

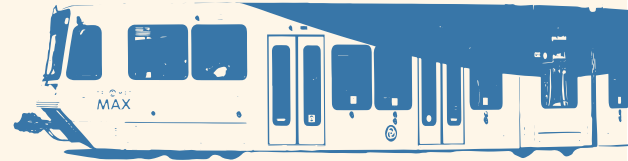
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of Oregon

BARRIERS to TRANSIT- ORIENTED DEVELOPMENT *in* PORTLAND OREGON



Report by Jonathan Chenchar

table of **CONTENTS**



4	Executive Summary
5	Introduction
6	Literature Review
11	Methodology
13	Results
17	Discussion and Recommendations
18	Conclusion
19	References
21	Appendix A: Interview Protocol



COURTESY METRO

FOREWORD

Land use planning plays a critical role in shaping the physical and social fabric of our communities. As Oregon's cities continue to grow, the need for more affordable housing built as transit-oriented development (TOD) must continue to be a part of Oregon's land use policy toolkit. As many as one-third of driving-age Oregonians lack access to a car, according to estimates, and so building communities oriented around transit can help decrease cost of living (the average American household spent almost \$10,000 in 2020 on transportation)¹. Currently 40 percent of all of Oregon's greenhouse gas emissions come from the transportation sector. In this way TOD is a critical tool in allowing Oregon to grow while decreasing these climate-change-causing emissions.

At its core, TOD recognizes the symbiotic land use relationship between housing and transportation. By strategically locating housing, businesses, services, and amenities around transit hubs, TOD maximizes accessibility, reduces reliance on a car, and promotes more efficient use of land. This approach aligns with the principles of smart growth, environmental stewardship, and social equity, making it a powerful tool in the pursuit of sustainable and inclusive communities.

TOD in Oregon promotes economic vitality and supports local businesses. Concentrating

development around hubs stimulates commercial activity, attracts investments, and creates job opportunities. This enhances small business economies, reduces infrastructure costs, and boosts regional economic resilience. TOD also promotes equity by prioritizing equitable access to affordable housing, public transportation, and essential services, which helps address social disparities in our communities and begins to combat a history of gentrification in transportation projects. Inclusive land use planning that puts affordable housing near transit benefits residents facing disproportionate barriers to housing access – including people with low incomes, seniors, individuals with disabilities, and often communities of color.

As the challenges of climate change, growing houselessness, and social inequity persist, the significance of transit-oriented development in land use planning cannot be overstated. By prioritizing transit, promoting compact and mixed-use development, and fostering vibrant, walkable neighborhoods, TOD can serve as a catalyst for sustainable growth, improved quality of life, and resilient communities.

Oregon has often been looked to for successful TOD implementation. The state will continue to grow, and embracing TOD can help us create more housing within our existing urban growth boundaries and avoid pitting housing and transportation needs against farmland and our working lands. TOD investments have huge long-term dividends, but such gains are only possible when we intentionally structure our policy, funding, and process toward these goals, with ever an eye to equity.

A huge thank you to Jon Chenchar for proposing and completing this original research.

Brett Morgan
Transportation and Metro Policy Manager

1. www.energy.gov/eere/vehicles/articles/fotw-1248-july-25-2022-average-us-household-spent-nearly-10000



EXECUTIVE SUMMARY

For many years the city of Portland, Oregon has been a leader in the push for sustainable urban areas. An important component of this sustainable push is ensuring their extensive transit network sees full and frequent utilization by the citizenry, and at the center of this lies the need for transit-oriented developments (TOD) built in or near station catchment areas. TOD is a crucial step in preparing cities for a sustainable future and a great way to introduce more affordable housing into metro areas because the proximity to transit negates car ownership and is especially important for an urban area experiencing a severe shortage of affordable housing. While initially seeing many TODs being constructed, barriers have materialized in recent years that have slowed the proliferation of these sustainable developments.

This study aims to answer two questions: 1) *What can Oregon learn about navigating these barriers from other states and municipalities that have seen continued success in building affordable transit-oriented development?* and 2) *What are the barriers to affordable transit-oriented development in the Portland area?* Through a series of stakeholder interviews, this study identifies the barriers to TOD in Portland as 1) the cost of development; 2) ineffective planning strategy and outdated suburban building codes, 3) inadequate community communication and involvement; and 4) stakeholder relationships. Recommendations include legislation to improve state-level funding and incentive programs, legislation repealing building height and density limits, legislation waiving System Development Charges for affordable developments, improved community involvement, and taking a more strategic and incremental approach to TOD development.

BARRIERS TO TRANSIT-ORIENTED DEVELOPMENT IN PORTLAND, OR

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ABOUT THIS REPORT

This report, *Barriers to Transit-Oriented Development in Portland, OR*, was created by Jon Chenchar, Transit Oriented Development Research Fellow MPA Student, University of Colorado Denver. It documents how Portland, Oregon has been a sustainability leader for years, especially in transit-oriented developments (TODs). TODs near stations are vital for affordable housing and a greener future. However, barriers have slowed their progress. Chenchar, studied these barriers, asking: *What can Oregon learn from successful TODs in other places?* and *What are the barriers in Portland?*

ABOUT 1000 FRIENDS OF OREGON

1000 Friends of Oregon is a statewide land use advocacy organization with offices in Eugene, Grants Pass, and Portland. Founded in 1974, our mission is to work with Oregonians to enhance quality of life by building livable urban and rural communities, protecting family farms and forests, and conserving natural areas.

