EQUITY AND INCLUSION

BUILDING COMMUNITY AND BROADENING THE DIALOGUE

The Civil Rights Act and the Executive Order on Environmental Justice require City practices and policies to not have adverse effects on the basis of race, sex, and income. This plan demonstrates readiness to be a leadership city in the practice of social equity and inclusion. Several current initiatives can give voice and choice to communities along the bus rapid transit corridor.

New federal rules require that all Community Development Block Grant recipients modify their five-year consolidated plans to include affirmative actions to increase local housing affordability and reduce segregation. The Affirmatively Further Fair Housing Screening Tool reports on three key indicators of transit accessibility, transportation affordability and employment accessibility, with the City required to publicly disclose its progress to reduce the transportation cost burden on low to moderate income households and people of color.

USDOT will be adopting first-time performance measures to be used by NMDOT, MRCOG, and ABQ Ride.

The restructuring of Fannie Mae and Freddie Mac will likely require those institutions increase credit access to underserved markets. For Albuquerque, performance measures can help make certain downtown development tracts eligible to receive tax credit assistance from the New Mexico MFA.

In addition to these shifts on the federal level, a number of local initiatives are underway to bolster social equity. In October 2016, Albuquerque became part of the Bloomberg Philanthropies' What Works Cities initiative, in part to enhance race equity and quality of life. This action plan identifies a set of emerging opportunities to improve capital access both directly to the poor and to projects along the Central Avenue Corridor. By providing information to employers about how they can provide employees pre-paid transit services and additional first-and-last-mile supplemental service, the likelihood of serving lower-income workers more equitably increases. Shared mobility alternatives and a transportation equity strategy can help to meet the needs of the working poor. As strategies such as the Innovation District take hold and as transit service improves with the current Central Avenue Corridor and the planned north-south University Avenue alignment, opportunities will emerge for business, institutional and governmental location decisions that are more location efficient and transit accessible. A *jobs-to-people* strategy for such location decisions can complement the more traditional *people-to-jobs* strategy. ■

Toolkit Key

BARRIER

TOOL

EQUITY AND INCLUSION

FINANCE

B.01

New transit service often results in gentrification and evidence shows this is occurring around station areas along Central Avenue.

When the demand for housing in a neighborhood exceeds supply, the result is usually an increase in the average income. The formal name for this situation is gentrification. The average income of a neighborhood can increase even if no one leaves, from new higher income residents.

