



SOUTH CENTRAL TRANSIT ORIENTED DEVELOPMENT (TOD)

SOUTH CENTRAL AFFORDABILITY & EQUITABLE TOD KEY FINDINGS

High Costs and Distant Destinations Today

- There is a high combined cost of housing and transportation, especially for renters—60% of households are renters who pay 67% of income for these two expenses
- Those high costs prevent the accumulation of savings and wealth
- Most households travel long distances for both local amenities and for commuting

Lower Costs can Help Reduce Displacement Risk

- Too many households and too many traditional businesses are at risk of displacement from rising rents (e.g. as many as 20% of households live in mobile home parks, most small businesses rent their stores)
- Housing affordability is possible through preservation and development of housing that meets the ability to pay
- Keeping transportation costs affordable requires making use of the light rail corridor as an asset; working with employers to help support commuting by transit, determining ways of using shared mobility and newer forms of transportation affordably, and reducing the need to travel by developing complete communities around each station area

Housing costs in the South Central Corridor are \$7,220 per year for homeowners and \$8,474 for renters, which is much less than the citywide average of \$14,368 for owners and \$11,128 for renters and the region-wide average of \$14,121 for owners and \$12,008 for renters.

But the full cost of location includes both housing and transportation. The combined cost of housing and transportation averages \$17,843 per year for owners (41% of incomes) and \$14,359 for renters (67% of income).

60% of corridor households rent, paying two-thirds of their income on housing and transportation, which leaves too little to meet the full cost of living or to build savings and wealth. The risk of displacement from rising costs is highest for renters but is also high for owners with limited access to lower cost secured improvement loans, such as the 49% of corridor homeowners without a mortgage.

The current use of transit for commuting to and from work ranges from 4% of workers at Baseline to 16% at Lincoln and 14% at Buckeye, this is considerably higher than the citywide average of 4%, but lower than the average for households living near Valley Metro's exiting light rail stations.

Transportation costs are high for several reasons. Most workers (92%) hold jobs outside of the corridor and the majority (61%) drive alone to work. Yet the corridor has 44,556 jobs and 7,545 workers. Most people are also driving to shop and to access basic services, and since four-fifths of travel is not for getting to work, the shortage of retail and service amenities requires travel too. Bus service is less frequent than light rail. Currently, workers can access 361,000 jobs within 30 minutes by transit at Lincoln, which drops to half that amount at Baseline.

61% of corridor workers drive alone to work but 39% do not—15% use the low-cost options of riding transit, walking or bicycling, while a very high fraction carpool. At Lincoln 40% and Buckeye 34% use those low-cost options, while the range further south is from 16% at Roeser to 8% at Baseline.

Strategies for increasing affordability and for developing without displacement include:

- **Increase employment and everyday amenities around each planned transit station and improve pedestrian safety and quality through sidewalk, intersection and shading improvements.** Expand coverage of the Walkable Urban Code (Reinvent Phoenix) to the South Central Corridor.
- **Work with employers to support commuting by transit,** which qualifies as pre-tax income similar to medical care benefits.
- **Work with Valley Metro to market equitable TOD benefits effectively.** Build partnerships to more directly communicate through human resources departments, financial counseling agencies, community organizations, and public institutions including schools and health centers. Promote broader use of pre-paid discounted transit passes. Ensure increased bus frequency to meet new LRT schedule and use new mobility options (e.g. car-sharing and bike-sharing) to meet first and last mile challenges for corridor residents.
- **Implement pre-development tools quickly to achieve development without displacement for both residents and local businesses.** Use existing agile non-profit revolving funds to acquire and assemble land where displacement risk is high and to support renter ownership of the corridor's mobile home parks (20% of current rental housing). Work medium-term to create a local land-banking authority and prioritize responsible re-use of tax delinquent properties. Adopt a place-based infrastructure coordination strategy to minimize development cost burdens included in Reinvent Phoenix.

Create goals and prioritize resources for affordable housing and affordable small business preservation in the corridor. Equitable TOD results in both mixed use and mixed income communities that enhance livability and economic conditions for both current and future populations. Work with existing experienced affordable housing and community developers and with the City of Phoenix to achieve these outcomes.

