted from the parking requirements of the abutting Transit Oriented Development.

This guideline does not apply within the identified Development Opportunity Area 1 - Downtown and Development Opportunity Area 4 - Uptown Corridor.

## 5.4.2 Parking Requirements

To assist with the reduction in large surface parking areas in the Urban Corridors, and to recognize that Transit Oriented Development in an urban context will require less parking, a reduction to the current parking standards and maximum parking standards shall be established. The following parking standards will be used in calculating the required parking spaces for all Transit Oriented Development proposals:

**P5** For all retail and service commercial uses, including restaurants, within the identified Development Opportunity Area 2 - Downtown Shoulder and Development Opportunity Area 3 - Corridor - a minimum of 2.0 and a maximum of 4.0 spaces/1,000 square feet of Gross Leaseable Floor Area.

For all retail and service commercial uses, including restaurants, within the identified Development Opportunity Area 4 - Uptown Corridor - a minimum of 4.0 spaces/1,000 square feet of Gross Leaseable Floor Area.

There is no minimum/maximum number of spaces required for retail and service commercial uses, including restaurants, within the identified Development Opportunity Area 1 - Downtown.

**P6** For hotels/inns within the identified Development Opportunity Area 2 - Downtown Shoulder and Development Opportunity Area 3 - Corridor - a minimum of 1.0 and a maximum of 1.25 spaces per room.

For hotels/inns within the identified Development Opportunity Area 4 - Uptown Corridor - a minimum of 1.25 spaces per room.

For hotels/inns within the identified Development Opportunity Area 1 - Downtown - there is no minimum/maximum number of spaces per room.

**P7** For all office uses within the identified Development Opportunity Area 2 - Downtown Shoulder and Development Opportunity Area 3 - Corridor - a minimum of 2.0 and a maximum of 3.0 spaces/1,000 square feet of Gross Leaseable Floor Area.

For all office uses within the identified Development Opportunity Area 4 - Uptown Corridor - a minimum of 3.0 spaces/1,000 square feet of Gross Leaseable Floor Area.

There is no minimum/maximum number of spaces required for office uses within the identified Development Opportunity Area 1 - Downtown.

**P8** For all condominium-based residential uses within the identified Development Opportunity Area 2 - Downtown Shoulder and Development Opportunity Area 3 - Corridor – a minimum of 1.0 and a maximum of 1.75 spaces per unit, inclusive of visitor parking.

For all condominium-based residential uses within the identified Development Opportunity Area 4 - Uptown Corridor – a minimum of 1.25 per unit, inclusive of visitor parking.

For condominium-based residential uses within the identified Development Opportunity Area 1 - Downtown - there is no minimum/maximum number of spaces per room.

Public Parking Garage, South Beach, FL

Public Parking Garage, South Beach, FL

Landscape treatment in a parking lot

**P9** For all fee simple residential uses within the identified Development Opportunity Area 2 - Downtown Shoulder and Development Opportunity Area 3 - Corridor – a minimum/maximum of 2.0 spaces per unit.

For all fee simple residential uses within the identified Development Opportunity Area 4 - Uptown Corridor – a minimum 2.0 spaces per unit.

There is no minimum/maximum number of spaces required for fee simple residential uses within the identified Development Opportunity Area 1 - Downtown.

**P10** Where a public parking facility is developed within the identified Development Opportunity Area 2 - Downtown Shoulder and Development Opportunity Area 3 - Corridor, Transit Oriented Developments within 300 feet the City may reduce the minimum parking requirement, in recognition of the enhanced public parking supply.

This guideline does not apply within the identified Development Opportunity Area 1 - Downtown and Development Opportunity Area 4 - Uptown Corridor.

**P11** Parking requirements for any individual development within the identified Development Opportunity Area 2 - Downtown Shoulder and Development Opportunity Area 3 - Corridor, Development Opportunity Area 4 - Uptown Corridor do not necessarily need to be provided on the same lot, or on a lot contiguous to the development. Required parking for any Transit Oriented Development may be provided on any lot within 300 feet of the development that is being served by the parking facility.

This guideline does not apply within the identified Development Opportunity Area 1 - Downtown.

**P12** Within the identified Development Opportunity Area 2 - Downtown Shoulder and Development Opportunity Area 3 - Corridor, where a Transit Oriented Development is unable, or does not wish to provide all of the required parking spaces, the City may accept cash-in-lieu of the parking spaces. The minimum parking requirement shall be used to calculate any parking space deficiency. The cost of each parking space shall be established by the City, and may be waived for any specific development, at the discretion of the City. The funds raised through this provision shall be utilized by the City's Parking Authority solely for the purchase of property for public parking and/or the building of public parking structures in proximity to the Transit Street where the fees were collected.

Within the identified Development Opportunity Area 4 - Uptown Corridor, where a Transit Oriented Development is unable, or does not wish to provide all of the required parking spaces, the City shall not provide the option for cash-in-lieu of the parking spaces.

This guideline does not apply within the identified Development Opportunity Area 1 - Downtown.

## 5.4.3

## The Design of Parking, Access and Service Facilities

In order to reinforce streets as primary public spaces, the locations of parking, driveways and service entrances and loading areas need to be carefully considered and coordinated with the locations for pedestrian entrances. As such, parking facilities, service access points, loading areas and any visible garbage containers and/or mechanical equipment are to be located in a manner that has a minimal physical impact on sidewalks and accessible open spaces. Shared driveways, service courts at the side and rear of buildings are encouraged to provide for these functions.

**P13** Surface parking, loading areas, drive-through lanes and servicing facilities shall not be permitted in front of Transit Oriented Development buildings. Surface parking, drive-through lanes and/or servicing facilities may be permitted in an interior side yards, and are permitted within the rear yard.

**P14** Surface parking, loading areas, drive-through lanes and servicing facilities, where permitted, shall be appropriately screened from view from the street. Surface parking lots shall respect the build within zones. Where surface parking must be provided, the visual impact of large surface lots shall be mitigated by a combination of setbacks, and significant landscaping including: pavement treatments, low walls or decorative fencing, landscape, trees and lighting throughout parking lots and along the edges.

**P15** Parking is encouraged to be provided in structures, either above, or where possible, below grade. Where a parking structure is above grade, it shall include a facade with active uses at grade and appropriate architectural articulation. Entrances to below grade or structured parking and service areas should occur within the building.

**P16** Access to parking and servicing areas should occur off side streets or service lanes and to the side or rear of buildings.

**P17** It is an objective of the City to limit access driveways to individual sites adjacent to the Transit Street. The City shall encourage shared access driveways and, preferably, shared rear lane access for all Transit Oriented Development. Where new development is proposed, the City shall require a minimum of 100 feet between access driveways onto the Transit Streets.

# 5.5
# Engineering

## 5.5.1
## The Pedestrian Realm

The pedestrian realm envisioned extends from the back of curb to the building face. It has a dimension of 15 to 25 feet and is meant to be an active area for walking, shopping and socializing. The physical form of the pedestrian realm has been described in the previous subsection. As such, the provision of services needs to be developed to achieve these objectives.

**E1** Infrastructure services need to be developed with future intensification of the corridors in mind,

**E2** Infrastructure should be implemented as transit is being built,

**E3** The implementation and design of infrastructure should be carried out comprehensively including all departments of the City as well as utility providers,

**E4** All utilities should be buried along the corridors,

**E5** Consideration should be given to burying utilities under alleys,

**E6** Where it is impossible to bury utilities, the location of above ground components must be coordinated with the design of the pedestrian realm following the following guidelines:

- utility poles and transformers shall be located where they do not impact on the movement of pedestrians,
- utility poles and transformers shall be

located according to an overall plan for the entire corridor,

- the form and design of above grade components to be approved by the City and Metro.
- Where possible, utilities should be located in alleys,

**E7** Accessibility should be designed into all sidewalk conditions along the corridors.

## 5.5.2 Streets and Alleys

Urban Corridor Planning focuses on streets and their functions as places for people, cars and, most important, transit. It is important that the design of the streets where transit is located be undertaken with the understanding that such streets are no longer major routes for carrying cars at high speeds. Instead, the street design standards need to focus on slowing traffic to support pedestrians and transit users.

**E8** The width of travel lanes along streets with transit should generally be 10-11' in width,

**E9** Alleys should be designed to provide an 14'-0" paved surface,

**E11** No access should be allowed from the street for new developments fronting onto the street with transit,

**E12** All new development fronting on to streets with transit should indicated space for the provision of alleys or access to the site from side streets,

**E13** A plan for access to sites fronting onto the Transit Street should be developed before construction of the Transit Line showing the following:

- The preferred location for access into site along the line,
- A phasing plan for combined access over time,
- A phasing plan for the implementation of alleys or service lanes.

**E14** Provision for cross walks between stations should an integral part of the design of the streets with transit,

**E15** The radius of corner conditions should be determined with the pedestrian in mind. Tighter radii corners slow traffic speeds and protect pedestrians.

- Along the streets with transit corner radii for through streets should be no more then a 25'-0" radius.
- For non through streets intersecting the transit street corner radii should be reduced to 20'-0"

**E16** Bicycle lanes should be explored as part of the design, access and phasing plans for the corridor streets. Where there is not enough room for bike lanes on transit streets, they should be part of the design of the connector streets that access stations.

# 6 Implementation

**This chapter describes the key observations and obstacles, identifies strategies for success and outlines the toolbox.**

## 6.1 Observations and Obstacles

Ongoing growth is a positive sign of a healthy city. It is an enormous opportunity for economic development and the creation of a more rich and diverse urban environment that includes multiple lifestyle choices. However, in order for City of Houston to continue to be successful in the long term – economically, aesthetically and in terms of quality of life – an urban structure that includes and supports Urban Corridors must be promoted, and more importantly, achieved.

It is, therefore, the goal of the City of Houston to establish a strategy to implement Transit Oriented Development in proximity to the planned higher-order transit facilities and, as a result, to ensure that transit ridership potential is maximized. As such, lands within the six Urban Corridors are expected to evolve with a physical form that is higher in density, human in scale, and designed to be pedestrian-friendly and transit-supportive.

The achievement of this vision requires a fundamental modification to the function and character of the six Urban Corridors that are planned to include these transit facilities from primarily high-speed vehicle routes to multi-purpose Corridors that accommodate a balance among truck and automobile traffic, transit facilities and pedestrians.

### 8 Important Observations

The implementation of this vision for the future of Houston requires an understanding of the factors that either promote or frustrate the achievement of Transit Oriented Development within the Urban Corridors. It is understood that market support for higher density development in the City is generally weaker than for lower density, more suburban forms of development and that current planning, design and engineering standards work against the achievement of Transit Oriented Development. As a result, it is the purpose of this chapter is to establish a comprehensive set of planning tools and financial incentives that will facilitate the achievement of the planned urban structure. The eight important observations articulated through this Report are as follows:

1

The majority of politicians, planners and other interested people are saying the same thing about the **need to achieve a new, better balanced, urban structure.** Many observers across many disciplines stress that a continuation of suburban sprawl as the only lifestyle choice is neither sustainable nor financially viable. There must be a more balanced approach, where attractive lifestyle alternatives are provided within the urban centre of the City, and that this urban lifestyle must be supported by urban amenities, including high order transit.

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2

**Market forces, as well as current fiscal and planning policy, frustrate the required change to the planned urban structure.** Notwithstanding what people have been saying, current practices of the City seem to prevent the successful development of Transit Oriented Development and, consequently, the evolution of the existing urban structure have been slow.

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3

**There have been some success stories in Houston and in other jurisdictions.** Some locations in the City are slowly evolving into more "urban" districts. They are vibrant and successful and typically include a mix of uses developed at higher densities. Other jurisdictions have also achieved some success in implementing their Urban Corridors structure, although no one can yet claim complete success.

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4

**A variety of tools have been used to help stimulate the change in urban structure.** Across North America, various levels of government have used a vast array of planning, financial and other tools to facilitate Transit Oriented Development. Success is, however, usually a result of a combination of tools and circumstances, as opposed to one critical action. Typically, government intervention beyond new transit (through building programs, incentives and permissive planning policy regimes, for example) is seen as a key redevelopment catalyst that can influence private sector investment decisions.

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5

The use of the full range of tools to implement **a change in the urban structure may shift the costs of development from one group to another.** Financial incentives provided by the City may require that the broader population pay a higher proportion of the cost of development. In fact, this shifting of costs may better reflect the unmeasured real costs of development. There are costs and benefits in all of the City's implementation activities. In a jurisdiction such as Houston where there is relatively little direct governmental development costs, this inequity may prove difficult to balance.

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6

Over time, the costs of implementation are typically offset by the quantitative and qualitative benefits of Transit Oriented Development. **There is both a public interest and a business case for the implementation of a new urban structure** based on Urban Corridors. Its implementation, or, more correctly, its faster implementation, requires a focused effort, political will and a complementary package of planning policy, building programs and financial tools.

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7

**Changing an established urban structure takes time, and will occur incrementally.** It is not anticipated that wholesale changes to the urban fabric and consumer lifestyles can occur overnight in Houston. Rather, the introduction of Transit Oriented Development can provide much greater choices for transportation, living and working in the City for a sizeable and growing portion of residents over time, even while the predominant mode of choice remains private automobiles.

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8

Lastly, it is critical that all private sector Transit Oriented Development initiatives be supported by a reciprocal commitment by the City and other public agencies to create the components of the pedestrian realm, buildings and infrastructure. **The improvements to the pedestrian realm and public infrastructure must be developed in concert with private sector investment.**

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## 3 Obstacles to Overcome

Based on these eight important observations, three key obstacles have been identified in Houston that must be overcome if the vision for Houston's urban structure is to be achieved. These obstacles are as follows:

1

### There is a planning issue.

The planning issue is directly related to the fact that Transit Oriented Development is not a form of building that is specifically permitted by the existing planning framework of the City. As a result, developers must facilitate this desirable form of development through the costly, risky and time consuming variance process.

This issue is further exacerbated by the lack of a comprehensive approach to Transit Oriented Development plan review at the City by the various departments. Mixed messages, competing interests and differing objectives at City Hall work against the achievement of Transit Oriented Development, especially in comparison to the more traditional forms of suburban development that is prevalent in Houston. Uncertainty and the length of the approval process establish Transit Oriented Development as a very risky endeavor.

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2

### There is a financial issue.

Currently, the cost of development generally exceeds the achievable rent/price for all but a niche market. The fiscal gap must be overcome for a higher share of demand if the private sector can ever be expected to deliver Transit Oriented Development in broader terms. In the East Corridor, it is estimated that the fiscal gap between the cost of a Transit Oriented Development unit, and the achievable market price is upwards of $100,000. While the length and uncertainty of the approval process add to the cost, the simple lack of financial feasibility means that the cost of development must be a key consideration.

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3

### There is a market issue.

The primary market segment for Transit Oriented Development is dual income, no kids (DINKS). It appears that this market segment can afford the $250,000+ cost of the units, and are a likely group to take advantage of the urban lifestyle opportunity that Transit Oriented Development provides. Notwithstanding that, the DINK market segment is too small to facilitate Transit Oriented Development along the 25 to 30 miles of planned Transit Line. There is a need to expand the market attractiveness to more and larger market segments. This requires a reduction in the unit costs to something more affordable to the local neighborhood residents as well as a public school system that supports new development catering to families.

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# 6.2

# Strategy for Success

Experience in other jurisdictions across North America, combined with the observations and obstacles identified in the Houston context suggest that a strategy for the successful implementation of Transit Oriented Development requires that the City focus their activities into three basic categories. The City must:

## Establish the Environment for Change

Tools in this category come in different scales and at different costs. The amount of the investment typically has a corresponding scale of impact on demand enhancement for new development. New development can be attracted to Urban Corridors, for example, by building public infrastructure such as a high order transit system. While there is a large capital cost to infrastructure building, it can potentially have considerable positive impact on market demand for Transit Oriented Development in proximity to that infrastructure. The experience across North America suggests that achievable rents and sales prices for properties closer to major public infrastructure are substantially higher than elsewhere, making higher density development more feasible, and thus, more attractive to the private sector.

