Cultivating the Commons: Building Equitable and Resilient Transit Communities at Scale

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KEYWORDS: affordable housing, complete communities, equitable TOD, urban design, community infrastructure, anti-displacement, interdisciplinary design education

Washington State’s Puget Sound Region has a shortfall of over 156,000 housing units yielding the nation’s third largest population of people experiencing homelessness. At the same time, the region is investing $56 billion in light rail and bus rapid transit with over seventy stations scheduled to open between now and 2041. This offers an historic opportunity to leverage public transit to build complete, equitable and resilient communities at scale in response to a worsening housing affordability crisis and growing impacts of climate change. However, this will not happen without community intervention.

Sound Communities is a volunteer group of civic leaders from the public, private, non-profit, and academic sectors, including architecture and real estate faculty from the University of Washington College of Built Environments (UW CBE) focused on leveraging this transit investment to address the region’s housing and climate crises at scale by building complete, equitable and resilient communities at planned station areas. The group is working with elected leaders, city staff, technical advisors, and community stakeholders from multiple jurisdictions in designing and advocating for an entity, the Housing Benefits District (HBD), that will help to ensure that all the region’s residents prosper from its transit investment and economic growth.

INTRODUCTION

Multiple regions around the country are experiencing a crisis of the commons in which growing populations are less able to benefit from public investment and share in economic prosperity. While the forces behind these conditions are complex, they are due in large measure to regional housing production, and permanently affordable housing development in particular, failing to keep pace with job and population growth.

The consequences of this are threefold. First, increasing numbers of households are being burdened by rising housing costs and incurring material hardship including access to food, transportation, healthcare, and education. Second, rising housing costs are displacing many of these households from established, high opportunity neighborhoods with access to employment, services and publicly funded transit, education, and recreational opportunities to lower density, auto dependent locations with limited access to these opportunities and much higher transportation costs. This, in turn, yields increased carbon emissions and its impact on climate change resulting from expanded reliance on the automobile. Third, the disparity between population growth and housing production is a key factor in the significant per capita populations of people experiencing homelessness in these regions.

This paper will discuss a strategy designed to address these intertwined social equity and climate crises in a region being severely impacted by them. It will outline a proposal for a new municipal framework and suite of supporting tools that operate at the scale of the problem by leveraging iterative systems design thinking, collaboration between the academy and public, private, and private non-profit partners and broad community engagement to build coalitions of support.

REGIONAL CONTEXT

The Puget Sound region is increasingly burdened by the challenges outlined above. Located near the northwest corner of Washington State, it is centered on Puget Sound and framed by the Olympic Mountain Range to the west and the Cascade Mountain Range to the east. The region consists of four counties with King County being the largest followed by Pierce to the south, Snohomish to the north and Kitsap across Puget Sound to the west. The region includes seventy-three independent jurisdictions and four major cities with Seattle being the largest followed by Pierce to the south, Snohomish to the north and Kitsap across Puget Sound to the west. The region includes seventy-three independent jurisdictions and four major cities with Seattle being the largest followed by Tacoma to the south, Everett to the north and Bellevue to the east.

Unlike many other fast-growing areas of the country, the Puget Sound region must grow by becoming denser rather than sprawling. This is due to two conditions. First, the region’s mountainous and water laden geography make outward growth particularly challenging from both a mobility and development perspective. Second, and more importantly, the region is legally bound by the Washington State Growth Management Act
(GMA).\(^5\) Implemented in 1990, the GMA requires jurisdictions to accommodate new residents through their comprehensive plans, which assume a twenty-year growth horizon and must be updated every eight years. While this provides the benefits of reducing carbon emission inducing sprawl and the municipal expense of ever-expanding transportation and utility infrastructure, it also limits the quantity of developable land within the regional boundary driving land costs up.

