



Transit-Oriented Development Program Update

Board of Directors | February 13, 2025



Agenda

- Policy Overview
- Project Updates
- Financial Context
- Upcoming TOD Board Items

BART TOD Overview

TOD sites:

- 250 acres of developable land
- At 27 stations
- Across 22 jurisdictions
- ~28,000 potential new homes

TOD Benefits:

- **Grow BART ridership:** TOD residents are 2x as likely to ride BART vs non-TOD residents
- **Climate Action:** Housing near transit produces 50% fewer auto trips vs conventional development
- **Lower Cost of Living:** Transportation costs for those living near BART are 24% lower than average



BART TOD Goals

- A. Complete Communities.** Partner to ensure BART contributes to neighborhood/district vitality, creating places offering a mix of uses and amenities.
- B. Sustainable Communities Strategy.** Lead in the delivery of the region's land use and transportation vision to achieve quality of life, economic, and greenhouse gas reduction goals.
- C. Ridership.** Increase BART ridership, particularly in locations and times when the system has capacity to grow.
- D. Value Creation and Value Capture.** Enhance the stability of BART's financial base by capturing the value of transit, and reinvesting in the program to achieve TOD goals.
- E. Transportation Choice.** Leverage land use and urban design to encourage non-auto transportation choices both on and off BART property, through enhanced walkability and bikeability, and seamless transit connectivity.
- F. Affordability.** Serve households of all income levels by linking housing affordability with access to opportunity.

Board update adopted April 2020

Key BART TOD Policies

- **TOD Policy (amended 2020)**
 - Outlines vision and goals for BART's TOD program
- **Project Stabilization Agreement Policy (2011)**
 - Developers to reach agreement with county building trades councils for TOD construction
- **Station Access Policy (2016)**
 - BART rider access and investment priorities by station type
- **Affordable Housing Policy (2016)**
 - 20% of units must be affordable in residential TODs; 35% goal portfolio-wide, per TOD Policy
- **TDM Program (2021)**
 - Developer to provide transportation demand management ("TDM") measures to support walking, biking, transit among TOD residents/employees
- **Affordable Housing Financial Return Framework (2021)**
 - Land value discount of up to 60% to support inclusion of affordable housing

BART TOD Portfolio

Existing TODs:

- 15 stations
- ~875,000 sq ft commercial
- Over 4,200 homes, 1,300 (30%) affordable
- 8 TODs in predevelopment

Future TODs:

- 10 stations
- Active developer negotiations, entitlements, design review, and permitting
- ~970,000 sq ft commercial
- ~4,000 homes, ~1,680 affordable (44%)

Description	Residential			Commercial ¹	
	Total (DU)	Affordable (DU)	Affordable (%)	Office (SF)	Retail (SF)
Station & project phase (Year complete)	Complete				
Castro Valley Ph 1 (1993)	96	96	100%		
Hayward Ph 1 (1998)	77	0	0%		
Ashby Ph 1-Ed Roberts (2001)	0	0	0%	80,000	
Fruitvale Ph 1 (2004)	47	10	21%	27,000	37,000
Richmond Ph 1 (2004)	132	66	50%		15,000
Pleasant Hill/CC Centre Blocks A & B (2008)	422	84	20%		35,590
Dublin/ Pleasanton Ph 1-Dublin (2008)	240	0	0%		
West Dublin/ Pleasanton Ph 1-Dublin (2013)	309	0	0%		
MacArthur Ph 1 (2016)	90	90	100%		
San Leandro Ph 1 (2017)	115	115	100%		
South Hayward Ph 1 (2017)	357	150	43%		
Fruitvale Ph 2A (2018)	94	92	98%		
Pleasant Hill/CC Centre Block C (2018)	200	0	0%		
MacArthur Ph 2 (2019)	385	0	0%		33,000
San Leandro Ph 2 (2019)	85	85	100%	5,000	1,000
West Dublin/ Pleasanton Ph 2-Pleasanton (2019)	0	0	0%	410,000	
Coliseum Ph 1 (2019)	110	55	50%		
MacArthur Ph 3 (2020)	403	45	11%		13,000
Walnut Creek Ph 2 (2023)	358	0	0%		14,000
Millbrae (2023)	400	100	25%	150,000	45,000
Balboa Park (2023)	131	131	100%		3,000
Fruitvale Ph 2B (2024)	181	179	99%		6,000
Total complete	4,232	1,298	31%	672,000	202,590
Station & project phase	In construction				
Lake Merritt Block 1, Building B	97	97	100%	-	-
Total in construction	97	97	100%	0	0
Station & project phase	Predevelopment				
West Oakland	762	240	31%	~380,000	~50,000
Lake Merritt Block 1, Building A	360	36	10%		
West Dublin/ Pleasanton Ph 3-Dublin	300	300	100%		
Lake Merritt Block 2	100	100	100%	~500,000	
El Cerrito Plaza	743	370	50%		~20,000
North Berkeley	750	381	52%		6,000
Pleasant Hill/CC Centre Block D	170	34	20%		
Richmond Ph 2	520	209	40%		
Walnut Creek Ph 3	238	0	0%		12,000
Total predevelopment	3,943	1,670	42%	880,000	88,000
Grand total	8,272	3,065	37%	1,552,000	290,590
Station & project phase	Presolicitation				
Ashby Ph 2-West lot	750	TBD	35-50%	0	0
Total presolicitation	750	TBD	35-50%	0	0
¹ Millbrae's project also includes 164 hotel rooms					
DU = Dwelling units; SF = Square feet					