ACKNOWLEDGMENTS AND CREDITS

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INTRODUCTION

This research will explore the barriers to the development and construction of affordable, transit-oriented development (TOD) in the Portland, Oregon, metropolitan area. Car dependency has been woven into the fabric of sprawling urban areas like Portland to the increasing detriment of their populations, and even with an urban growth boundary, this car-centricity will continue without redesigning the city's urban fabric at the human rather than automobile scale. This is a problem not only for the overall livability of cities but also for the environment at large because, according to the EPA, the transportation sector accounts for 29% of all greenhouse gasses released in the United States annually, and 58% of these emissions are from light-duty, personal vehicles (United States Environmental Protection Agency, 2022). Therefore, it is crucial that cities prioritize greener transportation options to curb these emissions, and one of the best ways to do so is by creating transit infrastructure that is located equitably and developed for affordable living, especially in suburban areas that lack transit access and affordable housing.

This is important to public administration because mass transit fits all four pillars of the profession. Mass transit is efficient because it moves large numbers of people in a single vehicle, it is economic because it utilizes less resources per capita to achieve transportation needs, it is equitable because anyone can ride for a small fare, and finally it has been shown to be effective when properly implemented. The concepts of effectiveness and properly implementing and designing a transit system are the nucleus of this paper, for it is one thing to have transit lines that serve suburban communities far from a city's urban core, but yet and another to have the built environment in those communities prioritize transit usage over driving.

Put simply, something cannot be considered effective unless it has been capitalized for ease of use to maximize utilization by citizens, and it is on this point that 1000 Friends of Oregon comes in. The organization is a 501(c)(3) nonprofit established in 1974 by the Oregon governor's office as a watchdog organization to ensure the state follows its ambitious land use planning system established the previous year. The organization has been working for almost 50 years to enhance the quality of life of all Oregonians by ensuring the government prioritize the building of dense, livable urban and rural communities to conserve the state's natural resources and protect arable agricultural land from the plight of sprawling, car-centric development. This push for less car-centric infrastructure has helped put Oregon's largest city, Portland, on the map as one of the U.S.'s most walkable and transit-rich small cities.

This research aims to assist 1000 Friends of Oregon in diagnosing what ails the pursuit of TOD in Portland, and by discovering these barriers, will help 1000 Friends cultivate policy ideas on ways to address these problems and stimulate development. This paper will begin with a literature review addressing the barriers to TOD identified by scholars in other municipalities; then, the methodology for measurement, data collection, sampling, validity, reliability, and data analysis will be detailed. Finally, this paper will end with references and appendices.

LITERATURE REVIEW

The following literature analyzes past scholarly articles discussing the various barriers to the creation and implementation of TOD policy in municipalities other than Portland, and how these different cases might inform this project. The literature has revealed four thematic barriers to TOD policy implementation: stakeholder relationships, land use and acquisition, economics, and planning approaches.

Articles were analyzed and compared according to their findings, with the overall goal being to discover the different ways these similar barriers arose to show the depth of the problems faced by TOD policy implementation. Overall, the literature demonstrates the importance of stakeholder relationships, with articles found detailing both negative outcomes resulting from poor relationships, and positive outcomes resulting from good relationships. The literature also demonstrates how land use and acquisition, economics, and planning practices might also all serve as barriers to implementation.

It is worth noting that while many articles identifying barriers to TOD were found, these articles emphasized the case-specific nature of the barriers to TOD policy, and while some barriers were thematic between articles, these barriers can manifest very differently in the different contexts studied. This review is organized into four sections as follows: effect of stakeholder relationships, land use and acquisition, economics, and planning practices.

STAKEHOLDER RELATIONSHIPS

The first barrier to TOD policy development and implementation identified in the literature and by far the most common between articles is stakeholder relationships. Dorsey and Mulder (2013), who studied an ongoing TOD project in Ogden, Utah observed a lack of balance between the government, private sector, and members of the community, leading to serious divisions in the planning process. As well, the authors noted the



outsized role community activist organizations had when challenging the private development proposals and government actors alike, and this lack of balance culminated in the process encountering multiple barriers and achieving little success over a ten-year period.

Hrelja et al. (2022) noticed a similar phenomenon in their study of low-density TOD in Sweden. The authors found that government officials' disagreement over key development aspects served to slow the process even with formal policies in place, and these problems were compounded by the officials' failure to include the community members living in the prospective TOD site, eventually making development impossible. Finally, in their study modeling barriers to TOD policy implementation in the Netherlands, Tan et al. (2014a) found that government stakeholders held mismatched views on TOD and oftentimes perceived other stakeholders as indifferent or purposefully sabotaging policy implementation, with this dichotomy especially prevalent between decision-makers and subordinates, and all culminating in unsuccessful TOD policy implementation.

