In order to begin developing TOD strategies, funding recommendations, and design solutions for stations spanning three cities and many unincorporated parts of Sacramento county, it is first necessary to thoroughly understand the current context of the Sacramento region and individual neighborhoods around the light rail system. Specifically, this includes an understanding of the current light rail system and the unique challenges and opportunities facing TOD project within the Sacramento region.

SYSTEM OVERVIEW

The SacRT light rail system was mostly built along existing freight rail line right-of-way and along major arterials or freeways, placing many of the stations in industrial neighborhoods that are difficult to access and redevelop. The system is made up of three separate lines—Blue, Gold, and Green—and serves approximately 20 million riders each year. Although these lines overlap within Downtown Sacramento, most stations are distinct to one specific line outside of the urban core. The system operates in three cities (Folsom, Rancho Cordova, and Sacramento) and portions of unincorporated Sacramento county, as shown in Figure 1.

Operating at headways ranging from 15 minutes during peak times to 30 minutes during off peak times, the system provides opportunities for riders to access major destinations throughout the region seven days a week. Planned expansions include an extension of the Green Line to the Sacramento International Airport, more efficient 15 minute frequencies into Folsom, and a possible extension of the Blue Line to serve Elk Grove.
FIGURE 1 // SACRAMENTO REGIONAL LIGHT RAIL SYSTEM
EXISTING PROGRAMS, POLICIES, AND REGULATIONS

The State of California, SACOG, SacRT, and most jurisdictions in the Sacramento region have already identified the need to support and implement TOD projects. Many have also identified specific strategies for encouraging TOD. Following is a summary of the major milestones relating to existing programs, policies, and regulations related to TOD in the Sacramento region.

State of California

The state is a strong supporter of TOD. Over the last decade, the state has passed several laws and implemented a number of TOD supportive programs. However, many of these programs are focused on established TOD markets and as a result, implementation of many of these is not as prevalent in the Sacramento region, an emerging TOD market. Below are some highlights of major state laws and programs supporting TOD.

- In 2008, Senate Bill 375 authorized significant CEQA streamlining and exemptions for housing and mixed-use projects near high-quality transit (additional requirements must be met).
- In 2013, Senate Bill 743 enacted CEQA streamlining and exemptions for projects in transit priority areas (additional requirements must be met).
- In 2013, the Department of Housing and Community Development ("HCD") held the third round of the TOD Housing Program, a grant program for infrastructure necessary for housing developments. The program also provided low-interest loans as gap financing for rental housing developments that include affordable units.
- In 2015, the Affordable Housing and Sustainable Communities ("AHSC") Grant Program was created to fund land-use, housing, transportation, and land preservation projects in support of infill and compact development that reduce greenhouse gas ("GHG") emissions. Funding for the AHSC Program is provided from the Greenhouse Gas Reduction Fund ("GGRF"), an account established to receive Cap-and-Trade auction proceeds.
In 2018, Senate Bill 35 required local entities to streamline the approval of certain housing projects by providing a ministerial approval process if these jurisdictions are not currently meeting their Regional Housing Need Allocation (RHNA) goals.

SACOG

Since the adoption of the regional Blueprint in 2005, SACOG has encouraged and supported TOD. In November 2019, SACOG adopted the 2020 Metropolitan Transportation Plan/Sustainable Communities Strategy. The Plan works towards an ambitious 19 percent greenhouse gas reduction primarily through reducing vehicles miles traveled by focusing on infill development. The Plan assumes approximately 105,000 new homes and 105,000 new jobs near high-frequency transit by 2040. To support this, SACOG has policies and implementation actions in the MTP/SCS specifically to provide information, tools, encouragement and support to TOD.

SacRT

In 2002, SacRT and the City of Sacramento developed a Transit for Liveable Communities Report providing market analysis and recommendations to encourage TOD at key stations. This report led to the development of station area plans by the City of Sacramento. In 2009, SacRT adopted a Guide to TOD that established criteria by station typology to assist with reviewing and guiding development around stations. This criteria also guided local agency General Plan updates as well as choosing development partners for SacRT’s property disposition over the years.

Local Agencies

Sacramento County and the cities of Folsom, Sacramento, and Rancho Cordova all have a long history of supporting TOD through policy. The general plans and specific plans that reach into TOD areas all have policies to support TOD. However, the implementation of these policies is historically one of the challenges to TOD. For the policies to work, they have to be further supported by changes to zoning code requirements about use, lot coverage, building heights, and parking requirements. Additionally, streamlined permitting and environmental review along with encouragement of public-private partnerships are valuable TOD incentives.

Each jurisdiction continues to evolve in their support for TOD by addressing many of these historical challenges. Below are a few highlights of some of the recent plans, projects or programs that illustrate the region’s commitment to TOD. (A full list of the plans and programs in each jurisdiction is provided in Appendix D).

- In 2018, the City of Sacramento adopted a comprehensive and precedent setting TOD Ordinance. This ordinance implements regulatory incentives to promote TOD near existing and planned light rail stations, while
discouraging and prohibiting non-transit-supportive uses such as drive-through restaurants and gas stations. It reduces parking requirements near transit stations and provides incentives for multi-unit housing projects.

- The City of Sacramento proactively coordinates economic development implementation programs with land use and urban design programs and then aligns the Capital Improvements Program (“CIP”) with geographic areas that are ready to develop into TOD.