Progress Toward BART TOD Performance Targets

2040 Targets:

- 20,000 housing units, 35% affordable
- 4.5M sq ft commercial

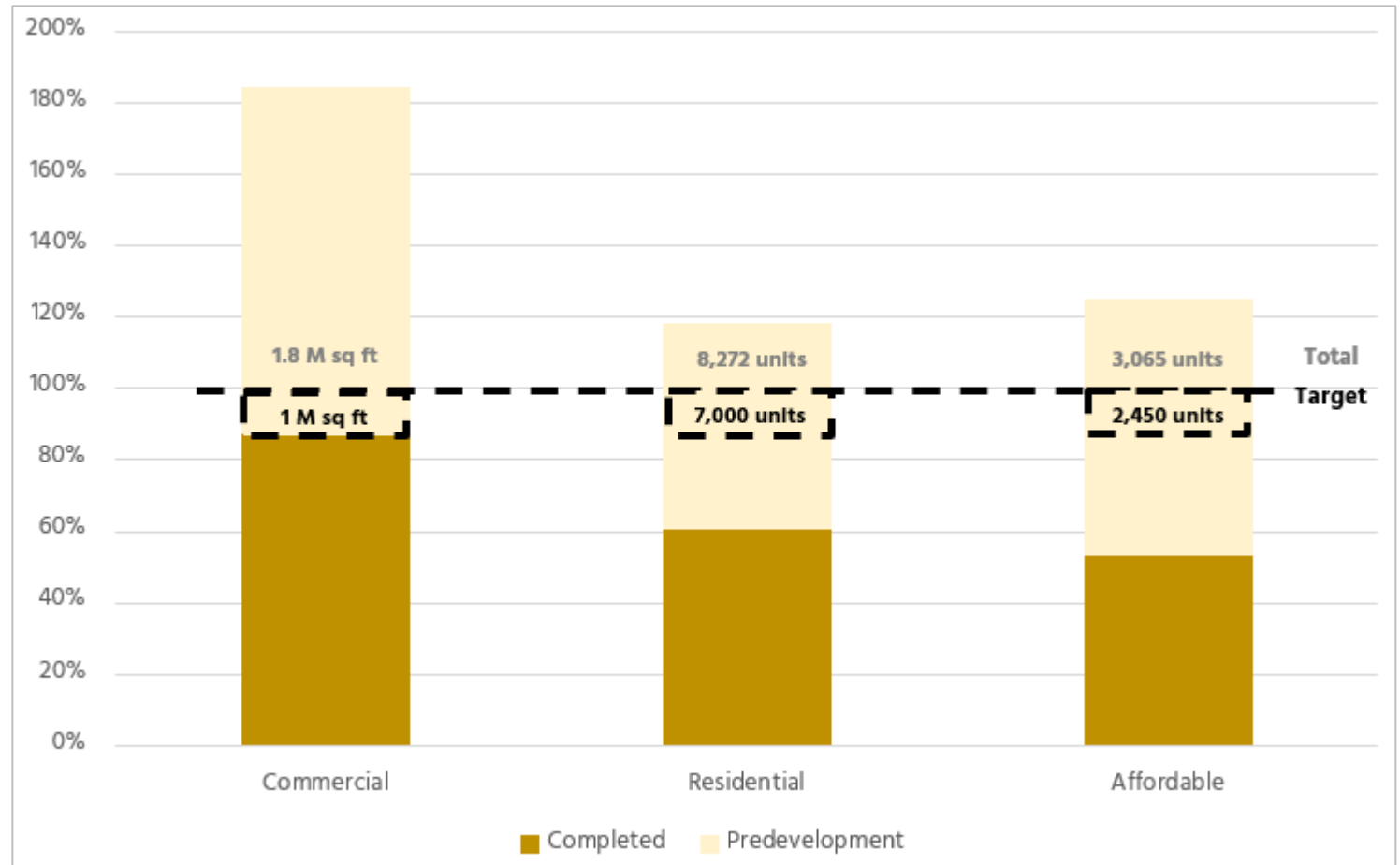
2025 Mid-Term Targets:

