Affordable and Mixed-Income Housing in Transit Oriented Development in Eastern Pima County, Arizona funded by the Arizona Department of Housing

Drachman Institute August 2014









Drachman Institute Community Outreach Partnership Center College of Architecture, Planning, and Landscape Architecture University of Arizona

University of Arizona Downtown - Roy Place Building 44 N Stone Ave Tucson, AZ 85701

http://capla.arizona.edu/community-outreach-partnership-center-copc-0

Drachman Institute

- research-based outreach arm of the College of Architecture, Planning, and Landscape Architecture at the University of Arizona
- dedicated to environmentally-sensitive and resource-conscious planning and design
- focus on under-served and vulnerable communities
- interdisciplinary collaborative engaging students, staff, faculty, and citizens to work towards making our communities healthier, safer, more equitable, and more beautiful places to live
- a service-learning model of education serving the needs of communities while providing outreach experience for students

Agenda

- 1. Project Introduction
- 2. Study Area Overview
- 3. Project Jurisdictions
- 4. Community Employee Survey
- 5. Station Area Study of Existing Conditions (examples)
- 6. Housing Demand Market Study (bae)

Project Introduction

Project Introduction - scope

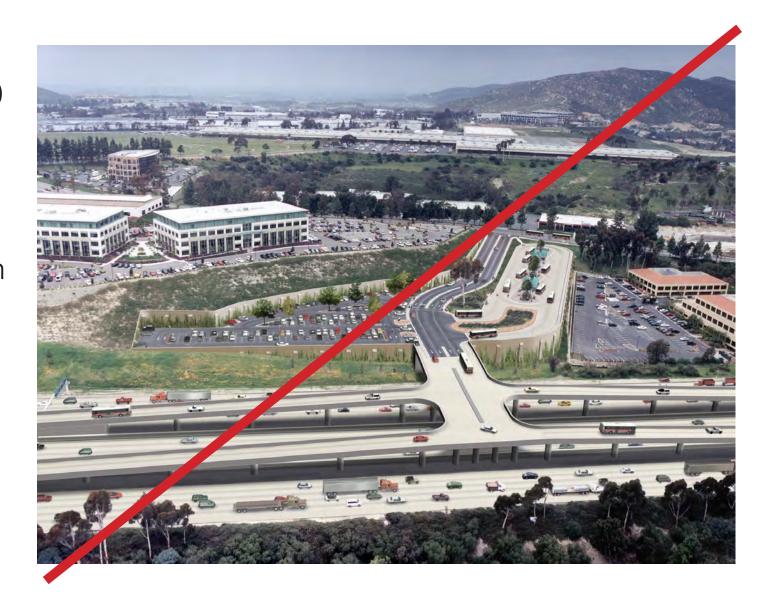
Explore opportunities and barriers to affordable and mixedincome housing in TOD:

- Compile existing conditions at selected station areas along
 High Capacity Transit corridors that link the five jurisdictions in
 Eastern Pima County
- Design and conduct a survey of community interests and needs related to housing and transit
- Contract for a market study of housing demand including best locations for affordable and mixed-income housing

Project Introduction - TOD vs TAD

Transit Adjacent Development (TAD)

- segregated land uses
- lower density
- limited pedestrian and cycling access
- dominance of surface parking
- mainly single family homes



Project Introduction - TOD vs TAD

Transit Oriented Development (TOD)

- horizontal and vertical mixed-use
- higher densities
- pedestrian and bicycle-oriented design
- limited surface parking and efficient parking management
- mixed housing types, including multi-family



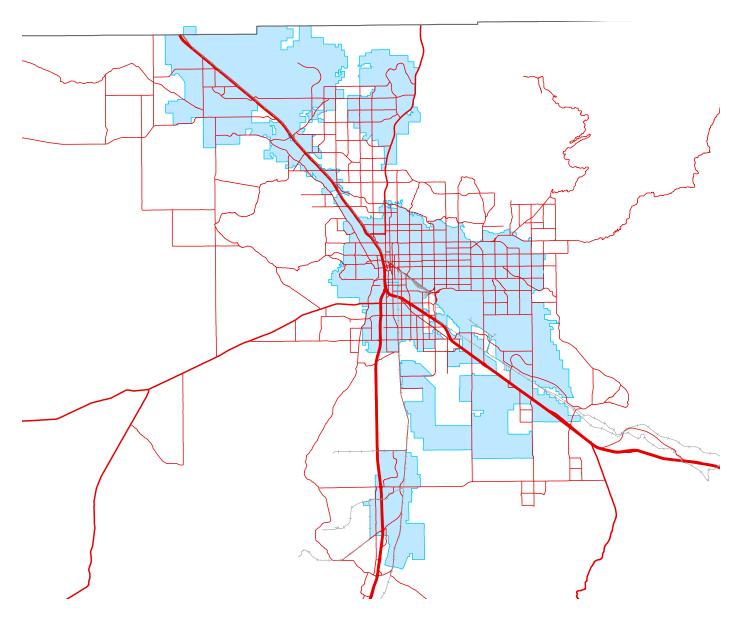
Express Bus

- commuter transportation that goes from suburbs (typically park and ride lots) to city center
- limited stops and more direct routes than typical city buses
- more comfort features than a typical city bus
- operate in mixed traffic



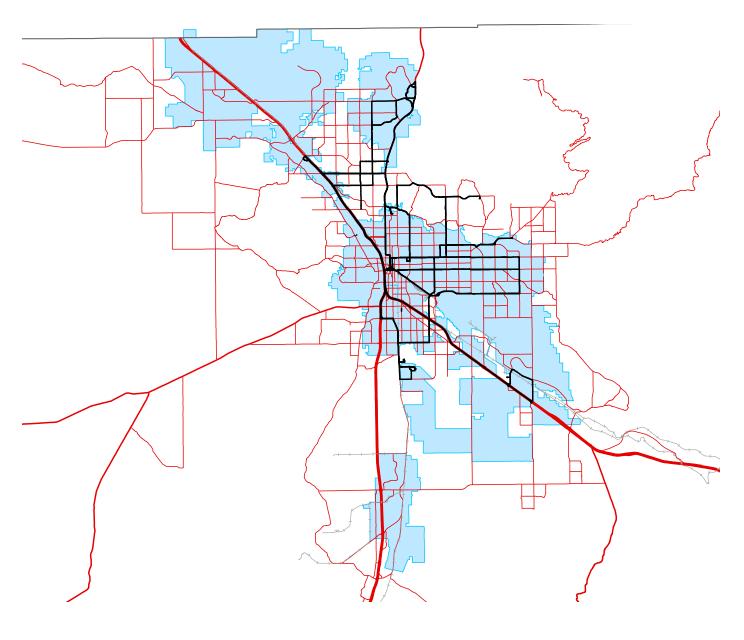
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Bus Rapid Transit

- dedicated, carfree bus lanes
- prepaid, level boarding
- traffic signal prioritization
- center running (not curbside)
- improved shelters with transit information
- front and rear boarding
- designed to carry more riders than traditional buses



from Bus Rapid Transit, Projects Improve Transit Service and Can Contribute to Economic Development -- US Government Accountability Office July 2012

Light Rail

- dedicated, carfree right-of-way
- prepaid, level boarding
- traffic signal prioritization
- center running (not curbside)
- improved shelters with transit information
- front and rear boarding
- designed to carry more riders than traditional buses



Modern Streetcar

- shared auto and rail travel lanes
- level boarding
- improved shelters with transit information
- front and rear boarding



Intercity/Commuter Rail

- city to city
- suburbs to city center



Study Area Overview

Study Area Overview - employment density

PAG Travel Reduction Program

http://www.pagnet.org/Programs/ TransportationPlanning/TravelReductionProgram/ tabid/220/Default.aspx

Full Time Employees per square mile

0-250

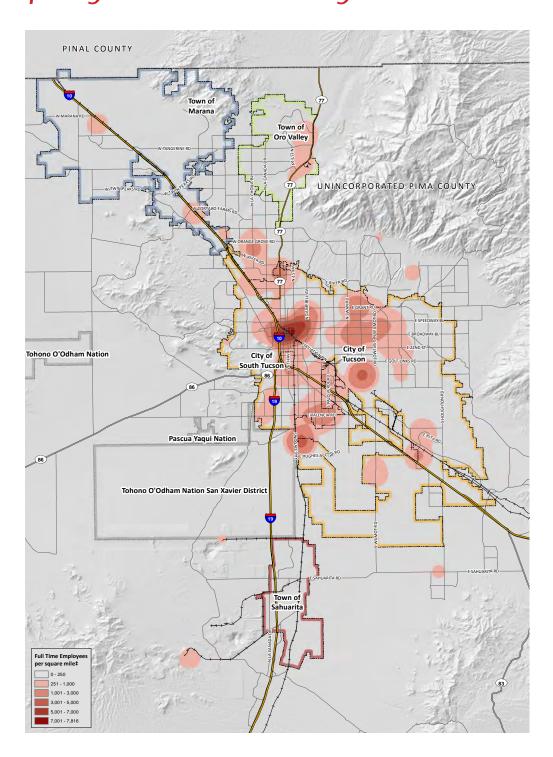
251-1,000

1,001- 3,000

3,001 - 5,000

5,001 - 7,000

7,001 - 7,816



Study Area Overview - PAG HCT corridors

Near Term: Express Bus Mid Term: BRT

High Capacity Transit (HCT) - PAG HCT System Plan 2009

Oro Valley

Long Term: Streetcar

www.pagnet.org/documents/ transportation/ PAGHCTSP-2009-09-FullReport.pdf

Implementation Period

Near Term: 0-10 years Mid Term: 10-20 years Long Term: >20 years

Near Term: Express Bus Near Term: Express Bus Near Term: Express Bus Mid Term: Streetcar Long Term: LRT Near Term: BRT Near Term: Express Bus Near Term: Express Bus Near Term: Express Bus Mid Term: BRT Long Term: CRT Near Term: Express Bus Long Term: CRT