- In 2018, the City of Folsom adopted an updated General Plan, which dedicates an entire section of the land use element to TOD. It establishes clear goals and policies to encourage TOD, including restricting auto-oriented uses, promoting CEQA streamlining opportunities, encouraging bicycle and walking friendly connections, and supporting parking standard reductions.

- The City of Rancho Cordova is pursuing a public-private partnership to master develop a 9.8-acre TOD site located on the north side of Folsom Boulevard across from Mather Field and the Mather Field/Mills Light Rail Station. The Mills Station District, also known as the Civic Center project, is envisioned to be a multi-use hub for activity that incorporates cultural, recreational, residential, and commercial uses.

- In 2011, Sacramento County adopted a General Plan update that strengthened its TOD policies minimum density and intensity requirements for TOD areas near light rail, bus rapid transit, and local bus service. This includes providing no density limit in certain areas with immediate adjacency to light rail stations.
OPPORTUNITIES AND CHALLENGES

While TOD is becoming more of a regional and statewide goal for increasing housing and employment development, it often faces many challenges. This can be due to either the intensity of the development, its market and financing feasibility, or other physical and political factors. The following is a summary of key opportunities and challenges that face TOD projects in the Sacramento region. A key focus of Chapters 3 and 4 is identifying strategies for capitalizing on the opportunities TOD presents while also addressing the existing challenges to this type of development.

Connectivity

+ Connecting bus service, on-demand shuttles, scooters, and shared rideables are available at many stations
+ Multi-use paths within cities and multi-use trails along the American River connect to many stations
  - Many residential neighborhoods lack low-stress and easily accessible pedestrian and bicycle connections, both physically and visually, to light rail stations despite close proximity
  - A lack of bicycle infrastructure connecting to light rail stations and bicycle storage on trains dissuades many riders
  - Freeways and railroad crossings near some light rail stations make accessibility difficult for pedestrians and bicyclists

Land

+ Some Station Areas have relatively low land costs
+ There is a growing interest in TOD from developers
  - Developers favor ownership over land-lease structures from public agencies, while public agencies can benefit from partnering with developers to create long-term positive cash flow
  - SacRT and other public agency land disposition/acquisition processes can be perceived as costly and time intensive
  - Many stations are in areas with insufficient infrastructure to support TOD.
Planning and Regulatory

+ Light rail stations are considered High Quality Transit Areas ("HQTAs") and Transit Priority Areas ("TPAs"), providing project streamlining incentives for developers
+ The statewide density bonus program will assist developers with onerous parking requirements, typically experienced in outlying areas
+ Local policy and code updates are an opportunity to implement zoning changes that facilitate TOD-supportive residential densities and land use intensities
- Existing building height maximums, large setbacks, and onerous parking requirements can often limit TOD

Access

+ Many job centers, institutions, colleges, universities, and commercial services are already located near light rail stations
+ For people with lower incomes, the ability to access jobs and other these economic opportunities can provide upward economic mobility
+ Station Areas provide a significant opportunity for new housing and employment uses
- TOD may catalyze the displacement of low- and moderate-income residents and small/independent businesses

Safety

+ SacRT is in the process of modernizing its fleet with new light rail vehicles and a range of station and system upgrades
+ SacRT has significantly increased safety measures at many stations, and in turn, crime at stations and on trains is at an all-time low
- The perception of an unsafe or unpleasant light rail experience still remains among some people, although SacRT has focused its resources on increasing safety and cleanliness
- Homeless issues in the region contribute to an unsafe perception of transit
Funding

+ Strong regional interest in establishing more public-private partnerships to help expedite new projects
+ In Downtown Sacramento, the Capitol Area Development Authority (“CADA”) has the ability to partner with private developers to co-fund new housing and development projects
+ A Federal Promise Zone in Sacramento prioritizes Federal funding for the City of Sacramento
+ Opportunity Zones are found within Folsom, Rancho Cordova, Sacramento, and the County, which can attract a range of private equity
+ The Sacramento Housing and Redevelopment Agency (“SHRA”) is able to direct some of its funding to support affordable housing and infrastructure work in the region

- Prevailing wage requirements connected to public funding sources can increase development costs and in turn threaten many TOD projects’ viability
- Impact fees, including utility and special district fees, can be prohibitive in certain areas
- Many areas surrounding light rail stations are ineligible for new bond financing because they are still bonded under Redevelopment Agency projects
- There is limited regional funding for major transportation projects or multi-modal circulation improvement projects

Market

+ Class A development with access to high-quality amenities is in great demand within the Sacramento region
- Current market analyses often do not support TOD projects
- The Sacramento region lacks a large pool of local and regional developers with TOD expertise and experience
HOW DO WE ADDRESS THESE CHALLENGES?

Though some of these challenges may be specific to individual stations, many of the underlying constraints to TOD permeate across the entire system. To create a regional plan for addressing these challenges, we started by assessing the entire system and groups of stations with similar characteristics and challenges. By applying these Typologies to groups of Station Areas, we can then assess (within each Typology) the range of market and policy conditions and opportunity sites that exist today and provide some prototypical futures to illustrate what a transformation could look like. Funding is also a critical piece of the puzzle when looking to catalyze significant change.

This analytical and assessment information is presented in Chapter 3 and the resulting strategies are provided in Chapter 4. The Action Plan paints a full picture of what it will take to get TOD in the Sacramento region.