Creating Opportunities for People and Place through Neighborhood Transit

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When most people think about high-ticket household costs, daily transportation doesn't always spring to mind. In fact, transportation has become the second-highest cost in the average American's budget, next to housing.[i] At the same time, more people are riding buses and trains than they have in 50 years, spurred in part by gas prices and gridlock.[ii] Perhaps it should come as no surprise that record numbers of cities are planning and building new transit.

The rebirth of public transit holds tremendous promise for equitable place-making throughout the country. No one stands to benefit more than low-income residents, who presumably gain better access to jobs, health care and stores, while spending less time and money.

But that assumes new transit and nearby development are planned right – with housing policies that ensure residents aren't priced out, with economic development and loan programs that ensure mom-and-pop businesses don't shut down during construction, and with zoning and land use incentives that encourage dense development near transit so ridership remains high, thus keeping fare prices affordable. Planned wrong, without attention to such policies, new transit holds the potential to waste taxpayer money and uproot vulnerable communities.

"Building transit without paying attention to things like equity, local economic development and land use is like building a million-dollar community garden and watching it dry up because you forgot to install a hose," says Geoff Anderson, President and CEO of Smart Growth America. "It's a squandered investment."

This paper outlines the experiences of three places – the nine-county San Francisco Bay Area, the Twin Cities of St. Paul and Minneapolis, and Baltimore – where funders have joined forces to attract and guide transit investments in equitable ways. In this context, "equitable" means developing policies and practices that minimize the negative impacts of transit (for example, disruption during construction and loss of land for other uses) and maximize the positive aspects (such as job creation and physical improvements to streets and neighborhoods), with particular attention paid to communities of color and those which have low incomes.

Some common themes run throughout the following stories:

- Each funder group views transit as an economic lifeline that links individuals to opportunities elsewhere in the region, and vice versa;

- Each funder group uses the public money that transit brings, and the planning and policy-making it spurs, to engage colleagues with divergent interests such as affordable housing, workforce development, environmental justice, public health and community development;

- Each funder group, through its staff, is extremely hands-on and plays multiple roles including mediator, context setter, gap filler and, of course, money investor.

Some funders have found their roles easier and some harder, based on different circumstances. All share the belief that without joining together in their particular region they could not have made the most of the huge public investment represented by these new transit lines.

The Great Communities Collaborative – The San Francisco Bay Area

In the late 1990s in the San Francisco Bay Area, a much-heralded transit line opened, connecting the San Francisco Airport with the rest of the Bay Area Rapid Transit (BART) system. It was controversial from the start when communities along the new line south of San Francisco convinced BART to bury the line, making it more visually palatable but even more expensive.

The new line opened with lower-than-expected ridership; in a move they would regret, BART officials had failed to ask those communities to zone for any particular kind of land use near the new stations to ensure steady ridership. The biggest affront came when a Costco opened next to one of the new stations, complete with a giant parking lot. It left many wondering who might possibly ride a train to buy a washing machine – and whether another use might have been more suitable for land near transit. As a result, the regional transportation agency that provided the funding vowed to require certain kinds of zoning the next time around.

Around the same time, the regional transportation agency, the Metropolitan Transportation Commission (MTC), fundamentally changed the way it did business. For years, MTC used the planning formula of preference for most metropolitan planning organizations (MPOs) across the country: Look at the past, assume it will be the same as the future, enter projections. In the Bay Area, that meant more sprawl. And for MTC, that meant building transit and roads that essentially accommodated sprawl. The big shift came after several years of prodding by advocacy groups. At last, MTC asked, "What do we want our region to look like?" The agency began to use alternative land use scenarios instead of projections based on the past, becoming the first MPO in the nation to do so.

When MTC began planning one of the biggest transit expansions in the country at a cost of $12 billion, advocates and funders saw a golden opportunity. MTC's scenario planning, and lessons learned from the BART to the airport experience, created a ripe environment in which to engage community members in planning for the development around new transit lines. The seeds of the Great Communities Collaborative (GCC) were born.

Now entering its fifth year, the GCC is comprised of five advocacy organizations and three community foundations.[iii] All members have equal footing in the strategic and operational direction of the collaborative, making joint programmatic and funding decisions while participating in fundraising locally and nationally.

"Our goal is for all people in the Bay Area to live in complete communities, affordable across all incomes, with nearby access to quality transit, by 2030," says Jeff Hobson, Deputy Director of the advocacy group TransForm. GCC's focus is on influencing 25 station area plans in a diverse set of places throughout the region so that the new transit lines and stations maximize benefit to local residents through job-creation and place-making.