A coordinated long-term commitment by the City on a number of fronts will create a favorable private sector investment climate. Key priority actions include:

- Appoint a champion to facilitate and oversee the coordination of the City's efforts while at the same time actively pursuing private sector partners to invest in and develop Transit Oriented Development in the Urban Corridors.
- Implement a clear high density, mixed use vision within the Urban Corridors by providing strong planning guidance including density targets, urban design performance standards and appropriate engineering standards that facilitate Transit Oriented Development.
- Invest in infrastructure, including public utilities, storm water management, sewer and water services, streetscaping, public buildings and affordable housing in the Urban Corridors.

## Reduce the Costs of Development

The City has tools that can also be used to reduce the development costs to private developers and owners, which will increase the likelihood of Transit Oriented Development. Some of these key tools the City can use to reduce the costs of development include:

- Reducing parking standards for Transit Oriented Development to reflect the diminishing automobile use and greater opportunities for shared parking resulting from increased transit ridership. Given the current cost of building parking spaces, reducing parking requirements and ensuring that the parking supply reflects the true need of Transit Oriented Development subsequently reduces the overall cost of development.
- Reducing or eliminating compensating open space requirements which currently penalize higher density development within the Urban Corridors. While public open space is an important element in a vibrant urban environment, it is smaller pieces, that are more highly designed that are required to ensure the provision of publicly accessible open space and to contribute to the overall pedestrian realm along the Urban Corridors without penalizing developers.
- Provide financial incentives – The reduction of development costs can also be achieved through the provision of financial incentives. Incentives, either direct or indirect, can be used to entice the development industry to build Transit Oriented Development and ensure that it is developed in appropriate locations (i.e. within proximity to the Transit Stations).

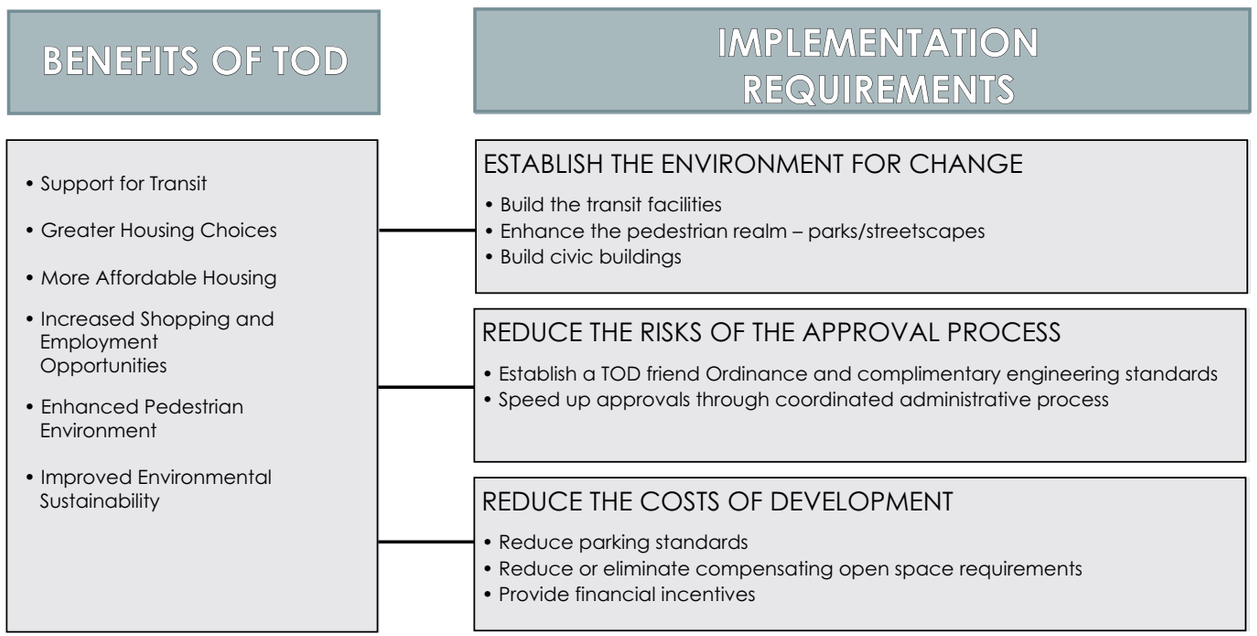
## Reduce the Risks of the Approvals Process

A third set of tools relate to the reduction of risk for private developers. In other words, a private developer wishing to build Transit Oriented Development in a Urban Corridor may be more likely to develop if there is more certainty surrounding the planned vision and more certainty surrounding the approval process. A simplified planning policy outlining permitted densities, urban form and potential incentives within the Urban Corridors could, in effect, reduce some non-market risk associated with development and redevelopment. A significant amount of public realm investment also helps to ameliorate risk, by allowing alternative uses in locations with multiple demand generators and public infrastructure. Public

realm investment sends a strong signal of government intent, substantially reducing the risk to "pioneer" private sector investors.

One obvious way to diminish the risks associated with the approvals process is to establish a planning framework that permits and facilitates Transit Oriented Development. Whereas, current planning and development standards effectively frustrate approvals for this form of development, the establishment of a Transit Oriented Development Ordinance and corresponding engineering standards and design guidelines would provide the regulatory basis to facilitate Transit Oriented Development and at the same time provide greater certainty as to the City's development expectations.

In the same vein, speeding up approvals through coordinated administrative process can also effectively mitigate development risks. Given the current lack of clear standards and guidelines for Transit Oriented Development, approvals for this form of development is subject to a lengthy approvals process. Enhanced coordination among various City departments to develop comprehensive Transit Oriented Development standards and subsequently speed up approvals would provide additional certainty to the development community trying to build Transit Oriented Development.



# 6.3
# The Toolbox

Following the identification of the City's general responsibilities in achieving Transit Oriented Development within the Urban Corridors, it is appropriate to identify the various tools that the City has at its disposal and how those tools might be implemented in the context of Houston's planning regime.

## 6.3.1
## Approach

Houston's approach to planning is unique in North America. In the absence of conventional land use zoning, Houston relies on a series of ordinances that provide the regulatory basis for planning and development approvals. These ordinances are augmented by a vast assembly of financial programs and planning tools that are designed to facilitate and influence a range of development objectives including the provision of affordable housing, brownfield redevelopment, economic revitalization, historic preservation and capital infrastructure investments among others.

From a very general perspective, planning regime implementation takes three basic forms, as follows:

- a **regulatory regime**, where specific regulations and guidelines are provided and required in specified geographic locations. This is a more aggressive approach, and is not typicallly the planning approach that has been utilized historically by the City of Houston. This approach is sometimes referred to as a STICK.

- a **permissive regime**, where regulations and guidelines are provided, and are optional, to be used discretionally. The application of the rules is not specified geographically, but the rules are available for general application, subject to criteria. This is similar to the current planning regime that Houston has utilized for many years.

- a regime based on **incentives**, where regulations and guidelines are provided, and compliance is achieved through incentives, usually based on development cost reductions and/or the speed of the approvals process. This approach is inherently used in Houston today to facilitate suburban forms of development. This approach is sometimes referred to as a CARROT (or at least removal of impediments and removal of disincentives).

The successful implementation of Transit Oriented Development within the Urban Corridors requires that the existing planning context in Houston be recognized, but that the regulatory (STICK) approach may be required to implement this form of development.

It is felt that the highest likelihood of implementing a successful planning regime for Transit Oriented Development within the City of Houston includes a combination of the regulatory, permissive and incentives based approaches, and will be the implementation strategy promoted in this Report.

The overall objective in establishing this type of approach is to remove disincentives for Transit Oriented Development, and to encourage development through the use of incentives - a CARROT, as well as through regulation - a STICK. This is an important approach because it must then become the goal of the City to ensure that the incentives are significant enough to promote a private sector response, resulting in Transit Oriented Development.

## 6.3.2 Application

A key component of this Study has been to identify tools that have the potential to have the greatest stimulative impact in terms of facilitating Transit Oriented Development along the Urban Corridors. Overall, the City of Houston, in conjunction with its County, State and Federal partners have a plethora of tools and resources to assist in achieving the desired development objectives for the Urban Corridors.

As described earlier, the overall Land Development Concept Plan designates the six Urban Corridors into the following five categories:

### Development Opportunity Area 1- Downtown

This area generally covers the area recognized as Downtown Houston. Characterized by both newer and historic high-rise buildings, Downtown Houston functions as the Central Business District housing major financial and institutional uses as well as major civic and cultural uses. As the physical and functional center of the planned transit system, considerable potential exists for new Transit Oriented Development in this area.

### Development Opportunity Area 2 - Downtown Shoulder

This district covers the area immediately east and south of Downtown along the planned East/Southeast and existing Main Street Corridors. Characterized by underdeveloped and vacant parcels, existing employment uses and some pockets of newer higher density residential development, this district has significant potential for Transit Oriented Development that takes advantage of new planned transit facilities as well as its proximity to Downtown Houston.

### Development Opportunity Area 3 - Corridor

These areas exist along the length of the North Corridor, the southern portions of the Main Street and Southeast Corridors and the easterly portion of the East Corrirdor. These areas are largely concentrated around planned transit facilities and immediately adjacent to the transit lines. In some instances they extend along major roadways perpendicular to the planned transit lines where commercial uses have encroached into Stable Areas. This area consists primarily of existing employment and commercial uses that will likely redevelop once the transit facility becomes operational is complete.

### Development Opportunity Area 4 - Uptown Corridor

The Uptown Corridor is characterized by its high density built form and functions as a secondary business center and major retail commercial destination in the City of Houston.

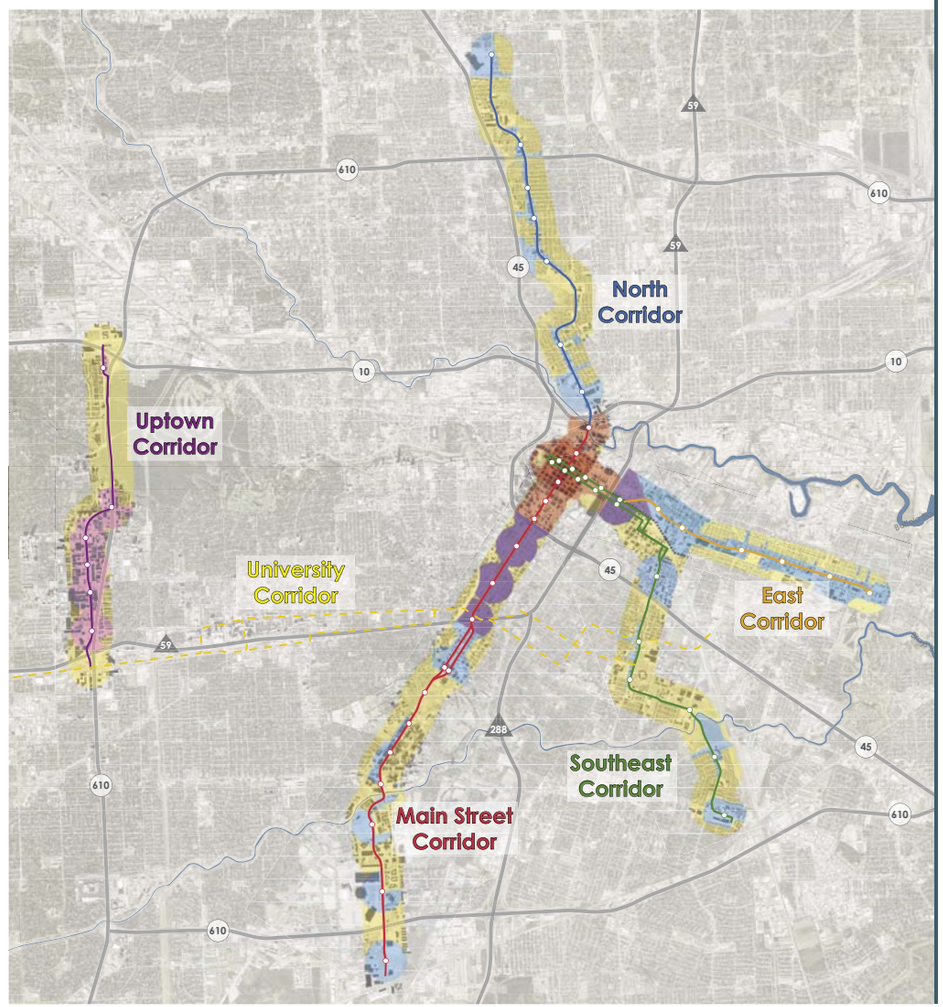
### Stable Areas

These areas are comprised of the existing residential neighborhoods, parks and open spaces as well as major institutional functions like University lands that are less likely to redevelop as a result of the planned transit system.

## Land Development Concept Plan



- Development Opportunity Areas 1 - Downtown Houston
- Development Opportunity Area 2 - Downtown Shoulder and Texas Medical
- Development Opportunity Area 3 - Corridor
- Development Opportunity Area 4 - Uptown Urban Corridor
- Stable Areas



The Land Development Concept Plan for each Corridor provides the basis for the selection of appropriate tools to achieve the four primary objectives of the Land Development Concept Plan which are to: Protect, Promote, Enhance and Focus.

There are over 25 miles of Urban Corridor planned by the City. The resulting potential for Transit Oriented Development within those Urban Corridors is tremendous, and not likely to be achieved for a very long time. Further, the transit facilities navigate through neighborhoods where there is little appetite for significant change. The message here is that there is an opportunity to focus the City's attention on key locations within the Urban Corridors to achieve the identified objectives:

- **the promotion of Transit Oriented Development in proximity to the transit facilities, especially the planned transit stations in identified Development Opportunity Areas.** These areas would be enhanced through redevelopment; and,

- **the protection of existing neighborhoods, institutions and public parks in identified Stable Areas.** These areas would be enhanced through protection.

Based on a review of the vast number of potential tools applicable for both Development Opportunity and Stable Areas, there does not appear to be the need to create any new tools. However, there are opportunities for adjustments and coordination among various programs and their delivery agencies (specifics on individual programs and their potential application in the Urban Corridors are detailed in Development Opportunity Area Toolbox as appended).

The City needs to maximize the potential of these tools and programs to invest in infrastructure, pedestrian realm improvements and economic development opportunities in the Urban Corridors. At the same time, the City and other delivery agents need to promote an integrated approach so that tools work in tandem and augment each other to maximize their overall impacts and ensure that the desired objectives are achieved.

The toolbox is organized into two broad categories based on the development potential designations identified in the overall Land Development Concept Plan and the appropriate development objectives for those designations.

As such, the tools are categorized to enhance and promote development in Development Opportunity Areas while at the same time ensuring the protection and enhancement of Stable Areas. The fourth objective, to focus development, is supported by both toolbox categories since it functions as both a promotion and protection instrument. By using programs and tools to maximize successes and development in key locations (i.e. Development Opportunity Areas), other areas (i.e. Stable Areas) are subsequently protected from the impacts of those development activities.

## 6.3.3 Strategy for the Development Opportunity Areas – Enhance, Promote and Focus

# Primary Tools for Development Opportunity Areas



Selected for their potential to enhance Development Opportunities through the promotion of Transit Oriented Development, programs and tools in this category are subdivided into three tiers, Primary, Secondary and Tertiary tools, in order of their importance.

**Primary Tools** include management frameworks and funding mechanisms designed to focus public sector attention in key locations and to stimulate private sector investment in major infrastructure, capital projects and the Development of Transit Oriented Development. Specific Tools include :

### 1 Capital Improvement Plan

**This is the City-directed annual capital plan providing a five-year schedule for capital allocations and implementation. The City must use its Capital Improvement Plan process to anticipate Transit Oriented Development within the Urban Corridors to ensure infrastructure capacity for higher density development is available in advance of actual development. The Capital Improvement Plan must also ensure that fundamental improvements to the pedestrian realm are comprehensively planned and developed throughout the Urban Corridors concurrent to the development of the transit facilities themselves.**

### 2 Tax Increment Reinvestment Zones (TIRZ)

**These are special districts created by City Council to attract new investment to a designated area by helping to finance the cost of redevelopment and infill in areas of decline or that lack the ability to attract sufficient market development. There are two possible variants to the way a TIRZ is implemented:**

- **Taxes attributable to new improvements (tax increments) are set-aside in a fund to finance public improvements in the zone; or,**
- **Public improvements are funded by loans from the City against future tax increments in the zone.**

All Corridors should be covered under a TIRZ, either newly established or through the expansion of an existing TIRZ. The responsibility of the TIRZ should be to fund (where the Capital Improvement Plan does not) major capital projects, specifically focused on road and sidewalk improvements as well as improvements to water, sewer and storm water management infrastructure to facilitate new development/redevelopment.