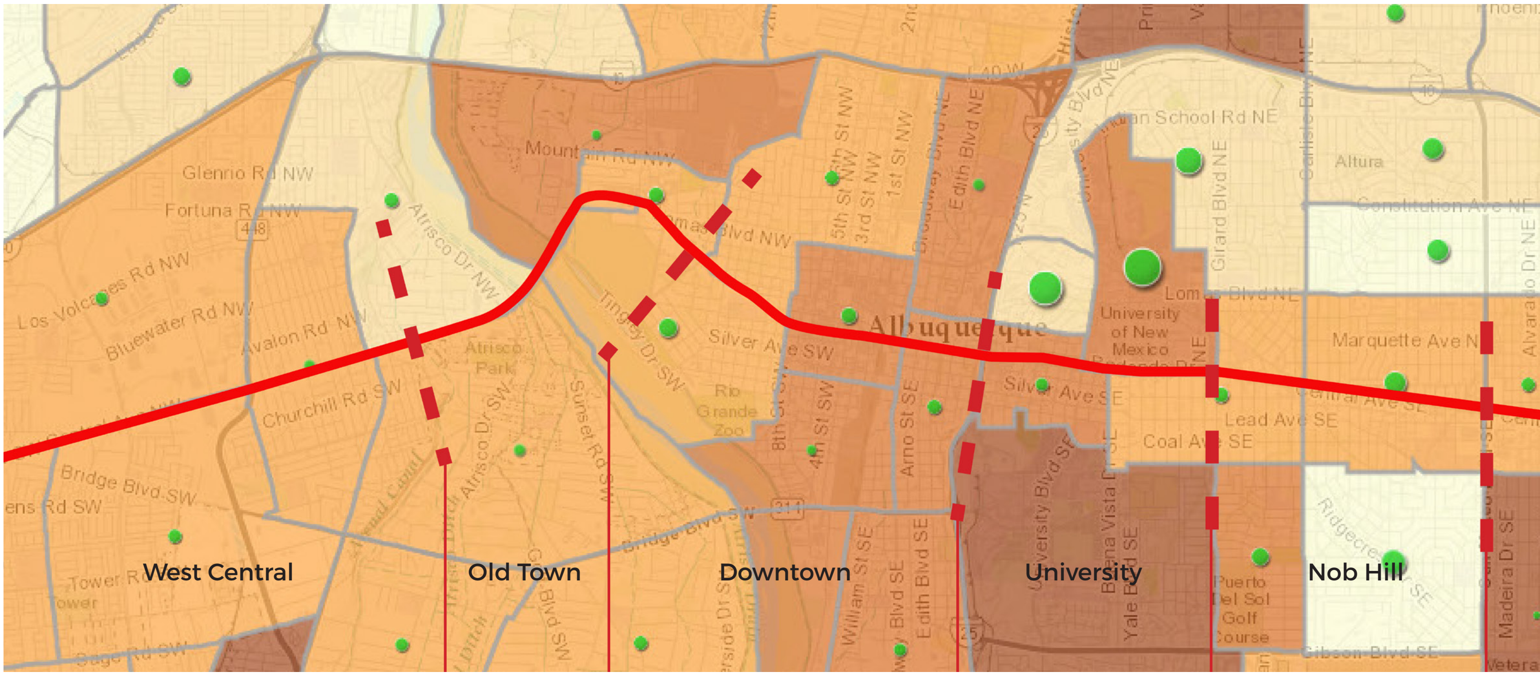
Gentrification need not result in displacement, but renters are twice as likely to be displaced. 58% of households located within ½ mile of an ART stop are renters. Risk can be mitigated through affordable housing covenants and can also be addressed by requiring developers to pay a linked development fee, exaction, or opt-out fee into a fund. Albuquerque currently has no such mandated requirements for inclusionary housing and no mechanism for linked development.

Albuquerque has a gap in housing affordability. Nearly 37% of households pay 30% or more of their income for housing. Housing costs in Albuquerque range from 9 to 92% of household income.

T.01

1. **Create complete communities that work for everyone. Adopt a Development without Displacement policy** for dwellings along Central Avenue. Create inclusionary housing requirements, tying bonuses and approvals for increased density and mixed-use character to affirmative affordability.

Locate housing that meets 30% housing affordability within walking distance of a transit stop. Inclusionary housing require-



Income and poverty levels, from The Central Corridor Neighborhood Study by UNM.

ment: all buildings developed within 5/8 of a mile of Central Avenue having more than 10 dwelling units of housing will include at least 20% of total units rented to meet the affordability needs of Very Low, Low, or Moderate Income households, as defined by the U.S. Department of Housing and Urban Development.

Affordability will be defined as rents being less than 30% of area median household income for the purposes of qualifying for direct rent subsidies and project subsidies such as Section 8/Housing Choice Vouchers or Low Income Housing Tax Credits. A model ordinance is provided by Washington University Law School at http://landuselaw.wustl.edu/sample_ordinance.pdf.

2. **Prevent commercial gentrification** to maintain essential neighborhood services and cultural cornerstones through programs to protect long-term commercial tenants.

Work with national retailers to offer Central Avenue as a test-bed for emerging smaller-store formats. All major food retailers in the U.S. and those abroad choosing to expand U.S. operations are now experimenting with smaller store formats that could conceivably fit into Central Avenue urban character. A similar movement toward smaller formats is being experimented with by department stores, and even by Hilton Hotels. This complements the movement in office space toward shared workspaces and shared-use mobility (such as car sharing and bicycle sharing) all of which results in more intensive use of available land.

