

# Encouraging Transit Villages

While support for smart growth and transit-oriented developments is growing, most developers still perceive these projects as high risk. By creating incentives for developers to build TOD and smart growth projects, cities and counties can help lower the risk for developers while encouraging efficient land use and the creation of urban transit villages.

## TOD Incentives

### Parking reductions

Reducing the minimum parking requirements or setting maximum parking requirements around major transit stops lowers the land and/or construction costs of development. Less parking also encourages transit use by making it less convenient and more costly to drive.

### Density bonuses

Increased density allows a developer to take advantage of greater economies of scale. Allowing higher densities near transit gives more people easy access to transit from their home or work, encouraging transit use. Creating compact, pedestrian-friendly neighborhoods can also help support neighborhood-serving local businesses.

### Restricting car-oriented uses

Limiting businesses that generate a large number of car trips or require significant amounts of parking ensures that land near major transit stops is developed to leverage the public investment in transit infrastructure.

### Location Efficient Mortgages

A "Location Efficient Mortgage" is a new type of mortgage that rewards households with lower transportation expenses by allowing them to qualify for larger loan amounts. LEMs enable more households to purchase a home while giving incentives to live in areas that are well-served by transit.

### Property tax abatements

Oregon and Washington State allow cities and counties to grant property tax abatements to developers of high-density, mixed-use, residential developments to help with the creation of affordable housing and transit villages.

### Planning for transit villages

The State of California encourages TOD development by offering various incentives to cities and counties that adopt transit village plans.

## Case Studies

### City of Los Angeles

Grants a 35% affordable housing density bonus by right for developments within 1,500 feet of a major transit stop.  
*(Citywide Affordable Housing Incentives)*

Permits one parking space per unit for affordable housing developments with 1,500 feet of a major transit stop.  
*(Citywide Affordable Housing Incentives)*

Allows 15% parking reduction within 1500 feet of Metro Rail Red Line.  
*(Vermont/Hollywood Station Area Neighborhood Plan)*

### Los Angeles County

Allows 40% parking reduction for new residential development, and 60% reduction for some commercial and civic activities in TOD districts established around the Metro Blue Line stations at Slauson, Florence, Firestone and Imperial.  
*(Transit Oriented Districts)*

## Learn More

For more information about creating transit villages, visit [www.livableplaces.org](http://www.livableplaces.org)

### City of Pasadena

The City of Pasadena is currently considering a TOD ordinance that would apply to development within one-quarter mile of Metro Gold Line stations and would:

Prohibit non-transit-oriented uses, including drive-thru businesses, auto-repair and service stations, car washes, warehouses and public storage, and car dealerships.

Reduce minimum parking requirements by 25% and establish parking maximums for both residential and commercial development.