Stakeholder relationships are incredibly important to TOD policy implementation, and just as poor relationships and mismatched objectives can lead to barriers in implementation, positive relationships are shown to be important enablers.



Hrelja (2015) found the integration of new TOD planning approaches in Sweden was successfully facilitated by consensus between politicians and governmental officials which served to further the two groups' shared knowledge and understanding of one another's perspectives.

Mu and de Jong (2016) also found successful stakeholder collaboration led to policy implementation in Urumqi, China. Here the authors found that sharing ideas between involved stakeholders from different sectors helped identify overlapping goals and facilitated fruitful discussion to resolve disputes. Finally, in their meta-analysis of eleven Netherlands-based case studies, Thomas and Bertolini (2014) discovered that positive relationships between actors including strong communication and overlap in goals and vision, public participation in the planning process, visionary officials, and multidisciplinary implementation teams all increased the success of TOD policy implementation.

These findings indicate how stakeholder relationships can make or break TOD, and this is important to the research topic because it shows a major potential barrier to look for when diagnosing problems related to TOD policy implementation. Along with stakeholder relationships, another major barrier to TOD implementation is land use patterns and acquisition.

LAND USE AND ACQUISITION

The second thematic barrier to TOD policy creation and implementation identified in the literature is land use and the difficulty of land acquisition. In their study of TOD implementation in Montreal, Quebec, Feldman et al. (2012) found that the increasing scarcity of buildable TOD sites is a major barrier to development. They found this problem is exacerbated by several factors including but not limited to demographic growth, a housing boom making land acquisition more competitive, a lack of good sites near transit, and a perception that undeveloped land on the outskirts of the metro area would require too much additional infrastructural development to be worth investment.

Searle et al. (2014), in their study of TOD creation in Melbourne, Brisbane, and Sydney identified the biggest barrier to TOD as site context and ownership. The authors found that prospective TOD sites built in locations with non-residential uses led to less public opposition and were also more likely to have only one or two owners to buy from. This was countered by other sites in more residential zones with fragmented ownership, requiring the state government to acquire multiple properties and then consolidate them for development, and this fragmented ownership was shown to be a concern with surveyed developers and planners who saw a lack of land amalgamation as a major barrier to TOD.

Similarly, Hrelja et al. (2022) found that prospective TOD sites that are split between several landowners in Sweden are much harder to maneuver because it is more difficult and expensive for developers to purchase the land for TOD. The authors also found previous site context important as well, observing how existing land use patterns sometimes serve to "lock-in" the existing behavior thereby making the success of a development in a location with land-use patterning contrary to TOD more difficult to implement and market to the public. This notion is also reflected in Lee et al. (2014), who make an argument for increased bicycle infrastructure surrounding TOD sites because too much densification from TOD will



result in more pedestrian and vehicle congestion rather than a diversification of transport modes because those are the two contextual transport modes, and this congestion might lead to citizen backlash against TOD.

In Yang and Pojani's (2017) analysis of population densities and land use characteristics surrounding TODs in Brisbane, the authors found that even with planning policies in place to encourage TOD in Brisbane, residential land use was still denser in non-TOD areas while commercial use was denser in TOD areas. However, the authors did identify a modest trend of increasing residential use in TODs during the study's time-frame, especially in the outer edges of the city, signaling the potential effectiveness of planning practices for overcoming land-use barriers.

Finally, Gabbe (2019) found that changing land-use zoning regulations to allow for high-density multifamily housing and adding transit-oriented incentives for affordable housing were effective ways of densifying areas around rail and bus transit stops and prioritizing TOD in the Los Angeles area; this was the only article identified that dealt

specifically with TOD as affordable housing. The article's most surprising finding was that the affordable TOD incentives passed by voter initiative, coupled with city upzoning to allow density near transit stops, were effective solutions to circumvent the barriers to affordable TOD.

These findings are important to the research topic because land acquisition is a major concern in an expensive, coastal city like Portland. As well, because U.S. planning practice has been so car-centric for so long, it is important to acknowledge the difficulty of softening the existing land-use patterns to get citizens to transition from cars to transit. Just as land use plays an important role in TOD policy implementation, so do economics.

ECONOMICS

Multiple sources point to the role of economics as a barrier to successful TOD implementation. Studying TOD in London, Papa (2019) found the biggest barrier to TOD implementation were financial difficulties and risk, discovering that land taxes were extracting a pittance of land value gains in a poorly targeted manner, and these problems had kept the government from

furthering TOD implementation because of poor economic feasibility for the city.

In Tan et al. (2014b), the authors discovered that in North America, financial lending conventions based around car-oriented development guidelines served as a barrier to TOD development with reduced parking norms. As well, the study found this institutional car-centric bias contributed to difficulties financing public transit networks themselves. Similarly, in their study of barriers to implementing TOD policy in Montreal, Quebec, Maulat et al. (2021) found a major barrier to TOD was the transit authority's limited financial resources, thereby restricting the supply of public transit. Additionally, the study found that Montreal's transit planning organization suffers from a lack of financial resources as well, and therefore cannot implement innovative projects in all metropolitan municipalities except for those that can help cover the costs.