express bus — BRT/light rail —

streetcar —

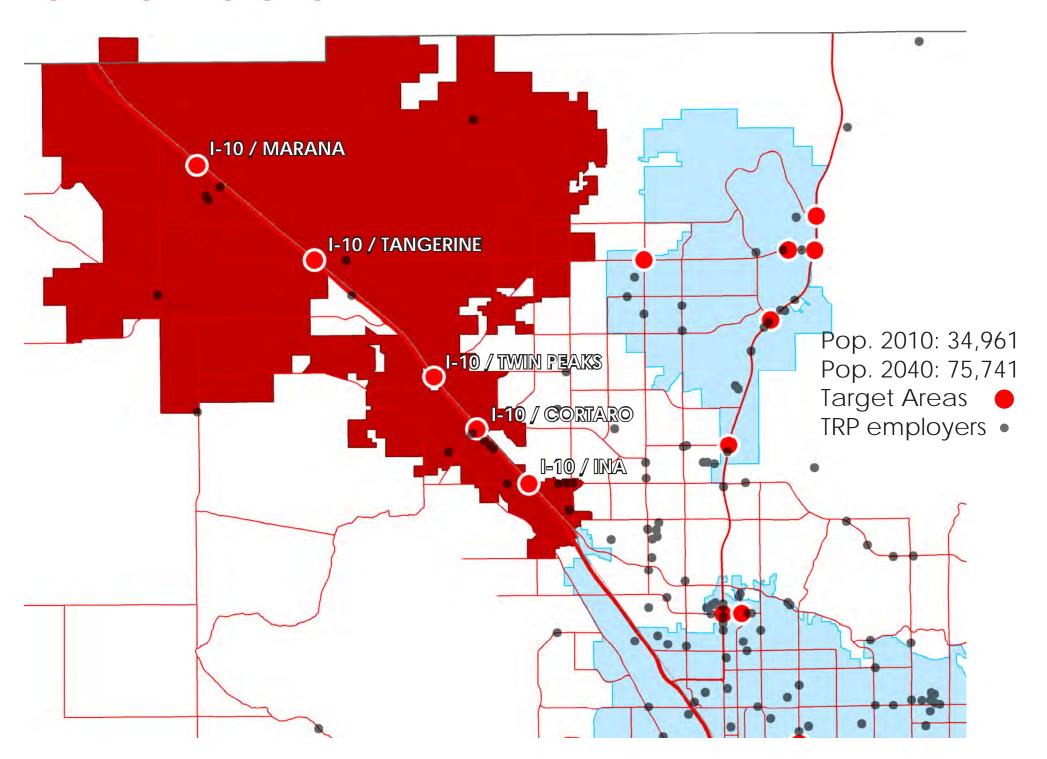
intercity rail —

transit station (T

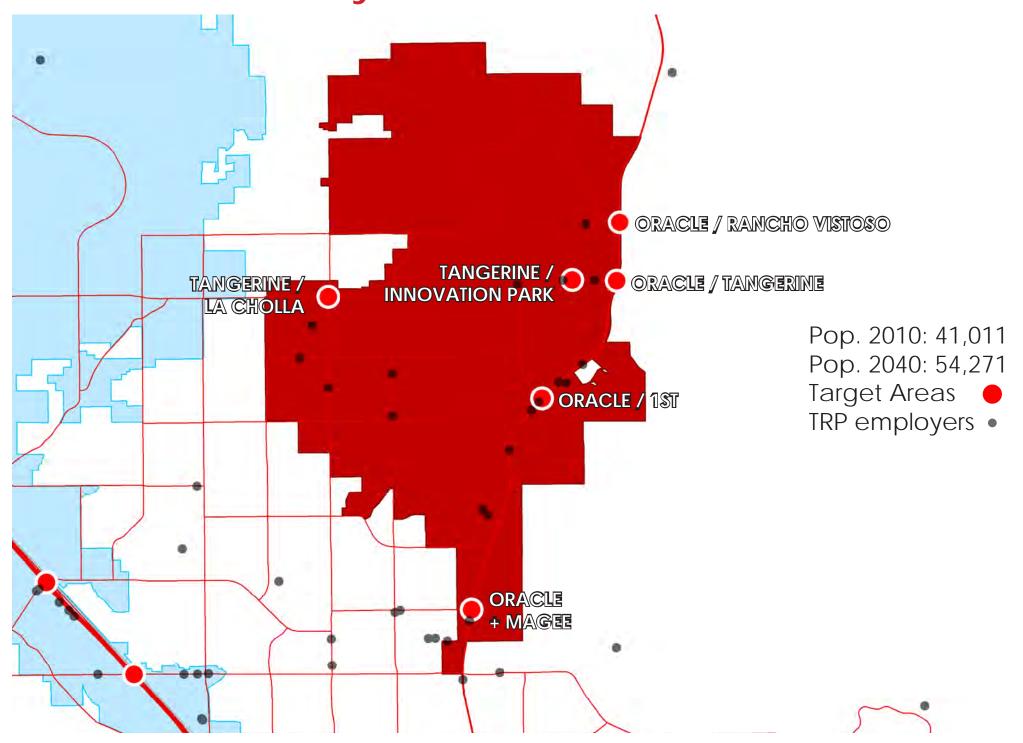
park & ride

Project Jurisdictions

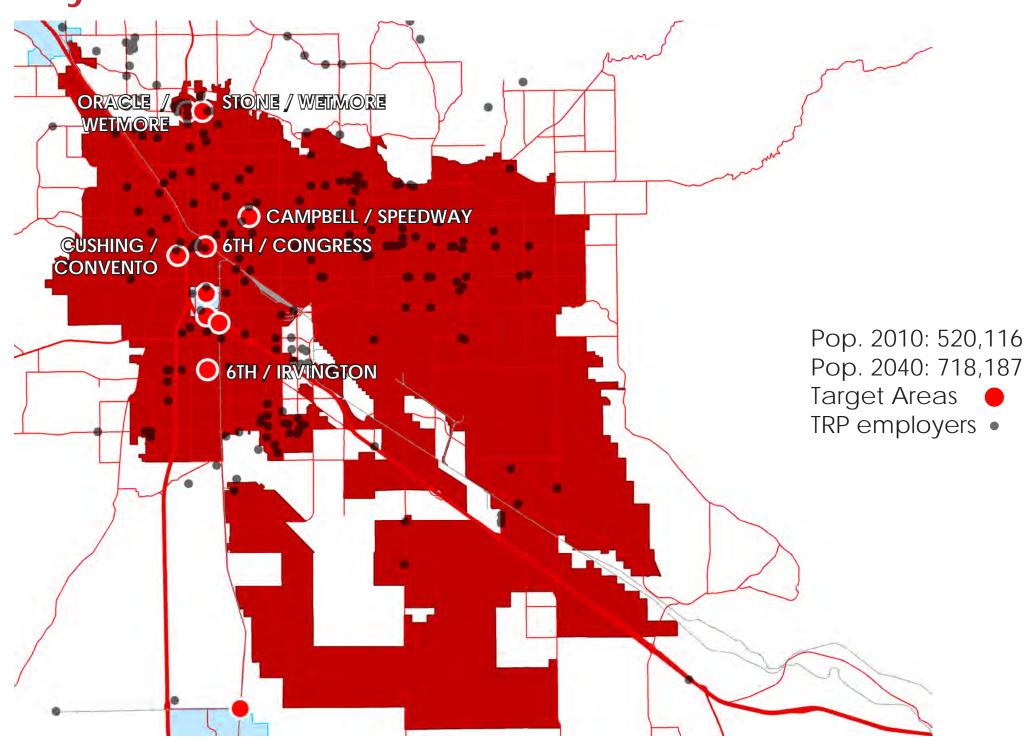
Town of Marana



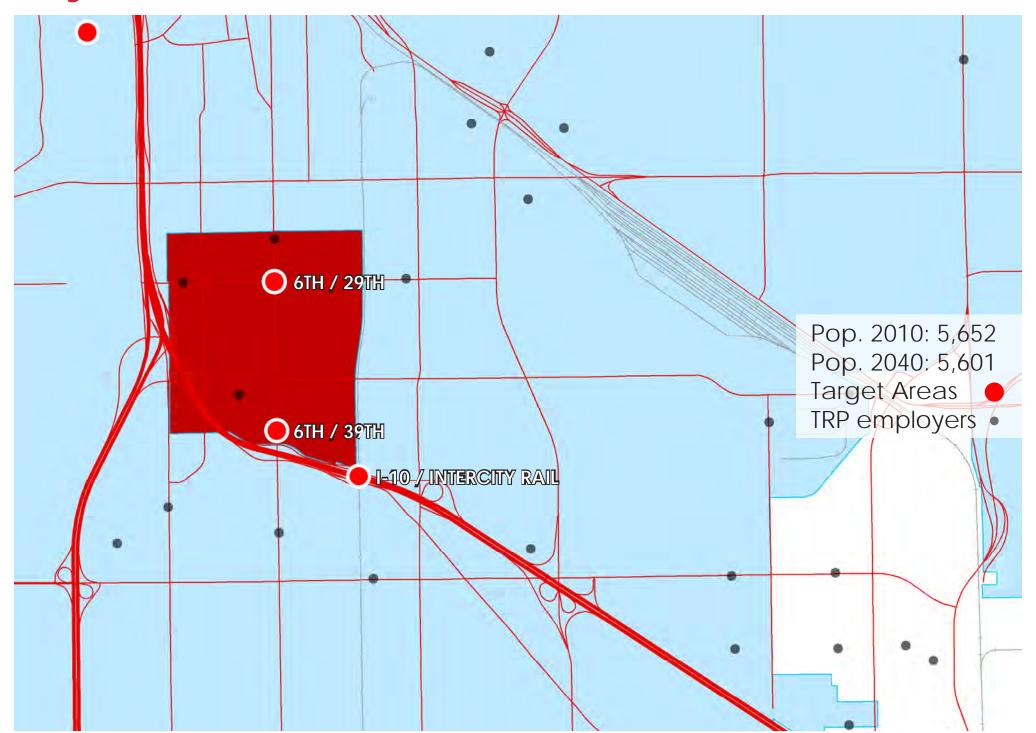
Town of Oro Valley



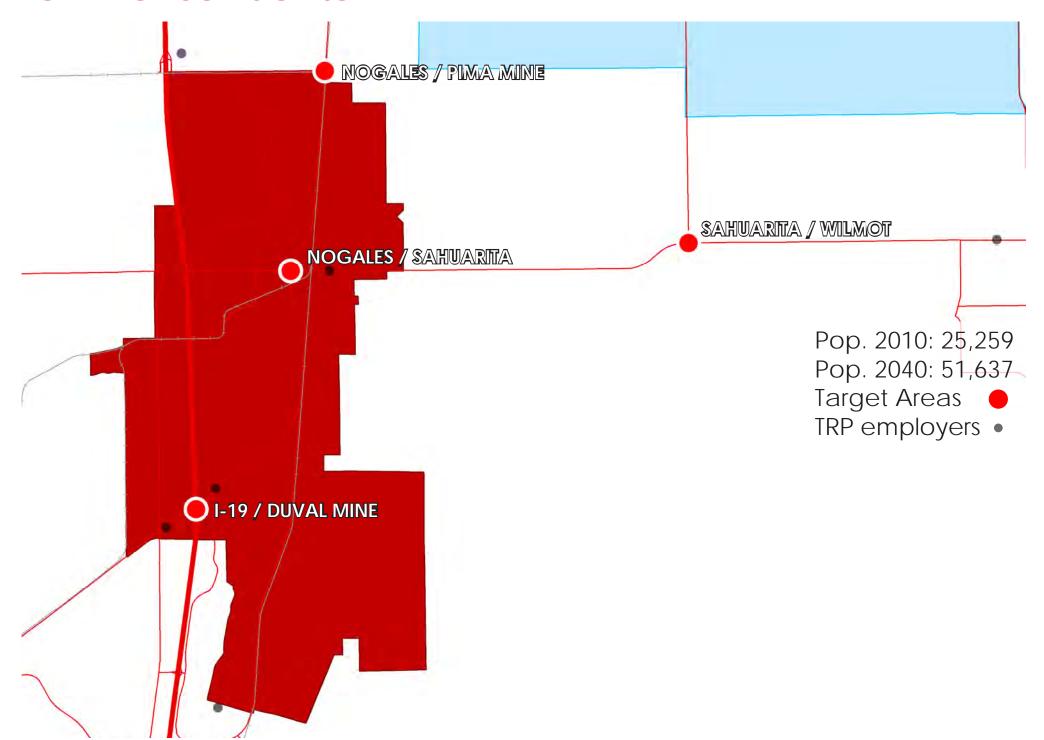
City of Tucson



City of South Tucson



Town of Sahuarita



Community Survey

Community Survey

Employees' Perceptions of:

- Housing
- Transportation
- Community

Community Survey - methodology

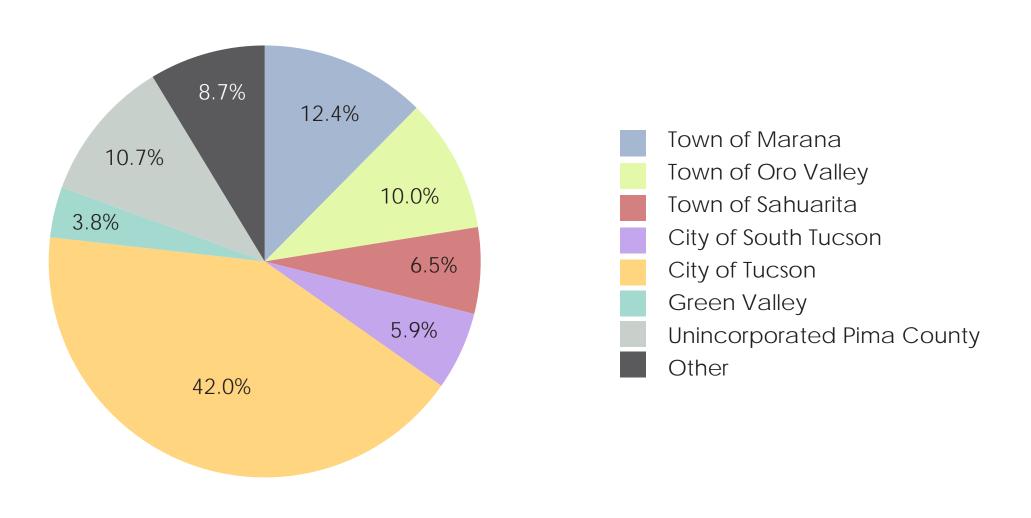
- Used PAG's 2012 Travel
 Reduction Program to identify employers
- Purposive Sample
- Goal: all employees had the opportunity to fill out
- Paper and online versions

Survey Method	Number of Respondents		
Paper Version (English)	404		
Paper Version (Spanish)	64		
Online Survey	1514		
TOTAL	1982		

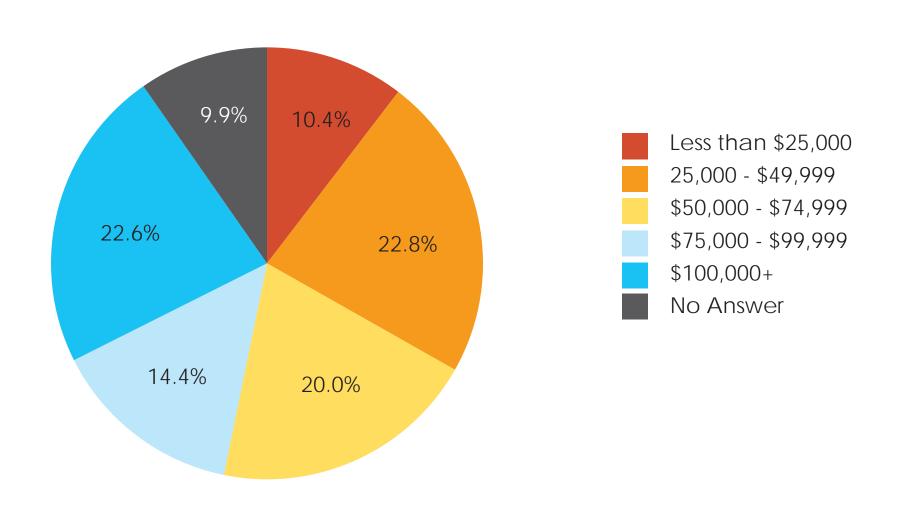
Community Survey - participating employers

PARTICIPATING EMPLOYERS BY JURISDICTION	Number of Respondents	
TOWN OF ORO VALLEY		
Canyon Del Oro High School	73	
Cross/Harelson Schools	35	
Ventana Medical Center	406	
Town of Marana		
Town of Marana	109	
Marana Unified School District	144	
CITY OF TUCSON		
City of Tucson	430	
4 th Avenue Businesses	31	
El Rio Health Center	54	
CITY OF SOUTH TUCSON		
City of South Tucson	15	
La Frontera	81	
Town of Sahuarita		
Desert Diamond Casinos	317	
La Posada	287	

WHERE RESPONDENTS LIVE

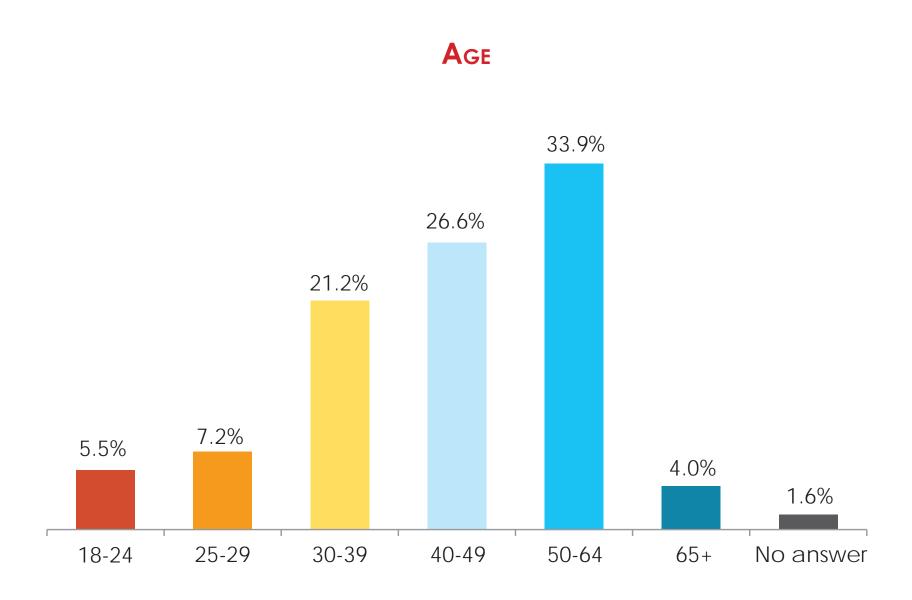


HOUSEHOLD INCOME

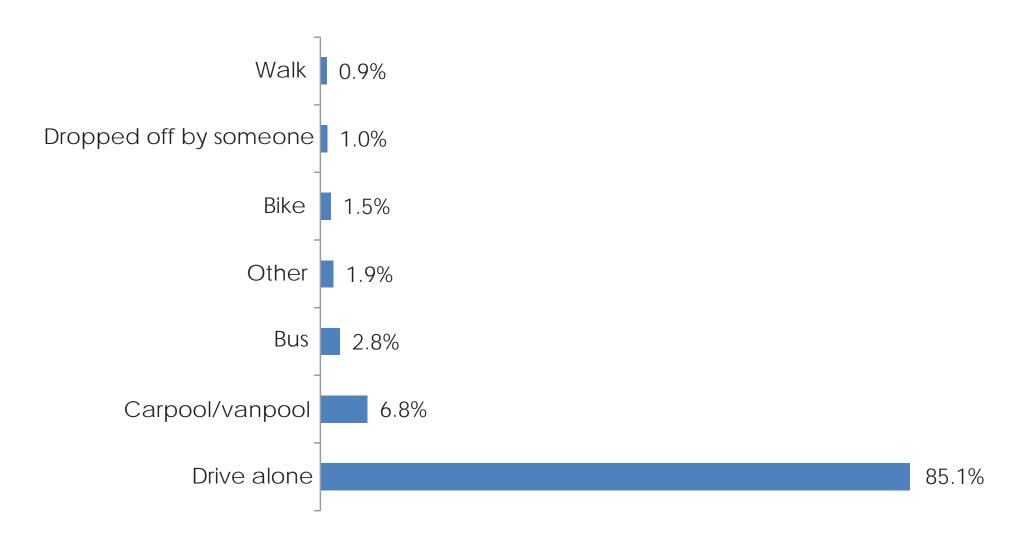


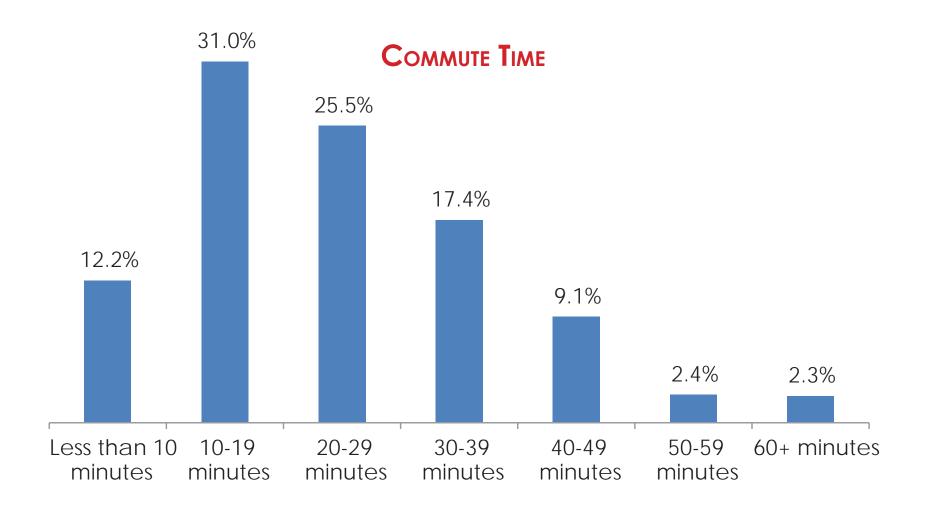
GENDER	N	PERCENT
Male	835	40.6%
Female	1132	57.4%
No Answer	44	2.3
TOTAL	1982	100%