## 3 Public Improvement Districts (PID)

**Public Improvement Districts (PID) – are special districts created by the City of Houston to make capital investments in infrastructure or other public amenities and services beyond those normally provided by the City. Property owners in a PID pay special property assessments, which are in turn used to finance investments and improvements within the district based on a City approved five-year service plan that is renewable for an additional five-year period. All the primarily residential components of a Urban Corridor should be covered by a PID, either a newly established District or through the expansion of an existing PID. The responsibilities of the PID should be to fund an enhanced program of landscaping/public art, maintenance, security, and economic development and marketing. While typically related to existing residential areas, the use of PID's is a fundamental implementation strategy related to both a management structure and funding source. The City is currently exploring the division of PIDs into 3 categories. The following two are applicable for Development Opportunity Areas:**

- **E-PID for Enhancement Projects; and,**
- **I-PID for Infill Development.**

## 4 Municipal Management Districts (MMD)

**Established by the Texas Legislature, Municipal Management Districts have the ability to levy taxes and assess property owners (usually exempting homeowners) for a variety of improvements and services. The purpose of a Management District is to promote employment, economic development and public realm improvements in commercial areas. Community Organizations can apply to create Municipal Management District if it is devoted primarily to commercial development and business activity. All the primarily non-residential components of the Urban Corridors should be covered by a Management District, either a newly established district or through the expansion of an existing district. The primary responsibility of the Management Districts should be to fund an enhanced program of landscaping/public art, maintenance, security, and economic development and marketing.**

## 5 Code of Ordinances

**This is the key planning tool available to the City. The Code of Ordinances sets out enforceable Citywide planning and development regulations including built form requirements, parking standards, parkland and open space requirements as well as streetscaping and street tree regulations among others. The City should introduce a new comprehensive chapter in its Code of Ordinances, as part of a wider Urban Corridor strategy that provides the regulatory basis and standards to facilitate Transit Oriented Development. The Ordinance should include design guidelines for buildings, open spaces and engineering standards.**

# Primary and Secondary Tools for Development Opportunity Areas



**Secondary Tools** include those tools and programs designed to facilitate public-private partnerships, affordable housing and brownfield redevelopment. Specific secondary tools include:

- Chapter 380 Agreements;
- Super Neighborhood Action Plan (SNAP);
- METRO Joint Development;
- Harris County Flood Control District;
- Developer Participation Contract;
- Location Efficient Mortgage;
- Green Corridor Designation;
- Community Development Block Grant (HUD);
- Affordable Rental Housing Program;
- Neighborhood Empowerment Zone (NEZ);
- Homebuyers Assistance Program (HAP);
- Multifamily Bond Program;
- Housing Tax Credit;
- Emergency/Critical Home Repair;
- HOME Investment Partnership Act;
- Houston Hope Areas;
- Brownfield Economic Development Initiatives (BEDI) Grant;
- Brownfield Grants;
- Brownfield Tax Incentive; and,
- Expedited Permit Process.

**Tertiary Tools** include those tools with lesser stimulative impacts, but that may have applicability in specific circumstances in conjunction with other upper tier tools. These tertiary tools include programs for small business promotion and job creation, historic preservation and smaller scale community enhancement efforts. Specific tertiary tools include:

- Economic Adjust Assistance;
- Tax Abatement Program;
- Civic Art Program;
- LEED Incentive Program;
- Adopt-an-Esplanade;
- Adopt-a-Monument;
- Historic Preservation Tax Credit;
- Tax Exemptions for Historic Buildings;
- Texas Preservation Trust Fund;
- Texas Enterprise Zones;
- New Markets Tax Credit; and,
- Houston Small Business Development Corporation (HSBDC) Loans.

All Corridors

# Primary Tools for Stable Areas

## 6.3.4 Strategy for Stable Areas – Enhance and Protect

Given their potential to support community enhancement and protection, tools in this category are subdivided into Primary and Secondary tiers in order of their importance.

**Primary Tools** include management frameworks and funding mechanisms that can be implemented to facilitate area improvements and enhancements. Specific tools appropriate for use in Stable Areas include:

### 1 Capital Improvement Plan

This is the City-directed annual capital plan providing a five-year schedule for capital allocations and implementation.
The Capital Improvement Plan must ensure that key improvements to the pedestrian realm and public open spaces are comprehensively planned and enhanced throughout the Stable Areas.

### 2 Deed Restrictions/Pro Bono Deed Restrictions Program

Deed restrictions are written agreements that restrict, or limit, the use or activities that may take place on property in a subdivision. A primary purpose of most deed restrictions is preserving the residential character of a subdivision by keeping out commercial and industrial facilities. These restrictions appear in the real property records of the county in which the property is located. They are private agreements and are binding upon every owner in a subdivision.
The Pro Bono Deed Restrictions Program is administered by the City to assist neighborhood groups, in neighborhoods where the average value of homes is below the City average, in organizing to create, renew or update deed restrictions.
Deed restrictions are a critical tool in land use control in Houston. The Deed Restriction Pro-Bono Program should continue to be used as it is now. The City could explore new opportunities to create or renew deed restrictions in eligible communities along the Urban Corridors that ensure stable neighborhoods are maintained while permitting the development of other transit-supportive uses in appropriate areas

### 3 Public Improvement Districts (PID)

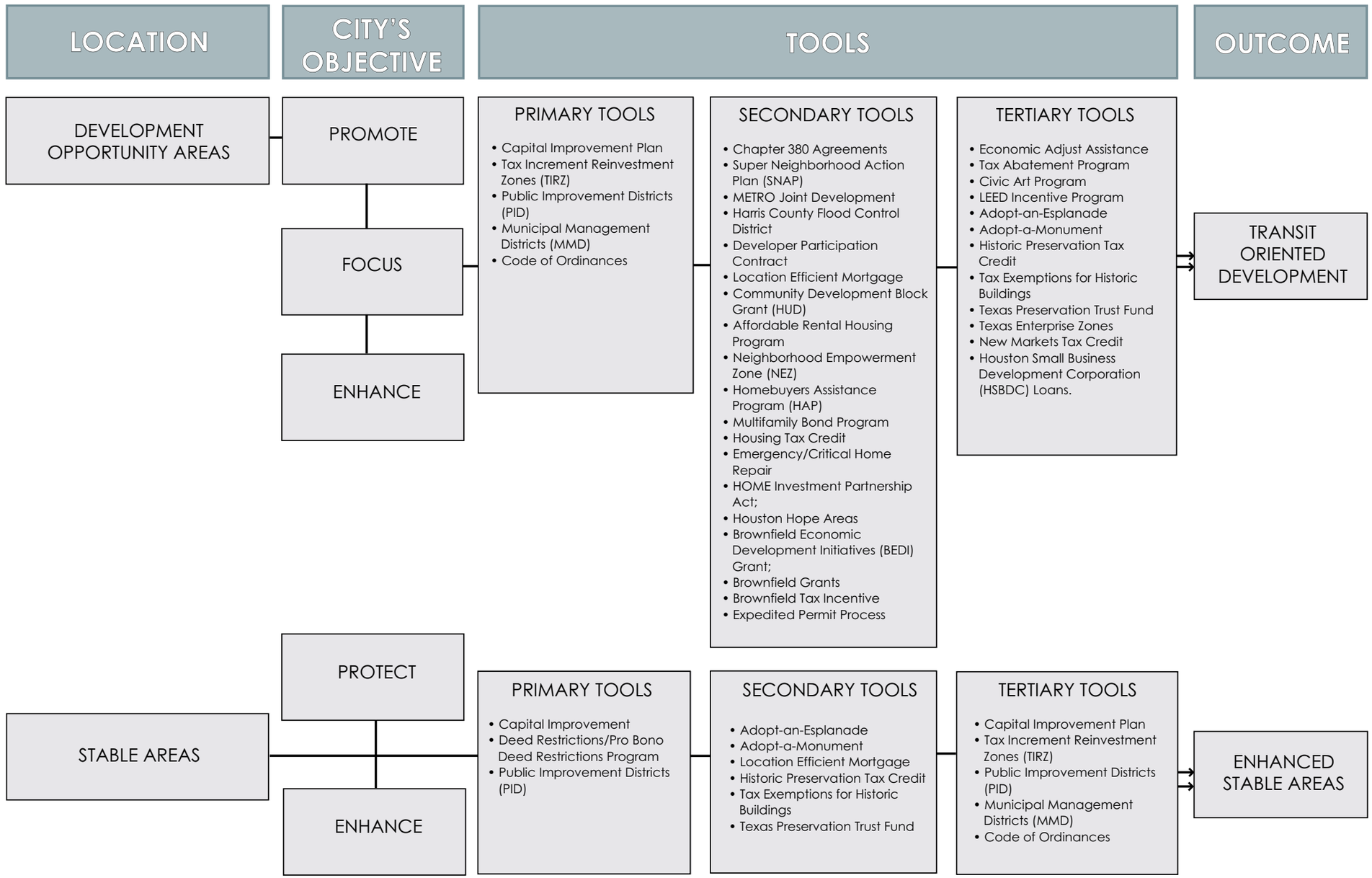
These are special districts created by the City of Houston to make capital investments in infrastructure or other public amenities and services beyond those normally provided by the City.
Property owners in a PID pay special property assessments, which are in turn used to finance investments, and improvements within the district based on a City Council approved five-year service plan that is renewable for an additional five-year period.
PIDs designated in Stable Areas should be used as an enhancement tool aimed primarily at pedestrian realm enhancements.

# Secondary Tools for Stable Areas



**Secondary Tools** include programs aimed at neighborhood beautification, revitalization and historic preservation. Specific secondary tools include:

- Adopt-an-Esplanade;
- Adopt-a-Monument;
- Location Efficient Mortgage;
- Community Development Corporations;
- Historic Preservation Tax Credit;
- Tax Exemptions for Historic Buildings; and,
- Texas Preservation Trust Fund.


LOCATION
CITY'S OBJECTIVE
TOOLS
OUTCOME
DEVELOPMENT OPPORTUNITY AREAS
PROMOTE
FOCUS
ENHANCE
PRIMARY TOOLS
• Capital Improvement Plan
• Tax Increment Reinvestment Zones (TIRZ)
• Public Improvement Districts (PID)
• Municipal Management Districts (MMD)
• Code of Ordinances
SECONDARY TOOLS
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• Community Development Block Grant (HUD)
• Affordable Rental Housing Program
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TRANSIT ORIENTED DEVELOPMENT
STABLE AREAS
PROTECT
ENHANCE
PRIMARY TOOLS
• Capital Improvement
• Deed Restrictions/Pro Bono Deed Restrictions Program
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• Capital Improvement Plan
• Tax Increment Reinvestment Zones (TIRZ)
• Public Improvement Districts (PID)
• Municipal Management Districts (MMD)
• Code of Ordinances
ENHANCED STABLE AREAS

## 6.3.5
## Costs and Benefits

Experience has shown that there is no single tool that will provide all the necessary strategic and financial assistance for the successful implementation of Transit Oriented Development, or for the protection of a stable area. Therefore, successful realization of the City's objectives will require a complex combination of tools that maximizes their individual potential impacts. The toolbox available to the City for planning or influencing change in Urban Corridors is big, and suitable for the task at hand.

Like any "CARROT" or "STICK", these agents of change typically come at a cost for any benefit received. A cost-benefit analysis that takes into consideration which party benefits and which party (public and private) bears the costs has to be undertaken to fully assess the relevant contribution of the tools selected. The externalities of urban sprawl and the benefits of compact urban form are not always fully measured, suggesting that some of the redistribution of costs might be validated if these externalities were properly assessed.

While a strong effort to change the urban structure will likely come with short and mid-term restructuring costs, there are a host of long-term economic spin-off benefits associated with successful Urban Corridors development, many of which are not always fully considered. Increased competitiveness, less congestion, less pollution and an overall improvement in the quality of life are all benefits of a more compact urban form in Houston.

A continuation of political will is required to maintain the effectiveness of these tools. Many of the tools suggested take years to implement, and perhaps over several changes of government. A committed and well communicated effort to support Urban Corridor development is essential to convince the private sector, including developers, landlords, users and residents, of the benefits of significant investment in these areas.

The tools presented provide a suite of approaches that can be considered to encourage higher intensity development in Urban Corridors. These tools are presented in order of importance within each category. The types of tools most likely to have the greatest stimulative impact in terms of facilitating corridor development are the actual construction of the transit facility, but also public buildings and pedestrian realm improvements.

The level of commitment shown by the public sector will be an important signal to the public and the development industry of the desire for this change in the currently established urban structure. Ensuring that any new planning regime not only removes any restrictions to Transit Oriented Development, but also encourages and provides incentives for this type of growth will also be important.

Another very important tool will be the use of financial incentives, especially in the early years of new Urban Corridor development. It is clear that some incentives may be required to reduce the risk for the private sector pioneers.

Importantly, a suite of tools will be required to achieve measurable success. Any of the tools on their own will not be sufficient to achieve the type of Urban Corridor development envisaged for City of Houston. The funding and financing for these tools, and the political will to implement them, will be of paramount importance.

# 6.4

# Making It Happen

The City of Houston is at a critical point in its evolution. Decisions made today can result in positive long-term changes in the urban structure, and consequently in enhanced economic competitiveness, environmental sustainability and quality of life. However, a significant amount of political will and City investment will be required throughout this transformation process.

The City will also need to consider an aggressive campaign to achieve and communicate their objectives - a campaign that will include the full array of planning and financial tools available to them. Development industry and general public awareness of these goals, their rationale and their benefits will be crucial.

A review of the market and development realities for the Urban Corridors suggests that a private sector rationale (financial feasibility) will be required in order to realize the City's objectives for the Urban Corridors. While the City must play an important role in influencing and enhancing the desire to build Transit Oriented Development in the Urban Corridors, it will be the residents and businesses that pay rents in office buildings and retail stores and services and purchase and rent homes in these areas.

The primary issue is that the City must have the political will to lead the change by creating and enhancing the reasons for businesses and residents to locate in an Urban Corridor. This fundamental requirement can be influenced by a combination of political will to achieve stated planning objectives, public sector investment in infrastructure, transit and buildings (establishing the environment for change) and a desire to assist the private sector by reducing the costs of development and reducing the risks inherent to the planning approval process.

The following is a **summary of important actions that the City must implement:**

Action 1

## Establish the vision

A clear and comprehensive vision for the future, that establishes density targets and built form performance standards and is based on strong policies that support development in Urban Corridors, including the ability for the City to provide an array of financial incentives.

This Report should be viewed as the vision for the East Urban Corridor. It is a vehicle to coordinate public investment decisions with respect to land use, urban design and streetscapes, transportation, transit and public facilities in the Urban Corridors. The bottom line is that Transit Oriented Development must be achieved in the Urban Corridors to sustain the envisioned transit system - NO DENSITY= NO TRANSIT.

Action 2

## Identify a champion for change

To ensure success, the City must appoint a champion for change, charged with the responsibility to make the Urban Corridors successful. The champion must be empowered to promote development and to clear red tape. The champion will ensure that the focus of attention is on looking for solutions rather than looking for problems.

Action 3

## Lead through investment

Ensuring that the Urban Corridors evolve properly is of paramount importance. The public sector, which includes all levels of government, and all departments within those levels of government, need to work together in a coordinated and cooperative manner, to implement the desired change in urban structure. Again, the City, with its government partners, must be the promoter of change. The City must be the pioneer, ready to be the first to develop within the Urban Corridors. The City must dedicate substantial funds for the construction of buildings - including affordable housing - the building of infrastructure and the pedestrian realm, and the offering of financial incentives for the private sector.