The work varies by place. Near Oakland's Chinatown, for example, GCC has made grants to local Asian organizers who are now helping shape what the new station there will look like. In the North Bay City of Santa Rosa, GCC has tapped open space advocates to lead on transit planning issues and advocate for inclusionary housing policies that will bring more affordable housing to transit areas, thus saving open space from development and ensuring a built-in ridership for the new line. In the nearby City of San Leandro, just south of Oakland, GCC is working closely with congregational leaders on policies that encourage jobs; they have succeeded in getting the city to pass local hiring ordinances for new construction.

"We want to grow local leadership," says Heather Hood, Initiative Officer for the GCC. "We want the grassroot locals to be speaking as much as we want our grasstop non-profit leaders to be speaking."

The efforts are not without challenges. In local hiring, for example, it has been difficult to define what constitutes a "local" person. Is it someone who lives in the station area? Within the city? The region? And what's to say a contractor could not hire someone just for an afternoon to paint a door and then count that person towards his or her quota of local hires? "Local hiring faces struggles around the county and we are learning how to make it meaningful as we go," says Hood.

Other GCC efforts have nurtured local business improvement districts to empower merchants to make the most of the coming transit line. One of the GCC's newest efforts involves creating a revolving loan fund that can be used to buy property for affordable housing near future transit lines and "bank" the property to avoid land speculation. The first $10 million into the so-called Transit-Oriented Development (TOD) Fund came from MTC – showing the degree to which the transportation agency is coordinating with advocates and funders.

Today, GCC is comprised of 13 funders, including national philanthropies, and has a $2 million annual budget, up from its launch budget of $800,000.

The Central Corridor Funders Collaborative – The Twin Cities

Nearly two decades ago, ambitious plans to build an 11-mile light rail line that connected Minneapolis to St. Paul were developed – and then shelved for lack of political will and funds. In the mid-2000s, the plans were revived with a roaring start. This was good news. And it was challenging news.

The good news was that the so-called Central Corridor Light Rail represented a long-awaited chance for St. Paul to connect to the surrounding region via transit. The line promised to connect nearby residents to regional jobs and services and spur growth along University Avenue, a major, and somewhat struggling, corridor that crosses the capital city.

The challenging news was that quite a few residents, and some vocal politicians, did not necessarily want the new light rail. Having lived through a 1960s freeway that destroyed one the area's oldest African-American neighborhoods, Rondo, many people wanted nothing to do with another transportation project being proposed by government.

Meanwhile, the area's small business owners feared construction for reasons of their own. They knew that on-street parking – the lifeblood of their customer base – would be taken away by a new street configuration that accommodated tracks, stations and amenities aimed at making walking and biking safer and more pleasant.

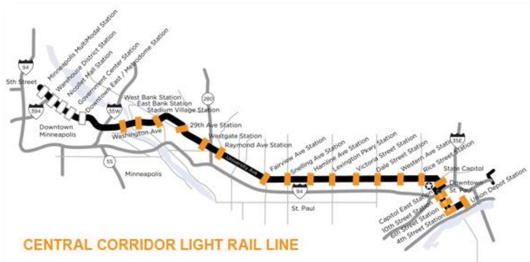
Geography and governance further complicated matters. The Central Corridor line traverses two cities and two counties, each with its own planning staff and processes, and is overseen by a regional transportation agency, making coordination a challenge.

This was the environment in which the Central Corridor Funders Collaborative was created in 2008. Many of the Collaborative's 12 funders[iv] had worked in these communities for years and saw the transit project as an opportunity to create positive change.

"They came together because they already worked in many of the low-income neighborhoods along the line, and they saw the incredible potential for access to jobs," says Jonathan B. Sage-Martinson, Director of the Central Corridor Funders Collaborative. "They knew that if not done right, or well, the light rail line could damage these neighborhoods."

Much of the Collaborative's work has focused on filling gaps, providing information to enable informed decision-making, and seeking consensus – lest disagreements derail the project.

The single most triumphant gap-filling came last year, when after a long and bitter fight, three stations in heavily low-income neighborhoods were added to the line. The story began when transit advocates attending a national conference approached Federal Transit Administration head Peter Rogoff and described the need for the three stations and the barriers created by the FTA's own rules. Rogoff became a champion and helped reverse the arcane federal funding formula that stood in the way of the stations. Yet even after the rule was reversed and nearly $15 million found to build the stations, a funding gap remained. Within days, the Collaborative delivered the half-million dollars needed to ensure the stations would go up.



"Our funders come from different backgrounds and have their own program priorities, but they share the goal of wanting to see ideas that benefit low-income people implemented and plans created by low-income communities actually built," says Sage-Martinson. "That is the focus they all agree upon."