CHILDREN UNDER 18 LIVING IN HOME	N	PERCENT
Yes	835	42.5%
No	1132	57.5%
TOTAL	1967	100%





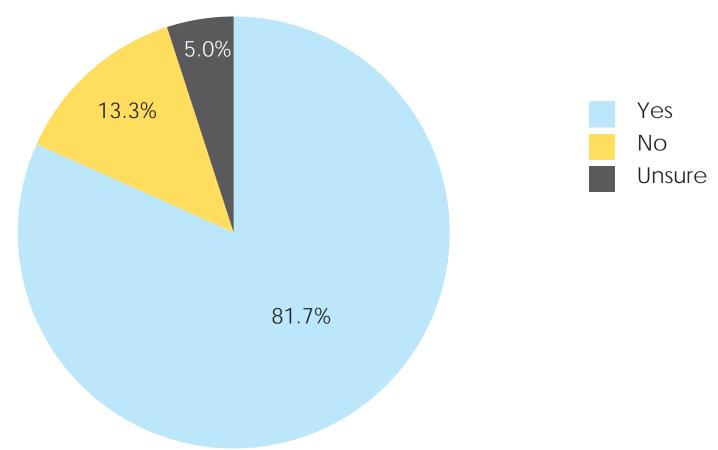




Mean = 22.79 minutes

- 93 commute more than 50 minutes
- 10 are "extreme commuters" = 90+ minutes

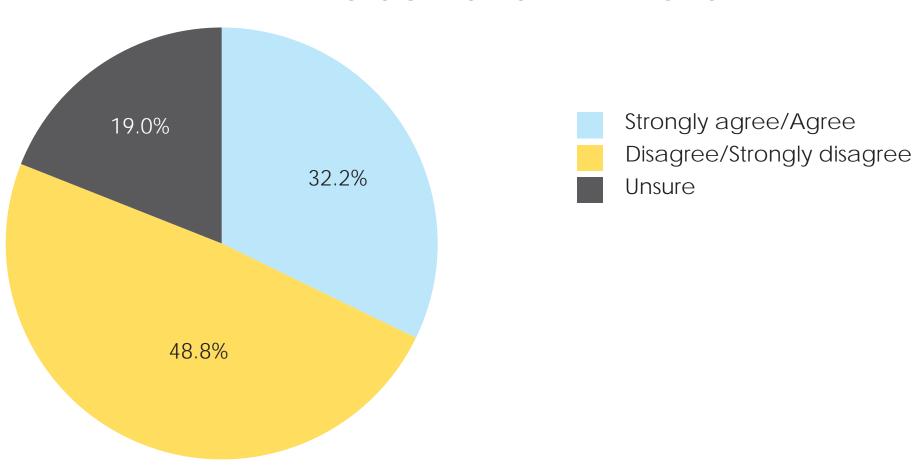




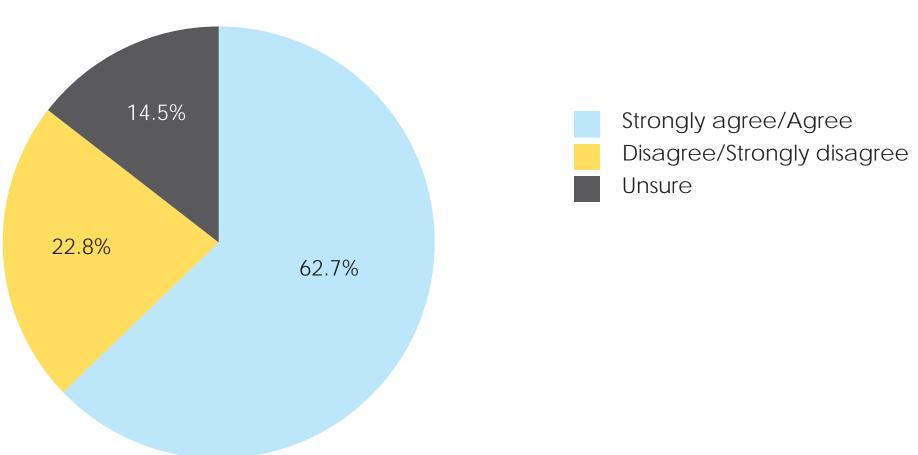
OF THOSE NOT SATISFIED: Mean commute time is 35.71 minutes

