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# What Challenges Can Arise from Coordinating Housing Development with Transportation?

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## Issue

More systematic coordination between transportation and housing development is increasingly recognized as a promising strategy for creating more sustainable communities. In California, the importance of transportation-housing coordination is reflected in recent legislative efforts to address the state's long-standing housing affordability crisis. One approach is to encourage higher density affordable housing developments near transit or in similarly transportation-efficient areas, such as locations with low vehicle miles traveled (VMT). However, little is known about how transportation access should be considered in guiding housing development, what challenges can arise from coordinating housing development with transportation, and what the state can do to better deal with these challenges and achieve more equitable residential densification.

We examined equity issues and other challenges that may arise in pursuing transportation-informed housing development. Specifically, we analyzed the potential impacts of Senate Bill 743, which made it easier to build more housing in low VMT locations by shifting the way traffic impacts from new housing development are evaluated under the California Environmental Quality Act. We also

explored ways to achieve more inclusive development in non-rail transit areas which have received less attention compared to rail transit areas.

## Key Research Findings

**It is relatively straightforward to identify some low VMT locations (i.e., those in the densest areas), but more challenging to identify which moderate-density areas have low VMT.** With a focus on Orange County, California, we compared two different data sources for identifying low VMT areas – 1) per capita home-based VMT estimates from the California Statewide Travel Demand Model (CSTDM) and 2) per capita origin-based VMT estimates derived from the StreetLight Data (STL) – and found that these two sources do not necessarily lead to similar results. While high population density areas tended to be identified as low VMT locations with both data sources, the two sources were equivocal about whether per capita VMT can further be reduced with higher transit accessibility and some other built environment attributes. CSTDM estimates were more reflective of the presumption that various characteristics of the built environment and transit attributes can significantly reduce VMT, while STL data appeared to challenge this presumption, at least in the case study region, Orange County.

**Travel demand models might take household characteristics into account in ways that can increase the probability of identifying less privileged tracts as low VMT locations.** CSTDM estimates identified low VMT areas that exhibited a lower percentage of non-Hispanic white residents and fewer high-income neighborhoods, compared to the STL data that harnessed smartphone signals and other forms of real-world observations. Since incentivizing denser residential development in low VMT areas can raise concerns about displacement and gentrification and possibly work against efforts to expand housing options in high opportunity areas, SB 743 should be carefully implemented with consideration of data uncertainties and related equity issues.

**Meeting VMT and greenhouse gas reduction goals can conflict with equity concerns when addressing the lack of affordable housing in California.** According to various policy actors we interviewed, as it stands, transportation policy is not well-equipped to meet these goals because promoting infill development and higher density does not produce enough housing where people can easily access employment and services without relying on a vehicle. Policies oriented toward changing individual travel behavior often place burdens on low-income households with few alternatives to driving. More coordination with housing policy is necessary.

**Transit-oriented development (TOD) does not automatically lead to displacement, though many perceive that is the case.** Bus-based TOD was not viewed as any more likely to produce neighborhood change or displacement than rail-based TOD but was seen as a viable opportunity for housing development provided that transit service met the needs of diverse residents.

**Those interviewed considered a variety of anti-displacement strategies to complement TOD as potentially effective.** Interviews with policy experts, creators, implementors, and advocates collectively endorsed community-focused options such as community-controlled housing, rent control and eviction protections, and more affordable housing production. Assembly Bill 2097, a recent law that eliminates minimum parking requirements in certain transit areas, was seen as a potential “game changer” in promoting development by lowering construction costs.

**More needs to be known about how transportation-informed housing development can be achieved in a more equitable and inclusive way.** To date much of the research on densification has focused on promoting infill development in areas near rail stations. More attention needs to be directed to how we can densify other locations, including areas with bus transit and other mobility options, and expand housing opportunities in ways that advance diversity, equity, and inclusion.

### More Information

This policy brief is drawn from the report “Assessing the Potential for Densification and VMT Reduction in Areas Without Rail Transit Access” available at [www.ucits.org/research-project/rimi-4m](http://www.ucits.org/research-project/rimi-4m). For more information about findings presented in this brief, please contact Jae Hong Kim at [jaehk6@uci.edu](mailto:jaehk6@uci.edu).

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