Mu and de Jong (2016) found it was crucial to TOD and transit system success to attract private-sector investors with supportive policies and regulations to align government and private-sector goals and increase financial viability, thereby circumventing financial barriers. The authors note, however, that value-capture and allocation remain a challenge, and therefore input and output benefits must be linked to ensure continued goal alignment.

Dorsey and Mulder (2013) show a contrast to Mu and de Jong's study, this time in the American context, and found that in Ogden, Utah an unwavering commitment to private interests and financial return led to negative outcomes and a lethargic process, especially after citizen groups slowed things further by reasonably inserting themselves into the process so their interests would be met. The authors show the importance of not sacrificing the public good for financial return, and how these needs must be balanced to ensure policy implementation.

The above literature outlines the importance of balancing economic considerations, but also

being mindful that many TODs are susceptible to deferred or truncated implementation because of financial constraints. Economics are interwoven in the process of TOD policy implementation, much like the last major identified barrier, planning approaches.

PLANNING APPROACHES

Finally, the literature indicates how the planning practice of a municipality can serve as a barrier to TOD policy implementation and success. In their review of TOD planning practices and theories, Carlton (2019) found that the theories driving U.S.-based transit planners are often oversimplified and decontextualized to the extent they lead to unrealistic expectations for TOD implementation. The author found almost every planner interviewed expected transit investment would positively influence development in station catchments and the surrounding region if not immediately, then eventually, with no policy, zoning, or land use interventions; even though this is contrary to the reality that in many cases TOD has not naturally occurred with the introduction of new transit stations.

These results are corroborated by van Lierop et al. (2017), who interviewed planners in North America and the Netherlands on planning practices essential for post-development TOD success, identifying the importance of physical design, transportation, natural environment, community composition, economy, stakeholder collaboration, and accessibility. All these factors show the importance of sound planning practice on TOD, and how TOD requires complex planning in both the transportation and development contexts.

Another way planning can serve as a barrier to TOD is described in Hrelja et al. (2020), who discuss the importance and difficulty of integrated land use and transport planning in the European context. The problem they identify is that in many cases land use planning and transport planning are done by different agencies at different levels of government, which serves to complicate collaboration between actors and integration of

planning modes to design and implement successful TODs, especially in urban areas.

Finally, Staricco and Brovarone (2018) point to a similar phenomenon in Italy and Sweden, where polycentric regional planning to integrate transportation and land use for TODs was shown to be successful. However, the authors again indicate that these successes were rare because deeply rooted institutional barriers in the planning process barred the integration and collaboration of land use planners and transportation planners.

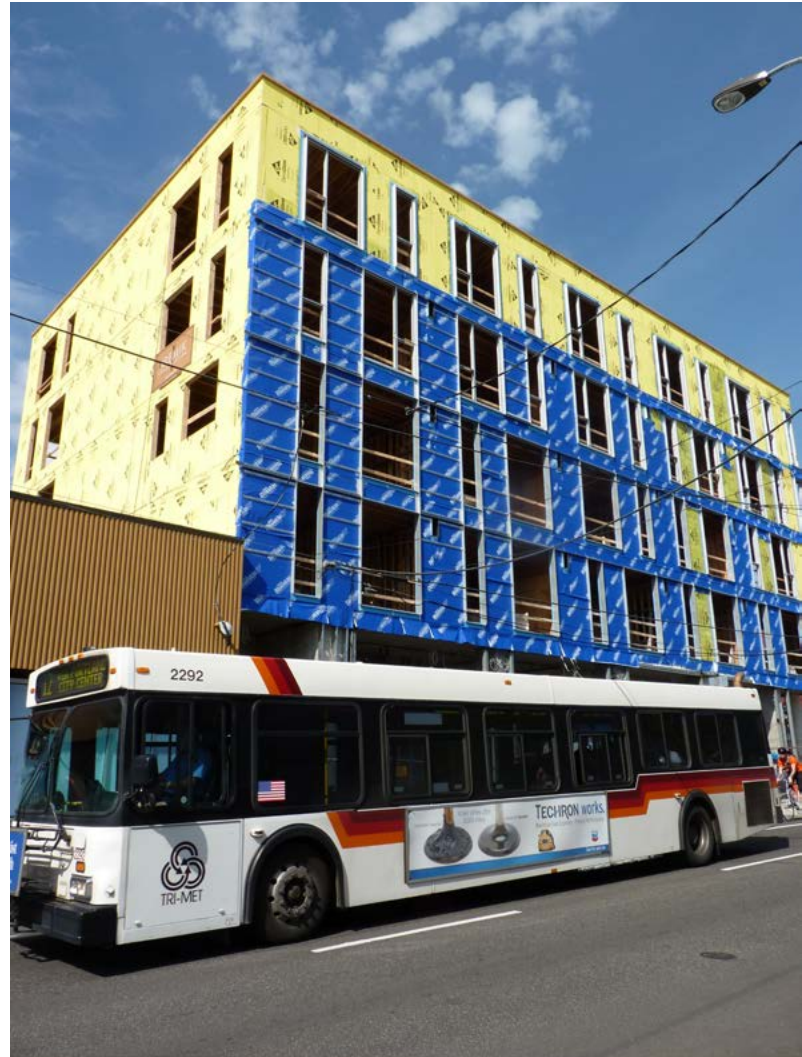
These findings are important because they show that TOD policy implementation is very much contingent on the competencies and collaborations of different realms of the planning community, and just as poor collaboration and understanding of planning theory can undermine a project, the inverse might strengthen it.