The Collaborative uses guiding principles for its work that emphasize participation, fairness, comprehensive solutions, sustainability and healthy living.

With support from local and national foundations, the Collaborative has thus far given out $3 million in grants and technical assistance funds and envisions granting roughly $12 million more through 2016, two years after the new line is scheduled to be up and running. Grants fall within, or straddle, four priority areas: affordable housing, a strong local economy, creating vibrant places around stations and ensuring effective collaboration.

Early investments included money to study creating a Central Corridor Acquisition Fund (like the one recently created in the San Francisco Bay Area). The idea is to help purchase key properties along the line before land values rise and, if the market is not yet right, hold them aside until development conditions are primed for mixed-income housing. Another grant helped affordable housing organizations create a joint strategy for identifying high priority policies, programs and investments that preserve existing affordable housing and ensure new development includes affordable housing.

Strengthening businesses has also been a priority. One of the larger grants made created the University Avenue Business Preparation Collaborative, known as the U7, to help the corridor's many small businesses prepare for the changing Central Corridor marketplace through training, technical assistance and financing. To the cities of Saint Paul and Minneapolis, the Collaborative recently granted $500,000 as a matching investment to create a Small Business

Loan Fund to provide financial assistance to businesses during construction of the light rail line. To help create jobs, the Collaborative recently supported the regional transportation agency, known as the Metropolitan Council, to launch the Light Rail Transit Works Project; the goal is to help facilitate participation of women and people of color in the construction of the light rail line.

Additional light rail lines are planned for the Twin Cities' system. The planning approach used for the Central Corridor will be adapted as a model to promote equitable development as the future lines evolve.

The Red Line – Baltimore

The Baltimore Neighborhood Collaborative (BNC) is distinct from the other funder groups because it pre-existed any concrete plan for new transit in the area. Created in 1996 with eight funders,[v] the BNC came together because individual funders sensed they could be more strategic about community development by working collectively. At first, they focused on "in-the-middle neighborhoods – we didn't know what to call them in those days," says Ann Sherrill, Director of the BNC. "These were the places in transition, with signs of population loss and vulnerability, but you could also see assets to build on."

An early grant supported community planning and asset mapping in West Baltimore. An existing commuter rail stop was identified as a key leverage point for helping the largely low-income neighborhood, where many people did not own cars and were dependent on transit. At the same time, a new regional rail plan included a proposed light rail project called the Red Line, which would connect West Baltimore to eastern parts of the city and to jobs and other regional opportunities.

But as happened in the Twin Cities, the 14-mile Red Line faced opposition. Neighbors remembered the infamous "Highway to Nowhere," which ripped through a largely African-American neighborhood and displaced 1,300 residents, leaving physical and psychological scars behind.

"While the community understood the benefits of the transit line in the abstract, they had zero trust in city agencies or the state to deliver a project that was not impactful on their community," says Jamie Kendrick, Deputy Director of the Baltimore City Department of Transportation.

The next years of the funder partnership focused on grants and technical assistance to strengthen the community's capacity to organize and determine what it wanted from a light rail line. For example, BNC funded an analysis of how proposed Red Line alignments meshed, or clashed, with existing community plans in West Baltimore. Perhaps the most pivotal activity was a "Transit Around the Nation" tour[vi]. Teams comprised of residents, housing advocates, planners, business leaders, city councilmen and others, traveled to cities where light rail was under way. When the trips were over, the teams compared notes on policies and practices that worked and didn't work in other places.

"That is where the kernel of the Community Compact was born," says Sherrill, referring to the Red Line Community Compact, which has become a national model for how to bring community members together to articulate what they want from a public investment.

After the national tour, Baltimore's mayor hosted a summit that brought together experts in transit and development from Atlanta, Portland, Seattle, St. Louis and Los Angeles. The event reflected one of the Red Line's biggest assets – government itself. The city's own department of transportation worked to ensure diverse stakeholders were part of the Community Compact and, in a move that demonstrated the project's high priority, hired someone to become the Red Line Coordinator.

"The theme of the summit was, 'Define the success of the project before it defines us,'" says Kendrick. "We knew that before we determined alignments, we had to determine what the community thought success meant. It was not about number of riders or particulate matter removed from the air, it was about benefit to the community."

The Community Compact's four sections mirror the major topics developed from tours and the summit: jobs, making the Red Line green, community-centered design and stewardship, and planning and managing construction to lessen the impact on neighborhoods. In a high-profile signing, the Compact was formally endorsed by dozens of individuals and organizations ranging from the mayor and the head of the Maryland Transit Administration to local schools and neighborhood groups.

