

Evaluation of the New Jersey Transit Village Initiative

Executive Summary

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www.policy.rutgers.edu/vtc/tod/transitvillages

Introduction

From September 2002 to October 2003, the Alan M. Voorhees Transportation Center¹ (VTC) at Rutgers University conducted an evaluation of the New Jersey Transit Village Initiative, funded by the New Jersey Department of Transportation (NJDOT). As part of this evaluation, VTC has produced the following reports in our assessment of the Initiative:

- *State of the Literature: Transit-Oriented Development*
- *Demographics of the New Jersey Transit Villages*
- *Transit Villages in New Jersey: Success Factors, Obstacles, and Recommendations*
- *Transit Villages in New Jersey: Recommendations for Assessment and Accountability*

In addition to these written reports, a symposium was held at the Edward J. Bloustein School of Planning and Public Policy, Rutgers University, New Brunswick, New Jersey, on October 10, 2003, to release our findings. All the materials from the symposium, including the PowerPoint presentation, and all the written reports can be downloaded at:
www.policy.rutgers.edu/vtc/tod/transitvillages.

This Executive Summary highlights the major findings of the evaluation of the New Jersey Transit Village Initiative.

¹ Originally, transportation policy studies were carried out under the name Transportation Policy Institute (TPI) as part of the Alan M. Voorhees Transportation Center (VTC). As of September 2003, TPI is no longer an active entity and all research activity is encompassed by the VTC designation.

Background

The Transit Village Initiative is a program that seeks to revitalize and grow selected communities with transit as an anchor. Although the Transit Village Initiative is staffed and directed by the New Jersey Department of Transportation, a Task Force of representatives from several state agencies meets regularly to guide the Initiative. The participating agencies are:

- New Jersey Department of Transportation
- New Jersey Department of Environmental Protection
- New Jersey Redevelopment Authority
- New Jersey Transit
- New Jersey Department of Community Affairs
 - Office of Smart Growth
 - MainStreet New Jersey
- New Jersey Economic Development Authority
- New Jersey Housing and Mortgage Finance Agency
- New Jersey Commerce & Economic Growth Commission
- New Jersey Council on the Arts

Within each agency, at least one person has been appointed the Transit Village representative. Each municipality also has a contact person who works directly with this representative, in addition to working with the Transit Village coordinator at NJDOT. The benefit of being a Transit Village is that this designation not only gives these municipalities priority for state grants but also allows the municipalities to have direct contact with the representatives of these agencies. This is often helpful in expediting development approvals.

The Transit Village is designated as the half-mile area around the transit facility (this is

also typically referred to as a transit-oriented development area). The Transit Village Initiative fits into the larger smart growth agenda in New Jersey because it helps to promote the growth of businesses and residential population around existing (or planned, in one case) transportation infrastructure investments. Its aim is to reduce traffic congestion and improve air quality by promoting increased transit ridership, pedestrian activity, and bicycle use. In addition, the goals of economic revitalization and increasing the housing stock are part of an overall effort to create vibrant, enjoyable, and exciting areas around major transit nodes.

State of the Literature: Transit-Oriented Development (December 2002)

A literature review was conducted as the first task in our evaluation. This report was a meta-review of three literature reviews about transit-oriented development (TOD). We summarize *Transit Oriented Development: Moving from Rhetoric to Reality* (Belzer and Autler 2002) by the Brookings Institution, *Transit Oriented Development and Joint Development in the United States: A Literature Review* (Cervero, Ferrell, and Murphy 2002) by the Transit Cooperative Research Program (TCRP), and *Statewide Transit-Oriented Development Study: Factors for Success in California* (California Department of Transportation 2002).

Our general conclusions are:

1. *Collaboration is key:* To successfully build a TOD, it is vital not only for public and private sectors to work together but also for different levels of government and different agencies across government to cooperate.
2. *Public policies are lacking:* The TCRP report discusses case studies in a best-

practice manner, but the Brookings report begins to outline necessary goals and objectives for a coherent public vision. The California report takes the Brookings report's recommendations and develops a model of state policy to promote TOD.

3. *It is necessary to develop a typology and guidelines for success:* Although TOD is subject to local market constraints, it is necessary to develop a system for classifying different places and then creating guidelines for success. Future TODs should learn from the successes and/or failures of the past—it is necessary to define obstacles to success, especially in a local context.
4. *Housing, parking, and financing need special attention:* All three of these reports identify the importance of housing, parking, and financing for TODs. These issues need to be worked on in a general sense, again to develop guidelines for success, but they also need to be addressed in a local context for each new project.
5. *Measuring and evaluating success is necessary:* To ensure that TODs are successful, a process of evaluation is important to discern how well goals are being realized. As is stated in the TCRP report, most TODs in the United States are so new that adequate data have not yet been collected to evaluate their success.