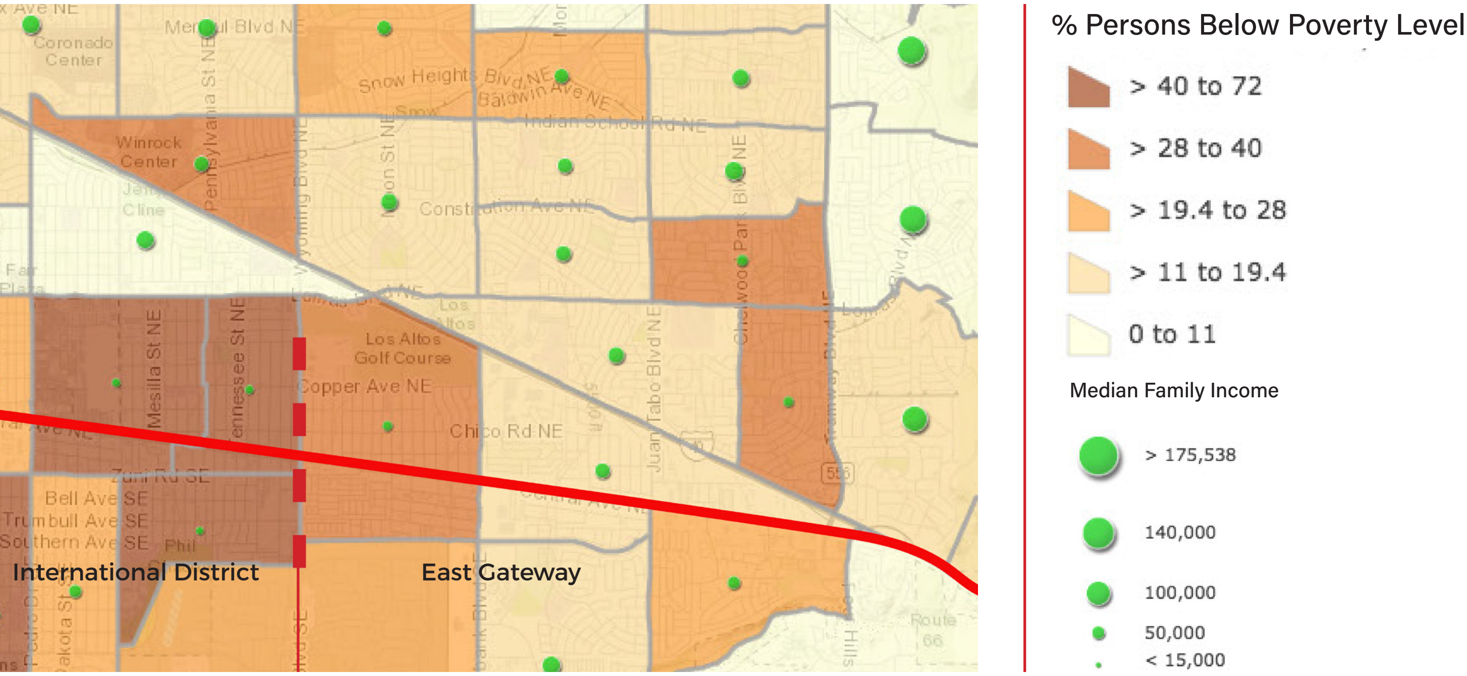
Create a regular design workshop that involves local urban designers, national retailers, commercial space developers, and shared use mobility vendors to raise the profile of Albuquerque and Central Avenue and secure voluntary commitments to mixed use formats. Since the amount of city tax yield from Gross Receipts Tax far outweighs that from Property Tax in New Mexico, this is consistent with and helps support other policies intended to intensity the public return on investment from Central Avenue.