Total n=1971

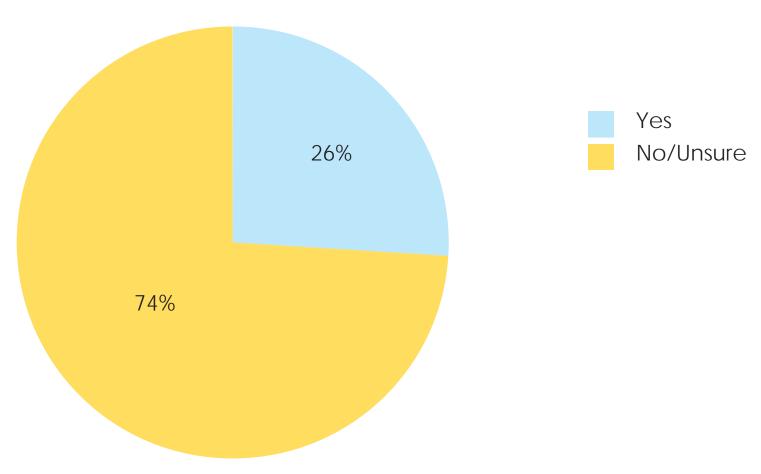




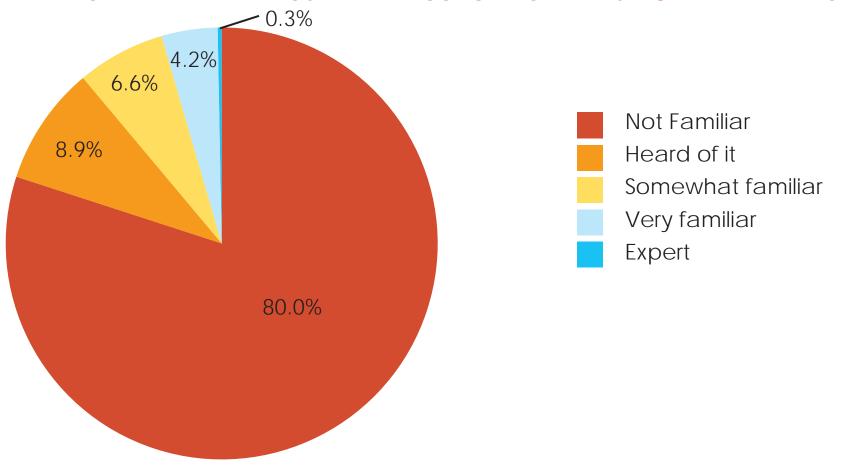
I WOULD LIKE TO SEE MORE PUBLIC TRANSPORTATION OPTIONS IN MY NEIGHBORHOOD

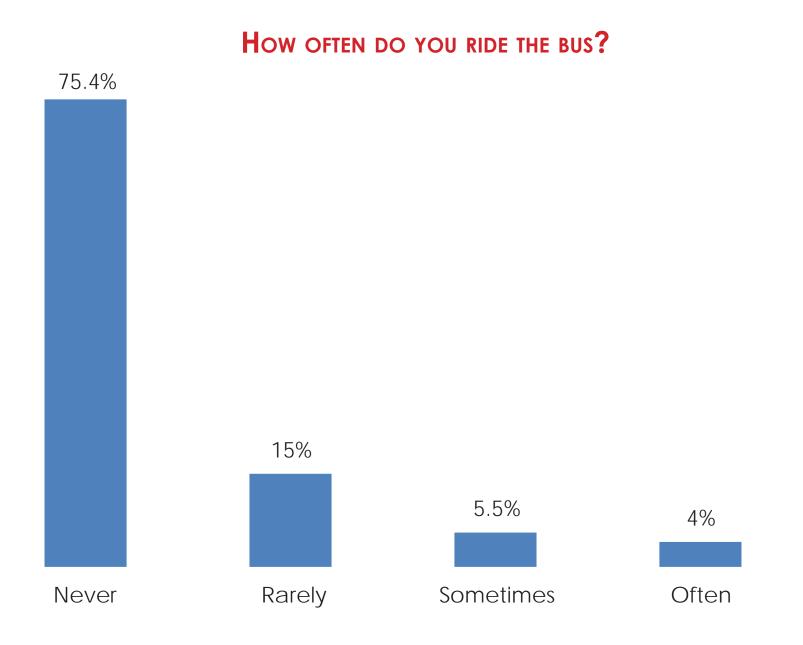


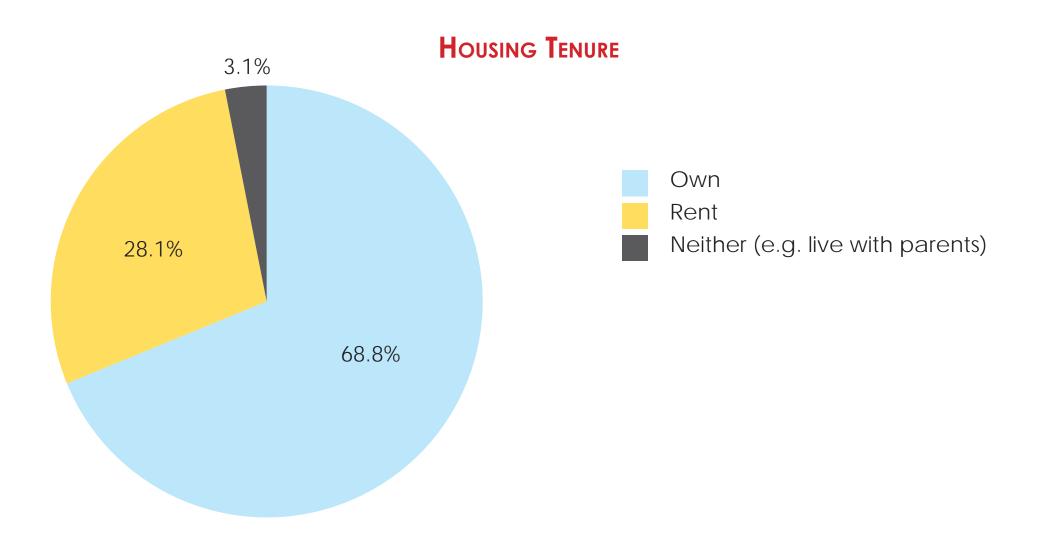




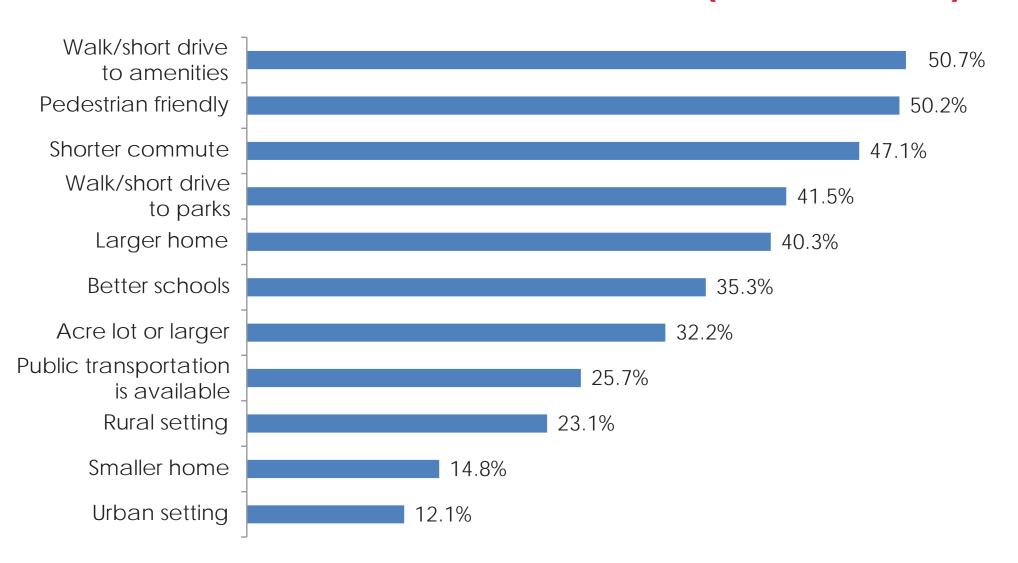
How familiar are you with the concept of Transit Oriented Development?







WHAT QUALITIES WOULD YOU LOOK FOR IN A NEW HOME? (CHECK ALL THAT APPLY)



Preferences for future home

Having children under age 18 is positively correlated with preferences for:

- better school quality
- a larger home on an acre or more
- a location away from an urban setting

Preferences for future home

Income is positively correlated with a preference for:

- better school quality
- a smaller home
- proximity to parks, shopping, and restaurants
- pedestrian-friendly neighborhood
- a home on an acre lot or more

PREFERENCES FOR FUTURE HOME

As income decreases people prefer:

- a shorter commute
- public transportation options

PREFERENCES FOR FUTURE HOME

As age increases, preferences increase for:

- a smaller home
- public transportation availability
- rural setting

Community Survey Results - conclusions

NEED FOR EDUCATION

- benefits of TOD
- PAG HCT plans
- impacts of long commute / location affordability
- SunTran system

Existing Conditions

Collected at 24 Potential HCT stops







N ORACLE ROAD + N 1ST AVENUE



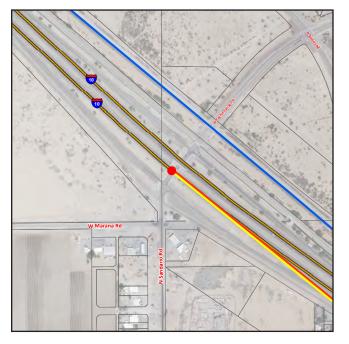
S 6[™] AVENUE + E CONGRESS STREET

Aerial

Parcels **Building Footprints** Zoning Overlays Zoning Utilities Land Use Vacant Land + Parking Parks + Open Space

Transportation Floodplain + Environmental Ownership Historic Districts + Properties Neighborhood Associations Political Boundaries

Events + Installations







I-10 + W MARANA ROAD

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S 6TH AVENUE + E CONGRESS STREET

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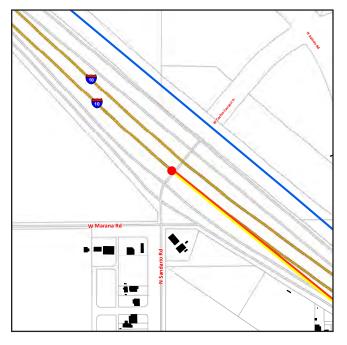
Floodplain + Environmental Ownership

Historic Districts + Properties

Neighborhood Associations

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I-10 + W MARANA ROAD

N ORACLE ROAD + N 1ST AVENUE

S 6TH AVENUE + E CONGRESS STREET

Aerial Parcels

Building Footprints

Zoning Overlays

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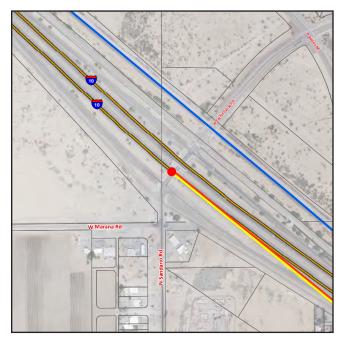
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Aerial Parcels **Building Footprints Zoning Overlays**

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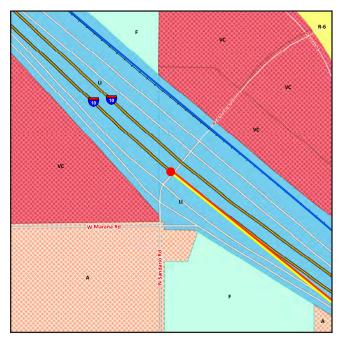
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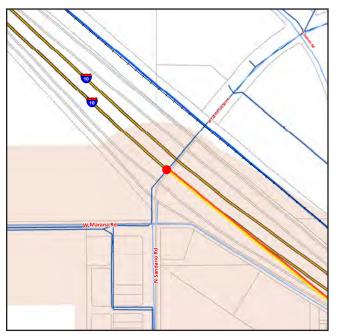
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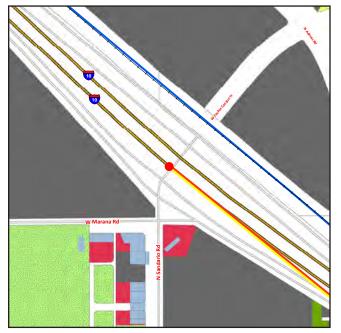
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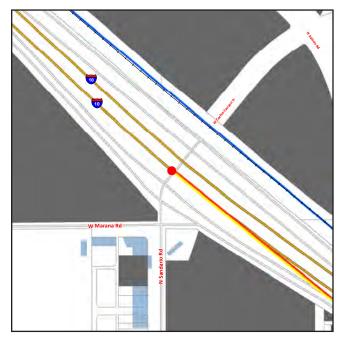
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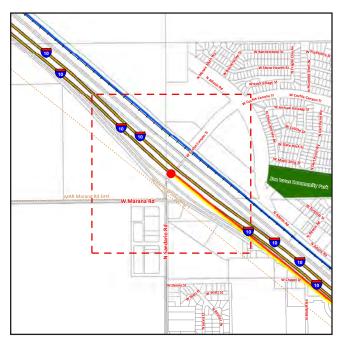
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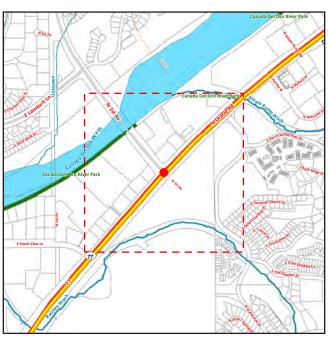
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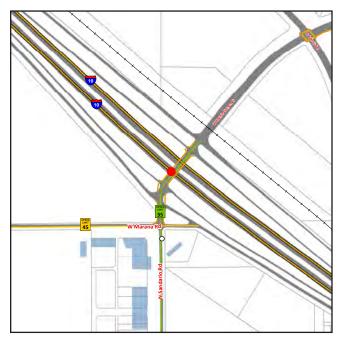


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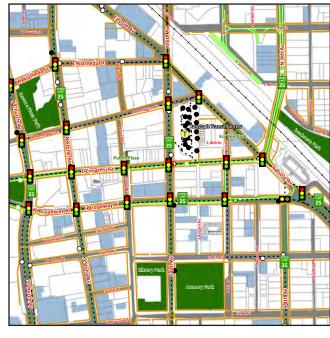
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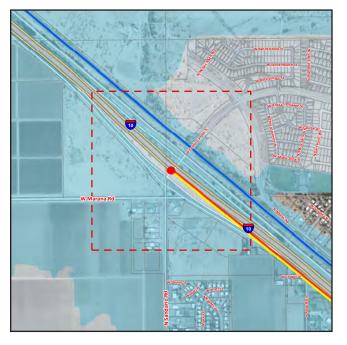
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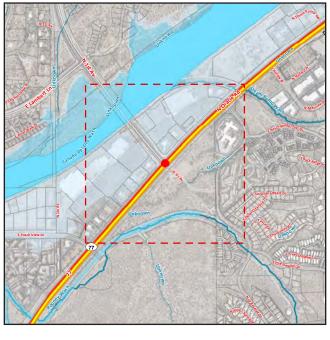
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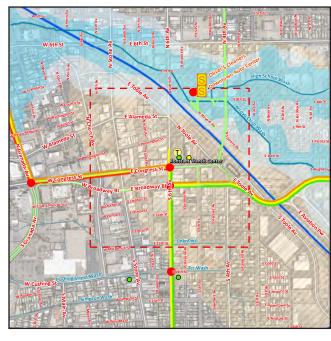
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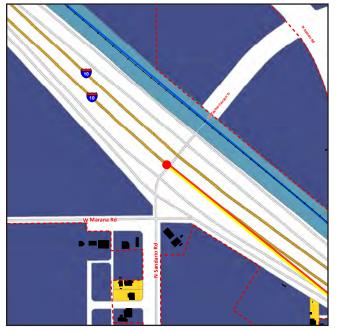
Ownership

Historic Districts + Properties

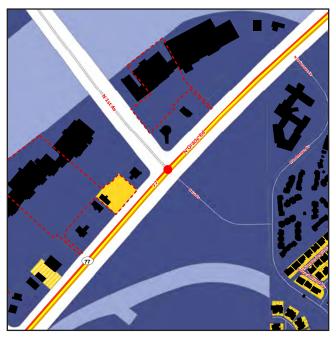
Neighborhood Associations

Political Boundaries

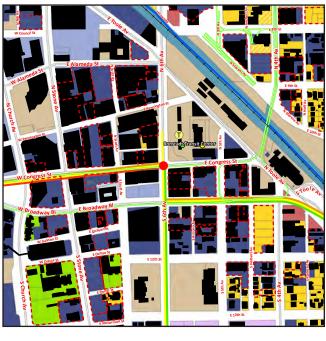
Events + Installations







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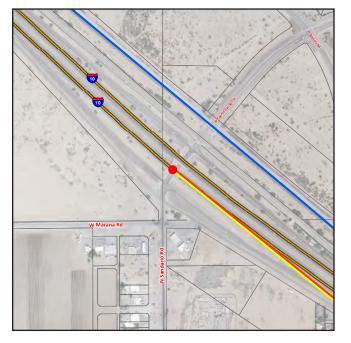