CONCLUSION

The main themes that emerged in the literature were stakeholder relationships, land use and acquisition, economics, and planning approaches. All these themes serve as barriers to TOD policy implementation. In all the identified sources there were no areas of direct controversy; however, differences persisted that can likely be attributed to the social and cultural contexts of the different studies.

The most significant strength of the literature was the amount of research into the barriers to TOD policy implementation in a variety of different contexts, and while many of the studies were very case-specific, four thematic barriers did emerge. This is especially beneficial for showing what other cities and municipalities are doing to both create and, in some cases, circumvent these barriers and shows what common barriers might be at play between the cases in the literature and those faced by Portland.

The most significant weakness of the literature runs in a similar vein, and while these thematic barriers did emerge, they shaped each respective context in very different ways with solutions



differing between cases. Therefore, generalizable findings are limited. Another weakness of this literature review is the lack of available research on TOD as affordable housing and the various new barriers this concept might introduce. While the Gabbe (2019) article does share important insights into the barriers to TOD with a targeted affordable housing component and how to circumvent them, more research into this concept would have been beneficial for the purposes of this paper. This literature review shows that Portland's perceived problems in getting new TODs off the ground are prevalent in many cities across the globe and emphasizes the need to investigate further to see what factors are affecting the current lull in TOD policy implementation in Portland.



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METHODOLOGY

RESEARCH QUESTIONS AND OVERVIEW

The first question that this research is designed to answer is, *what can Oregon learn about navigating these barriers from other states and municipalities that have seen continued success in building affordable transit-oriented development?*

The second research question is *what are the barriers to affordable transit-oriented development in the Portland area?* Since the literature suggests that barriers to TOD can be context specific, specified hypotheses and propositions are not appropriate for the first research question's inductive use of secondary material or the second research question's inductive, exploratory study of the Oregon context.

MEASUREMENT AND DATA COLLECTION

Data for the first research question are the conclusions from the scholarly research on TOD barriers

in locations other than Portland and Oregon, as presented in the literature review. Though the appearance manifestation of these barriers is context specific, barriers to TOD center around four, key areas: 1) stakeholder relationships, 2) land use and acquisition, 3) economics, and 4) planning approach. These thematic areas inform the interview protocol, described next.

Data collection for the second research question came from semi-structured interviews with pertinent stakeholders, such as planners, affordable housing advocates, development consultants, and local non-profit leaders. A qualitative approach was chosen because of the inductive, exploratory nature of the research question.

Because the interviews were semi-structured, the initial group of questions were the same for all interviewees (see Appendix A). Further inquiry was then directed as necessary during the interviews in the form of asking interviewees to further explain phenomena that they identified or to probe the interviewees for more information. Each interview began by assuring the interviewee of confidentiality. All participants consented to having their interviews recorded.

SAMPLING PLAN

Because of the nature of this project, the interviews to answer the second research question were conducted with very busy individuals, many of whom may have limited time. Therefore, this research employed non-probability, availability/convenience sampling.

The interview sample targeted pertinent stakeholders identified by 1000 Friends of Oregon such as planners, local government officials, affordable housing advocates, development consultants, and academics. These individuals were contacted by email from 1000 Friends of Oregon, introducing me and the project, and asking if they would be interested in being interviewed (see Appendix B). Of the twelve contacted, we secured eight interviews. Further scheduling emails to respondents included participant information and assurances of confidentiality.



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VALIDITY AND RELIABILITY

Internal validity is the extent to which the interviews accurately identify what they seek – details of the barriers to TOD implementation in Portland, OR. This is maximized in the research by initially asking interviewees a series of targeted questions to ensure the most consistent answers possible to control for responses that might differ from others, and then gaining more nuanced opinions later in each interview to then compare to answers that might differ.

In a similar vein the reliability, or replicability, of this research is maximized by focusing on identifying the barriers to TOD for the structured interview questions to ensure consistency between interviewees and keep opinion to a minimum until the structured questions have been answered. This way, a different pool of interviewees would be presented with the same questions and if the identified barriers are consistent between interviewees in this study, those barriers would be consistent with a different pool of similar stakeholders. Structured questions are also employed to mitigate interviewer, and ensure interviewees are answering as honestly as possible.

Finally, external validity, which is the generalizability of this research's results to different

populations, contexts, and settings, will be maximized by contacting a list of stakeholders pre-determined by 1000 Friends of Oregon that broadly reflects the entire community involved in this problem. The biggest threat to external validity is this study's use of availability sampling. While interviewees will be chosen from the pool of pre-determined stakeholders, it is highly unlikely that all who are contacted for interviews will respond, and the sample will be randomly created by the availability of those contacted.

