

Creative Approaches to Funding Equitable Transit-Oriented Development (ETOD)



Equity is not a given—it must be deliberately considered in all aspects of development by leveraging public-private partnerships and engaging local community partners throughout the entire process.

Creative financing approaches are needed to support ETOD projects since traditional financing has often led to inequitable approaches. Since inequity is the default, developers, policymakers, politicians, and practitioners must actively work to develop creative financing tools to reverse decades of systemic racism and support the development of affordable housing near transit, where options are accessible to Black, Brown, and low-income communities.

D.C. Funding Commitments and Strategies
The District of Columbia (D.C.) has made a commendable (and replicable) commitment to funding affordable housing and preservation projects. In addition to sourcing funding from philanthropic organizations, the private sector, and financial institutions, the D.C. government under Mayor Muriel Bowser's leadership dedicated annual contributions to a [Housing Production Trust Fund](#), which has created \$440M in new money for affordable housing development.

Examples of Strategies to Advance ETOD

Projects in the Washington, D.C. region can set precedents for the rest of the country by pioneering creative financing tools to support and execute ETOD projects. These tools include new approaches to tax credit/abatement programs, new partnership models with the private sector, and other entities that can initiate development such as faith-based institutions and invest in anti-displacement initiatives.

The priorities of the Amazon Housing Equity Fund (AHEF) are the preservation of affordable housing, centralizing equity, and creating formal and informal partnerships, and Washington, D.C. is one of the AHEF hometown communities, where over \$1B was intentionally invested across the D.C. region. AHEF's work in the region is a nationally notable example of leadership by a major regional employer, and it has spurred many public-private partnerships in both new affordable housing and the preservation of existing affordable housing. The Accelerator Program, a professional development program aimed to increase the number of professional real estate developers of color who are focused on affordable housing and inclusive community building, is also an example of how AHEF is investing in people—not just projects.



"We can't be satisfied with the tools we've had for the past X number of years."

– **Christian Dorsey**, Chair of the Arlington County Board



"Funders are more likely to fund projects that can communicate priorities effectively."

– **Senthil Sankaran**, Principal, Amazon Housing Equity Fund

1 Enterprise Community Partners' strategic priorities to increase housing supply, expand racial equity, and promote resilience of the built environment create opportunities for low-income residents to stay or move near existing transit nodes. The Faith-Based Development Initiative, which provides resources to houses of worship to develop underutilized land into affordable homes and community facilities, is an example of how Enterprise's programming resources are directed at creating an enabling ecosystem for ETOD investments.

2 Kaiser Permanente has invested \$5 million and recruited additional investors to support the production and preservation of affordable housing along the Purple Line Corridor in Prince George's County and Montgomery County, Maryland. This 16-mile light rail plan aims to improve transit connection, create jobs, reduce traffic, and lower greenhouse gas emissions—while maintaining 17,000 low-income and working-class family homes within one mile of the corridor.

3 ETOD initiatives such as Thrive Montgomery 2050, the Montgomery County general plan that aims to increase accessible housing, improve transit, and strengthen businesses together in equitable, sustainable ways. Arlington County's work on Missing Middle Housing also addresses the area's shortfall in housing supply. These initiatives demonstrate the importance of changing the 'scarcity' mentality that has characterized land use decisions in the region by committing to changing land use regulation and zoning—particularly recognizing that these tools have been used to segregate communities.

View the recordings from the Equity Forum on our [Youtube Channel](#).



Questions to ask



Have residents and elected officials upheld barriers to equitable development, such as exclusionary zoning?

- Jurisdictions must be honest about the impact of their current policies and efforts to maintain the status quo as a first step in advancing policy change for more equitable development outcomes.



Are the major institutions in your community willing to advocate for and/or partner on ETOD projects in your community? Are there clear transit and/or housing priorities or goals in your jurisdiction or region that these partners can support?



What **new ways** you can leverage different partners and deploy more resources?

- How can your community engage small-scale developers, especially developers of color or others of traditionally under-represented backgrounds? Bringing in diverse expertise will support work to structure innovative and equitable projects.



Are the major employers in your area willing to financially partner on projects that support investments in people as well as places?

What's Next?

Actions communities can take to begin ETOD planning and deploy resources with explicit intentionality to re-enfranchise people who have been historically left behind by systemic racism, inherent in traditional land use decisions.



Identify existing communities of color and low-income communities near transit nodes to invest in anti-displacement initiatives.



Take a regional look at anticipated future development to anticipate how new businesses will impact future housing and transit costs and needs.

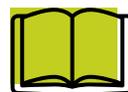


Set specific goals to create new units (e.g. D.C. set a goal to create 36,000 units by 2025, of which 12,000 would be affordable), or check in with housing partners to determine if they have a regional assessment of housing needs.



Consider opportunities for new potential financing and funding partners, such as major new employers in the region.

Recommended reading



[Filling the Financing Gap for Equitable Transit-Oriented Development.](#) This report outlines a model equitable TOD financing system, highlights the necessity for an interdisciplinary approach to developing ETOD, and finally provides case studies of successful ETOD projects.

[Financing the Development in Transit-Oriented Development:](#) CDFI Case Study on the Denver Regional TOD Fund.