

Share

1

0

0



Henry Cisneros may not be convinced that the market for McMansions is completely obsolete. However, the former Secretary of the US Department of Housing and Urban Development is hopeful about the changes he's seeing.

"What is different about housing trends is that the idea of compact, centrally located housing is becoming a big part of the story. I'm not saying there won't be a market for other kinds of residential development," he says. "But remember, we are largely a metropolitan nation.

Sixty-five percent of all Americans live in the 100 largest metros. And what we're talking about is tied to the future of the country's economic vitality." Cisneros certainly has the credentials to talk about urban vitality. The first Hispanic-American mayor of a major US city, Cisneros addressed massive infrastructure and downtown improvements during his four terms as mayor of San Antonio throughout the 1980s. In 1992, President Clinton tapped him to serve as his HUD secretary and, in this role, Cisneros initiated the revitalization of public housing developments and helped craft policies that contributed to the nation's highest-ever homeownership rate.

In 2000, Cisneros founded CityView, an institutional investment firm focused on urban real estate, in-city housing and metropolitan infrastructure. Working with leading homebuilders, the company is a partner in the development of 40 communities in 12 states encompassing more than 7,000 homes with a home value of over \$2 billion.

With experience in the development of a variety of projects, from senior communities and university student housing to workforce housing, mixed-use infill and municipal redevelopment initiative projects, Cisneros notes that one common component that's become crucial in much of his company's endeavors is income integration. It is an important factor in both the long and short term as we emerge from the worst recession in our country's history and as affordable housing becomes the first residential segment showing signs of life.

"We have to be careful and purposeful about including mixed-income housing," Cisneros says. "And we have to ensure that high-value housing allows the workforce to live there."

In fact, without a centrally located workforce there can be dire consequences. Cisneros points out two dramatic examples: a few years ago in Seattle, when heavy rains flooded the city and trees knocked out power lines, the city was paralyzed while utility workers had difficulty getting to the city to address the problems; and last year in Fairfax County, VA, unfortunately, heavy snows made it difficult for hospital personnel to get to work. Cisneros' company makes these kinds of scenarios less common. "CityView has become expert at taking private capital to build and integrate quality workforce housing that is an asset to the neighborhood," he says. "And income

integration really does matter in sustaining the quality of these projects, and the corollary is that the poor can have better access to employment centers, their children can pursue better educational opportunities and ultimately they can improve their lives.” But income integration addresses an even larger social issue, which is the revitalized urban environment. “We’re coming to a point in American life where local governments want to cooperate with developers to offer housing for a variety of people—empty nesters, young professionals and the workforce—to revitalize the urban setting.”

GET TRANSIT FRIENDLY

If not entirely driven by it, the phenomenal change is certainly aligned with a demographic that is even larger than the baby boomer generation it is displacing. Generation Y refers to those born between roughly 1980 and the early 2000s, and is estimated to include some 80 million people.

“There are certainly no absolutes, but Gen Y-ers tend to live busy lifestyles,” says Ken Ryan, a principal with award-winning architecture and design firm KTGy who has been involved in many community planning and urban design projects. “They are extraordinary multitaskers, travelers, ecologically minded, generally more focused on interior space than the outside ‘yard,’ seek out public transit, and have a desire for homes and a neighborhood context that fits their lifestyle.”

It’s no surprise then that one of the more important milestones in urban planning is the rise of transit-oriented developments (TODs). Today, many major cities boast pedestrian-friendly, mixed-use communities all designed around the central amenity of public transit.

“There are multiple reasons why TODs are relevant today and offer important short- and long-term development opportunities,” explains Ryan, who lists changing demographics, housing affordability issues, transportation costs and sustainability among them. “Combined with the federal government’s efforts to stimulate the economy with billions of dollars appropriated as part of the American Recovery and Reinvestment Act supporting TOD projects, it is becoming easier to address the challenges of TOD implementation. The federal directive is backed by policy aimed at assisting development and good neighborhood planning.”

Yet, with so many favorable conditions, the development of TODs has formidable challenges: They often involve multiple landowners with different interests; they often require close collaboration of private-sector and multiple public-sector agencies; they require substantial infrastructure; and they also are likely to be met with community opposition (see sidebar).

Ultimately, though, the rewards are immeasurable. “TODs are about ‘community building’—applying the fundamentals of great neighborhoods to an urban setting and responding to the very real issues of affordability, mobility, sustainability and livability in a deeper, more integrated way,” says Ryan. “The best TOD environments celebrate place with landscape, architecture and urban design that embraces inviting public spaces, activity zones, pedestrian orientation, synergy of uses, nature, safety, convenience, and an attractive image and identity that not only entices people to come but, more important, beckons their return.”

Chicago is not New York, and New York is not Los Angeles. Obviously, there is no one-size-fits-all approach to addressing changing consumer demands and development challenges. While the many changes taking place across our urban landscapes share broad commonalities, their distinctions are significant.

“Dynamics change from location to location, and in Southern California it’s taken a while to recognize the relationship between transit and development potential,” says Randy Jackson, president of design services for the Planning Center, a full-service consulting firm that specializes in community planning, environmental services, and land planning and design. With four decades under his belt, Jackson is a master at designing unique land-use concepts for communities that integrate transportation, open space, and park and recreation systems.

While his company is exploring transit-oriented development in places like San Bernardino and other outlying towns, Jackson notes another urban development phenomenon: “Corridor planning is becoming big,” he says. “It brings together cities with the common goal of improving the economic performance and livability of an underperforming commercial corridor. Corridor planning focuses on organizing uses and leveraging amenities that are complementary—one city may have great health clinics, another may have great parks, for example—and they are connected via bus rapid transit, which is much less expensive to implement than rail, can be modified more

easily, and can be built off of existing infrastructure.”

An example can be found in one of the company’s recently completed SCAG Compass Blueprint Demonstration projects—the Los Alamitos Commercial Corridors Plan. The Corridor Plan sought to leverage the introduction of bus rapid transit along Katella Avenue and identify opportunities for “place-making” in the small city of Los Alamitos. Despite its great school district and renowned medical center, few take transit to work in the city, and its residents long for a central downtown area. The Corridors Plan enhanced the connection between bus rapid transit and the city’s Medical Center district (which employs thousands) and also led to the concept of narrowing Los Alamitos Boulevard north of Katella Avenue (where traffic volumes are a third of the those south of Katella Avenue) and turning the corridor into a downtown with pedestrian-friendly streets, a mix of highly desirable uses, slow traffic and plenty of parking.

In terms of residential preferences, Jackson, like his contemporaries, is aware of the other influences driving change. “Being 42 years in the business, it’s interesting to see the change, having pushed the auto-driven dynamics of the past,” he says. “Today, baby boomers stuck with outside homes may be encouraged to subdivide the house. A sobering effect is the realization that, ‘Hey, maybe the wife and I don’t need 3,000-4,000 square feet.’ And price sensitivity will be a big part of the market, not just for poorer consumers but for retirees looking to downsize and to mix economics and make diverse communities.”

Jackson recommends exploring partnerships with city redevelopment groups. But perhaps even more important (depending on the dynamics of your locale) are partnerships with subregional governments, which can be helpful in orchestrating long-term planning for multiple cities. “A real key in the future will be niche building, like intergenerational housing or housing for students or faculty near campus, as cities are likely to start researching what kinds of niches are missing in their communities and planning accordingly.”