Explore means of encouraging local ownership in small stores. National retailers offer this through franchising, and through cooperative ownership—for example, all Ace, Tru-Value and Do It Best hardware stores are cooperatively owned, and there are similar opportunities for groceries, pharmacies and hotels.

3. **Promote location efficiency** for key destinations to reduce the travel required to access jobs, school, and childcare.

Open a channel of communications with the State's Mortgage Finance Authority (MFA) and Community Development Financial Institutions around emerging opportunities. New Mexico receives an annual apportionments of Low Income Housing Tax Credits which are used to meet the equity finance requirements for affordable housing. The Qualifying Assistance Plan prepared annually by the MFA awards the credits competitively. The MFA takes the combined cost of housing plus transportation into account so any projects intended to meet the affordable housing gap in Central Avenue station areas are attractive for affordable housing developers and MFA.

While affordable housing strategies are critical, such programs will not be able to help all of the households at risk of displacement in the corridor, and effort must be given to preserving and creating "naturally occurring" affordable housing. This can include smaller units, accessory dwelling units, as well as efficiencies in energy, water, and childcare.



B.02

Workforce housing needs additional funding sources.

Albuquerque's Workforce Housing Plan sets goals to support, preserve, produce, and protect affordable housing as well as protect the most vulnerable populations including elderly, at-risk youth, persons with disabilities, homeless and immigrants. The plan promotes home ownership for those excluded from the market with housing that is sustainable and affordable. However, the funds to implement the plan are often outpaced by needs.

T.02

1. **Develop a focused strategy to grow the existing Workforce Housing Development Fund** crafted with the participation of major employers and New Mexico's existing community development financial institutions.

Albuquerque's Workforce Housing Trust Fund provides gap financing to fund affordable housing. Development projects that are eligible for fund assistance must set aside at least 30% of units to serve low-income households. The program added 402 affordable multifamily housing units to the city's inventory between 2008 and 2011.

Bonds issued by the City of Albuquerque and approved by voters funds the trust. As of 2015, the Workforce Housing Trust Fund has received $32.5 million across four bond cycles, with a 2017 balance of $4 million.

The Workforce Housing Trust Fund plan serves as chapter 5 in the Consolidated Plan which Albuquerque prepares every five years for the U.S. Department of Housing and Urban Development. The next filing of that plan for 2018-2022 will be submitted October 6, 2017 and must comply with new rules known as Affirmatively Furthering Fair Housing.

The plan update requires using indicators showing progress in reducing the cost of transportation to households, increasing the accessibility of transit to households, and increasing employment accessibility due to transit.

Lead by example in Albuquerque's plan for fair housing and use this submission to help assure that the community benefits of TOD work for everyone. The city is currently working with major anchor institutions, including colleges and universities, medical centers and the Health Sciences Center around community economic development and equitable health goals, and should ensure that these activities are highlighted in the submission and in any accountable commitments made by Albuquerque toward meeting the goals of the Fair Housing Act.

B.03

Albuquerque has a gap in transportation affordability. 71% of households pay 45% or more of their income for a combination of housing and transportation.

The typical housing and transportation costs run 51% of household median income, with a range of 29 to 120%.

T.03

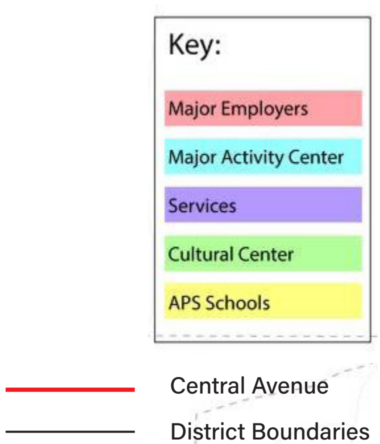
1. **Use location efficiency as a screen for siting affordable housing.**