DATA ANALYSIS

Data analysis utilized a grounded theory approach. Interview data were compiled in a spreadsheet and open coding were used to break the interview data into thematic parts. Then, axial coding was used to take the codes from open coding and group them into categories. As coding was taking place, memoing was used to refine the analysis and record the core concepts being drawn from the research. Once categories were determined, the data were analyzed for commonly identified barriers and enablers to TOD, as well as other important information that revealed itself during the data collection and analysis phases. Finally, selective coding was employed to build a theory around the research.

RESULTS

WHAT ARE THE BARRIERS TO AFFORDABLE TRANSIT-ORIENTED DEVELOPMENT IN THE PORTLAND AREA?

Eight interviews ranging from thirty to fifty minutes in length were conducted with pertinent stakeholders in the Portland area, and the information from each interview was then thoroughly analyzed using open, axial, and selective coding to build a theory to answer the second research question, *what are the barriers to affordable transit-oriented development in the Portland area?* The results of this analyzation are below in Tables 1 and 2, followed by a more detailed description of each identified barrier's most pertinent codes.

Each interview began with a series of yes and no questions asking stakeholders to identify whether the four common barriers to TOD discovered in the literature review were also true in Portland (see Table 1).

These answers provide a complete albeit limited glance into the barriers commonly identified

later in the interviews as the stakeholders were asked to further elaborate on their answers in the second round of questioning.

After each initial answer pertaining to the common barriers was thoroughly explained, the following codes were identified and a theory on the barriers to TOD in Portland was developed (see Table 2). The four distinct categories that emerged from the data are as follows: 1) cost of development; 2) Ineffective planning and misaligned suburban development regulations; 3) inadequate community communication and involvement; and 4) stakeholder relationships.

Just as Table 1 illustrates, cost of development, or economics, was identified as a barrier by all interviewees during the first round of questioning and is therefore the biggest barrier to affordable TOD in the Portland area. This was followed by planning and development issues, community involvement, and finally stakeholder relationships.

Across the eight interviews conducted during the research, economic problems were identified 41 times. Economic barriers ranged from the cost

Table 1. Responses to Yes/No Questions

Interview Number	Stakeholder Relationships	Land Use and Acquisition	Economics	Planning Approach
1	Yes	Yes	Yes	Yes
2	Yes	Land use no, acquisition yes	Yes	Sometimes
3	Critical ingredient, not a huge barrier	Yes	Yes	Yes
4	Yes	Yes	Yes	Yes
5	Yes	Yes	Yes	Least, but sure
6	Yes	Yes	Yes	Not really
7	Yes	Yes	Yes	Yes
8	Yes	Yes	Yes	Yes

of land acquisition and construction to funding problems and development posing too great a financial risk for both affordable and market-rate developments alike. Compounding these development cost problems are ineffective and inadequate government funding and incentive programs such as the inefficient Low-Income Housing Tax Credit (LIHTC) and other regulations that serve to increase costs such as prevailing wage

requirements and System Development Charges (SDCs). To quote one interviewee on the matter,

The market is really tough. Land isn't cheap, construction isn't cheap, prevailing wage requirements and inflation also play a major roll. Lenders are looking for specific things in projects before they will fund them. Developers are willing to take risks, but the

Table 2. Barriers and Identified Codes

Barrier	Identified Codes
Cost of development	<ul style="list-style-type: none"> • Prohibitive land acquisition/construction costs • Both affordable and market rate development prohibitively expensive • Poor incentives (e.g., Buy America) • Prevailing wage requirements • Low Income Housing Tax Credit (LIHTC) too complicated/ineffective • Hard to plan profitable developments • System Development Charges (SDCs) • Too expensive • Markets not conducive to suburban TOD • Funding problems • Lack of developable land in Portland • Shrinking FTA funding
Ineffective planning strategy and outdated suburban building codes	<ul style="list-style-type: none"> • Approach not incremental enough • Outdated zoning • Parking • Not field of dreams • Uncoordinated planning approach • Poor station locations • Cannot eminent domain land for TOD • Urban/suburban dynamic • Value-driven requirements ineffective • Acquisition sequencing and timing
Inadequate community communication and involvement	<ul style="list-style-type: none"> • Inadequate community involvement • Community exclusion from the planning process • NIMBYs • Small business owners • Nonprofit exclusion
Stakeholder relationships	<ul style="list-style-type: none"> • Goal/priority alignment between stakeholders • Bureaucratic complexity • Public sector not proactive/bad at planning these things • Hard to maximize effectiveness



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numbers must work. People aren't doing charitable development. The cost of construction and development is a huge barrier to making TOD happen.

Interviewees also identified a lack of proven development incentive programs to help lower costs and improve development feasibility, with some pointing to the failure of the Federal Transit Authority's Buy America incentive program, which has never been successfully used in Portland since its inception over 10 years ago because the costs incurred to adhere to the program's strict rules outweigh any financial benefit the program provides. Economic barriers also included hesitancy by lenders and other funding bodies over poor perceptions of development feasibility from volatile and unestablished market conditions, especially in the suburbs.

