



# Housing in Centers and Near Transit

## Objective

Encourage more housing in centers and near transit that is affordable to a range of incomes.

## WHAT ARE CENTERS AND TRANSIT STATION AREAS?

[Regional growth centers](#), local centers, and the areas surrounding high-capacity transit stations are mixed-use areas intended to offer a diverse collection of services, mobility options, housing, and jobs for the region's residents. The region's transit network connects these central places and increases access to services and jobs for residents throughout the region. They are focal points of vibrant city life and activity, as well as strategic locations for accommodating a significant share of future population and employment growth. Smaller cities may have one center, such as a downtown core, while larger cities may have multiple unique centers.

## WHY IS IT IMPORTANT TO PLAN FOR HOUSING IN CENTERS AND NEAR TRANSIT?

Growth in compact urban communities, especially near transit stations, can lead to a range of substantial social, environmental, and health benefits. As the transit network expands, more of the region's centers and jurisdictions will have an opportunity to transform from auto-oriented areas with separated land uses to compact, mixed-use, and walkable neighborhoods. Encouraging more jobs and residential growth within walking distance of transit promotes the use of the region's transit systems and supports better access to jobs and housing across the region.

## RELATED TOOLS

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- [Commercial linkage fees](#)
- [Community engagement plans](#)
- [Credit enhancement](#)
- [Density bonuses](#)
- [Design guidelines](#)
- [Development agreements](#)
- [Direct household assistance](#)
- [Fee waivers and reductions](#)
- [Form based zoning](#)
- [Incentive zoning](#)
- [Inclusionary zoning](#)
- [Infill Development](#)
- [Interjurisdictional cooperation](#)
- [Local housing fund](#)
- [MFTE](#)
- [Microunits](#)
- [Minimum densities](#)
- [Mixed use development](#)
- [Multifamily development](#)
- [No maximum densities](#)
- [Nonprofit partnerships](#)
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- [Preservation and rehabilitation](#)
- [Public land for affordable housing](#)
- [Regulatory streamlining](#)
- [Specialized housing training for permitting officials](#)
- [Strategies to address NIMBY reactions](#)
- [TDR for affordable housing](#)
- [TOD overlays](#)
- [Townhomes](#)
- [Upzones and rezones](#)



Housing should be a key consideration in any jurisdiction's plan for centers and transit station areas. Promoting residential development in centers and near transit stations can help jurisdictions meet several housing and related planning goals. Allowing for multifamily and mixed used development can diversify housing stock, as well as accommodate growth. Workforce housing options in these areas allow people who work in the community to live near their jobs.

By providing greater access to transit, centers have the potential to greatly decrease the burden to households of combined housing and transportation costs and provide quality access for transit-dependent populations. Central living can reduce transportation costs and improve access to employment, amenities, and services, which may remove key barriers to affordability for many households. As these areas develop, affordable housing choices may be threatened by redevelopment, rising land costs or [displacement](#) of existing residents. PSRC's [Growing Transit Communities Strategy](#) supports the goal of no net loss of affordable units in transit station areas. Adopting incentives or requirements for affordability in new units and planning for [preservation](#) of existing affordable multifamily units ensures that growing neighborhoods continue to provide housing options for all residents.

## WHICH COMMUNITIES SHOULD CONSIDER PLANNING FOR HOUSING IN CENTERS AND NEAR TRANSIT?

All jurisdictions should plan for housing in their centers and transit areas. Housing is essential to a center's success as a dynamic urban place, supplying the residential base to support local restaurants, shops and other amenities. Cities can also effectively address affordable workforce and lifecycle housing needs through residential development in centers.

Cities with existing or planned high-capacity transit, light rail, streetcar, commuter rail, ferry, and bus rapid transit are prime areas for housing. These areas provide connections to jobs and services throughout the region.

Cities seeking new or expanded transit service should also be planning for housing. Planning for housing near transit can increase residential densities and mixed-use options, provide more housing choices and stimulate neighborhood centers.

Affordable housing should be considered in any housing plans for these areas. Communities with any of the following issues should especially consider encouraging affordable housing in centers and near transit stations:

- Shortage of homes affordable to moderate- and middle-income homebuyers
- Significant numbers of households paying more than 30% of income for housing
- Relatively low supply of rentals at fair market rents
- Rapidly increasing home prices and rents in the community
- Risk of increased housing costs and displacement of future residents based on changing or future neighborhood conditions



## WHAT ARE SOME STRATEGIES TO PROMOTE HOUSING OPTIONS AND AFFORDABILITY IN CENTERS AND NEAR TRANSIT?

Dense, high-growth areas can particularly benefit from market-based housing incentives and tools, like [inclusionary zoning](#), [multifamily tax exemptions](#), [density bonuses](#), [parking reductions](#), and [incentive zoning](#).

Adopting tools aimed at long-term [preservation](#) of affordable multifamily units and addressing [displacement](#) are also key to promote affordability in centers and near transit.