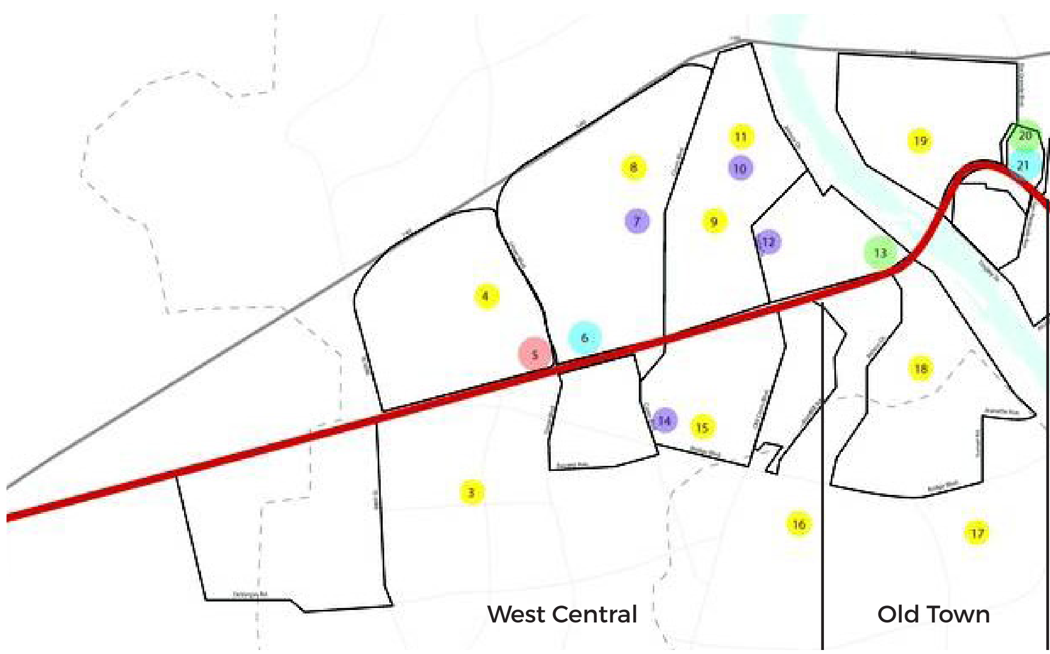
A significant part of the $1 billion projected savings in household transportation outlays due to the new Premium Transit Corridors over the first 10 years of use come from both improved journey to work choices and less expensive non-work trip making (shopping, schools, services, recreation, friends, worship). Some of the savings will come from improved land use, minimizing the need to travel by car. Some will come from an increase in the number of people making use of ABQ Ride once the ART and University Avenue services are initiated. Some will come from newer types of travel choices such as bike and car sharing. Ensuring that a location efficiency screen is used for siting housing intended to be affordable is essential to realizing these estimated savings, which have a more direct impact on social equity than the estimated increase in taxable value, although that value makes it possible to further invest in actions that can continue to reduce the cost of living, such as more transit improvements, the Transportation Management Association strategy, and a transit pass subsidy.

Propose a City Council resolution mandating that no city funds for affordable housing can be spent in areas of the city with high transportation costs. The City of El Paso is a precedent for this action.

2. **Link people with jobs. Create a Transportation Management Association** (TMA) in partnership with employers to eliminate “first and last mile gaps” and “transit deserts.” Use this to offer new services and increase service frequency of current ABQ Ride, Rio Metro and NMDOT Park-and-Ride Network along Premium Transit Corridors and intersecting routes