Action 4

## The private sector will respond to the market

The private sector must create the vast majority of Urban Corridor development but, historically, the private sector responds to government initiatives only once it can be satisfied that the combination of infrastructure emplacement (buildings and infrastructure, especially transit) and the financial incentives package has substantially reduced the costs/risks of higher density development to ensure a reasonable return on their investment.

Once the environment for development has been established, the "critical mass" will entice new residents and/or businesses to locate in the Urban Corridors without the need for intervention from the City - success will have been achieved.

Action 5

## An array of approaches and tools will be required

The actions and tools identified in this report present a suite of approaches that can be considered to encourage the development of Urban Corridors. The types of actions/tools most likely to have the greatest stimulative impact are the construction of infrastructure, especially rapid transit but also public buildings and public realm improvements.

The level of commitment shown by the City (all levels of government) will be an important signal to the general public and the development industry that they are serious about achieving a new urban structure.

Also of importance is the recognition that a complex combination of actions and tools will be required in order to achieve measurable success. No action or tool, on its own, will have a sufficient impact on the achievement of the Urban Corridors structure envisioned in City of Houston. The funding and financing for these actions and tools, and the political will to implement them will be of paramount concern.

Action 6

## Success can be measured incrementally

Measuring the success of establishing the environment for change is primarily an exercise in determining when the City can stop providing incentives to the private sector. In other words, once the market for the desired amount and form of development is firmly established, and critical mass has been achieved. Quantitative measures of success are readily available - the absolute amount of development, density, change in population and employment numbers and the achieved increase in tax assessment. However, the quantitative measures will not tell the full story of success. For example, the support for transit is not just the level of density within the Urban Corridor, it is also about the pedestrian environment and the way buildings address the street. These items are more difficult to measure. At any rate, the City will need to establish a monitoring program to measure the level of influence and success of the various programs (whether they be capital improvements or financial incentives) that are put in place to establish the environment for change over time.

Action 7

## Success takes commitment, cooperation and time

The process of establishing a successful Urban Corridor is not achieved quickly, or by one single action. It is always a complex combination of actions, players and time.

There is no set formula for success. While it is understood that the City must lead, it is also understood that cooperation and coordination among all levels of government, landowners and developers is required to facilitate change - especially change that is tied to a fundamental shift in urban structure and, consequently, the decisions that the public makes every day related to where they live, where they work, where they go to school, how they travel and what they do in their spare time. The magnitude of this fundamental change suggests it will take a long time and ensures that the complexity of issues and the complexity of solutions are magnified.

# Recommendations 1-2

## 6.4.1 Recommendations and Responsibilities - Who Does What

The following are the **17 primary recommendations for implementation:**

1

### Build, Operate, Maintain and Expand the Transit System

**Responsibility: METRO**
**Expand the Transit System**

Quite simply, a planned transit facility has only speculative effects on the development industry. It is absolutely critical that the transit facilities are built to the highest standards, and are operating efficiently in order to reap the stimulative impact of the transit investment through significant private sector investment. The private sector will respond to public sector actions.

Further, the development of the facility is not a one time investment. It is important that the system evolve to maintain any kind of lasting development impact. A commitment to an ongoing program of transit system improvement must be METRO's principle mandate.

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2

### Establish a Transit Oriented Development Team

**Responsibility: City**
**Reduce the risks of approval process**

The City needs to establish a Transit Oriented Development Team, comprised of key staff members from throughout the City Administration to reinforce the political will and create the administrative culture to activate and promote the policies and regulations that will promote Transit Oriented Development in the Urban Corridors. The role of the Team will be twofold: 1) to lead strategic decision making with regards to public sector investment (i.e. new civic buildings and capital improvements) and 2) to facilitate Transit Oriented Development.

One of the Team's main objectives will be to expedite planning approvals. This, in itself, is considered a key incentive, and crucial in the ultimate achievement of Transit Oriented Development. A second objective will be to solve ongoing problems within City Hall with respect to overlapping and conflicting jurisdictions that may combine to frustrate implementation.

Equally important, the Team needs to change the inherent culture of negativity that focuses on problems, and in turn take on a positive approach that focuses on solutions to problems.

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# Recommendations 3-4

## 3 Amend Major Thoroughfare and Freeway Plan

**Responsibility: City**
**Establish the environment for change**

Amending the City's Major Thoroughfare and Freeway Plan by identifying and designating Transit Streets and Transit Stations is an important step in establishing the character and function of a Transit Street.

Designating Transit Streets will give the City the ability to implement - utilizing a new Transit Oriented Development Ordinance and complimentary engineering standards - alternative development standards (i.e. lane widths, utility placement, etc.), slower design speeds, access restrictions and pedestrian realm enhancements to ensure that the character and function of Transit Streets are achieved.

The primary objective of the Transit Street designation must be to balance the needs of vehicles, pedestrian and transit.

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## 4 Prepare a Transit Oriented Development Ordinance

**Responsibility: City**
**Establish the environment for change, reduce the risks of the approval process, reduce the costs of development**

A Transit Oriented Development supportive Ordinance must be prepared by the City. It should be established as a parallel chapter to chapter 42, and should be available for use by development interests along the Urban Corridors, within the identified Development Opportunity Areas. The new chapter should include key planning concepts related to parking requirements, compensating parkland and building setbacks, height and density.

In addition, complimentary urban engineering standards already exist in Houston, as applied in Downtown Houston. These urban engineering standards should apply on the streets where transit facilities are located, and on the pedestrian-oriented streets that feed the transit system.

When complete, the new Transit Oriented Development Ordinance shall be applied as follows:

- On all properties that abut a designated Transit Street, and that are within approximately 1/4 of a mile of a Transit Station, the application of the Transit Oriented Development Ordinance shall be mandatory.
- On all other properties that are within approximately 1/4 of a mile of a Transit Street, the application of the Transit Oriented Development Ordinance shall be optional, subject to the satisfaction of the Planning Commission that the following criteria are met:

  1. the development of a Transit Oriented Development will not have any undue adverse impact on the neighboring residential properties and/or the inherent stability of the neighborhood; and,

  2. the site can be adequately provided with municipal service infrastructure.

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# Recommendation 5

5

## Support Incremental Change

**Responsibility: City**
**Establish the environment for change**

Recognizing that development will proceed incrementally, over a long period of time in direct response to market conditions, it is appropriate that some development may proceed that does not achieve all of the articulated Transit Oriented Development objectives.

Where a development proposal does not achieve all of the desired development potential, the City shall require the preparation of a Development Concept Report and Phasing Plan that provides for the logical progression of development from its initial phase to a mature state reflecting the desired Transit Oriented Development objectives, and achieving certain minimum development objectives.

The Development Concept Report will provide a detailed description of the proposed development, and will include details of the following:

- Phasing of development from the initial form of construction to its 'mature state'.
- Achievement of the 15 foot pedestrian zone and streetscape objectives of the City.
- How the development is integrated with other sites in the vicinity to achieve the objectives of this planning strategy.
- Proposed height and massing of buildings - both from the initial form of construction to its 'mature state'.
- Relationship between streets and buildings, including how the proposed development and subsequent phases address the build-within zones.
- Location, dimensions and character of the publicly accessible urban squares and any additional pedestrian routes, showing their continuity and complementary relationship to adjacent public spaces, pedestrian routes and streets.
- General location, size and treatment of parking facilities and vehicular access points, including the potential for shared parking and access and identification of streetscape improvements and relationship to public sidewalks, transit facilities and pedestrian and bicycle routes.
- Location of street-related uses and principle pedestrian entrances to buildings and the relationship to street frontages, and how the role of the public street and pedestrian movement along the street are supported.
- Signage, streetscape amenity elements, lighting and site furnishings.
- Assessment of proposed servicing strategies related to sewer, water and storm water management facilities.

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# Recommendations 6-7

## 6 Support and Improve the School District

**Responsibility: School District/City**
**Establish the environment for change**

It has been identified on many occasions that the quality and image of the local school district is a major deterrent to attracting new families to downtown Houston - a significant and important market segment. The school district needs to be supported in any efforts to improve their image and to enhance the quality of their programs so that the inner city schools can offer at least as good an educational experience as the suburban counterparts.

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## 7 Establish/Expand TIRZ, PIDs and MMDs

**Responsibility: City**
**Establish the environment for change, reduce the risks of the approval process, reduce the costs of development**

The City should actively establish or expand existing TIRZ, PIDs and MMDs in all of the Urban Corridors. These mechanisms provide key management structures and funding capacity to augment City infrastructure building and to provide opportunities for enhanced pedestrian realm improvements and maintenance, redevelopment projects, economic development and marketing.

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# Recommendation 8

## 8 Build/Enhance/Maintain Pedestrian Realm

**Responsibility: City, METRO, TIRZ, PIDs + MMDs**
**Establish the environment for change, reduce the cost of development**

The City through its Capital Investment Plan, together with TIRZ, PIDs and MMDs must commit to building and maintain an enhanced pedestrian realm. A high quality pedestrian realm is a critical element in promoting transit ridership, and at the same time can have considerable economic benefits for an area. Therefore, investments in the public realm must be made to ensure the long term sustainability of the Urban Corridors.

The City and METRO must commit capital funding to establish functional improvements such as connected sidewalks, utility corridors and trees, while investments in capital and maintenance for aesthetic enhancements should be provided through TIRZ, PIDs, MMDs and the private sector.

These pedestrian realm investments effectively reduce overall costs to developers as the full cost of pedestrian improvements are augmented through the City's capital funds and shared among other landowners located in the TIRZ, PIDs and MMDs.

A relatively consistent building edge is important to provide spatial definition and containment to the street. Build-within zones are recommended for all Transit Oriented Developments, requiring buildings to locate their front and exterior side walls within a defined zone on the lot - measured from the back of the curb, rather than from the property line/street right-of-way line.

The build-within zones essentially set both a minimum and maximum setback. It is anticipated that, due to varying street right-of-way widths and pavement/transit facility requirements that the build-within zone may incorporate public land, and/or private lands from the abutting development block or lot.

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Tools:
Chapter 380 Agreements
Civic Art Program
Adopt-an-Esplanade Program
Adopt-a-Monument Program

# Recommendations 9-10

## 9 Build Affordable Housing

**Responsibility: City**
**Establish the environment for change**

It is logical that the Urban Corridors should include opportunities for the development of affordable housing. This is based on both the idea that due to increased density and smaller dwelling units, more affordable housing can be delivered, as well as the intention that transit service itself be an available and convenient mode of travel for lower income households.

The City as the primary implementing agency for a number of state and national affordable housing programs (in addition to its own programs) should actively invest affordable housing funds and work with non-profit community partners to develop and rehabilitate affordable housing within the Urban Corridors.

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Tools:
Community Development Block Grant
Affordable Rental Housing Program
Neighborhood Empowerment Zone
Low Income Housing Tax Credit
Homebuyers Assistance Program
Multifamily Bond Program
Housing Tax Credit
Emergency/Critical Home Repair
HOME Investment Partnership Act
Houston Hope Areas

## 10 Build Public Parking

**Responsibility: City + METRO**
**Reduce the cost of development**

Empower the City's Parking Commission to build public parking facilities throughout the Urban Corridors to augment the overall supply of parking, and to, ultimately, reduce the cost of providing parking to the private sector. Strategically located public parking facilities are seen as a potential market stimulator.

METRO should continue to pursue locations for commuter parking facilities at key stations throughout the transit system.

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Tools:
Capital Improvement Plan

# Recommendation 11-12

## 11

### Build Infrastructure

**Responsibility: City + TIRZ**
**Establish the environment for change, reduce the cost of development**

The City must use the Capital Investment Plan process to anticipate and facilitate Transit Oriented Development within the six Urban Corridors. In addition to investment already intended for the development of high order transit, the City, together with an Urban Corridor TIRZ, needs to invest in infrastructure to anticipate higher density development.

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Tools:
Capital Improvement Plan
Developer Participation Contract

## 12

### Build new Civic Buildings

**Responsibility: City**
**Establish the environment for change, reduce the cost of development**

Signalling a commitment to continued public investment and transit, the City should, where feasible, build new civic buildings within the Urban Corridors. In addition to associated infrastructure investments, new civic buildings within the Urban Corridors will increase transit accessibility to public services.

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Tools:
Capital Improvement Plan

# Recommendations 13-14

## 13 Build a Demonstration Project

**Responsibility: City + METRO**
**Establish the environment for change**

The City and METRO should lead the way for development along the Urban Corridors by building a demonstration project that exhibits a functional Transit Oriented Development. By becoming landowners and active developers within the Urban Corridors, the City and METRO will effectively influence the rate and form of change.

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Tools:
METRO Joint Development
Capital Improvement Plan

## 14 Establish Private/Public Partnerships

**Responsibility: METRO + City with Private Sector Partners Establish the environment for change**

The City and METRO should actively pursue partnerships with private land developers and other public agencies to development Transit Oriented Development within the Urban Corridors to foster development and ensure the long term sustainability of the Urban Corridors.

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Tools:
METRO Joint Development
Chapter 380 Agreements
Developer Participation Contract

# Recommendation 15-17

## 15 Provide Financial Relief for Brownfield Site Remediation

**Responsibility: City together with Federal + State Partners**
**Establish the environment for change, reduce the cost of development**

Brownfield remediation and redevelopment is a critical component in the intensification of the Urban Corridors over the short and long term. The City, together with private sector partners and Federal and State level funding sources must provide financial relief for brownfield remediation to increase the feasibility of redeveloping these sites for future use and specifically Transit Oriented Development.

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Tools:
Brownfields Economic Development Initiative
Brownfield Grants
Brownfield Tax Incentive
Expedited Permit Process

## 16 Provide Financial Incentives

**Responsibility: City together with Federal + State Partners**
**Reduce the costs of development**

The intent of the incentives is three-fold - first to entice the development industry to build Transit Oriented Development, second, to encourage Transit Oriented Development to be built in appropriate locations, without an actual geographic definition; and, third, to ensure that Transit Oriented Development is not facilitated in inappropriate locations.

The incentive programs need to be tied to the need for a reduction in the gap between the cost of development and the achievable rent/price in a particular location. The fiscal gap in the East Corridor is between $50,000 and $100,000, which is substantial. Parking standard reductions and speedy approvals are not expected to effectively close the gap, and the City may need to establish a per unit development incentive to stimulate Transit Oriented Development along Harrisburg Boulevard in the short-term. If appropriate, the City will need to establish secure funding sources and clear qualification criteria for away financial incentives programs.

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## 17 Promote Economic Development

**Responsibility: TIRZ, MMDs and PIDs together with local business owners and landowners**
**Establish the environment for change**

The establishment and/or expansion of TIRZ, MMDs and PIDs must function collaboratively to advance economic development and promotion within the Urban Corridors. While capital investments are critical to the development of the Urban Corridors, business promotion, job creation and other economic development initiatives are also an essential element to the vibrancy of the Urban Corridors.