While not everyone in Baltimore is enthusiastic about the Red Line – some disagree with the chosen alignment, arguing it will damage upper-income, white neighborhoods – the tenor of the discussion is fundamentally different than it was ten years ago, largely due to tangible wins.

The largest win is the Community Compact, which is used as the framework for Red Line conversations between the community, developers and city agencies. Other wins include approval of the Uplands, a 100-acre mixed-income redevelopment project on land that once held a nearly abandoned public housing project in West Baltimore. On a smaller scale, the city has put new street lighting in five neighborhoods on the light rail corridor.

In response to concerns that local residents benefit from the Red Line economically, the city has hired an Economic Empowerment Officer whose job is to ensure that local residents are hired as the Red Line is planned and built. As in the other cities, employment is a major issue. The city has reformed on-the-job training requirements and pushed the bounds of permissible local hiring requirements federally.

With station area planning set to begin in the fall of 2010 for the Red Line's 20 new stations, the BNC is in discussions about funding technical assistance through a local design center to ensure the stations respond to local input and reflect the neighborhood's character.

Construction of the Red Line is set to begin in 2013.

Looking Ahead – Planning vs. Building

As the transit lines in Baltimore, the Bay Area and the Twin Cities enter new phases and break ground, discussion continues about how philanthropy can best add value. There is a healthy philosophical tension, for example, between those who believe grants are best used for planning and technical assistance and those who believe that more foundations should spend capital to purchase and build actual projects, particularly to jump start "weak market" neighborhoods and cities.

"Creating plans and developing strategies for implementing plans are important," says the Twin Cities' Sage-Martinson, "but none of it matters if it doesn't produce results. It's results that we are aiming for."

But Sage-Martinson is clear that just getting the light rail line up and running, and just getting buildings nearby, is not what he and his colleagues have in mind. "We are looking for community-based, equitable results. For that, we believe planning and engagement are important prerequisites."

Looking out over the next decades, beyond the Bay Area, Twin Cities or Baltimore, it's clear that more transit lines will be built in cities across the country. How can funders engage in ways that bring benefit to those who need it most?

"Get involved at the very start of decision-making," says Sam Zimbabwe, Director of the Center for Transit-Oriented Development.

In transportation planning, it is common to have conflicting opinions from engineers, planners and residents about basic decisions – such as the best alignment for a route. Some will argue that a new transit line should go where it can fit most easily and disrupt the fewest people (which often means in places that are further away from population centers); some will argue a new line should come right through population centers so it's closer to riders (which means more disruption at the front end but more opportunities for community and economic development). It's a controversial and complicated business, but Zimbabwe says being in on such fundamental decisions is the best way to ensure a transit line can truly help people later on.

"If you make good decisions at the front end," Zimbabwe says, "it makes the job of creating thriving, strong communities a lot easier once the transit is built." ■

How They Work

The mechanics of funder collaboratives vary – here is a snapshot of the groups in the Twin Cities, the San Francisco Bay Area and Baltimore:

The Central Corridor Funders Collaborative – St. Paul and Minneapolis

Year Founded: 2008

Members: 12 foundations.

How they operate: All 12 foundations support the administrative costs of the Collaborative. In addition, eight of the foundations pool grant money into a so-called "Catalyst Fund," which is used to make CCFC grants. Some foundations align their own grant making, meaning they take Collaborative goals and projects into account when giving their own grants.

Budget: The Collaborative has an annual operating budget of $200,000, funded by membership fees paid by all 12 members. The grant-making budget for the first three years (2008-2011) is $5.3 million.

Decision-making: Funders meet on a regular basis to review and approve proposed grants. Foundations which contribute to the pooled fund decide jointly on grants.

Grant application process: "We do it in a variety of ways," says Jonathan Sage-Martinson. "We go out looking to find ideas, we propose ideas, and sometimes people bring ideas to us. One thing we don't do is ask for unsolicited proposals on a deadline."

Where the funds live: The money is housed at the St. Paul Foundation, a Collaborative member.

Staff: One staff member, Jonathan Sage-Martinson.

More information: Go to www.**centralcorridorfunders**.org

The Great Communities Collaborative – The San Francisco Bay Area

Year Founded: 2005

Members: The GCC is comprised of three community foundations and five advocacy organizations; in all, 14 foundations provide grants to support the GCC's work but are not formally part of decision-making.

How they operate: "We are not a funder-collaborative, we are a funder-NGO collaborative," says Heather Hood, Initiative Officer for the GCC. "We decide together as a board would." The executive directors from the five nonprofits and Hood, who represents three community foundations, decide together on strategy and how to spend the funds. Grant funds are pooled.

