How transit-oriented development can provide affordable housing

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Nashville is currently at a crossroads.

The city is growing by 100 new residents each day, crowding both our highways and housing markets. Indeed, concerns over affordable housing and transportation are at an all-time high.

These issues share an intricate connection in how Nashville will develop as a 21st-century global city.

Fortunately, both housing and transportation are central components of NashvilleNext, the city government’s future development plan. Plentiful housing and a modern, high-volume transit represent two of the plan’s seven intersecting elements for comprehensively reshaping the city.

The plan’s practical tools include a bundle of efforts to fund, build, retain, and preserve affordable housing. Moreover, the NashvilleNext vision ties affordable housing to public transportation development. Programs like nMotion and WalknBike signal Nashville’s transportation ambitions.

So when Mayor Megan Barry, during her State of the Metro Address, announced her intention to move forward with the planning of a transit-oriented city with the Gallatin Pike corridor as the first component of a light-rail system, it brings to mind one of her other commitments: Affordable housing, and how affordable housing can become a central component of transit-oriented development.

When discussing the future of transportation and housing in cities such as Nashville, Transit-Oriented Development, known as TOD, is an integral aspect of urban planning. There are varying definitions of TOD, but metropolitan planning generally categorizes it as mixed-use development within a half mile radius of a transit stop. Planners also associate TOD with mixed-land uses including pedestrian-friendly neighborhoods that incorporate residential, employment, and shopping opportunities.

Cities are increasingly looking towards TOD to encourage development that not only decreases transit time, cost and pollution, but also offers residents a high-quality urban lifestyle.

In tying transportation development to land use, TOD provides a high quality urban experience and sustainable urban development by promoting public transit and minimizing urban sprawl. Planners and policymakers also propose TOD as a solution to connect low-income residents living beyond city center to employment opportunities. However, to achieve these goals, TOD must be paired with affordable housing policies.
A major impact of TOD is its effect on housing and development within cities. Studies from across the country show that proximity to transit stations increases land and property values, which in turn decreases housing options for lower-income populations. As a result, TOD can cause gentrification that prices out moderate- and low-income families.

There are several strategies for creating affordable, transportation-oriented housing. For example, as new units appear along transportation lines, cities can prioritize access to Housing and Urban Development voucher holders. In some cases, housing authorities purchase new units and offer them to voucher holders themselves. Cities also encourage affordable housing near transportation lines through the Low-Income Housing Tax Credit program, which offers federal funds to states in support of affordable housing development.

States allocating these funds locally can incentivize building units near transit lines in their application processes.

Cities trying to maintain affordable, transportation-oriented units over time can begin by amending federal HOME block grants. Units built with HOME grants must remain affordable for a period ranging from five to 20 years, but may increase in price after this period expires. Extending these periods is one way to maintain housing affordability near transportation lines. However, transportation lines last decades beyond the longest affordability periods currently used.

Genuinely long-term affordable housing can be achieved through shared-equity programs owned by Community Land Trusts. These Trusts are non-profit organizations that purchase land and lease units at subsidized rates. Lessees agree to share part of a home’s equity with the Trust upon resale, keeping homes affordable for new buyers. Trusts also reuse their share of each home’s equity to subsidize new buyers, resulting in long-term affordability.

As Nashville continues to grow so does the importance of housing affordability. Nashvillians ranked affordable housing and transportation development as their top two issues during the NashvilleNext planning process. Paired with affordable housing policies, TOD will promote equitable development.

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