Demographics of the New Jersey Transit Villages (October 2003)

The goal of the demographics analysis was to understand the unique character of each Transit Village and to determine if there were any patterns across the municipalities. Our findings reveal three typologies across the seven municipalities.² We found similarities

² Metuchen was not included in this analysis because it did not receive the Transit Village Designation until December 2002, which was after the start of this evaluation.

among the *Traditional Bedroom Communities* of Morristown, Rutherford, and South Orange. Rahway and South Amboy are characterized as *Urban, Industrial-Based Communities*, and Pleasantville and Riverside are the *South Jersey, Non-Commuter Rail Communities*.

Furthermore, in general, the characteristics of the Transit Village (the half-mile area around the transit station) shift from the municipal profile with remarkable consistency:

- School-age population percentage goes up in the Transit Village (except in South Orange and Rutherford)
- Senior population percentage drops in the Transit Village (except in South Orange and Rutherford, where it increases)
- White non-Hispanic population level goes down in the Transit Village (except in South Orange, where it increases)
- Hispanic levels increase in all Transit Villages except South Orange
- Foreign-born population percentage increases in all the Transit Villages except South Amboy
- Married couple households drop in share in the Transit Villages except in Riverside and South Amboy
- Female single parent households in *all* the Transit Villages stay at about the same level as in the municipalities
- Single-person households increase in share in *all* Villages
- Poverty rate goes up in all Villages except South Orange, where it stays the same
- Unemployment levels go up in all Transit Villages except Morristown and Riverside
- Single-family housing stock drops in percentage in all Transit Villages except Pleasantville
- Homeownership rate drops in all Transit Villages, except Pleasantville
- For-sale vacancy rate goes up in *all* Villages

- Rental vacancy rate goes up in *all* Villages, but only in Pleasantville does it get critically high
- In terms of percentages, there are more households without cars in *all* Villages
- In terms of percentages, there are fewer households with 3 or more cars in *all* Villages
- A higher percentage of workers in the Transit Village use mass transit
- A higher percentage of workers walk to work in all Villages except South Orange

To summarize: *Transit Villages in New Jersey feature a younger population, more racial and ethnic diversity, more immigrants, lower household economics, more singles, more rental housing, higher vacancy rates, and better transit habits—fewer cars, more use of trains and buses, and more residents walking to work.*

Transit Villages in New Jersey: Success Factors, Obstacles, and Recommendations (October 2003)

This report presents the findings of in-depth interviews with stakeholders, including state officials, municipal officials, and private developers. The following bulleted items summarize each of the success factors, obstacles, and recommendations:

Success Factors

State Government

- A Task Force that meets regularly with designated agency representatives to monitor progress in the designated municipalities, to discuss problems, and propose solutions
- Engaged Task Force members who help cut through “red tape” at their various agencies and assist in targeting funding to the designated Transit Villages

- An active and effective Transit Village program administrator
- State leadership publicly supporting transit-oriented development and the Transit Village Program
- NJ Transit actively supporting transit-oriented development

Municipal Government

- Strong leadership
- History of planning
- Sustained vision of redevelopment
- Entrepreneurial attitude
- Willingness to foster pedestrian and bicycle access to the downtown and station areas
- Support of the commercial area through downtown partnerships, Main Street programs, or enterprise zones
- Sensitivity to “quality-of-life” issues by including parks, recreation areas, and cultural assets in redevelopment goals

Private Sector

- They are major regional or national companies that have the capacity and experience to deal with difficult site issues
- They are willing to work with towns to achieve a shared vision
- They place a high market value on good transportation connections
- They are creative with respect to designing products and utilizing land

Obstacles

- Contaminated land or brownfields
- Acquisition of properties for redevelopment
- Bureaucracy of state agencies
- Cost
- Parking
- Conflict in funding sources
- Fear of schoolchildren

Conclusions and Recommendations

In sum, the Transit Village Initiative is an outstanding model for smart growth in New Jersey—a winning prototype that can be applied across the state.

Key recommendations are:

- The pipeline for future Transit Villages needs to be enlarged.
- Incentives need to be developed that encourage the inclusion of middle-income and family-sized units in new housing developments.
- The impacts of gentrification should be considered if too much luxury housing is built.
- Incentives that encourage the location of a diversity of services and amenities within the Transit Villages should be encouraged.
- There is a need to continue to press for more resources to help Transit Villages deal with brownfields.
- Neighborhoods around train stations in bigger cities should be encouraged as viable candidates for designation.
- There is a need to work with NJ Transit to provide incentives for residents within the Transit Village communities to use mass transit.
- Parking areas should be better utilized through shared parking arrangements, the installation of decks, and other mixed-use applications.
- More of an emphasis on walkability should be considered.
- Actions that would encourage towns that share a transit station to join forces in transit-friendly improvements should be considered.
- Support for cultural assets of the Transit Villages should be promoted.
- Accountability is needed, including the collection and analysis of data on progress indicators over time.