The second most frequently identified barrier, being mentioned 21 times during the eight interviews, was ineffective planning strategy and outdated suburban building codes. The crux of this barrier is the speed at which TOD and transit can be developed, as one stakeholder succinctly surmised, "everyone wants it to happen fast, it rarely happens fast." Almost all the interviewees directly involved in the planning and development stages emphasized the importance of taking an incremental approach when executing these

projects, and noted how bigger, more idealistic projects are oftentimes killed by trying to do too much at once. As well, interviewees identified legacy building codes from when suburban communities were originally developed, and the difficulty of successfully changing these laws, as a barrier to TOD, with one stakeholder explaining,

"Building codes and land use issues exist because the area was designed for single-family homes. It isn't easy making changes to prepare the area for higher densities."

Commonly identified code barriers were height maximums and density requirements. Parking requirements were also frequently identified as a barrier, and regardless of their recent statewide ban, multiple stakeholders emphasized how parking will continue to be a persistent problem because potential tenants prioritize building with at least one spot per unit, and this in turn raises building occupancy and return on investment.

The third barrier identified in the interviews was inadequate community communication and involvement, being mentioned 14 times over the 8 interviews and oftentimes identified alongside general stakeholder relationships but prevalent enough to warrant their own category. Interviewees found that poor community involvement served to slow or even halt development through community members' needs and worries not being met, and particularly emphasized the importance of community involvement during the planning stage. Communication with the community was also found to be vitally important, with community members often being identified as uninformed to the nuances of transit planning and development and possessing aversion to affordable housing with interviewees stressing the importance of educating the community to understand these plans, as one interviewee put it,

"At the end of the day, if a plan has champions in the community who can continue to advocate for it—even through elections and political leadership changes—it raises the probability that it will be realized."

Interviewees in the non-profit sector who work closely with the communities they serve iterated these sentiments, oftentimes identifying themselves as excluded from the process by the bigger governmental players.

Finally, stakeholder relationships were the fourth most frequently identified barrier, being observed only nine times over the eight interviews. One of the biggest stakeholder relationship problems was not directly mentioned by the interviewees but emerged from the interviews themselves, with interviewees frequently making misinformed statements regarding each other's role in TOD. For example, multiple stakeholders mentioned the odd practice of agencies and private developers waiting to acquire land for TOD only *after* the transit was built when land is at a premium, and how acquiring this land during the planning stage would prove helpful in keeping acquisition costs down,

“For some reason our development community and owners aren't forward-thinking enough. They wait until the light rail is built and then have a war to buy the land and build stuff even though they know the plan is in place years in advance.”

However, another stakeholder who worked more directly in land acquisition mentioned how landowners where future TOD has been planned refuse to sell until the infrastructure is built so they can charge a premium for their land,

“Developers and nonprofits try to acquire these sites for future TOD development while keeping them affordable, but they've been unsuccessful doing this because the landowners refused to sell until the southwest corridor light rail is eventually built so they can get more money for the land.”

Other areas for misunderstanding regarded stakeholder capacity for change, with those outside the public sector longing for more proactive agencies and those in agencies explaining the abject complexity involved in these processes and the bureaucratic constraints in which they operate.



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DISCUSSION AND RECOMMENDATIONS

The above findings answer the second research question by identifying the context-specific aspects and relative importance of the four different policy areas in contributing to the slow proliferation of affordable TOD in the Portland area. While all the identified barriers contribute to the overall problems facing TOD, some proved more burdensome than others. In particular, the frequency of economic issues being identified as a barrier considerably outpaced the other barriers, with the second most frequently identified barrier being related to ineffective planning and misaligned suburban building codes being mentioned only half as often as economic barriers.

The broad implications of these results should come as no surprise to 1,000 Friends of Oregon or the stakeholders interviewed for this research project. All interviewees were in utter agreement on much of the barriers, with the only major point of contention being the observed lack of understanding between stakeholders; and even this would be difficult to paint as a *major* detriment to the development of TOD. Better communication regarding each other's roles in this realm is surely a crucial step and would result in a net positive for the planning and development community in Portland; however, clearing communication lines to help TOD development will be an exercise in futility when faced with the all-encompassing predation of the sheer cost of TOD.

POLICY OPTIONS

Recommendations include drafting and proposing legislation for the state aimed at streamlining Oregon state requirements on the Low-Income Housing Tax Credit (LIHTC) and other measures that might make funding programs more effective at spurring development, such as changing prevailing wage requirements for affordable housing projects. Another policy recommendation would be drafting legislation to repeal building height limits at the state level, much like the state assembly recently did with parking requirements, to then ensure dense TOD can be developed in all suburban communities in the Portland metro.

Another policy option might be legislation aimed at changing how System Development Charges are applied and waiving them for affordable development, instead having the state pay for infrastructure improvements. Not only might this serve to increase the number of affordable TODs, but it would also further incentivize developers to incorporate affordable units into buildings.