The Ash Center at the Harvard Kennedy School is currently developing a new curriculum for city executives aimed at building capacity for effective mobility management, and will be looking for cities interested in building permanent capacity to close first and last mile gaps in public transportation. At the same time, Uber has signaled its willingness to experiment with meeting such gaps in partnership with major employers and transit providers, and MRCOG is actively seeking ways of meeting these gaps to boost ridership at Rail Runner stations. Some form of special purpose organization to meet first and last mile commuting gaps in public transportation systems exists in some 200 cities, but none are in New Mexico. These partnerships not only cost-share among traditional governmental sources, but are able to secure voluntary contributions from major employers to further lower the cost of providing supplemental service through additional bus frequency, vanpools, or through shared use mobility. By contracting for supplemental services, whether through established vanpool providers such as vRide or in partnership with ride-sourc-





Major employers, major activity centers, services, cultural centers, and APS schools, mapped by the University of New Mexico Central Corridor Neighborhood Study.

ing firms such as Uber and Lyft, fixed costs can be eliminated and services expanded more quickly.

The City and ABQ Ride should convene a meeting of knowledgeable experts, providers of TMA services, and the human resources directors of the largest employers in Albuquerque to move this concept to reality.

3. **Build a partnership of major employers and anchor institutions** to adopt and offer employer assisted transportation.

The increased frequency and level of transit service that ART will provide will help working families more reliably commute to work. This will support employers, who are concerned about employee access, employee attraction, and employee retention. Employers offer transportation assistance in the form of making parking available, but the federal tax code allows employers offering subsidized transit passes to treat these as pre-tax benefits from an employee point of view, thus offering transit assistance on the same basis as is offered for health care benefits. This Qualified Transit Fringe Benefit in Section 132 of the Internal Revenue Code allows the tax exclusion for transit and commuter highway vehicles of $255 per employee per month. Commuters can receive both the transit and parking benefits up to $510 per month. Employers can allow employees to use pretax dollars to pay for transit passes, van pool fares, and parking.

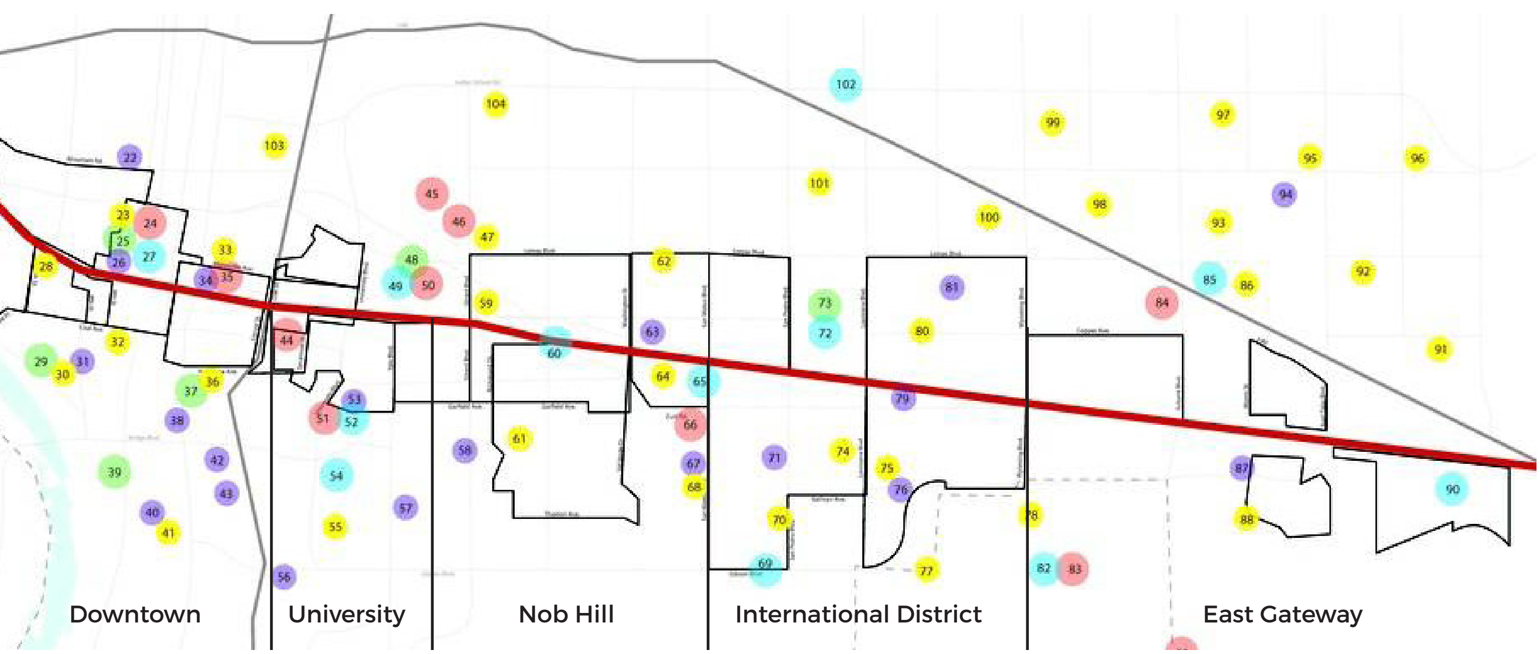
Convene human resources directors of major employers, major activity centers, services, cultural centers, and APS schools to help them make the decision to offer the Qualified Transit Fringe Benefit, resulting in patronage benefits for ABQ Ride, cost of living benefits for workers, and a considerable set of employer benefits.