Transit Villages in New Jersey: Public Opinion and Attitudes (December 2003)

This report summarizes the findings of public opinion in New Jersey about transportation, housing, and smart growth as it relates to the New Jersey Transit Village Initiative. Three surveys were conducted, each targeted to a separate group. A poll of residents across the state sought basic opinions about transportation and housing. These results were compared with household and merchant surveys conducted locally in three of the Transit Villages—Metuchen, South Amboy, and South Orange. The local household and merchant surveys also asked for other detailed information, not included in the statewide poll, to help gauge the progress of the Transit Village Initiative in meeting municipal and community goals.

Summary of Statewide Poll

- The vast majority of New Jersey residents (84 percent) feel that it is at least somewhat important for the state to actively promote growth and development in existing downtown areas and commercial centers.
- African Americans most strongly support new housing construction within the downtown or commercial center of their town (78 percent), while Hispanics (52 percent) and whites (44 percent) show less support.
- Hispanics (27 percent) and African Americans (19 percent) have much higher percentages when reporting that the availability of transit as a major reason when choosing their current home compared with whites (9 percent).
- Although income, education, proximity to a train station, region of state, voter status, gender, and years living in New Jersey are not good discriminators in explaining

smart growth, political affiliation, residential location, and frequency of transit use do a good job of helping to explain whether respondents support smart growth.

- While 69 percent of Democrats feel that it is very important for the state to actively encourage growth and development in downtowns and commercial centers, fewer Republicans and independents feel this goal is very important (45 and 50 percent, respectively)
- A majority of Democrats are in favor of new housing in their town (59 percent), while fewer Republicans and independents favor new housing (44 percent for both).
- While residents of major urban centers (68 percent) and residents of other urban areas (61 percent) feel that it is very important for the state to encourage growth and development in downtowns or commercial centers, residents of older towns and suburbs (56 percent), residents of growing suburbs and towns (47 percent), and residents of rural areas (59 percent) feel this less strongly.
- The majority of residents of major urban centers (71 percent) and residents of other urban areas (61 percent) favor new housing, while fewer residents of older towns and suburbs (48 percent), residents growing suburbs and towns (39 percent), and residents of rural areas (48 percent) favor new housing construction.

Summary of Local Household and Commercial Surveys (Metuchen, South Amboy, and South Orange)

- A higher percentage of the respondents feel that it is either very or somewhat important for the state to actively encourage growth and development in downtown areas or existing commercial

centers in comparison with the state average.

- Support for new housing in South Amboy and South Orange is similar to the state average. In Metuchen, residents mostly oppose new housing, while merchants are more likely to support it.
- The local surveys show that, on average, residents of these Transit Villages rate their town much better as a place to live in comparison with residents across New Jersey.
- Although residents of South Amboy do not rate their town as high as a place to live in comparison with Metuchen and South Orange, the improvement has been the greatest in South Amboy.
- The majority of residents of all municipalities feel that their town has improved during the past three years with respect to downtown attractiveness and walkability.
- The majority of residents of Metuchen and South Orange (and just under 40 percent of South Amboy residents) feel that there are more restaurant options now compared with three years ago.
- The majority of residents of all municipalities feel that the town has either improved or remain unchanged during the past three years with respect to safety, shopping, and entertainment options. In Metuchen, we see a shift from shopping to restaurants.
- Transit is a significant factor in why residents of all towns chose their home location. In Metuchen and South Orange, it was a major reason for approximately half the residents living in the Transit Village area. This is probably due to the high quality of transit service and convenient proximity to Manhattan.
- Metuchen and South Orange have the highest frequency of transit usage. In South Orange, approximately two-thirds of the residents of the Transit Village area

use transit at least once a month, while nearly one-third of the residents in this area use it more than 20 times a month.

- Vehicle ownership is lower in the Transit Village area for all three towns compared with households outside the Transit Village area.
- Although merchants may not feel strongly (or be able to determine) the importance of transit for their individual business, nearly one-third feel that it contributes a great deal to the overall area and more than two-thirds feel that it contributes at least somewhat.

**Transit Villages in New Jersey:
Recommendations for Assessment and
Accountability (December 2003)**

In the course of gathering information about the Villages, it became apparent that important data about what was happening in the half-mile radius around the transit station was not being kept and/or reported to NJDOT in a consistent manner. Indeed, this is a major shortfall of the program: the lack of formal accountability on the part of either the municipalities or the state agencies. Because no reporting requirements were ever articulated, monitoring the progress of the communities has been, for the most part, anecdotal and unstructured. We recommend the implementation of two measures that will enable the program to be more effectively evaluated in the future:

1. Annual reporting by the designated Transit Village municipalities and the state agencies represented on the Task Force. This annual data-gathering effort should cover economic, environmental, and transportation activity; any community perception that results from household and business surveys; and institutional or legal actions taken by a municipality.

2. The creation of a database that maintains the information submitted by the municipalities and the state agencies.