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Tools:
Economic Adjustment Assistance
Tax Abatement Program
Chapter 380 Agreements

# Appendix A
# DOA Toolbox

**DEVELOPMENT OPPORTUNITY AREAS TOOLBOX - ENHANCE/PROMOTE**

| TOOL<br>PRIMARY TOOLS | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
|---|---|---|---|
| **Capital Improvement Plan** | The Capital Improvement Plan is the annual capital plan providing a five-year schedule for capital allocations and implementation. Volume One includes capital projects that are funded primarily from property tax supported public improvement bonds. Volume Two contains Street and Traffic Control along with the Enterprise Fund capital programs that include capital projects funded primarily with revenue bonds supported by user fees.<br><br>The FY2007-2011 CIP calls for the appropriation of $4.51 billion during the five-year period for two major categories of programs: enterprise and property tax supported programs. Of the total planned appropriations, $2.25 billion is for projects in the enterprise fund programs (Airport, Convention & Entertainment, Wastewater, and Water). The Aviation and Convention and Entertainment programs are supported by system revenue bonds paid with income from the air travel and tourism industries. Water and Wastewater revenue bonds are retired using income from commercial and residential customers.<br><br>The remaining $2.27 billion addresses a full range of capital facility and infrastructure improvements, most of which will be financed with Public Improvement Bonds (PIBs). These programs include Fire, Library, Parks, Police, Public Health, Solid Waste Management, General Government, Storm Drainage, Streets and Traffic Control, and Housing. | **LOCAL** | The City must use its Capital Improvement Plan process to anticipate Transit Oriented Development within the various Transit Corridors. The Capital Improvement Plan will need to ensure infrastructure capacity for higher density development within the Transit Corridors is available in advance of actual development, and that fundamental improvements to the pedestrian realm (sidewalks, streetlighting and landscaping) are comprehensively planned and developed throughout the Transit Corridors. The Capital Improvement Plan is a fundamental component of a comprehensive implementation strategy. |
| **TIRZ - Tax Increment Reinvestment Zone** | Tax Increment Reinvestment Zones (TIRZs) are special districts created by City Council to attract new investment to an area. TIRZs help finance the cost of redeveloping or encouraging infill development in an area that would otherwise not attract sufficient market development in a timely manner. Taxes attributable to new improvements (tax increment) are set-aside in a fund to finance public improvements in the zone. Zones in the City of Houston have been created for one of three reasons: 1) to address inner city deterioration; 2) to develop raw land in suburban fringe areas; 3) to proactively address the decline of major activity centers. | **LOCAL** | All Transit Corridors should be covered by a TIRZ, either a newly established one, or through an expansion to an existing one. The responsibilities of the TIRZ should be to fund major capital projects aimed specifically at road and sidewalk improvements and improvements to water, sewer and stormwater management infrastructure to facilitate new development/redevelopment. The use of TIRZ's is a fundamental implementation strategy related to both a management structure and funding source.<br><br>An alternative approach to a TIRZ could foresee the local government borrowing funds to pay for upfront development and improvements in an area. As private development occurs in an area, tax revenue increases and the excess above pre-development property tax revenue in the area could be directed to pay off the debt incurred. |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
|---|---|---|---|
| **PID - Public Improvement District** | PIDs are special districts created by the City of Houston to make capital investments in infrastructure or other public amenities and services beyond those normally provided by the City. PIDs levy assessments on taxable property within its boundaries to finance their investments and operations. The PID must have an improvement plan, with state law authorizing the following types of improvements:<br><br>• Water, wastewater, health and sanitation, or drainage improvements (including acquisition, construction, or improvements of water, wastewater or drainage improvements);<br>• Street and sidewalk improvements (acquiring, constructing, improving, widening, narrowing, closing or rerouting sidewalks, streets or any other roadways or their rights-of-way);<br>• Mass transit improvements (acquisition, construction, improvement or rerouting of mass transportation facilities);<br>• Parking improvements (acquisition, construction or improvement of off-street parking facilities);<br>• Library improvements (acquisition, construction or improvement of libraries);<br>• Park, recreation and cultural improvements (the establishment or improvement of parks);<br>• Landscaping and other aesthetic improvements (erection of fountains, distinctive lighting<br>• Art installation (acquisition and installation of pieces of art);<br>• Creation of pedestrian malls (construction or improvement of pedestrian malls);<br>• Similar improvements (projects similar to those listed above);<br><br>• Supplemental safety services for the improvement of the district, including public safety and security services; or<br>• Supplemental business-related services for the improvement of the district, including advertising and business recruitment and development.<br><br>According to the City of Houston's own publications, it sees PIDs as a means of providing primarily "landscaping, parking, enhanced security, and economic development marketing." | **LOCAL** | All Transit Corridors should be covered by a PID either a newly established one, or through an expansion to an existing one. The responsibilities of the PID should be to fund landscaping, parking, enhanced security, and economic development marketing. While typically related to existing residential areas, the use of PID's is a fundamental implementation strategy related to both a management structure and funding source. The City is currently exploring the division of PIDs into 3 categories. The following two are applicable for Development Opportunity Areas: 1) E-PID for Enhancement Projects and 2) I-PID for Infill Development. |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
|---|---|---|---|
| **MMD - Municipal Management Districts** | MMDs are established by the Texas Legislature. Management Districts have the power to levy taxes and assess property owners for a variety of improvements and services. The primary purpose of a management district is to promote employment, commerce, economic development, and public welfare in commercial areas. Homeowners within a management district are usually exempt from the special assessments. Community based organizations in Houston can apply to create MMDs in their neighborhoods. To be eligible, the area must be devoted primarily to commercial development and business activity. MMDs can be created in two ways: 1) Through formal application to the Texas Commission on Environmental Quality (TECQ); 2) Through a special state bill with the help of local state legislators. So far, all MMDs in the Houston area have been created by a special bill in the State Legislature, which has exempted them from meeting certain requirements. | **STATE** | All Transit Corridors should be covered by a Municipal Management District, either a newly established one, or through an expansion to an existing one. The responsibilities of the Municipal Management District should be to fund capital projects aimed specifically at public realm enhancement (landscape and/or public art projects), maintenance and marketing. While typically related to existing retail commercial areas, the use of Municipal Management Districts is a fundamental implementation strategy related to both a management structure and funding source. |
| **Code of Ordinances** | The Cod of Ordinances is the key planning regulatory tool implemented and updated by the City. The Code of Ordinances sets out enforceable Citywide planning and development regulations including built form requirements, parking standards, parkland and open space requirements as well as streetscaping and street tree regulations among others. | | The City should introduce, as part of a wider Transit Corridor strategy, a new comprehensive chapter in its Code of Ordinance that provides the regulatory basis and standards to facilitate Transit Oriented Development. |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
|---|---|---|---|
| **SECONDARY TOOLS** | | | |
| **Chapter 380 Agreements** | **Originating / Administering Agency** – The City of Houston is permitted by Chapter 380 of the State of Texas Local Government Code to make grants and loans to private businesses, subject to any limitations of the City's charter. Chapter 380 requires that the City establish a defined program to implement such an agreement.<br><br>**Eligible Recipients** – The statute is vague and little in the way of legal opinions have provided clear eligibility rules. The main criteria is that the grant or loan must serve a public purpose. An example of such a purpose would be job creation or affordable housing. The City would usually spell out such stipulations in the agreement with the recipient.<br><br>**Nature of Assistance** – As previously mentioned, the state law is vague. The most obvious type of assistance would be cash grants or loans. It should be noted that the City's in-kind provision of services or materials also falls within the realm of Chapter 380. Provision of land at below-market rates is governed by other statutes. Provision of free or reduced-price municipal utility services (water, sewer, etc.) to a private business is not generally allowed under state law. | **STATE / LOCAL** | The ability to enter into Chapter 380 Agreements is a flexible tool the City can use to make cash grants, in-kind contributions of services/materials or loans for a range of purposes. The primary criteria is that the grants and/or loans under a Chapter 380 Agreement must serve a public purpose. The provision of free or reduced-price municipal utility services (water, sewer, etc.) to a private business is not generally allowed under state law. Possible applications could include: affordable housing, job creation initiatives and other initiatives such as pedestrian realm enhancements. |
| **SNAP - Super Neighbourhood Action Plan** | A Super Neighborhood is a geographically designated area where residents, civic organizations, institutions and businesses work together to identify, plan, and set priorities to address the needs and concerns of their community. The boundaries of each Super Neighborhood rely on major physical features (bayous, freeways, etc.) to group together contiguous communities that share common physical characteristics, identity or infrastructure.The Super Neighborhood elects a council comprised of area residents and stakeholders that serves as a forum to discuss issues and identify and implement priority projects for the area.<br><br>The Planning Department focuses on assisting Super Neighborhood councils develop greater organizational self-sufficiency which is achieved by helping each one: 1) build capacity; 2) build relationships; 3) build resources; 4) build links to volunteers.<br><br>A SNAP is a super neighborhood's list of community action items. Many items included in the SNAP are implemented through the Capital Improvement Plan (for example, building a multi-service center) or handled through standard operations by City departments (like cleaning weeded lots). SNAPs are issued in coordination with the City's budget cycle. Your city council member can work closely with your Super Neighborhood to address SNAP items. | **LOCAL** | To a large extent, the planning objectives and details provided through this Transit Oriented Development exercise has provided a component of the planning function of the SNAP responsibility. However, the idea of the SNAP Council as a forum for stakeholder consultation and the identification of community actions and priorities could work collaboratively with a Management District, a TIRZ Board and/or a PID Board to ensure all community issues are discussed, and that all stakeholder groups are represented. Further, the SNAP Council could exert its influence to ensure major capital projects are included on the City's Capital Improvement Plan. |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
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| **METRO Joint Development** | **Originating / Administering Agency** – The Metropolitan Transit Authority of Harris County (METRO) is authorized to acquire land within 1,500 feet of transit stations to promote transit-related uses. If METRO partners with a private entity to develop real estate, it is known as "joint development."<br><br>**Eligible Recipients** – METRO will both solicit proposals at specific light rail, bus rapid transit, and park-and-ride stations, and accept unsolicited proposals from developers. Under either option, the developer must be proposing a project that will meet the following criteria:<br><br>• Projects are encouraged which increase transit ridership.<br><br>• Projects are encouraged which create a longterm source of revenue to METRO and allow METRO to participate in the increase in value of its real estate assets over time.<br><br>• Projects are encouraged which minimize the commitment of METRO financial resources, minimize any investment risk, and maximize asset security for METRO.<br><br>• Projects should set and strive towards a goal of thirtyfive (35%) percent small business participation in all aspects of the program that are reasonable and appropriate.<br><br>• Projects should demonstrate that the joint development will provide a reasonable return to METRO based on the highest and best transit use of the property with a goal of a minimum annual yield to be set by METRO staff.<br><br>• Projects are encouraged that create the greatest economic development potential to their respective communities.<br><br>• Projects are encouraged which include investment capital from other public agencies, or in-kind contributions, to create greater economic benefits to joint development projects.<br><br>• Projects must protect METRO's control of operation, access and use and allow METRO to retain station facility and related transportation service design and location authority and access to all necessary station operational facilities.<br><br>Other aspects of potential development projects that would appeal to METRO include "high urban design standards and quality," shared parking, public and open spaces, and assist METRO in procuring sites needed for transit facilities.<br><br>**Nature of Assistance** – There is no set type of assistance that METRO would provide in joint development. Potential options include writing down land or site costs, sharing cost of parking facilties, and access to a wider array of financing techniques. | **LOCAL** | Having been undoubtedly active in land acquisition to support the implementation of the new transit routes, this program has particular applicablility along the Transit Corridors. METRO should actively pursue partnership opportunities with public and private land developers along the Transit Corridors to promote Transit Oriented Development that will ensure ridership and the long term sustainability of the Transit Corridors. |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
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| **Harris County Flood Control District** | The Harris County Flood Control District is a special purpose district created by the Texas Legislature in 1937 in response to devastating floods that struck the region in 1929 and 1935. The District's jurisdictional boundaries are set to coincide with Harris County, a community of more than 3.7 million people that includes the City of Houston. The other boundaries in which they operate - those provided by nature - are of the 22 primary watersheds within Harris County's 1,756 square miles. Each has its own independent flooding problems. Each presents unique challenges.<br><br>The mission of the Harris County Flood Control District is to: Provide flood damage reduction projects that work, with appropriate regard for community and natural values. The District reduces the risk of flood damage by: 1) Devising the stormwater management plans; 2) Implementing the plans; and, 3) Maintaining the infrastructure. | **LOCAL** | The cost of retrofitting urban sites for modern stormwater management (either incrementally or comprehensively) is considered a significant deterrent to redevelopment on a site by site basis. It would be appropriate for the Harris County Flood Control District to devise a comprehensive strategy to deal with urban stormwater management retrofitting, including mechanisms to assist in paying for, and maintaining new facilities within each of the Transit Corridors. |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
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| **DPC - Developer Participation Contract** | **Originating / Administering Agency** – The City of Houston requires developers to fill out a Wastewater Capacity Reservation Form. This triggers a process of evaluation by the City to determine if the developer needs to invest in additional water and wastewater capacity for a potential project. If so, the City will enter into Developer Participation Contract (DPC) in which the developer is reimbursed for construction of water or wastewater infrastructure within existing or new public easements or rights of way. There are three different types of agreements authorized by Chapter 47 of the City's Code of Ordinances: 50/50, 30/70, and 70/30, signifying the ratio of city/developer cost share. These agreements are funded through the City's Capital Improvement Program (CIP). City Council must OK each DPC. The City's Department of Public Works and Engineering, Planning and Development Services Division, Utility Planning and Analysis Branch is the City office that processes and oversees DPCs.<br><br>**Eligible Recipients** – Developers that are building water and wastewater infrastructure in City easements or rights of way are eligible to enter into such contracts.<br><br>• The 30/70 program is applied to "off-site" utility construction, where the City is requiring water or wastewater facility construction outside the boundaries of a development project. A development project of any type of land use is eligible.<br><br>• The 50/50 program was intended primarily for remodeling or new construction of individual single family homes.<br><br>• The 70/30 program applies only to new single family housing developments. If such a development is deemed "affordable," it can also be eligible for storm sewer construction reimbursement.<br><br>• The City will also fully reimburse any oversizing requirements made on developer water or wastewater utility projects.<br><br>**Nature of Assistance** – Each program has different reimbursement cost limits:<br><br>• The 30/70 program has a limit of $500,000 and is limited to construction costs only.<br><br>• The 50/50 program has a reimbursement limit of $25,000 and can include construction and engineering costs.<br>• The 70/30 program has a reimbursement limit of $1,000,000 for construction and engineering costs, and it may also fund storm sewer in affordable housing developments up to $3,000 per lot.<br><br>• The funds for storm sewer in the 70/30 program are allocated separately from the CIP and are limited, usually being fully expended every year. The CIP funds for water / wastewater reimbursement have traditionally been sufficient to cover all applications, but for FY 2007 they have been fully allocated so that there is now a first-come first-served wait list. The Public Works and Engineering Department, in conjunction with the Mayor's Office, is studying how to increase funding for reimbursements in order to remove the wait list. | **LOCAL** | The City should consider, as part of a new TOD Chapter in its Code of Ordinances, reducing development costs for private developers and define appropriate cost sharing ratios for TOD or mixed use/multifamily development proposals within or adjacent to a Transit Corridor. Where the need for a Developer Participation Contract is triggered as a result of a proposed TOD within or adjacent to a Transit Corridor, the City should bear a significant proportion of the overall cost to increase water and wastewater capacity. Further, TOD proposals should be treated preferentially against other applications on the wait list. |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
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| **Location Efficient Mortgage** | The Location Efficient Mortage provides assistance to homebuyers purchasing homes in location efficient neighborhoods. Location efficient neighborhoods are communities that are pedestrian oriented, providing residents with convenient walkable access from their homes to stores, schools, recreation, jobs and public transportation. The theory behind Location Efficient Mortgages is that people that live in these communities save money because they drive less and therefore have more discretionary income to purchase a home.<br><br>Location Efficient Mortage provide low down payment requirements; competitive interest rates; flexible eligibility criteria; no income requirements or limits; flexible credit qualificaitons; 15 to 30-year term, fixed rate mortgages for houses or condominiums. | **NON-PROFIT / FEDERAL / PRIVATE** | Although not currently available in Houston, the City could explore opportunities with priv lenders, the Institute for Location Efficiency and Fannie Mae to designate areas along the as Location Efficient and provide more favorable lending terms to homebuyers purchasir areas. |
| **Green Corridor Designation** | Under Chapter 33 of the Code of Ordinances (also known as the Tree and Shrub Ordinance), portions of Major Thoroughfares may be designated as Green Corridors. The purpose of this designation is to facilitate streetscape enhancements along designated Corridors. A Green Corridor designation provides protection to trees within a certain size on the street tree list and that are within the building line along Major Thoroughfares. City Council may designate one or more particular species of tree to be planted in the Corridor. Green Corridors also receive for City expenditures for street tree plantings. Specific procedures and criteria for desiganting a Green Corridor are detailed in Section | **LOCAL** | The City should consider, as part of a new TOD Chapter in its Code of Ordinances, modifi the Green Corridor Designation to extend the designation to Transit Streets and other key connecting streets within the street hierarchy.<br><br>Procedures should also be modified to permit the City to designate streets as Green Corri without the currently required petition from landowners. With this ability the City should d proposed Urban Corridors as Green Corridors. |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
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| **Affordable Housing Programs** | | | |