**INTERTWINED CRISIS**

The Central Puget Sound Region has ranked among the fastest growing over the last decade as a burgeoning tech industry has provided high paying jobs within the sector and fueled related employment outside it as well.\(^6\) While the region has built an impressive amount of housing during this time, it has failed to keep pace with population growth. Between 2011 and 2016 the number of jobs in the region increased by eighteen percent while the number of housing units increased by only 8%.\(^7\) As a result, the Puget Sound Regional Council (PSRC) estimates that the region has a current shortfall of 46,000 housing units.\(^8\) However, the Regional Affordable Housing Task Force (RAHTF), using different metrics, provides a more sobering estimate. The RAHTF sought to determine the number of housing units and the level of affordability required to ensure that no household in King County would be burdened by housing costs, defined as devoting more than 30% of its income to housing. They determined that 156,000 housing units at 80% of area median income (AMI) and below would be required to meet this goal in 2019 and that this number will climb to 244,000 units by 2040 given the steady rise in housing costs.\(^9\)

A consequence of the region’s inadequate production of both market rate and permanently affordable housing is that the Puget Sound region, the country’s twelfth largest by population, includes the nation’s third largest population of people experiencing homelessness.\(^10\) These conditions disproportionately impact people of color as Indigenous and Black households are twice as likely as white households to be severely burdened by housing costs (devoting more than 50% of one’s income to housing).\(^11\) An additional consequence is the impact on climate change. As housing costs rise in well-established urban areas, many residents are displaced to less expensive outlying areas with reduced access to these opportunities and greater reliance on the automobile. This increases both transportation time and costs for these households as well as their carbon emissions as automobile usage is the single largest contributor to carbon emissions in the region.\(^12\)

As daunting as these intertwined crises are today, they will only worsen without swift and bold action at scale. The PSRC projects that the region, with a population of 4.2 million in 2019, will gain 1.8 million new residents, or almost two and a half cities the size of Seattle, by 2050. The PSRC further projects that this will require the development of 810,000 additional housing units by 2050.\(^13\) While a literature review suggests the potential for even higher population growth due to climate migration to the region in the coming decades, this is not accounted for in the PSRC projections.\(^14\)

**AN UNPRECEDENTED OPPORTUNITY**

Thanks to successful ballot measures in 1996, 2008, and 2016, the Puget Sound region is making an unprecedented $56 billion investment in high-capacity light rail and bus rapid transit.\(^15\) The centerpiece of this is the Sound Transit Link Light Rail System that will connect the major cities of Seattle, Tacoma, Everett, and Bellevue with one hundred and sixteen miles of guideway and seventy-four stations with a projected completion date of 2041 for the entire system (Figure 1). The Kent/Des Moines station, located about twenty miles south of Seattle, is representative of many planned station areas within the system. Bounded by state highways to the north and west, an Interstate highway to the east, and a capped municipal landfill to the south, the existing station area is characterized by single-story, low density, auto-dependent commercial uses with a limited amount of “naturally occurring” affordable housing.
In the fall quarter of 2017, the author, together with David Blum, faculty in the Department of Urban Design and Planning and Al Levine, faculty in the Department of Real Estate, co-taught an interdisciplinary urban design studio at the UW CBE exploring the potential of leveraging the region’s transportation investment to develop equitable transit-oriented development using the Kent/Des Moines station as a case study. Twenty-four students, both graduate and undergraduate, majoring in architecture, landscape architecture, real estate and urban design and planning worked in six teams of four developing station area plans including circulation, open spaces, utility infrastructure, diagrammatic building typologies and high level pro formas with an emphasis on creating complete mixed-income communities with an abundance and diversity of housing types and community open spaces.

