

GAO Highlights

Highlights of [GAO-15-70](#), a report to Chairman, Subcommittee on Housing, Transportation, and Community Development, Committee on Banking, Housing, and Urban Affairs, U.S. Senate.

Why GAO Did This Study

From 2004 to 2014, FTA allocated \$18.9 billion to build new or expanded transit systems through the Capital Investment Grant program. One of the key goals for many local governments when planning major capital-transit projects is to encourage transit-oriented development as a way to focus future regional population growth along transit corridors. Transit-oriented development is generally described as a compact and “walkable” neighborhood near transit with a mix of residential and commercial uses.

GAO was asked to examine transit-oriented development. This report addresses (1) the extent to which transit-oriented development has occurred near select transit lines that received federal funds and the factors and local policies that affect transit-oriented development, and (2) the extent to which FTA considers factors related to the potential for transit-oriented development when assessing proposed projects and the extent to which FTA’s assessment of these factors is consistent with the factors that local stakeholders told GAO affect a project’s results. To address these issues, GAO reviewed relevant literature and visited six federally funded case study transit projects in Baltimore, MD; Washington, DC; Charlotte, NC; Santa Clara County, CA; San Francisco, CA; and Houston, TX, selected for diversity in local programs, markets, and geography. During these visits, GAO met with stakeholders, such as local officials and developers. GAO also interviewed FTA officials. In commenting on a draft of this report, DOT noted FTA’s long-standing commitment to encourage transit-oriented development.

View [GAO-15-70](#). For more information, contact David J. Wise at (202) 512-2834 or wised@gao.gov

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PUBLIC TRANSPORTATION

Multiple Factors Influence Extent of Transit-Oriented Development

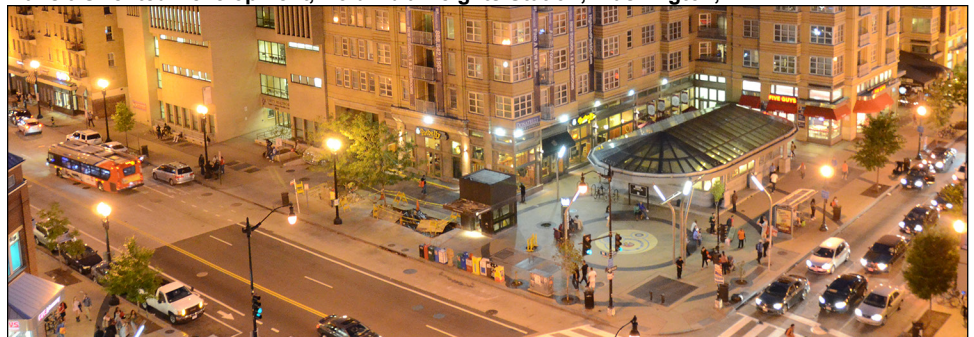
What GAO Found

GAO found a wide range in the extent of new transit-oriented development that has occurred since transit operations began for GAO’s six federally funded case-study transit projects. There are many examples of new transit-oriented development in San Francisco, CA; Washington, DC; and Charlotte, NC, that local officials attribute—at least in part—to transit in the area. However, in other cities GAO visited, local officials said that there has been very little development around transit stations—or that development took as long as 10 years. Stakeholders in these cities attributed transit-oriented development, or lack thereof, near the projects selected to the influence of several factors, including:

- conditions that support transit-oriented development, such as demand for nearby real estate, land available to develop, residents’ support, and a transit system that provides a direct and efficient connection to jobs;
- challenges that hinder transit-oriented development, such as high associated costs, difficulty in obtaining financing, a difficult local-government review and approval process, an unsupportive local population, and a physical configuration around transit stations unattractive for development; and
- local government policies that support transit-oriented development, such as supportive zoning, planning, infrastructure investments, and tax incentives.

The Federal Transit Administration (FTA) assesses projects for potential New Starts funding by evaluating several of the factors and local government policies GAO identified as supporting transit-oriented development on a five-point scale ranging from low to high. FTA evaluates access to jobs, available land, and transit-supportive plans and policies—among other things—in assessing each project for economic development and land use, which are two evaluation criteria FTA uses to determine whether a project will be funded. Among four case study projects GAO visited that were assessed by FTA for New Starts, two scored medium-high or better, while two scored medium-low or lower. GAO found that many of the factors or local government policies that supported or hindered transit-oriented development are generally consistent with FTA’s summary assessment for economic development and land use. Further, GAO found two projects where transit-oriented development resulted in increased ridership, while projects with less transit-oriented development have fewer riders than expected.

Transit-Oriented Development, Columbia Heights Station, Washington, DC



Source: Sarah Mae Krueger. | GAO-15-70