| **CBDG - Community Development Block Grant (HUD)** | Community Development Block Grants (CDBG) are federally funded and implemented at the state, county, or local level. The City of Houston implements these grants through the Housing and Community Development Department (HCDD); the Grants Management Section in this department sees that federally mandated objectives are met at the contractor/subcontractor level.<br><br>**Eligible Recipients** – The HCDD aims to preserve, revitalize and improve the conditions of low to moderate income neighborhoods by meeting those objectives mandated by the U.S. Department of Housing and Urban Development for recipients of CDBGs. Projects and activities undertaken with CDBG funds must: 1) principally benefit low- and moderate-income persons; 2) aid in the elimination or prevention of slums and blight; or 3) meet urgent needs of the community.<br><br>The CDBG program finances public facilities and improvements mostly, along with housing, public services and economic development assistance activities for low to moderate income neighborhoods. Acceptable uses of grant monies include:<br><br>1) acquisition of real property; 2) relocation and demolition; 3) rehabilitation of residential and non-residential structures; 4) construction of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes; 5) public services, within certain limits; 6) activities relating to energy conservation and renewable energy resources; and 7) provision of assistance to profit-motivated businesses to carry out economic development and job creation/retention activities. | **FEDERAL** | It is a logical suggestion that the Transit Corridors should include opportunities for the development of affordable housing. This is based on both the idea that due to increased density and smaller dwelling units, more affordable housing can be delivered, as well as the intention that the transit service itself be an available and convenient mode of travel for lower income families. The CBDG should be used as it is currently and in combination with other affordable housing programs. There are a number of opportunities for reinvestment in low and moderate income neighborhoods along the Transit Corridors that could achieve both transit and affordable housing objectives. |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
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| **Affordable Rental Housing Program** | **Nature of Assistance** – TDHCA is a conduit issuer for the State of Texas. Currently, the bond program receives approximately $1.8 billion in allocation for the State. Approximately $402 million is set aside for multifamily housing needs. The bond program is coupled with the 4% Housing Tax Credit program to maximize the use of State allocations. The bonds may be tax exempt, be guaranteed, or have other terms associated with them that decrease the cost of capital for the developer.<br><br>**Originating / Administering Agency** – The City of Houston, through its Housing and Community Development Department (HCDD), assists development projects that produce affordable rental housing through low-interest financing. Much of this effort is funded from federal distributions to the City such as CDBG and HOME. HCDD handles all applications from developers to engage in such projects. City Council votes on actual appropriation of funds to specific projects.<br><br>**Eligible Recipients** – The City has four categories of eligibility criteria based on the type of project, the nature of the borrower, the projected rent charged to tenants, and some minimum thresholds.<br><br>**Nature of Assistance** – For approved projects, the City will provide low-interest financing to bridge the gap between what is available in the private financing market and what is required to make the project financially feasible. There are equity and matching requirements that determine how much debt is allowable in a project, and the way these requirements are satisfied differs if the developer is for-profit or a 501(c)(3) non-profit. | **FEDERAL / STATE / LOCAL** | The Affordable Rental Housing Program should continue to be used as it is now. Closely tied with the Housing Tax Credit, and the federal CDBG and HOME programs, the City could explore location efficient financing to support affordable rental housing development along the Transit Corridors. |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
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| **NEZ - Neighbourhood Empowerment Zone** | A municipality may create one or multiple zones if the governing body of the municipality adopts a resolution containing: 1) The determination described by Section 378.002; 2) A description of the boundaries of the zone; 3) A finding by the governing body that the creation of the zone benefits and is for the public purpose of increasing the public health, safety, and welfare of the persons in the municipality; and, 4) A finding by the governing body that the creation of the zone satisfies the requirements of Section 312.202 of the Tax Code.<br><br>**Eligible Recipients** – A municipality may create a neighborhood empowerment zone covering a part of the municipality if the municipality determines the creation of the zone would promote: 1) The creation of affordable housing, including manufactured housing, in the zone; 2) An increase in economic development in the zone; 3) An increase in the quality of social services, education, or public safety provided to residents of the zone; or, 4) The rehabilitation of affordable housing in the zone.<br><br>**Nature of Assistance** – In addition to other powers that a municipality may exercise, a municipality may: 1) Waive or adopt fees related to the construction of buildings in the zone, including fees related to the inspection of buildings and impact fees; 2) Enter into agreements, for a period of time not more than 10 years, for the purpose of benefiting the zone, for refunds of municipal sales tax on sales made in the zone; 3) Enter into agreements abating municipal property taxes on property in the zone subject to the duration limits of Section 312.204 of the Tax Code; and, 4) Set baseline performance standards, such as the Energy Star Program as developed by the Department of Energy, to encourage the use of alternative building materials that address concerns relating to the environment or to the building costs, maintenance, or energy consumption. | **LOCAL** | The City should consider the establishment of Neighbourhood Empowerment Zones in specific locations to promote affordable housing and economic development, in accordance with the requirements of this program. The City should consider the following: 1) Waive or adopt fees related to the construction of buildings in the zone, including fees related to the inspection of buildings and impact fees; 2) Enter into agreements, for a period of time not more than 10 years, for the purpose of benefiting the zone, for refunds of municipal sales tax on sales made in the zone; and/or, 3) Enter into agreements abating municipal property taxes on property in the zone subject to the duration limits of Section 312.204 of the Tax Code.<br><br>To qualify for these benefits, (in addition to the requirements for affordable housing and economic development) the City should establish baseline performance standards, such as the Energy Star Program to encourage the use of alternative building materials that address concerns relating to the environment or to the building costs, maintenance, or energy consumption. |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
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| **LIHTC - Low Income Housing Tax Credit** | The United States federal government allocates tax credits to each state such that for each person, the State can disburse $1.75 in tax credits. For Texas, the total amount of tax credits allocated were $43 million in 2006. The Texas Department of Housing and Community Affairs (TDHCA) is solely responsible for their allocation among housing projects. Within the State, credits are awarded on a regional basis, subject to eligibility.<br><br>**Eligible Recipients** – To qualify for tax credits, the proposed development must involve new construction or substantial rehabilitation of existing residential units (at least $12,000/unit in direct hard costs). The amount of tax credits that may be applied for depends on: the amount and type of additional funding sources, the total amount of qualified development costs to be incurred, the percentage of rent restricted units set aside in the development for eligible tenants, and location in communities designated as Difficult Development Areas and Qualified Census Tracts.<br><br>Each qualified tax credit development must include a minimum percentage of rent restricted units to be set aside for eligible tenants. Any development approved by the Department for residential rental occupancy that meets either of the following requirements and commits to a 15 year initial compliance period and a subsequent 15-year extended use period are eligible for the tax credit, per Federal law: 1) Twenty percent (20%) or more of the residential units in such development are both rent restricted and occupied by individuals whose income is fifty percent (50%) or less AMFI; or 2) Forty percent (40%) or more of the residential units in such development are both rent restricted and occupied by individuals whose income is sixty percent (60%) or less of AMFI. | **FEDERAL / STATE** | This is an important Federal program that is administered by the Texas Department of Housing and Community Affairs. The State, with input from the City of Houston, could examine opportunities to prioritize areas along the Transit Corridors for tax credit eligilbility. As the tax credits are partially determined by the amount and type of additional funding sources, coordination with other housing programs is key. |
| **Homebuyers Assistance Program (HAP)** | Coupled with counseling and education about the home buying process, the City of Houston's Homebuyers Assistance Program helps low- and moderate- income buyers get into safe and affordable housing by providing money for down payment assistance and closing costs. Homebuyers must remain in the home for five years for the down payment loan to be forgivable.<br><br>Potential homebuyers must meet the income and home purchasing price limits for the program. The applicant must have a gross annual income that does not exceed 80 percent of the City median income; adjusted for family size and the home cannot exceed $135,000. For qualified homebuyers under the 50 percent medium income, additional down payment assistance may be available through TIRZ. | **LOCAL** | The City should continue to use this program and could consider targeted assistance along Transit Corridors. Working colllaboratively with a TIRZ board, opportunities may exist for additional down payment assistance to households under the 50 percent medium income. |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
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| **Multifamily Bond Program** | **Originating/Administering Agency** – Applications for bond financing may be submitted to the Multifamily Finance division of the Housing Finance Division of the Texas Department of Housing and Community Affairs (TDHCA) for review. A recommendation is made to the TDHCA governing board.<br><br>**Eligible Recipients** – Properties financed through the programs are subject to unit set aside restrictions for lower income tenants and persons with special needs, tenant program initiatives, maximum rent limitations, and other requirements as determined by TDHCA and its board. The same factors used by TDHCA to determine Tax Credit eligibility are utilized for awarding bonds. | **FEDERAL** | The Multifamily Bond Program should continue to be used as it is currently. Using the same eligibility critieria as the Housing Tax Credit, the Bond Program could be used to finance affordable units within higher density TODs. |
| **Housing Tax Credit** | The Texas Department of Housing and Community Affairs' programs were created to provide decent, safe and sanitary housing opportunities for low and very low income Texans. The Housing Tax Credit (HTC) program aids in building affordable housing through the issuance of federal tax credits to fund new construction and rehabilitation of multifamily residential developments. Owners and investors in qualified affordable multifamily residential developments can use the tax credits as a dollar-for-dollar reduction of federal income tax liability. The value associated with the tax credits allows residences to be leased to qualified families at below-market rents. | **FEDERAL** | The Housing Tax Credit should be used as it is now. Focussed on the construction and rehabilitation of affordable multifamily residential developments, this Credit could be used to finance affordable units within higher density Transit Oriented Developments. |
| **Emergency/Critical Home Repair** | Single Family Home Repair Program which is aimed at improving the dangerous living conditions of many low-income elderly and disabled Houstonians. Under the initiative, the City's Housing and Community Development Department will oversee contractors who will perform the major rehabilitation of some homes as well as the complete demolition and reconstruction of others. | **LOCAL** | The Emergency/Critical Home Repair Program should be used as it is now to rehabilitate homes in disrepair. The City could pursue partnership opportunities with local nonprofits and community groups for wider housing rehabilitation and reinvestment in low and moderate income neighborhoods along the Transit Corridors. |
| **HOME Investment Partnerships Act** | HOME is authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act, as amended. Program regulations are at 24 CFR Part 92. HOME provides formula grants to States and localities that communities use—often in partnership with local nonprofit groups—to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people. | **FEDERAL** | The HOME Investment Partnership Act should be used as it is now. It has particular applicablitity in areas in the East, Southeast and North Corridors where there are a number of opportunities with local nonprofits and community groups for reinvestment in low and moderate income neighborhoods along the Transit Corridors. |
| **Houston Hope Areas** | Through Project Houston Hope, the City of Houston is focused on infrastructure improvements in targeted subsections of Houston Hope neighborhoods and the creation of opportunities for the development of affordable housing by nonprofit and for profit developers. Houston Hope, representing the private sector, is focused on building a collaborative coalition that will build capacity to address issues like health care, community safety, economic development, workforce development, education and other necessary services. | **LOCAL** | Opportunities should be identified, on surplus lands owned by the City or METRO, for the development of affordable housing, either by nonprofit or for profit developers. |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
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| **Brownfield Redevelopment Programs** | | | |
| **Brownfields Economic Development Initiative (BEDI) Grants** | **Originating/Administering Agency** – The U.S. Department of Housing and Urban Development (HUD) administers the program. The City of Houston would be the applicant to HUD for a BEDI grant project.<br><br>**Eligible Recipients** – CDBG (Community Development Block Grant) entitlement communities and non-entitlement communities are eligible to receive loan guarantees. A request for a new Section 108 loan guarantee authority must accompany each BEDI application. BEDI and Section 108 funds must be used in conjunction with the same economic development project. Section 108 loans are secured by the applicant's existing and future CDBG funds (*see Community Development Block Grants*).<br><br>BEDI projects must increase economic opportunity for persons of low-and moderate-income or stimulate and retain businesses and jobs that lead to economic revitalization. The grants may be used for the following:<br><br>• Land writedowns – purchasing contaminated sites and conveying them to a private party at a below-market price<br>• Site remediation costs<br>• Funding reserves<br>• Over-collateralizing the Section 108 loan<br>• Direct enhancement of the security of the Section 108 loan<br>• Provisions of financing to private business at a below-market interest rate<br><br>**Nature of Assistance** – Approximately $25 million is available for Brownfields Economic Development Initiative (BEDI) grants under Section 108(q) of the Housing and Community Development Act of 1974, as amended. BEDI funds are used to enhance the security of the Section 108 guaranteed loan for the same project or to improve the viability of a project financed with a Section 108-guaranteed loan. A BEDI grant is required to be used in conjunction with a new Section 108 guaranteed loan commitment. There is a cap of $1 million per BEDI award. Section 108 funds are available to eligible applicants throughout the year on a noncompetitive basis. | **FEDERAL** | Given the number of large brownfield sites along the Transit Corridors, programs and initiatives targeting brownfield redevelopment should be actively pursued. The City could apply for BEDI grants in conjunction with Section 108 funds and CDBG projects to fund supporting economic development projects along the Transit Corridors. |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
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| **Brownfield Grants** | **Originating/Administering Agency** – The Environmental Protection Agency administers the program.<br><br>**Eligible Recipients** – The Brownfields law defines entities eligible to receive grants, based on the type of grant requested:<br><br>Assessment and revolving loan fund grants - state, local, and tribal governments, as well as a range of government entities, including a general purpose unit of local government or land clearance authority or other quasi-governmental entity operating under the control, supervision, or as an agent of a local government, a governmental entity or redevelopment agency created or sanctioned by a State, or a regional council of governments, are eligible.<br><br>**Cleanup grants** - include those eligible governmental entities identified above as well as non-profit organizations and non-profit educational institutions. All eligible entities, including non-profit organizations, must have sole ownership of the site and provide documentation of ownership within about six months of applying for the grant.<br><br>**Job training grants** - include those eligible governmental entities identified above as well as non-profit organizations, including non-profit educational institutions.<br><br>For-profit organizations are not eligible for Brownfields grant funding from EPA. Brownfields grants are awarded on a competitive basis. Evaluation panels consisting of EPA staff and other federal agency representatives assess how well the proposals meet the threshold and ranking criteria outlined in the Proposal Guidelines for Brownfields Assessment, Revolving Loan Fund, and Cleanup grants. Final selections are made by EPA senior management after considering the ranking of proposals by the evaluation panels. Responses to threshold criteria are evaluated on a pass/fail basis. If the proposal does not meet the threshold criteria, the proposal will not be evaluated. In some circumstances, EPA may seek additional information. | **FEDERAL** | While eligibility is based on the sole ownership of a site, the City, METRO and local community organizations/non-profits, either independently or in partnership, could apply for Brownfield Grants to fund assessments and clean-up of Brownfield sites along the Transit Corridors. |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
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| | **Nature of Assistance –**<br><br>• **Assessment grants** provide funding for a grant recipient to inventory, characterize, assess, and conduct planning and community involvement related to brownfield sites. An eligible entity may apply for up to $200,000 to assess a site contaminated by hazardous substances, pollutants, or contaminants (including hazardous substances co-mingled with petroleum) and up to $200,000 to address a site contaminated by petroleum. Applicants may seek a waiver of the $200,000 limit and request up to $350,000 for a site contaminated by hazardous substances, pollutants, or contaminants and up to $350,000 to assess a site contaminated by petroleum. Such waivers must be based on the anticipated level of hazardous substances, pollutants, or contaminants (including hazardous substances co-mingled with petroleum) at a single site. Total grant fund requests should not exceed a total of $400,000 unless such a waiver is requested. Due to budget limitations, no entity may apply for more than $700,000 in assessment funding. The performance period for these grants is two years.<br><br>• **Revolving Loan Fund Grants** provide up to $1,000,000 per eligible entity; they are available for a single recipient or a coalition of eligible entities. The loan has a five-year term. Requirements include: 1) Funds may be used to address sites contaminated by petroleum and/or hazardous substances, pollutants, or contaminants (including hazardous substances co-mingled with petroleum). 2) At least 60 percent of the awarded funds must be used to implement a revolving loan fund, in order to provide no-interest or low-interest loans for brownfields cleanups. 3) An RLF award requires a 20 percent cost share, which may be in the form of a contribution of money, labor, material, or services, and must be for eligible and allowable costs.<br><br>• **Cleanup Grants** have a performance period of three years and provide: 1) Up to $200,000 per site – no entity may apply for funding cleanup activities at more than five sites. 2) Cleanup Grants require a 20 percent cost share, which may be in the form of a contribution of money, labor, material, or services, and must be for eligible and allowable costs.<br><br>The **Brownfields Job Training Grants** will each be funded up to $200,000 over two years. | | |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
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| **Brownfields Tax Incentive** | **Originating/Administering Agency** – The Environmental Protection Agency (EPA) and Internal Revenue Service (IRS) administer the program. In Texas, the Texas Commission on Environmental Quality is required to designate eligibility.<br><br>**Eligible Recipients** – A brownfield is a property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.<br><br>To satisfy the land use requirement, the property must be held by the taxpayer incurring the eligible expenses for use in a trade or business or for the production of income; or, the property must be properly included in the taxpayer's inventory. To satisfy the contamination requirement, hazardous substances must be present or potentially present on the property. In addition, taxpayers must obtain a statement from a designated state agency verifying eligibility for the tax incentive.<br><br>**Nature of Assistance** – Federal tax law generally requires that those expenditures that increase the value or extend the useful life of a property - or those that adapt the property to a different use - be capitalized; and, if the property is depreciable, that the costs be depreciated over the life of the property. This means that the full cost cannot be deducted from income in the year that the expenditure occurs. This capitalization treatment also applies to the cost of acquiring property. In contrast, repair and maintenance expenditures generally can be deducted from income in the year incurred. Prior to the Brownfields Tax Incentive, many environmental remediation expenditures fell under these restrictions, and had to be capitalized over time. Under the Brownfields Tax Incentive, environmental cleanup costs are fully deductible in the year they are incurred, rather than having to be capitalized. | **FEDERAL / STATE** | Where applicable, the Brownfields Tax Incentive program should continue to be used to p incentives for brownfield remediation and redevelopment along the Transit Corridors. |
| **Expedited Permit Process** | **Originating/Administering Agency** – The Texas Commission on Environmental Quality (TCEQ) and the Governor's Office of Economic Development and Tourism.<br><br>**Eligible Recipients** – A company whose project could have job creation or other economic impacts but that is delayed unreasonably by an environmental permitting process.<br><br>**Nature of Assistance** – Qualifying projects may be granted an expedited environmental permitting process. | **STATE** | Where appropriate, the Expedited Permit Process program could be used to expedite th environmental permitting process for brownfield redevelopment proposals along the Trar Corridors. |