One proposal, titled Intercept, illustrates strategies common to all six proposals including the creation of “neighborhoods within a neighborhood” to emphasize non-automobile mobility and enhance pedestrian scale while providing a diversity of uses, housing types and community recreational opportunities (Figure 2). Here, high-density, mixed-use development is sited adjacent to the station and the scale of development tapers down toward the perimeter with ground-related housing development offering affordable homeownership options facing the abandoned landfill which is re-envisioned as a public park. Placemaking strategies employing a hierarchy and variety of community open spaces in which a largely paved “Central Square” at the station contrasts with smaller scaled recreational spaces distributed throughout the residential neighborhoods. Pedestrian and bicycle mobility is prioritized within the development including complete streets and traffic calming measures along the state highway to the west.

Each team prepared a high level pro forma with the guidance of its real estate team member. The spreadsheets included an inventory and associated costs for all building types, parks and open spaces, street typologies, and utility infrastructure. The goal was to reveal to students the cost of the planned physical and social infrastructure relative to the marketable development capacity proposed. Each of the six teams proposed between seven thousand and twelve thousand housing units.
within the station area walkshed. Multiplying the number of housing units envisioned at this one planned station location by the total number of stations proposed in the light rail system confirms the potential of leveraging the regional transit investment to address the current and projected need for both market rate and affordable housing.

This prompted co-instructor Al Levine and the author to pursue publication of an op-ed in the Seattle Times highlighting the student work and advocating for leveraging this potential. Published in July 2018, the piece garnered widespread attention from housing advocates, city staff and elected officials from multiple jurisdictions.

SOUND COMMUNITIES
The student work and related op-ed also bolstered Sound Communities, a then fledgling organization consisting of seven volunteers, including Al Levine and the author, from the public, private, private non-profit and academic sectors. With expertise in municipal finance, urban design, market rate and affordable housing development, community engagement and public policy, the group advocates for leveraging the region’s historic investment in high-capacity transit to address its housing crisis at scale by building complete and equitable mixed-income communities at existing and planned transit hubs regionwide. Sound Communities contends that this will not happen quickly nor equitably enough through market forces alone and that proactive community intervention is required.

Left to its own devices, the for-profit housing market will typically generate one of two scenarios within planned station locations. In well established, high opportunity areas with community focused infrastructure investments, the potential for high profits will quickly drive up the cost of land within the station area hampering the development of permanently affordable housing, displacing existing residents, and limiting opportunities for low-income households to gain access to the opportunities the neighborhood provides. In contrast, the market will often fail to perceive an adequate profit motive to develop within existing low opportunity areas despite the substantial public investment in transit. This causes much

Figure 3. Housing Benefits District investment cycle. Sound Communities.

Cycles can continue for multiple cycles until spending down final funds on affordable housing or infrastructure.
needed mixed-income housing development, and the expansion of the critical physical and social infrastructure to support it, to languish for years if not decades in these areas. When the market-rate development does eventually take place, it typically results in the displacement of the existing community due to a lack of permanently affordable housing and commercial spaces being provided.

**HOUSING BENEFITS DISTRICTS**

Sound Communities’ goal is to implement and incentivize a third alternative. By empowering communities with greater control over the station area walkshed (defined as the half-mile radius around the station) more residents can prosper from the region’s public investment in high-capacity transit and economic growth. In response to the urgency of the crisis, Sound Communities seeks to accelerate the development of permanently affordable housing, market-rate housing, and community-focused infrastructure at high-capacity transit hubs. The principal mechanism in doing so is the Housing Benefits District, or HBD. Modelled after the well-established Transportation Benefits District, the HBD is a land-banking strategy that leverages market forces to increase community outreach and engagement, bolster station-area planning efforts, increase the quantity of permanently affordable housing and ensure the development of critical community infrastructure to create complete, mixed-income communities at scale.

While legally established at the state level, the HBD would operate at the jurisdictional level by providing cities and towns with taxing and bonding authority to fully leverage the regional transit investment in their communities. To qualify, jurisdictions must demonstrate political support for the concept through robust mixed-use zoning, authentic community engagement and a commitment to expanding affordable housing opportunities and community-focused infrastructure within the station area walkshed. The HBD, in turn, would fund robust community engagement to cultivate a shared vision for the station area. It would finance the acquisition of land in the station area to be held for the development of permanently affordable housing before the market drives the cost of said land out of reach. The HBD would also finance the acquisition of land for critical community infrastructure such as parks and open spaces, provide funding for the implementation of complete streets to encourage alternatives to car usage and finance equitable development initiatives such as community and cultural centers and local business incubators with a particular focus on underserved and at-risk communities (Figure 3).