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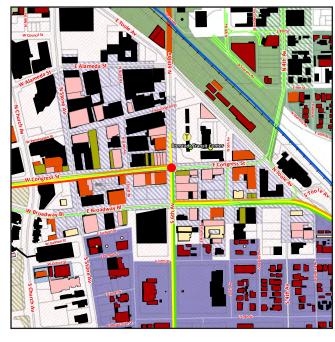
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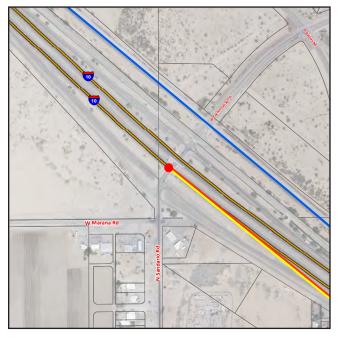
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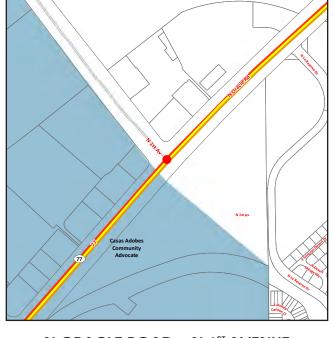
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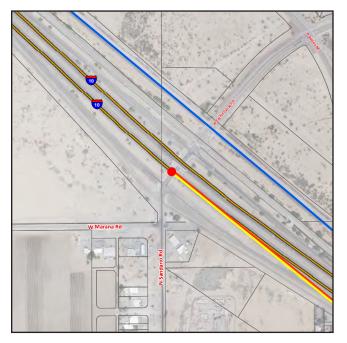


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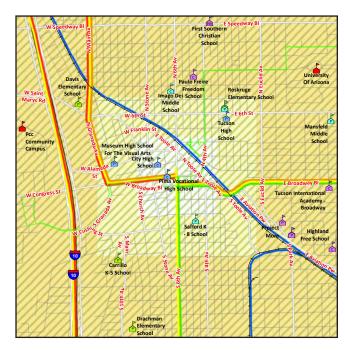
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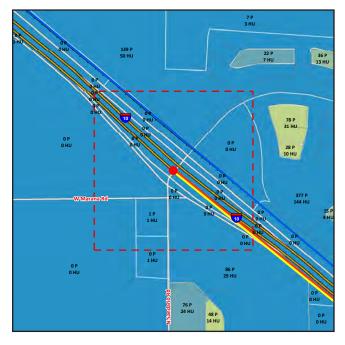


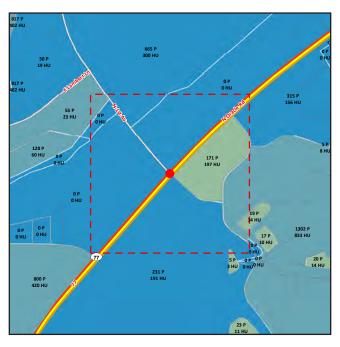
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N ORACLE ROAD + N 1ST AVENUE

S 6TH AVENUE + E CONGRESS STREET

Schools







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N ORACLE ROAD + N 1ST AVENUE

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Schools Businesses

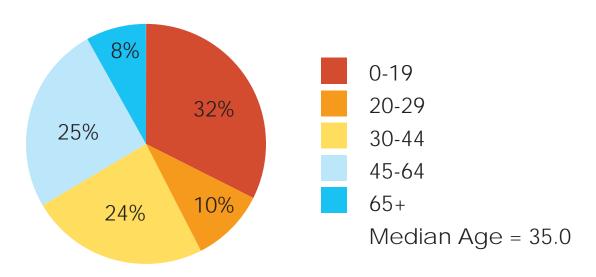
Population Density

Demographics
Housing Characteristics
Location Affordability

DEMOGRAPHICS BY TARGET AREA							
	1/4 MILE AREA	1 MILE AREA	TOWN OF MARANA				
Population (2010)	14	657	34,961				
Households (2010)	2	215	13,073				
Hispanic (%)	21.4%	22.6%	22.1%				
Median Income (2012)	\$62,500	\$60,818	\$58,845				
Projected Median Income 2017	\$84,511	\$71,466	\$66,260				

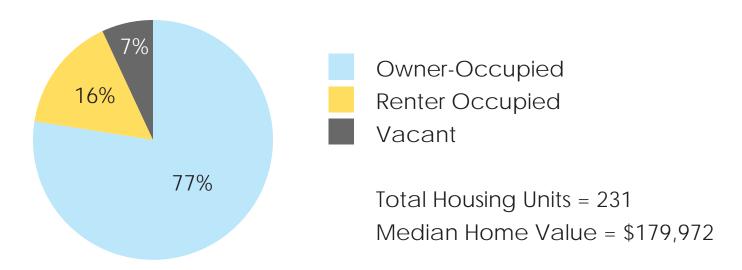
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AGE COHORTS (2010), 1 MILE AREA



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HOUSING TENURE, 1 MILE AREA

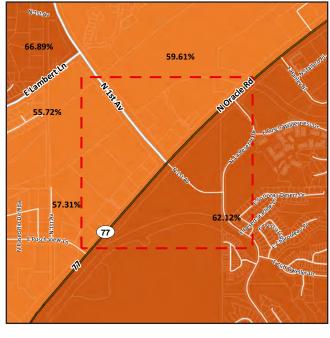


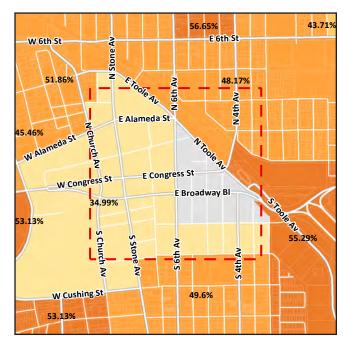
I-10 + W CORTARO ROAD

DEMOGRAPHICS & HOUSING CHARACTERISTICS BY CENSUS TRACT							
	TRACT 44.26	Tract 44.27	Tract 46.39	Tract 46.46	TOWN OF MARANA		
Total Population	2,514	8,146	3,799	4,118	34,520		
Total Housing Units	1,216	3,322	1,306	1,624	14,297		
Homeowner Vacancy Rate	0.0%	0.0%	0.0%	0.8%	3.2%		
Rental Vacancy Rate	9.6%	6.2%	5.3%	0.0%	4.4%		
Single Family Detached (%)	73.8%	97.7%	92.6%	79.9%	87.1%		
Median Home Value	\$189,100	\$204,700	\$202,800	\$170,500	\$222,200		
% of Families with Income Below Poverty Level	0.0%	2.5%	0.0%	13.4%	3.0%		
% of Homeowners Paying 30% or More of their Income on Housing	32.1%	21.9%	32.1%	45.8%	30.3%		
% of Renters Paying 30% or More on Rent	24.8%	46.4%	56.5%	68.9%	36.5%		

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I-10 + W MARANA ROAD

N ORACLE ROAD + N 1ST AVENUE

S 6[™] AVENUE + E CONGRESS STREET

bae urban economics

Market Study of Housing Demand

bae urban economics

Award-winning urban economists & real estate development advisors Focus on services for cities, counties, public agencies, and non-profits

20 person firm, founded in 1986 Offices in San Francisco, Los Angeles, Sacramento, NYC, and Washington DC

Core Services:

- Affordable & Workforce Housing
- Economic Development
- Market & Financial Feasibility
- Public-Private Transactions
- Public Financing Strategies
- Fiscal & Economic Impacts



Affordable Housing + TOD

Affordable Housing + TOD - key terms

Transit-Oriented Development

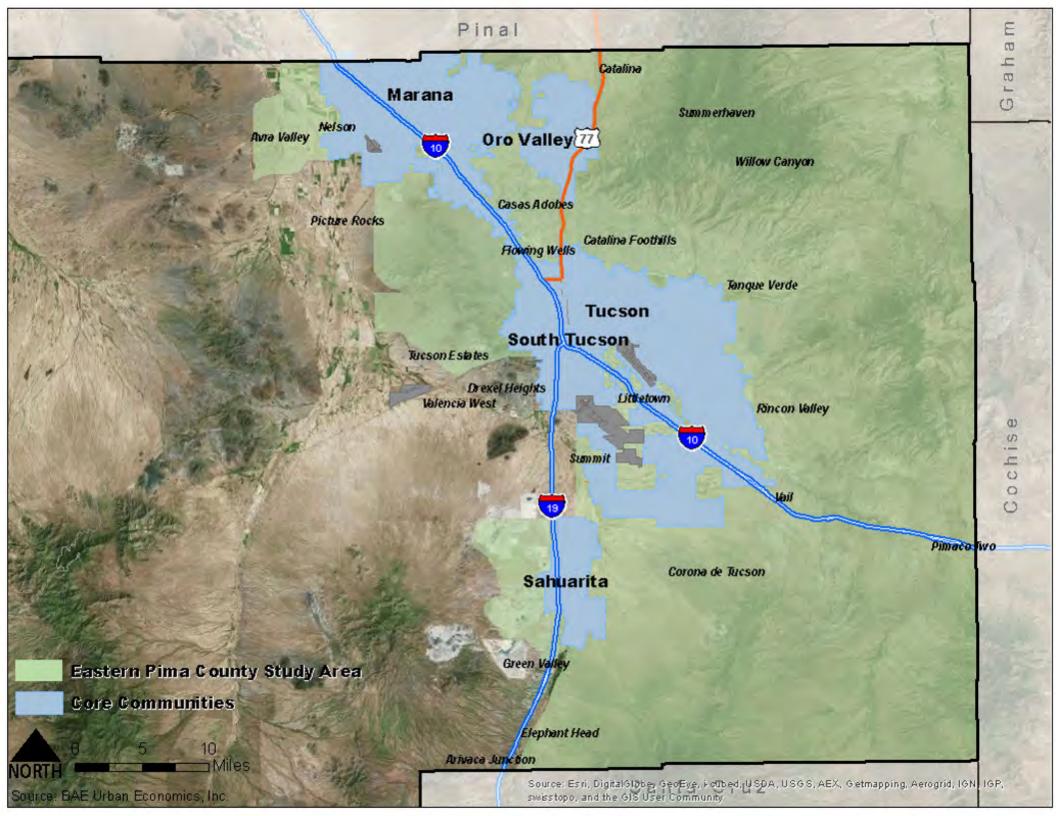
- Typically within ½-mile of transit
- Dense, often mixed-use
- Focuses development
- Value add