| TOOL<br>TERTIARY TOOLS | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
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| **Economic Adjustment Assistance** | **Originating/Administering Agency** – The Economic Development Administration (EDA) of the Department of Commerce oversees the program.<br><br>**Eligible Recipients** – Eligible applicants for EDA investment assistance include a State, city, county, or other political subdivision of a State, including a special purpose unit of a State or local government engaged in economic or infrastructure development activities, or a consortium of such political subdivision, an institution of higher education or a consortium of institutions of higher education, an Economic Development District organization, a private or public nonprofit organization or association, including a faith-based non-profit organization, acting in cooperation with officials of a political subdivision of a State, or an Indian Tribe, or a consortium of Indian Tribes. Individuals, companies, corporations, and associations organized for profit are not eligible.<br><br>Applicants for assistance must develop a Comprehensive Economic Development Strategy (CEDS) that identifies the actual or anticipated adjustment problem (Examples may include: a strategy for recovery from plant closure and major permanent job loss; rehabilitation of vacant industrial facility for multi-tenant use or as an incubator; revolving loan funds or recapitalization of revolving loan funds.) and prescribe steps to address that problem. Implementation investments applications must be consistent with an approved CEDS.<br><br>**Nature of Assistance** – Awards may be used for activities such as developing and updating a CEDS and for implementing the CEDS by carrying out projects for site acquisition and preparation, construction, rehabilitation, and equipping facilities, technical assistance, market or industry research and analysis, and other activities.<br><br>The maximum investment rate shall not exceed 50 percent of the project cost, except that the project may receive an investment rate up to 80 percent based on relative needs as measured by the severity and duration of unemployment and the per capita income level and extent of underemployment in the region. Indian Tribes may be eligible for an investment rate of 100 percent. In addition, States or political subdivisions of a State that have exhausted their effective borrowing and taxing capacity or non-profit organizations that have exhausted their effective borrowing capacity may also be eligible for a 100 percent rate. On average, EDA investment assistance covers approximately 50 percent of project costs. | **FEDERAL** | The City, METRO and local community organizations/non-profits, either independently or in partnership, could apply for EDA investment assistance to fund the planning and implementation of a range of economic development projects or initiatives along the Transit Corridors. EDA could also be used in coordination with brownfield programs. |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
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| **Tax Abatement Program** | **Originating / Administering Agency** – The City of Houston, by City Council action, is authorized to negotiate and grant property tax abatements by Chapter 312 of the State of Texas Tax Code. Harris County and other taxing units, except for Houston Independent School District, may also grant an abatement, following the City's lead. The City must have a tax abatement policy, with guidelines and criteria, in place in order to grant abatements. This policy expires every two years and must be re-adopted City Council. Currently, the City has let its policy lapse, so until a new one is adopted, no tax abatements can be offered.<br><br>The City and County may abatement some or all of the property tax liability on future value added to a property for a period of up to ten years. Taxes on the current value of real property cannot be abated. Personal property brought onto the property after the abatement is awarded may be included in the abatement. Properties that are in a voluntary cleanup agreement under Section 361.606 of the Health and Safety Code may receive a tax abatement on the total value of the property (including current value at the time of abatement award). Such an abatement may have a maximum of 100 percent for the first year, decreasing by 25 percent each year with a maximum term of four years. To receive the abatement, the property owner must present a certificate of completion earned under Section 361.609 of the Health and Safety Code.<br><br>**Eligible Recipients** – Individual property owners of real property or leasehold interest in real property are eligible to receive tax abatements, conditioned on certain improvements being made to the property. The City must declare the real property covered by the abatement to be a "reinvestment zone," unless it has already been designated by the State of Texas to be a Neighborhood Empowerment Zone. If a group of properties is designated to be a reinvestment zone, all tax abatements offered within the zone must be on the same terms, though not every zone property owner must be offered an abatement. A property owner developing any type of taxpaying land use is eligible for an abatement. However, the City of Houston has been reluctant recently to grant abatements for residential construction. | **LOCAL** | The City should utilize this tool to provide a tax abatement incentive for site remediation and Transit Oriented Development in specified locations along the Transit Corridors. In order to qualify, an area must be designated as a "reinvestment zone", or must already be designated a Neighborhood Empowerment Zone by the State of Texas. |
| **Civic Art Program** | In 1999, the City of Houston established an ordinance mandating that 1.75% of qualified Capital Improvement Project monies be set aside for civic art. The Civic Art Program includes funding for professional art conservation treatment for the City's art collection. | **LOCAL** | The Civic Art Program should continue to be used as it is now. The City of Houston could consider directing a proportion of annual monies for public art projects along the Transit Corridors in association with METRO funds for public art at stations as well as public art projects initiated by a PID. |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
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| **LEED Incentive Program** | As an incentive to encourage Leadership in Energy and Environmental Design (LEED) Green Building Rating System certification, the Planning & Development Services Code Enforcement Plan Review Section will begin offering Quick Start service to any project which has registered for LEED certification regardless of construction cost.<br><br>Currently, the Quick Start plan review option is available only to projects that have submitted complete plans and have an estimated construction cost of $1M or more. By opting to pay an additional fee of 65% of the permit cost, the final plan review is completed in a face to face conference-like meeting with the reviewers, designers and owners present. The Quick Start program has been a popular option as it generally eliminates at least one plan resubmittal.<br><br>For the review participants will need to submit: 1) A Quick Start Application; 2) The project registration receipt from the US Green Building Council (USGBC); 3) The checklist of points the building is designed to achieve; 4) The required Quick Start fee (65% of building permit).<br><br>LEED projects which achieve certification will also qualify for a graduated rebate of the Quick Start fees. The rebate is based on the level of achievement - certified, silver, gold or platinum.<br><br>The levels of achievement and rebates are as follows: 1) Platinum Level 100%; 2) Gold Level 75%; 3) Silver Level 50%; 4) Minimum Level 25% | **LOCAL** | This innovative program should continue to be used to encourage and facilitate LEED developments along the Transit Corridors and promote sustainability and environmental preservation objectives more broadly. The program should be updated to include LEED-ND projects once the LEED-ND program is formalized in the US. |
| **Adopt-an-Esplanade Program** | Adopt-An-Esplanade is a program designed to bring Houston neighborhoods together in committed, collaborative partnerships to improve and maintain city esplanades. Houston Parks and Recreation Department administers the program and Keep Houston Beautiful provides volunteer coordination, community education, training, planning assistance,and loans tools and equipment for beautification and cleanup projects. Participants include civic groups, garden clubs, business owners, city and state agencies and corporate sponsors. | **LOCAL** | If the area that accommodates the transit facility includes substantial landscape treatments, then the Adopt-An-Esplanade program could be utilized to assist in the ongoing maintenance of the landscaped area. This program would seem appropriate for areas where a Municipal Management District has not yet been implemented or where the local community has expressed a desire to become involved in the ongoing beautification of their neighborhood. |
| **Adopt-A-Monument** | To give citizens and civic, professional, and business groups the opportunity to participate in the preservation of our cultural heritage in public art, we developed Houston's Adopt-A-Monument Program in 1996. A sponsor, whether an organization or an individual, may support the Houston Adopt-A-Monument Program in one of two methods: 1) Adopt artwork by contractually agreeing to underwrite conservation and or maintenance of a specific artwork; 2) Contribute to the Adopt-A-Monument Program general fund for unadopted artworks. | **LOCAL** | If the area that accommodates the transit facility, or the transit station itself includes a monument or a component of public art, the Adopt-A-Monument program could be utilized to assist in the ongoing maintenance of the monument/public art peice. This program would seem appropriate for areas where a Municipal Management District has not yet been implemented or where the local community has expressed a desire to become involved in the ongoing beautification of their neighborhood. |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
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| **Historic Preservation** | | | |
| **Historic Preservation Tax Credit (20%)** | **Originating/Administering Agency** – The Federal historic preservation tax incentives program (the 20% credit) is jointly administered by the U.S. Department of the Interior and the Department of the Treasury. The National Park Service (NPS) acts on behalf of the Secretary of the Interior, in partnership with the Texas Historical Commission. The Internal Revenue Service (IRS) acts on behalf of the Secretary of the Treasury.<br><br>**Eligible Recipients** – The 20% rehabilitation tax credit applies to any project that the Secretary of the Interior designates a *certified rehabilitation* of a *certified historic structure*. The 20% credit is available for properties rehabilitated for commercial, industrial, agricultural, or rental residential purposes, but it is not available for properties used exclusively as the owner's private residence.<br><br>A certified historic structure is a building that is listed individually in the National Register of Historic Places -OR- a building that is located in a *registered historic district* and certified by the National Park Service as contributing to the historic significance of that district.<br><br>A *certified rehabilitation* is a rehabilitation of a *certified historic structure* that is approved by the NPS as being consistent with the historic character of the property and, where applicable, the district in which it is located. The NPS assumes that some alteration of the historic building will occur to provide for an efficient use. However, the project must not damage, destroy, or cover materials or features, whether interior or exterior, that help define the building's historic character.<br><br>To be eligible for the 20% rehabilitation tax credit, a project must also meet certain basic tax requirements of the Internal Revenue Code<br><br>**Nature of Assistance** – The 20% rehabilitation tax credit equals 20% of the amount spent in a *certified rehabilitation* of a *certified historic structure*. A tax credit lowers the amount of tax owed. In general, a dollar of tax credit reduces the amount of income tax owed by one dollar. | **FEDERAL** | Where applicable along the Transit Corridors, the Historic Preservation Tax Credit program should continue to be used as it is now for cultural preservation purposes. |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
|---|---|---|---|
| **Tax Exemptions for Historic Buildings** | The city may grant a tax exemption to qualified property owners who improve designated historic properties. Historic Site Tax Exemptions are processed through the City's Finance and Administration Department.<br><br>Before an application is submitted for consideration, the historic site must receive historic site designation from City Council. At any time following the designation of the historic site, the owner must perform restoration or preservation of the historic site to encourage its preservation. The work performed must be at a cost of at least 50% of the assessed value of the historic structure or improvements.<br><br>Only expenditures made for work performed following the designation of the property by City Council may be applied. The percentage of the exemption (50% or 100% of the initial year improvement value) is dependent on the amount of qualified restoration or preservation expenditures.<br><br>The tax exemption's duration of 10 to 15 years is dependent upon receipt of any financial incentive from the city funded by municipal hotel occupancy taxes. An exemption shall be effective as of January 1 st of the year following demonstration of completion of the restoration or preservation work and demonstration of the making of the qualifying expenditures. There is a limitation on the transferability of the tax exemption. | **LOCAL** | Where applicable along the Transit Corridors, Tax Exemptions for Historic Buildings should continue to be used as it is now for cultural preservation purposes. |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
|---|---|---|---|
| **Texas Preservation Trust Fund (TPTF)** | **Originating/Administering Agency –** The Texas Historical Commission (THC) awards grants for preservation projects from the Texas Preservation Trust Fund (TPTF), which was created by the legislature in 1989.<br><br>**Eligible Recipients –** Public and private owners of eligible projects may be recipients of TPTF grants. Project types eligible for grant assistance include:<br>• Archeological sites and curatorial facilities<br>• Commercial buildings<br>• Public buildings such as schools, city halls, libraries, and museums<br>• Unique historic structures such as bridges, water towers, lighthouses, and ships<br>• Monies for training individuals and organizations about historic resources and preservation techniques<br><br>**Nature of Assistance –** The TPTF is an interest-earning pool of public and private monies. The earned interest and designated gifts are distributed yearly as matching grants to public and private owners of eligible projects. The TPTF grants pay up to one-half of total project costs to help preserve Texas' cultural resources. Grant funds are awarded for acquisition, development, planning, and education. | **STATE** | Where applicable along the Transit Corridors, the Texas Preservation Trust Fund should continue to be used as it is now for cultural preservation purposes. |
| **Small Business Promotion and Job Creation** | | | |
| **EZ - Texas Enterprise Zones** | The purpose of the Texas Enterprise Zone Program (EZ) is to encourage job creation and capital investment in areas of economic distress by removing governmental regulatory barriers to economic growth and to provide tax incentives and economic development benefits. An EZ is any census block group in which the poverty level is 20% or higher as identified by the most recent census, which is 2000 census. Effective date of changes was September 1, 2003. The State's Office of Economic Development is in the process of producing a map that identifies the census block groups that meet the 20% poverty criteria. Businesses that are making capital investments and adding employees are also eligible. They do not have to be located within the zone. Enterprise Projects can receive sales and use tax refunds. The maximum amount of the refunds is on a sliding scale depending upon the amount of capital investment and the number of employees added. | **STATE** | The use of Texas Enterprise Zones requires further exploration, in consideration of the State's Office of Economic Development Map. There is a need to determine where this tool might apply within the Transit Corridors. |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
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| **New Markets Tax Credit (NMTC)** | **Originating/Administering Agency** – The Department of the Treasury's Community Development Financial Institutions Fund (CDFI) administers Community Development Entity (CDE) compliance once tax credits are awarded. The Internal Revenue Service is responsible for issuing guidance on the NMTC and monitors tax payer compliance.<br><br>**Eligible Recipients** – An organization wishing to receive awards under the NMTC Program must be certified as a Community Development Entity (CDE) by the Fund. To qualify as a CDE, an organization must: 1) be a domestic corporation or partnership at the time of the certification application; 2) demonstrate a primary a mission of serving, or providing investment capital for, low-income communities or low-income persons; and, 3) maintain accountability to residents of low-income communities through representation on a governing board of or advisory board to the entity.<br><br>**Nature of Assistance** – The New Markets Tax Credit program permits taxpayers to receive a credit against Federal income taxes for making qualified equity investments in designated Community Development Entities (CDEs). Substantially all of the qualified equity investment must in turn be used by the CDE to provide investments in low-income communities.<br><br>NMTCs are allocated to CDEs under a competitive process. The CDEs sell the tax credits to investors in exchange for stock or a capital interest in the CDEs.<br><br>The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year credit allowance period. In each of the first three years, the investor receives a credit equal to five percent of the total amount paid for the stock or capital interest at the time of purchase. For the final four years, the value of the credit is six percent annually. Investors may not redeem their investments in CDEs prior to the conclusion of the seven-year period.<br><br>A CDE can use its investments to make loans or investments in qualified businesses, invest in or loan to other CDEs, purchase qualified loans from other CDEs, or provide financial counseling to qualified businesses or community residents. Although substantially all of a CDE's investments must be targeted to a low income service area, there is significant flexibility in the types of businesses and development activities that NMTC investments can support – including community facilities like child care or health care facilities and charter schools, for-profit or non-profit businesses, and homeownership projects. | **FEDERAL** | This tax credit is for specific businesses, aimed at economic development initiatives in low income service areas. To be eligible an organization must be a certified Community Development Entity. |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
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| **Houston Small Business Development Corporation (HSBDC) Loans** | **Originating/Administering Agency** – The Houston Small Business Development Corporation (HSBDC), a 501(c)(3) nonprofit corporation, originates and administers the small business loans.<br><br>**Eligible Recipients** – Eligible small businesses must expect to create at least one job for every $35,000 borrowed. The business must also be located within Houston's city limits.<br><br>The loan proceeds may be used for working capital; equipment, furniture, and fixtures; and land and building.<br><br>**Nature of Assistance** – HSBDC provides two categories of loans: Micro-Enterprise loans ranging from $5,000 to $45,000, and Small Business Loans, which may range from $45,000 to $2,000,000. | **LOCAL** | The Houston Small Business Development Corporation is an important agency providing Micro-Enterprise loans and Small Business loans to businesses located within Houston. The HSBDC, in partnership with the City of Houston, could consider more favorable lending terms to businesses locating along the Transit Corridors. |