Most of the land would be acquired, held, and sold at a discount to affordable housing providers for the development of a mix of extremely low income (below 30% AMI), very low income (30–60% AMI), low income (60–80% AMI) and middle income (80–120% AMI) rental units which, in combination with market rate housing development, will ensure the creation of a truly mixed-income community. Some of the land would be designated for the development of home ownership opportunities by community land trusts and limited equity cooperatives with a particular focus on BIPOC communities who have been systematically denied these opportunities for generational wealth creation. Other land would be acquired and held for community infrastructure investments. However, some land would be acquired, held, and sold to market rate developers at market prices to transfer land appreciation proceeds from private investors to community coffers for community benefit. These proceeds would fund additional public land acquisition, deeper discounts for affordable housing development, community infrastructure investments or a combination of the three.

**REFINING AND TESTING THE HBD MODEL**

Sound Communities has partnered with the cities of Tacoma, Everett, and Renton, Washington to refine and test the HBD concept using planned light rail and bus rapid transit station areas within their respective jurisdictions as case studies. The cities were selected based on their demonstrated commitment to robust mixed-use zoning within the station area walksheds, innovative station area planning, social equity through permanently affordable housing development and authentic community engagement. The cities are also located in three of the four counties in the region to ensure a diversity of jurisdictional representation. Sound Communities worked with urban planners and economic development managers from each city to determine how the HBD would integrate with their respective long-range planning and community development goals and the challenges and opportunities unique to each station area.

In the fall of 2020, a dozen Master of Science in Real Estate Students at the UW CBE worked with faculty and the three partner cities to model the impact of HBD intervention, in comparison to the market’s response with no intervention, at three station area locations. The student teams assumed local taxation to support $50 million, twenty-year bonds for each station area to be invested in four, five-year cycles. The teams assumed the then current land valuation in determining the cost of land acquisition. They also assumed a consistent rate of land appreciation for each station area to determine the discount to be passed onto affordable housing developers and the proceeds generated by the sale of land to market rate developers.

At a planned light rail station in Everett, the team determined that total housing production over twenty years would increase by roughly seventy percent with the intervention of the HBD (Figure 4). While market rate housing production fell by twenty percent, the number of middle-income housing units increased by nearly three hundred percent, low-income housing units increased by over one hundred percent, very low-income housing units increased by more than two hundred sixty percent and over seven hundred extremely low-income housing units were developed that would not have been realized without
HBD intervention. In addition, several community infrastructure investments were financed including a public plaza, public market, and pedestrian bridge. The modeling of the other two station areas yielded similar results. The total amount of housing produced at each of the three station areas ranged between four thousand five hundred and thirteen thousand units. This aligns with the Housing Benefits District concept and is consistent with the range proposed by student designs for the Kent/Des Moines light rail station in the fall 2017 interdisciplinary design studio.

NEW TOOLS FOR JURISDICTIONS

With funding from the Washington State Department of Commerce, Sound Communities has expanded its work with partner cities by collaborating with technical consultants to develop tools to better inform jurisdictions of the physical, financial, and demographic characteristics of their individual station areas and to maximize the impact of the HBD model. These tools include an Action Guide, a Station Area Knowledge Base application, and an Impact Model application (Figure 5).

HBD intervention.