## WHAT DO I NEED TO KNOW TO GET STARTED PLANNING FOR HOUSING IN CENTERS AND NEAR TRANSIT?

Crafting a strategic subarea plan builds the platform for coordinating housing goals and strategies. Consider the role the center has and will have in the city's and region's development. Affordable housing goals, as a component of overall housing goals, should be set to match local need. Once goals are established, a combination of regulatory and other tools can be selected to implement and support those goals.

Communities should consider the following while preparing or updating plans to increase housing options in centers and transit station areas, including affordable housing:

### **Housing vision and goals**

What are the community housing needs and gaps? What mix of housing will help fill the needs (e.g., rental, ownership)? What are the target affordability levels (e.g., less than 50% of AMI, less than 80% of AMI, 80% of AMI or greater)?

### **Demographics**

Who lives in the urban center, transit station, and broader community? What demographic changes are expected that will affect the housing market (e.g., aging baby boomers, Millennials and Gen Z, household size), and how can the area and regulations provide housing choices that fit future lifecycle housing needs? The [Housing Element Guide](#) provides data sources and methods to assess the needs of different households. Engagement of both current and potential community members can help cities better understand housing needs.

### **Density**

What is the as-built density of the urban center or transit station area? How does it compare to planned densities? How much capacity does the area have under current zoning? Is the market responding to planned densities? Are there other ways to meet density objectives and allow flexibility (e.g., floor area ratios, [form-based codes](#), and [no maximum densities](#))? Citywide density information can be found in buildable lands reports prepared every five years or calculated from assessor data and the zoning code. Density can be difficult to visualize without examples. Calculating the density of attractive and attainable on-the-ground examples may improve understanding and guide density requirements in the development code. PSRC has information available on [transit-supportive densities](#) to maximize the development potential near transit.



### **Building heights**

What are current building heights? What are planned building heights? Are developments achieving the desired building form (e.g., bulk or under-building parking)? Are there barriers to achieving the desired scale (e.g., conditional height limits, parking requirements or use restrictions)? Reviewing the current development codes can help planners with these questions.

### **Infrastructure investment**

Have transportation, water, sewer, parks and recreation, cultural facilities and other capital investments been made to support housing investment and development capacity? What levels of growth can existing and planned infrastructure support? What additional infrastructure investments may be needed? Regular capital facility planning through comprehensive plans and budgeting allows for monitoring of infrastructure investments.

### **Development interest**

Will the current housing market support the proposed development pattern? What additional measures need to be in place to support or incentivize the planned development? How can housing development be phased to achieve the desired results? Where little development has occurred, market feasibility information can be useful to determine the relationship of development standards to current and future market conditions, and where land costs or rental prices will support the desired form of development.

### **Land availability and cost**

In many areas where TOD is being considered, land for development may be at a premium, in quantity, cost, or both. Expensive land makes affordable housing more difficult to provide and maintain. Cities can provide incentives and exemptions that offset these costs. See tools listed under [Provide Housing Options in Expensive Markets](#) for more details.

### **Balancing housing and jobs**

Completing a market analysis and understanding the forecast of both employment and population can help local governments consider the best mix of land use and development regulations to absorb the growth. Demonstrating how housing near jobs supports employment centers and businesses with workers and customers is also important. There may be disagreement over the balance of employment and housing in particular areas. There may be worries that housing will push out prime locations for retail, offices, and industry.

### **Retaining existing residents and leveraging growth to provide more affordable housing choices**

Revitalizing and infusing new life into formerly underinvested areas can increase the values of neighboring properties and raise the costs of once affordable units or place them at risk of redevelopment. Ensuring that measures are in place to create dedicated affordable housing, preserve affordable units over the long-term, and prevent displacement can offset this effect and can leverage growth to benefit all residents regardless of income. Preserving existing businesses and other valued neighborhood institutions is important as well. Balancing revitalization efforts with mitigating gentrification can be a complex task; utilizing [community engagement plans](#) and [nonprofit partnerships](#) can help to bring in the appropriate stakeholders to tackle these issues. See also the [Displacement objective](#).



## Stakeholder input and engagement

What key stakeholders and interest groups should be at the table to discuss current and needed housing options? How can stakeholder input shape plans or regulations to achieve the vision and goals?

Housing advocates, developers, builders, and residents should be involved in the development and review of subarea plans. They can help planners course-correct plans and regulations periodically to make them more successful in attracting additional housing options including affordable housing. Community members, landowners, and developers will be interested in the changes in policies related to density, mixed uses, and development standards. Transit agencies should also be involved in the planning and implementation processes in areas near transit stations.

Urban centers are likely to receive a great amount of attention in the land use planning process and infrastructure investment over time. Some may question whether other areas of a community should receive a similar amount of focus or investment. Using the comprehensive plan and development process as stages for open public input can aid implementation and demonstrate how all neighborhoods are part of the community’s vision. Neighborhood-level planning or resource offices can help orient resources in more areas with localized expertise.

See the objective on [building community support](#) and [strategies to address NIMBYs](#) for more information on developing effective strategies to involve and educate stakeholders and residents.