Affordable and Mixed-Income Housing

- Some or all units are income-restricted
- Senior affordable is common

Housing Market

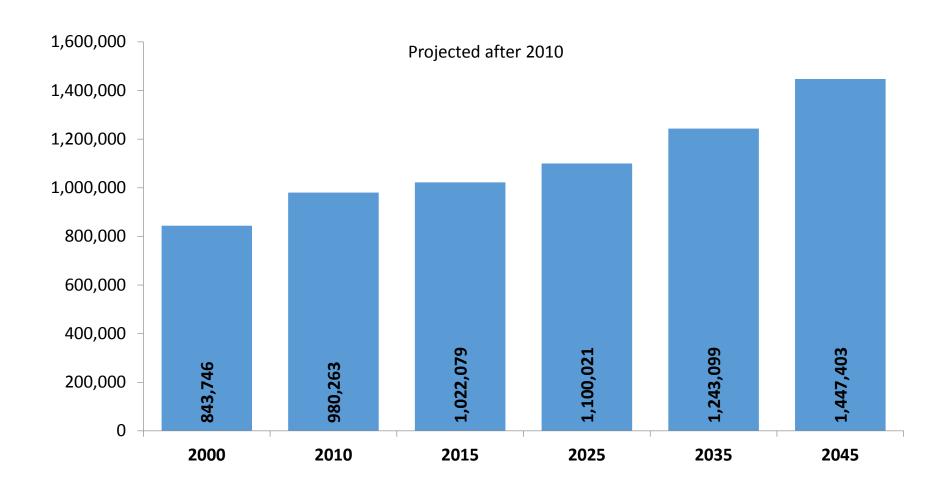


Housing Market - population overview

- 650,000 residents in Eastern Pima County population centers
- Two-thirds of households are owner-occupied
- Median household income (County) is \$44,000
- 30 percent of Eastern County workers commute between cities daily

Housing Market - trends

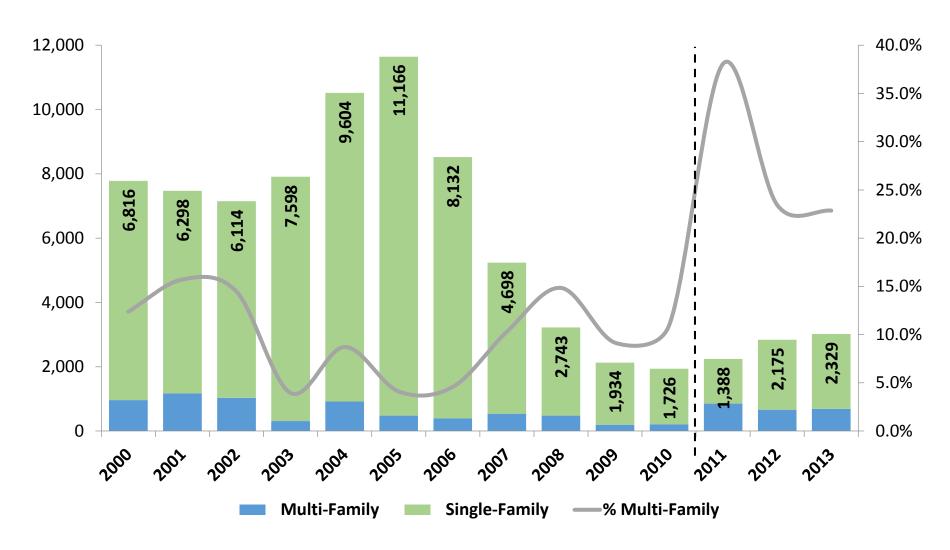
Population Growth (Pima County, 2000-2045)



Sources: US Census, 2000, 2010; ADOA, 2012; BAE, 2014.

Housing Market - trends

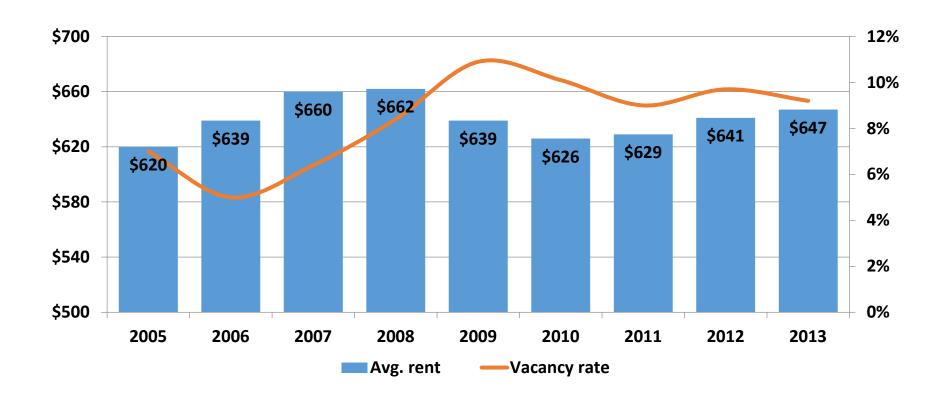
New Housing Starts (Pima County)



Sources: US Census Bureau, Building Permit Trends; BAE, 2014.

Housing Market - rental

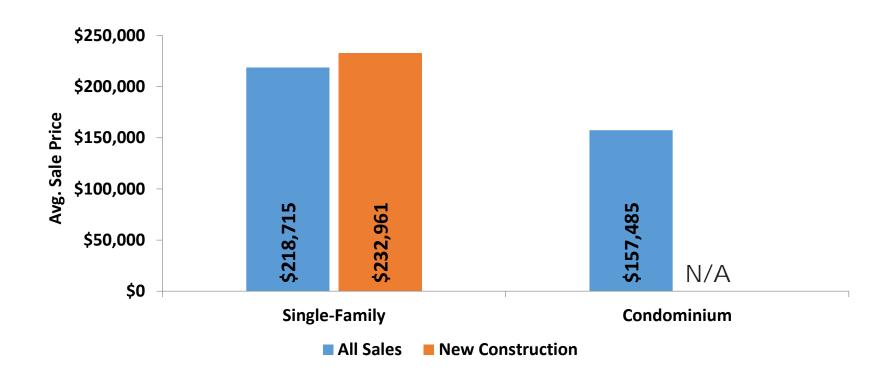
- Rents are stable and have risen since 2010
- Vacancy is high, but declining
- Positive absorption since 2010



Sources: RealFacts, 2013; BAE, 2014.

Housing Market - ownership

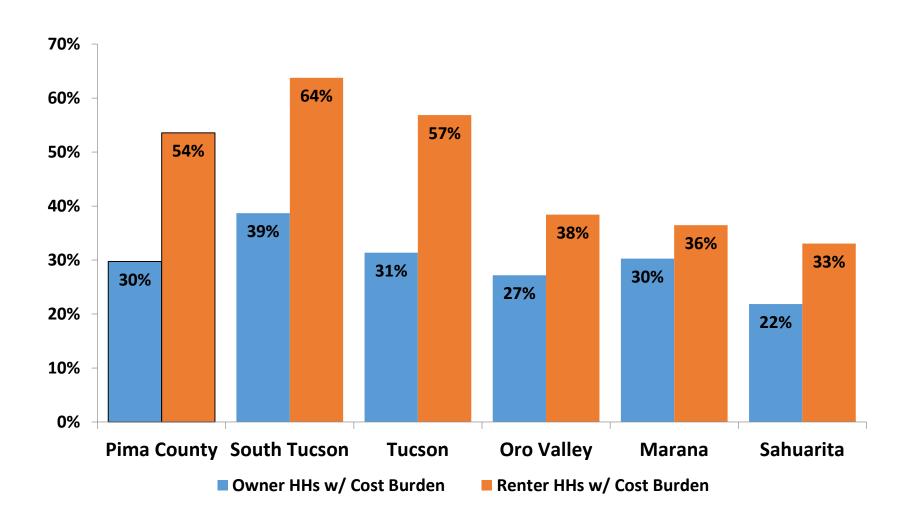
- Vacancy among owner-occupied units is relatively low
- More than 12,500 sales in 2013
- New homes are selling at a modest premium



Sources: Tucson Association of Realtors, 2013; DataQuick, BAE, 2014.

Housing Market - affordability

Housing Cost Burden (30% + of income on housing)



Sources: American Community Survey (ACS), 2008-2012; BAE, 2014.

Housing Market - key findings

- Growth has slowed since 2010, but is projected to regain pace by 2045.
- Owner households outnumber renter households, but multifamily units are making up a larger share of new housing production.
- A significant share of Pima County owner and renter households are cost-burdened.
- Three in ten Pima County workers has a regional commute; most commuters drive to work.

Demand for affordable housing development is strong.

- Many low-wage workers
- Impacts of recession/foreclosures
- Aged and distressed housing stock

strong demand

mixed-income

vertical mixed-use

transit is a plus



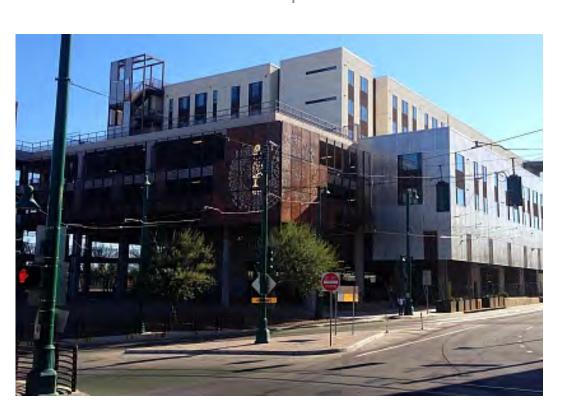
In most affordable housing developments, 100-percent of units are income-restricted.