# Appendix B
# Stable Areas Toolbox

**STABLE AREAS TOOLBOX - ENHANCE/PROTECT**

| TOOL<br>PRIMARY TOOLS | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
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| **Capital Improvement Plan** | The Capital Improvement Plan is the annual capital plan providing a five-year schedule for capital allocations and implementation. Volume One includes capital projects that are funded primarily from property tax supported public improvement bonds. Volume Two contains Street and Traffic Control along with the Enterprise Fund capital programs that include capital projects funded primarily with revenue bonds supported by user fees.<br><br>The FY2007-2011 CIP calls for the appropriation of $4.51 billion during the five-year period for two major categories of programs: enterprise and property tax supported programs. Of the total planned appropriations, $2.25 billion is for projects in the enterprise fund programs (Airport, Convention & Entertainment, Wastewater, and Water). The Aviation and Convention and Entertainment programs are supported by system revenue bonds paid with income from the air travel and tourism industries. Water and Wastewater revenue bonds are retired using income from commercial and residential customers.<br><br>The remaining $2.27 billion addresses a full range of capital facility and infrastructure improvements, most of which will be financed with Public Improvement Bonds (PIBs). These programs include Fire, Library, Parks, Police, Public Health, Solid Waste Management, General Government, Storm Drainage, Streets and Traffic Control, and Housing. | **LOCAL** | The City must use its Capital Improvement Plan process to anticipate Transit Oriented Development within the various Transit Corridors. The Capital Improvement Plan will need to ensure infrastructure capacity for higher density development within the Transit Corridors is available in advance of actual development, and that fundamental improvements to the pedestrian realm (sidewalks, streetlighting and landscaping) are comprehensively planned and developed throughout the Transit Corridors. The Capital Improvement Plan is a fundamental component of a comprehensive implementation strategy. |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
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| **Deed Restriction Pro-Bono Program** | Administered by the Planning & Development Department, the program offers the following assistance:<br><br>• Assist neighborhood groups in organizing to create, renew or update deed restrictions.<br><br>• Assist civic clubs in educating their neighbors about the benefits of deed restrictions.<br><br>• To qualifying neighborhoods, provide free legal assistance to create, renew or modify deed restrict-ions through the Deed Restrictions Pro Bono Program, a collaboration with the Houston Bar Association and the Houston Volunteer Lawyer's Program (HVLP).<br><br>**Subdivisions must meet all of the following criteria to qualify:**<br><br>• The average value of homes in the neighborhood must be less than $110,000 (the average housing value of Houston residential property in 2001).<br><br>• The subdivision must not have any mandatory assessment fees.<br><br>• The subdivision must have at least 51 percent of the properties occupied by homeowners. | **LOCAL** | Deed restrictions are a critical tool in land use control in Houston, used primarily to preserve the residential character of neighbourhoods by restricting other uses and activities. The Deed Restriction Pro-Bono Program should continue to be used as it is now. The City could explore new opportunities to create or renew deed restrictions in eligible communities along the Transit Corridors that ensure stable neighborhoods are maintained while permitting the development of other transit-supportive uses in appropriate areas. |
| **Deed Restrictions** | Deed restrictions are written agreements that restrict, or limit, the use or activities that may take place on property in a subdivision. These restrictions appear in the real property records of the county in which the property is located. They are private agreements and are binding upon every owner in a subdivision. All future owners become a party to these agreements when they purchase property in deed restricted areas.<br><br>A primary purpose of most deed restrictions is preserving the residential character of a subdivision by keeping out commercial and industrial facilities. For people who prefer to live in a wholly residential environment, deed restrictions are desirable. Deed restrictions may legally prohibit a person from operating certain types of businesses from their home. In Houston, where property is not governed by deed restrictions, a property owner may be free to operate a commercial business in the neighborhood.<br><br>Most deed restrictions have an average life span of 25 to 30 years. Some are in effect "in perpetuity." Many deed restrictions contain a provision for automatic renewal after the initial 25 to 30 year span, unless the owners take action to prevent renewal. Other deed restrictions, after the initial term of 25 to 30 years, must be renewed by written approval of a specified percent of property owners. | | |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
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| **PID - Public Improvement District** | PIDs can make capital investments in infrastructure or amenities. PIDs levy assessments on taxable property within its boundaries to finance their investments and operations. The PID must have an improvement plan, with state law authorizing the following types of improvements:<br><br>• Water, wastewater, health and sanitation, or drainage improvements (including acquisition, construction, or improvements of water, wastewater or drainage improvements);<br>• Street and sidewalk improvements (acquiring, constructing, improving, widening, narrowing, closing or rerouting sidewalks, streets or any other roadways or their rights-of-way);<br>• Mass transit improvements (acquisition, construction, improvement or rerouting of mass transportation facilities);<br>• Parking improvements (acquisition, construction or improvement of off-street parking facilities);<br>• Library improvements (acquisition, construction or improvement of libraries);<br>• Park, recreation and cultural improvements (the establishment or improvement of parks);<br>• Landscaping and other aesthetic improvements (erection of fountains, distinctive lighting and signs);<br>• Art installation (acquisition and installation of pieces of art);<br>• Creation of pedestrian malls (construction or improvement of pedestrian malls);<br>• Similar improvements (projects similar to those listed above);<br><br>• Supplemental safety services for the improvement of the district, including public safety and security services; or<br>• Supplemental business-related services for the improvement of the district, including advertising and business recruitment and development.<br><br>According to the City of Houston's own publications, it sees PIDs as a means of providing primarily "landscaping, parking, enhanced security, and economic development marketing." | **LOCAL** | All transit corridors should be covered by a PID either a newly established one, or through an expansion to an existing one. Where PIDs are designated in Stable Areas, the primary responsibility of the PID should be to fund pedestrian realm enhancments. The City is currently exploring the division of PIDs into 3 categories. E-PID for Enhancement Projects is the only PID applicable for existing Stable Areas. |

| TOOL<br>SECONDARY TOOLS | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
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| **Adopt-an-Esplanade Program** | Adopt-An-Esplanade is a program designed to bring Houston neighborhoods together in committed, collaborative partnerships to improve and maintain city esplanades. Houston Parks and Recreation Department administers the program and Keep Houston Beautiful provides volunteer coordination, community education, training, planning assistance,and loans tools and equipment for beautification and cleanup projects. Participants include civic groups, garden clubs, business owners, city and state agencies and corporate sponsors. | **LOCAL** | If the area that accommodates the transit facility includes substantial landscape treatments, then the Adopt-An-Esplanade program could be utilized to assist in the ongoing maintenance of the landscaped area. This program would seem appropriate for areas where a Municipal Management District has not yet been implemented or where the local community has expressed a desire to become involved in the ongoing beautification of their neighborhood. |
| **Adopt-A-Monument** | To give citizens and civic, professional, and business groups the opportunity to participate in the preservation of our cultural heritage in public art, we developed Houston's Adopt-A-Monument Program in 1996. A sponsor, whether an organization or an individual, may support the Houston Adopt-A-Monument Program in one of two methods: 1) Adopt artwork by contractually agreeing to underwrite conservation and or maintenance of a specific artwork; 2) Contribute to the Adopt-A-Monument Program general fund for unadopted artworks. | **LOCAL** | If the area that accommodates the transit facility, or the transit station itself includes a monument or a component of public art, then the Adopt-A-Monument program could be utilized to assist in the ongoing maintenance of the monument/public art peice. This program would seem appropriate for areas where a Municipal Management District has not yet been implemented or where the local community has expressed a desire to become involved in the ongoing beautification of their neighborhood. |
| **Location Efficient Mortgage** | The Location Efficient Mortage provides assistance to homebuyers purchasing homes in location efficient neighborhoods. Location efficient neighborhoods are communities that are pedestrian oriented, providing residents with convenient walkable access from their homes to stores, schools, recreation, jobs and public transportation. The theory behind Location Efficient Mortgages is that people that live in these communities save money because they drive less and therefore have more discretionary income to purchase a home.<br><br>Location Efficient Mortage provide low down payment requirements; competitive interest rates; flexible eligibility criteria; no income requirements or limits; flexible credit qualificaitons; 15 to 30-year term, fixed rate mortgages for houses or condominiums. | **NON-PROFIT / FEDERAL / PRIVATE** | Although not currently available in Houston, the City could explore opportunities with private lenders, the Institute for Location Efficiency and Fannie Mae to designate areas along the Corridors as Location Efficient and provide more favorable lending terms to homebuyers purchasing in those areas. |
| **Community Development Corporations (CDC)** | Introduced under the Federal Model Cities program in the 1960s, CDCs are important grass roots organizations focused on neighborhood revitalization efforts. Most CDCs have a limited mandate, focusing on a single issue such as affordable housing development or specialized social services. While challenging to implement, arguments have been made that CDCs would be more effective in solving community problems if they used a more comprehensive approach that addressed a range of relevant community issues (including housing, economic development, human development and capital neighbourhood improvements). | **NON-PROFIT** | Community groups should establish Community Development Corporations to address broader community development needs and to facilitate revitalization efforts. Community Development Corporations can play an important role in influencing development decisions and ensuring that stable residential areas are protected and enhanced. |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
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| **Historic Preservation** | | | |
| **Historic Preservation Tax Credit (20%)** | **Originating/Administering Agency** – The Federal historic preservation tax incentives program (the 20% credit) is jointly administered by the U.S. Department of the Interior and the Department of the Treasury. The National Park Service (NPS) acts on behalf of the Secretary of the Interior, in partnership with the Texas Historical Commission. The Internal Revenue Service (IRS) acts on behalf of the Secretary of the Treasury.<br><br>**Eligible Recipients** – The 20% rehabilitation tax credit applies to any project that the Secretary of the Interior designates a *certified rehabilitation* of a *certified historic structure*. The 20% credit is available for properties rehabilitated for commercial, industrial, agricultural, or rental residential purposes, but it is not available for properties used exclusively as the owner's private residence.<br><br>A certified historic structure is a building that is listed individually in the National Register of Historic Places -OR- a building that is located in a *registered historic district* and certified by the National Park Service as contributing to the historic significance of that district.<br><br>A *certified rehabilitation* is a rehabilitation of a *certified historic structure* that is approved by the NPS as being consistent with the historic character of the property and, where applicable, the district in which it is located. The NPS assumes that some alteration of the historic building will occur to provide for an efficient use. However, the project must not damage, destroy, or cover materials or features, whether interior or exterior, that help define the building's historic character.<br><br>To be eligible for the 20% rehabilitation tax credit, a project must also meet certain basic tax requirements of the Internal Revenue Code<br><br>**Nature of Assistance** – The 20% rehabilitation tax credit equals 20% of the amount spent in a *certified rehabilitation* of a *certified historic structure*. A tax credit lowers the amount of tax owed. In general, a dollar of tax credit reduces the amount of income tax owed by one dollar. | **FEDERAL** | Where applicable along the Transit Corridors, The Historic Preservation Tax Credit should continue to be used as it is now for cultural preservation purposes. |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
|---|---|---|---|
| **Tax Exemptions for Historic Buildings** | The city may grant a tax exemption to qualified property owners who improve designated historic properties. Historic Site Tax Exemptions are processed through the City's Finance and Administration Department.<br><br>Before an application is submitted for consideration, the historic site must receive historic site designation from City Council. At any time following the designation of the historic site, the owner must perform restoration or preservation of the historic site to encourage its preservation. The work performed must be at a cost of at least 50% of the assessed value of the historic structure or improvements.<br><br>Only expenditures made for work performed following the designation of the property by City Council may be applied. The percentage of the exemption (50% or 100% of the initial year improvement value) is dependent on the amount of qualified restoration or preservation expenditures.<br><br>The tax exemption's duration of 10 to 15 years is dependent upon receipt of any financial incentive from the city funded by municipal hotel occupancy taxes. An exemption shall be effective as of January 1 st of the year following demonstration of completion of the restoration or preservation work and demonstration of the making of the qualifying expenditures. There is a limitation on the transferability of the tax exemption. | **LOCAL** | Where applicable along the Transit Corridors, Tax Exemptions for Historic Buildings should continue to be used as it is now for cultural preservation purposes. |

| TOOL | DESCRIPTION | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
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| **Texas Preservation Trust Fund (TPTF)** | **Originating/Administering Agency –** The Texas Historical Commission (THC) awards grants for preservation projects from the Texas Preservation Trust Fund (TPTF), which was created by the legislature in 1989.<br><br>**Eligible Recipients –** Public and private owners of eligible projects may be recipients of TPTF grants. Project types eligible for grant assistance include:<br><br>• Archeological sites and curatorial facilities<br>• Commercial buildings<br>• Public buildings such as schools, city halls, libraries, and museums<br>• Unique historic structures such as bridges, water towers, lighthouses, and ships<br>• Monies for training individuals and organizations about historic resources and preservation techniques<br><br>**Nature of Assistance –** The TPTF is an interest-earning pool of public and private monies. The earned interest and designated gifts are distributed yearly as matching grants to public and private owners of eligible projects. The TPTF grants pay up to one-half of total project costs to help preserve Texas' cultural resources. Grant funds are awarded for acquisition, development, planning, and education. | **STATE** | Where applicable along the Transit Corridors, the Texas Preservation Trust Fund should continue to be used as it is now for cultural preservation purposes. |