4. **Increase the availability of shared cars, shared bicycles, and other ride-share programs** along Albuquerque's Premium Transit Corridors.

Car-sharing is a proven method of reducing the cost of living and can substitute for individual vehicle ownership. In markets with car-sharing availability, car-sharing participants typically use shared vehicles for non-work trips and increase their transit patronage for work trips, resulting in significant reduction in the cost of living along with increase in transit patronage. Three vendors currently offer shared cars in Albuquerque. ZipCar operates at two locations, both on the UNM Campus, Enterprise CarShare operates at two locations near Sunport, and Turo, offers peer-to-peer car-sharing, a method of opting-in privately owned vehicles into a collective fleet. BICI and Zagster have operated bike-sharing in Albuquerque for two years. Currently, multiple shared-bicycles are offered at 15 locations, 14 along or close to Central Avenue, and one at the National Hispanic Cultural Museum, with an average of 5 bicycles per location.

Albuquerque should consider significant incentives to boost the demand for and utilization of shared mobility, including:

- Provide parking spaces for shared vehicles.
- Integrate car-share and bike-share access passes with pre-paid transit access passes.
- Adopt a Transportation Demand Management Program.
- Provide a web tool that helps people more easily see available traditional (bus) and non-traditional (car-share, bike-share, ride-share) services in a single portal.
- Expand carsharing for use in municipal fleets, which during evening and weekend hours are available for community rental.
- Pursue funding for "mobility hubs" that provide a cluster of transit and shared-use mobility. Explore partnerships with large vehicle manufacturers, all of whom have divisions within their companies to explore shared mobility options.