- Most developments target 40 to 60% AMI levels
- Affordable senior housing is especially prevalent

strong demand

mixed-income

vertical mixed-use transit is a plus



Limited vertical mixed-use development

 Increasing interest in pursuing this type of development strong demand mixed-income

vertical mixed-use

transit is a plus



Transit accessibility is seen as an advantage by housing developers

- Access to jobs, neighborhood amenities, and services
- Transit access especially important for affordable housing

strong demand mixed-income vertical mixed-use

transit is a plus



Primary constraints for affordable housing development:

- Availability of funding sources
- High land costs
- Unfavorable zoning regulations
 - Density and height limits
 - Parking requirements

strong demand mixed-income vertical mixed-use transit is a plus



Transit Oriented Housing Demand

TOD Housing Demand - methodology

Baseline Estimates

- Current estimates of households by tenure, type, and income level based on Census Data (PUMS)
- TOD Demand Households (at least one of the following):
 - No car in household
 - Someone in the household takes transit to work
 - Household with more workers than cars

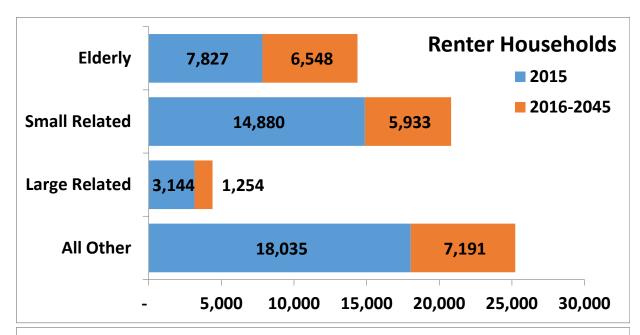
Projection

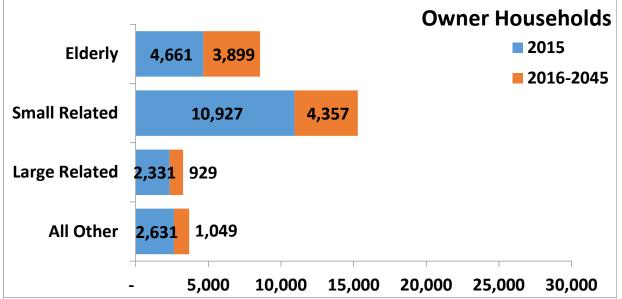
Current estimates are projected based on published ADOA
 2015 – 2045 population projections

TOD Housing Demand - 2045

30-year Demand:

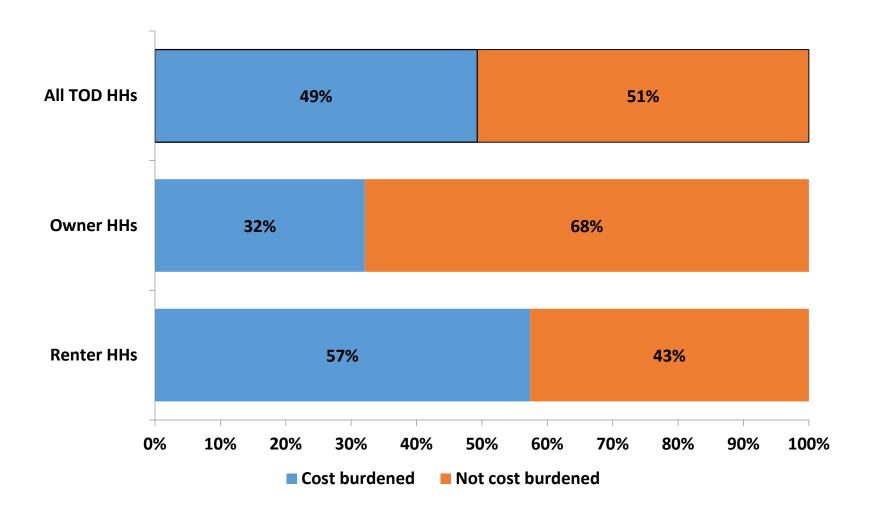
- 96,000 households
 - 65,000 today
 - + 31,000 by 2045
- Mostly renters
- 23,000 elderly





TOD Housing Demand - cost burden profile

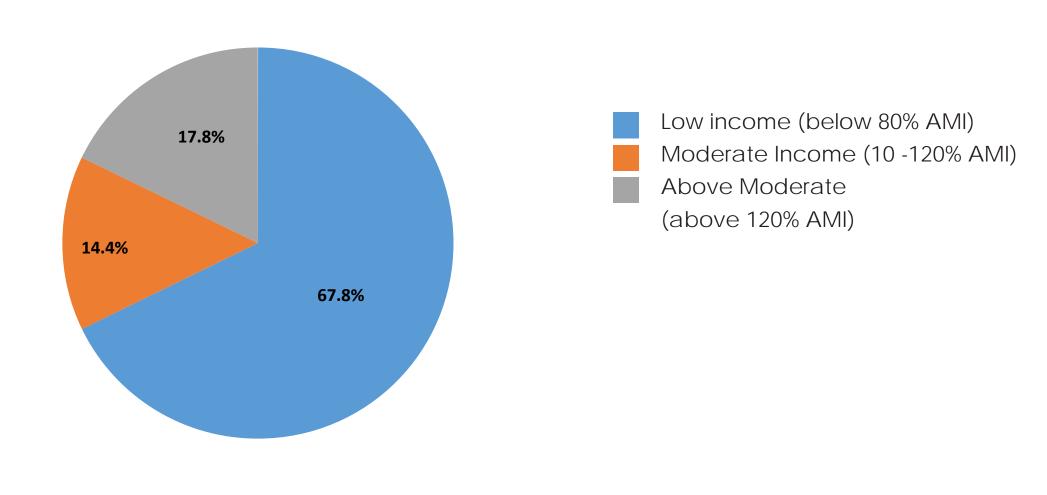
Housing Cost Burden (30% + of income on housing)



Source: ACS 2008-2012; ADOA, 2013; BAE, 2014.

TOD Housing Demand - income profile

TOD DEMAND HOUSEHOLD INCOME LEVELS - PERCENT OF AREA MEDIAN INCOME (AMI)



Source: ACS 2008-2012; ADOA, 2013; BAE, 2014.

TOD Housing Demand - market affordability (rental)

- Average rents from \$437 (studio) to \$1,310 (4-bedrm.)
- Low income households can afford \$299 to \$1,320, depending on household size
- 60 to 80% of TOD renter households cannot afford apartments at the market rate

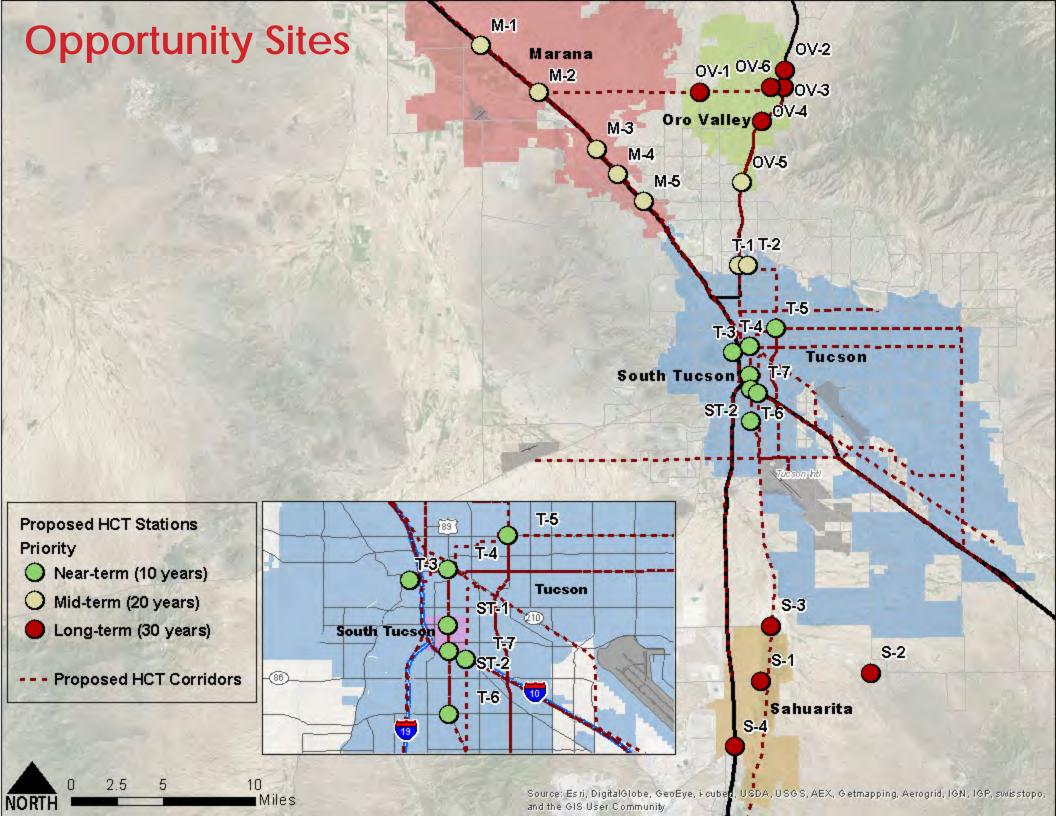
TOD Housing Demand - market affordability (for-sale)

- Low income households can afford \$50,000 to \$190,000 for a home, depending on household size
- One-third of market rate homes are not affordable to a lowincome family of four
- Nearly half of all new affordable homes sold over 30 years would have to be built at TOD sites to meet demand

TOD Housing Demand - key findings

- 96,000 households will seek TOD housing by 2045
- Renters account for two-thirds of TOD demand households
- Elderly households account for 25% of TOD housing demand
- Low-income households account for 75% of renter TOD demand and nearly half of owner TOD demand households
- 60 to 80% of renter households cannot afford to rent at or above the market rate

- 24 proposed HCT Station Areas considered
- Priority ranking criteria:
 - housing cost burden
 - rental market availability
 - employment access
 - transit options
 - existing ridership





RONSTADT TRANSIT CENTER

- Score: 6
- Served by 5 HCT lines
- Access to 64,000 + jobs



SPEEDWAY + CAMPBELL

- Score: 6
- 5.7 % rental vacancy rate
- 45% of households are cost burdened
- (note adjacency to Univ. of Arizona)



MERCADO STREETCAR STOP

- Score: 7
- Access to 40,000 jobs
- 42% of households are cost burdened



S 6TH AVENUE + 29TH STREET

- Score: 7
- Access to 40,000 jobs
- Served by 2 HCT lines
- 11% of residents use transit



S 6TH AVENUE + 39TH STREET

- Score: 7
- Served by 3 HCT lines
- Access to 50,000 jobs
- 13% of residents use transit



I-10 AT INTERCITY RAIL

- Score: 8
- Served by 2 HCT lines
- 46% of households are cost burdened
- 11% of residents use transit



ROY LAOS TRANSIT STOP

- Score: 8
- More than 50% of households are cost burdened
- Access to 40,000 jobs

Focus housing resources to support affordable rental housing.

affordable rental housing

publicly-owned land

regulate for housing

near-term TOD sites

development strategy



Assess the availability of publicly owned land to support affordable housing development.

affordable rental housing

publicly-owned land

regulate for housing

near-term TOD sites

development strategy



Review zoning, parking, and other regulations for opportunities to support affordable housing development.

affordable rental housing publicly-owned land regulate for housing near-term TOD sites

development strategy



Prioritize "near-term" TOD development sites for dense, multifamily affordable housing.

affordable rental housing publicly-owned land regulate for housing near-term TOD sites development strategy



Evaluate development potential for specific sites to develop an affordable TOD housing development strategy.

affordable rental housing publicly-owned land regulate for housing near-term TOD sites

development strategy





http://capla.arizona.edu/community-outreach-partnership-center-copc-0

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http://www.bael.com