As far as stakeholder barriers, this study recommends faster and better communication between actors and increased collaboration, where applicable. These processes move at the speed of bureaucracy, but it seems crucial after the interviews that agencies and stakeholders keep in constant contact to ensure a truly holistic

approach is utilized. On a similar front, I would also recommend increased communication and collaboration with community actors. The ideal form this would take is the community coalition model that Unite Oregon used during the planning stages of the Southwest Corridor MAX extension. This model would be applied to all affordable TOD projects, wherein a group of community stakeholders will get a permanent seat at the table to ensure that their thoughts are heard and interests are met. While this will further slow the process, community stakeholders' intimate knowledge of their respective communities is crucial to successful TOD development, especially in the suburbs.

Finally, similar to the previous recommendation, taking a more strategic and incremental approach to TOD development and working to shift expectations away from doing everything in one go might be beneficial. Important here is not adding too many satellite projects to the proposed TOD, and rather, as one interviewee put it, "trimming ornaments off the Christmas tree" and narrowing the focus of these developments. Ensuring that pure inertia does not become a barrier is crucial here, along with a concerted and concentrated approach, is essential to successful project completion.

LIMITATIONS

Limitations of this study include the number and scope of the interviews conducted. While many pertinent stakeholders were interviewed for this project and interviewees provided a wealth of information, it is rarely detrimental to increase the number of interviews for a qualitative study. As well, while the scope of this research was good, private developers were a voice sorely lacking from the results, and their inclusion in future research might serve to either further confirm the results of this study or offer new insights into other barriers to TOD in Portland not mentioned in the interviews already conducted.

CONCLUSION

This study's findings reinforce the barriers to TOD development identified in the literature, and the weight carried by economic, planning, community, and stakeholder barriers in the Portland metro area, especially when building affordable transit-oriented development. Unfortunately, if anything has been learned about the barriers to TOD in Portland, it is that many of the barriers are complex to the extent that no one solution will solve any of the problems they create. Rather, as the interviewees in the planning community alluded to, the problems feeding the barriers that can be addressed will have to be done so incrementally and strategically and may take years to solve. As well, some of the barriers are simply too big and absolute to be addressed by policy alone. The prohibitive costs of land and construction have not only affected the continued development of affordable TOD but are indeed problems that all actors in high-value coastal cities face, from young couples purchasing starter homes to large developers looking to build high-rise apartment complexes. This is not a call for stakeholders to shake their fists, gnash their teeth, and succumb to the notion that these things are impossible or futile; but rather, it is a call to action that acknowledges the need for incremental legwork from all stakeholders over the course of many years to change any of these problems.

Avenues for future research include analyzing potential ways to change prevailing wage requirements and similar value-based regulations that maintain the spirit of the current system while better controlling for cost increases incurred because of these requirements. As well, research into successful stakeholder collaborations might be explored to try better balancing each group's needs while still allowing development to continue forward. As is characteristic of most governmental work, these processes and their ailments are incredibly complex and layered beyond what any initial perception might surmise; but with determination and consistent effort, these crucial elements to Portland's sustainable future can and will change.

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APPENDIX A: INTERVIEW PROTOCOL

OPENING SCRIPT

Hello! Thank you for agreeing to be interviewed for this project. On behalf of both 1000 Friends of Oregon and myself, I can say with confidence that your participation is important to our research into identifying the barriers to the creation and implementation of an affordable transit-oriented development policy in Oregon. This interview will take about 30-45 minutes.

Before we begin, I'd like to remind you that:

- a) This interview will be recorded for transcription and accuracy;
- b) There are no foreseeable, personal risks to participating in this interview;
- c) You may opt out at any time; and
- d) Your participation and responses will be kept confidential

With that, are there any comments, questions, or concerns you have for me? If not we'll jump right into the questions.

Question Group 1:

Do you perceive any barriers to the implementation of an equitable transit-oriented development policy in Portland or Oregon more generally related to:

- 1a. stakeholder relationships?
- 1b. land use and acquisition?
- 1c. economics?
- 1d. planning approach?

Question Group 2:

For each of the areas above (1a-1d), ask the appropriate follow-up questions based on the response for that area:

- 2a. (for a response of "yes" to 1a-1d): What are these barriers? How/why are these phenomena barriers?

- 2b. (for a response of "no" to 1a-1d): The literature identified [1a-1d] as a common area for barriers to TOD implementation; what are Portland and Oregon more generally doing in this area to enable TOD implementation? How/why are these phenomena enablers?

Question Group 3:

Do you perceive any barriers to TOD implementation in Portland or Oregon in areas other than the four addressed already?

- 3a. (for a response of "yes"): What are these areas/barriers?
- 3b. (for a response of "no"): What final comments, if any, do you have regarding the implementation of TOD policy in Portland or Oregon?

End structured questions, begin as-necessary inquiry (i.e., "do you have any questions?")

Concluding script

Thank you for taking the time to be interviewed for this project! All your answers will be strictly confidential, and your name will be changed in the final report to further protect your confidentiality. I will provide you with a copy of the final report once it is complete. As always, if you have any further questions or if anything else comes to mind, please feel free to reach out. Thanks again!