The Action Guide, authored in collaboration with writer David Goldberg, is a technical, how-to manual for local jurisdictions across Washington state, but particularly in the Puget Sound region, that are home to future or existing light rail or rapid-bus stations. While local elected officials and staff are the key audiences, the guidebook is also intended to inform and empower developers of permanently affordable housing, housing advocates, and community-based organizations interested in cultivating a collective vision for equitable development around transit stations. The guide includes chapters on anti-displacement strategies, station area planning and design, establishing a framework for land acquisition, finance, implementation, establishing parameters for land transfer, strategies to support affordable homeownership, and methodologies for monitoring and evaluating the program.

The Station Area Knowledge Base leverages municipal data sets to let jurisdictions analyze individual station areas through a variety of lenses by re-configuring the data to generate a wide range of results. For example, city planners and community development managers can view the station area through the combined lenses of neighborhood demographics, current land uses, zoning, housing availability and access to community amenities. The data base can provide detailed graphic information for individual and combined properties within the walkshed including public versus privately held parcels, the mix of housing types, homeownership versus rental properties, parcel development capacities, average property values, average year built, the property appraised value ratio, and the like. The purpose of the Knowledge Base is to allow jurisdictions to identify areas of high displacement risk, ideal properties to acquire for future affordable housing and community infrastructure development, and synergies between existing publicly held land and potential privately held parcels to acquire.

The Impact Model helps jurisdictions maximize the community benefit of their HBD investments and to tailor those investments to address specific community needs by comparing the performance of different HBD investment portfolios over time. For example, a jurisdiction committed to maximizing and accelerating the development of low-income housing through deep land discounts to affordable housing developers will ultimately invest a smaller amount of capital, purchase less land, and provide fewer housing units than a jurisdiction which leverages...
market forces by holding some of its acquired land for resale to market rate developers and reinvesting the proceeds for future land acquisition through a revolving fund.

**MAKING THE HBD A REALITY**
The Washington State Legislature has recently allowed for land-banking strategies to facilitate the development of affordable housing. While land-banking is at the core of Sound Communities’ effort to build complete, mixed-use, mixed-income communities at high-capacity transit hubs, it is only part of a pro-active and coordinated strategy to address the regional housing crisis at scale. The goal is for all residents of the state, and particularly the Puget Sound region, to prosper from its economic growth and public investments while reducing carbon emissions and the impact of climate change. There is an urgent call for action as the region’s population continues to grow, its housing and climate crises continue to deepen and expand, and the cost of land at transit hubs continues to rise as construction of the system advances.

In addition to conceptualizing and evolving the HBD concept itself, Sound Communities has been cultivating a broad and deep community coalition of support including public, private, and private non-profit stakeholders, grassroots community-based organizations, and elected leaders in pursuit of legislative action. In the 2021-22 Washington State Legislative Session, House Bill 1880 “Concerning housing benefits districts” successfully passed through the Housing, Human Services and Veterans Committee but stalled in the Finance Committee. With a new guidebook and analytical tools for jurisdictions, a growing coalition of community support and evidence of emerging support from the Governor’s office, Sound Communities is optimistic regarding passage of House Bill 1111 in the 2022-23 legislative session the opening of which coincided with the final editing of this paper.

Regardless of the legislative outcome, the HBD model demonstrates the critical need to address these crises at scale through interdisciplinary collaboration between public, private, non-profit, and academic partners to effect meaningful change. Perhaps most relevant to this paper, is the essential role that interdisciplinary design education has played in this process. The UW CBE was among the first institutions to recognize the potential of the HBD concept and provided critical seed funding for the research. The 2017 interdisciplinary urban design studio helped to galvanize the HBD vision while providing critical station area development metrics and clear and compelling graphics to foster early stakeholder outreach. The 2020 real estate studio provided performance metrics and early proof of concept which bolstered the confidence and support of

Figure 5. New tools for jurisdictions including an Action Guide (left), Station Area Knowledge Base (upper right) and Impact Model (lower right) . Sound Communities.
partner jurisdictions. These efforts also provided students with an opportunity to apply their skills in forging a potential path toward a more equitable, sustainable, and resilient future.

PROJECT CREDITS

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ENDNOTES