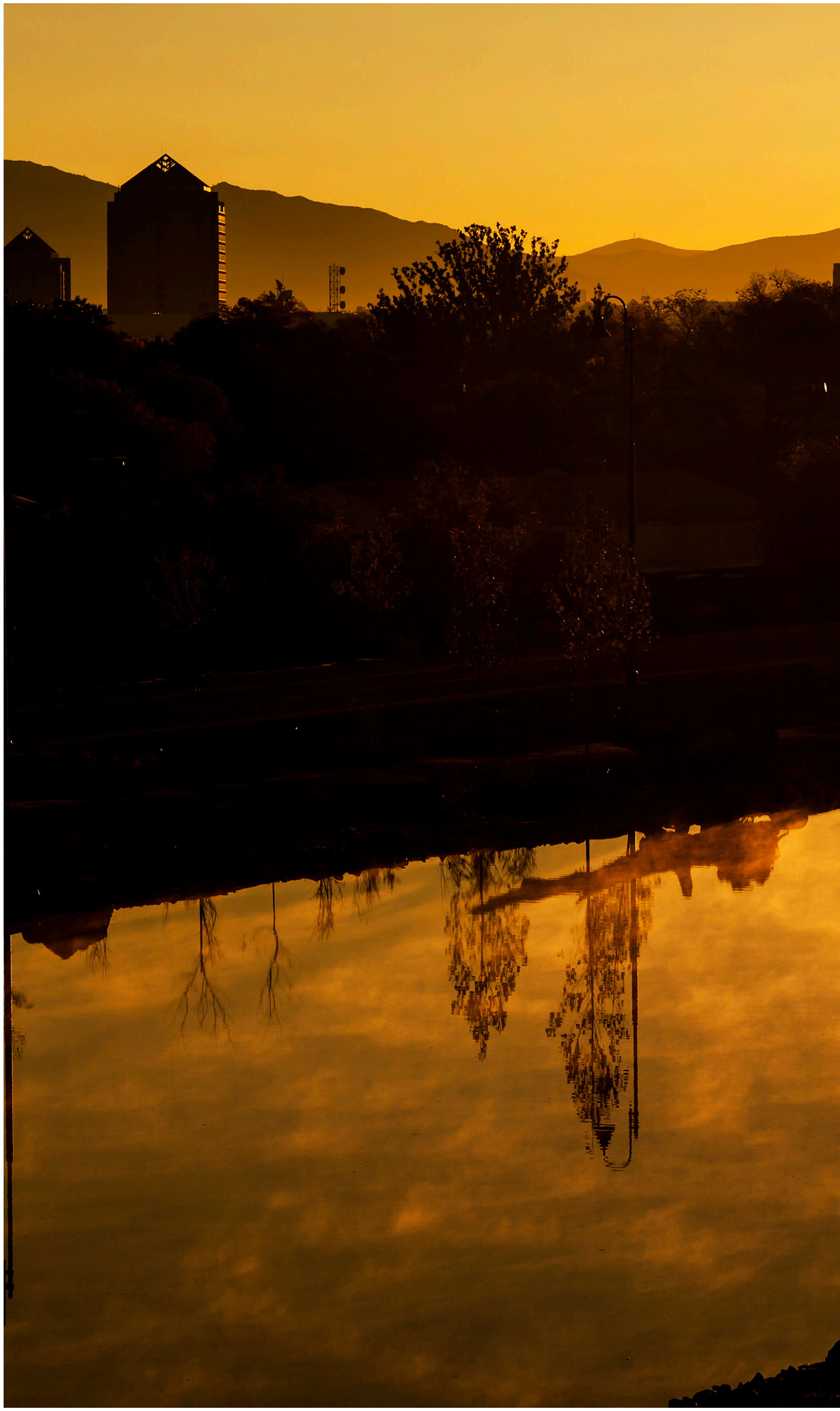


B.04

Public trust is lacking in some of the relationships surrounding transit in Albuquerque.

Social equity and inclusion are based, in part, on the community's ability to have a voice in community decisions and a choice about the wellbeing of their neighborhood.

The benefits of transit oriented development are not always legible and compelling to the broader community, inhibiting the financial support to optimize the City's investment in infrastructure.



A.04

1. **Build public trust.** Utilize events like the March 2017 Workshop Week to collaborate as a community regarding transit.

2. **Create a dashboard of key performance measures** to track progress toward economic, social and environmental benefits from improved transportation services, placemaking and livability initiatives along the Central Avenue ART.

3. **Disclose the current transportation cost-of-living** in advertisements for rental and sale housing. Create a forum for owners, developer/investors and renters to better understand this value. Require this information in existing financial counseling linked to actions that residents can take to reduce transportation outlays.

4. **Disclose potential affordability and tax yield impacts** of contending scenarios for future development in Albuquerque.