Budget: $2 million annual budget.

Grant application process: "We don't put out a big call, we formed a partnership with NGOs and they know who to give grants to," Hood says.

Decision-making: The core partners meet on a regular basis to review and approve proposed grants.

Where the funds live: GCC funds are kept in three different community foundations – accounting is a little complicated, Hood says.

Staff: The GCC has one staff member, Heather Hood.

More information: Go to www.**greatcommunities**.org

The Baltimore Neighborhood Collaborative

Year Founded: 1996

Members: The BNC is comprised of 23 organizations including foundations, financial institutions and a government agency.

How they operate: The BNC has two major pools of funds, one of which is for "transit-centered community development."

Budget: For 2010, the budget was nearly $700,000, with about $500,000 for grants and the remainder for education, training, research, evaluation and capacity building assistance. BNC's starting budget in 1996 was about $150,000.

Grant application process: Grant applications are invited rather than the BNC issuing a request for proposals.

Decision-making: The BNC has a grants review committee that forwards recommendations to the full group, which meets quarterly to decide on grants by consensus. "Everyone is invited to participated in grant process," says Ann Sherrill of the BNC. "When we were a younger organization, everyone did participate. I would say some people are happy to delegate the authority to others."

Where the funds live: At the Association of Baltimore Area Grantmakers.

Staff: The BNC has two full time staff, led by Ann Sherrill, plus a half-time staffer.

More information: Go to www.bncbaltimore.org

About the Funders' Network for Smart Growth and Livable Communities

The **Funders' Network** exists to inspire, strengthen and expand funding and philanthropic leadership that yield environmentally sustainable, socially equitable and economically prosperous regions and communities. www.fundersnetwork.org

About the Author

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ENDNOTES

[i] Nationally, transportation is the second largest household expenditure after housing, ranging from less than 10 percent of the average household's expenditures in transit-rich areas to nearly 25 percent in many other areas. Based on calculations using the 2003 Consumer Expenditure Survey, it is estimated that the average U.S. household spends 19 percent of its budget on transportation, according to "The Affordability Index: A New Tool for Measuring the True Affordability of Housing Choice," a 2006 paper authored by the Center for Transit Oriented Development and Center for Neighborhood Technology and published by the Brookings Institution.

[ii] For the fourth year in a row, Americans took more than 10 billion trips on public transportation in 2009, despite high unemployment, a severe economic recession and lower gas prices, according to a May 2010 report from the American Public Transportation Association (APTA). For more details, see http://www.apta.com/mediacenter/pressreleases/2010/Pages/100308_Ridership_Report.aspx.

[iii] The Great Communities Collaborative is comprised of TransForm, Greenbelt Alliance, Urban Habitat, the Non-Profit Housing Association of Northern California and Reconnecting America (advocacy groups); its founding core funders were the East Bay Community Foundation, the San Francisco Foundation and the Silicon Valley Community Foundation. More funders have since invested in the collaborative. More information can be found at: www.greatcommunities.org, and another summary can be found at: http://transformca.org/book/export/html/83.

iv The Central Corridor Funders Collaborative is comprised of 12 members, as follows: The Annie E. Casey Foundation, the F.R. Bigelow Foundation, the John S. and James L. Knight Foundation, Living Cities, Inc., the McKnight Foundation, The Minneapolis Foundation, the Northwest Area Foundation, the Otto Bremer Foundation, the Jay and Rose Phillips Family Foundation, The Saint Paul Foundation, the Surdna Foundation and the Travelers Foundation. More information can be found at: www.funderscollaborative.org.

v The BNC has since grown to include the following local and national foundations, banks, corporate giving programs, and state and local governments: the Abell Foundation, Baltimore Community Foundation, Baltimore Housing, Bank of America, BB&T Bank, Black & Decker, Jacob & Hilda Blaustein Foundation, the Annie E. Casey Foundation, Citi, Enterprise Community Partners, Fannie Mae, the Ford Foundation, Goldseker Foundation, Zanvyl and Isabelle Krieger Fund, M & T Bank, Maryland Department of Housing and Community Development, Joseph and Harvey Meyerhoff Family Charitable Fund, NeighborWorks America, Open Society Institute, PNC Bank, T. Rowe Price Foundation, SunTrust Bank, Surdna Foundation and Wachovia Wells Fargo Foundation. For more information, see www.bncbaltimore.org.

[vi] The national transit tours were captured on videos, which can be accessed at www.gobaltimoreredline.com/transit_tours.html.