- 7,000 housing units, 35% affordable
- 1M sq ft commercial

Completed:

- 4,200 housing units, 30% affordable
- 875,000 sq ft commercial

2025 Performance Goal Targets Progress



BART TOD vs. Conventional Development

TOD projects are unique:

- Uninterrupted service and rider access to transit required
- Infrastructure considerations
- Station area and access improvements

Public agency & public land:

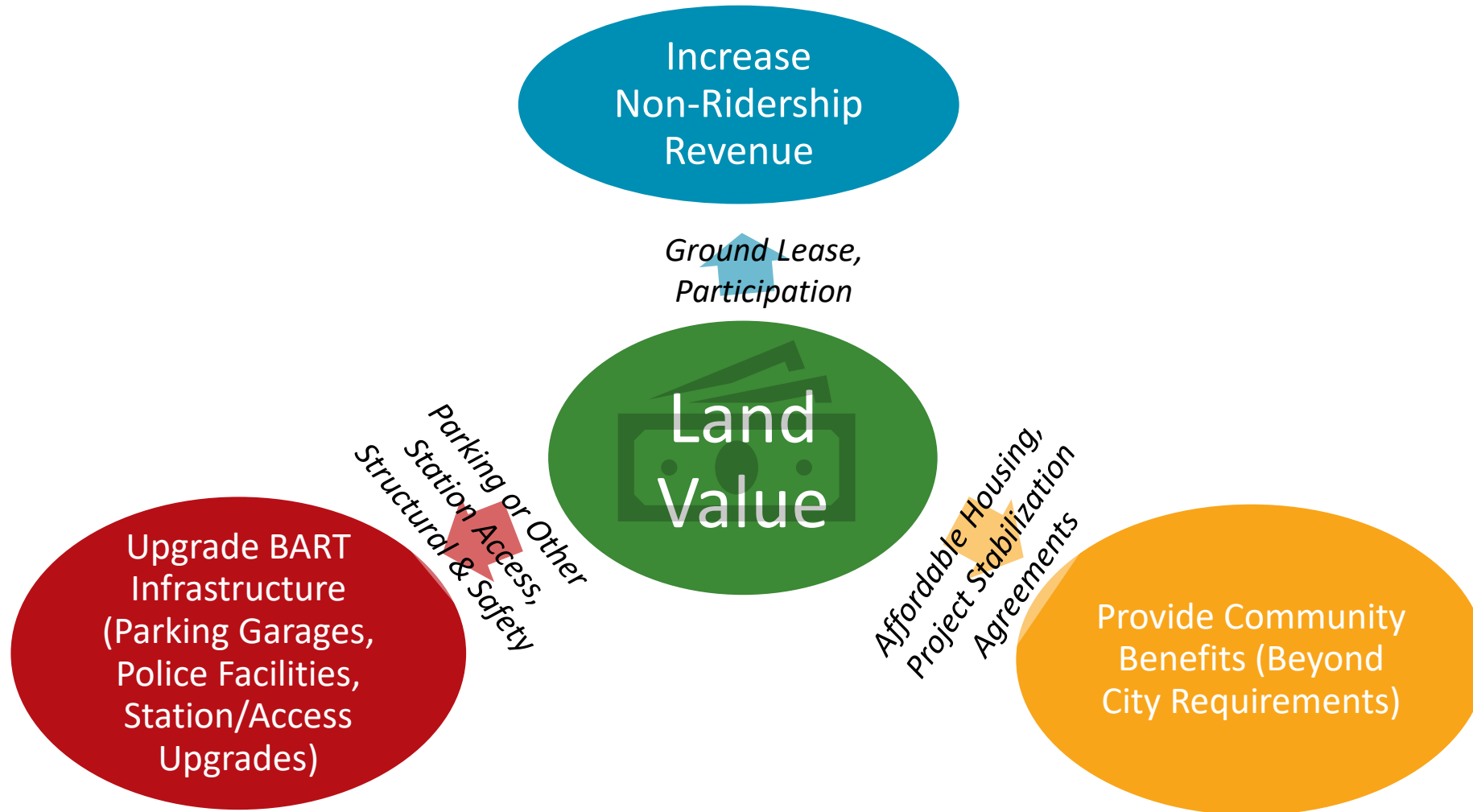
- BART policies: labor requirements, affordable housing minimums
- BART permitting and facilities standards
- State regulations: Surplus Land Act; streamlining (AB 2923)

Funding:

- Eligible for special transportation and housing funding
 - Transit and Intercity Rail Capital Program (TIRCP)
 - Affordable Housing and Sustainable Communities (AHSC)



BART TOD Financial Return



BART TOD Financial Return

**Total Revenue
2010-2040
\$502M**

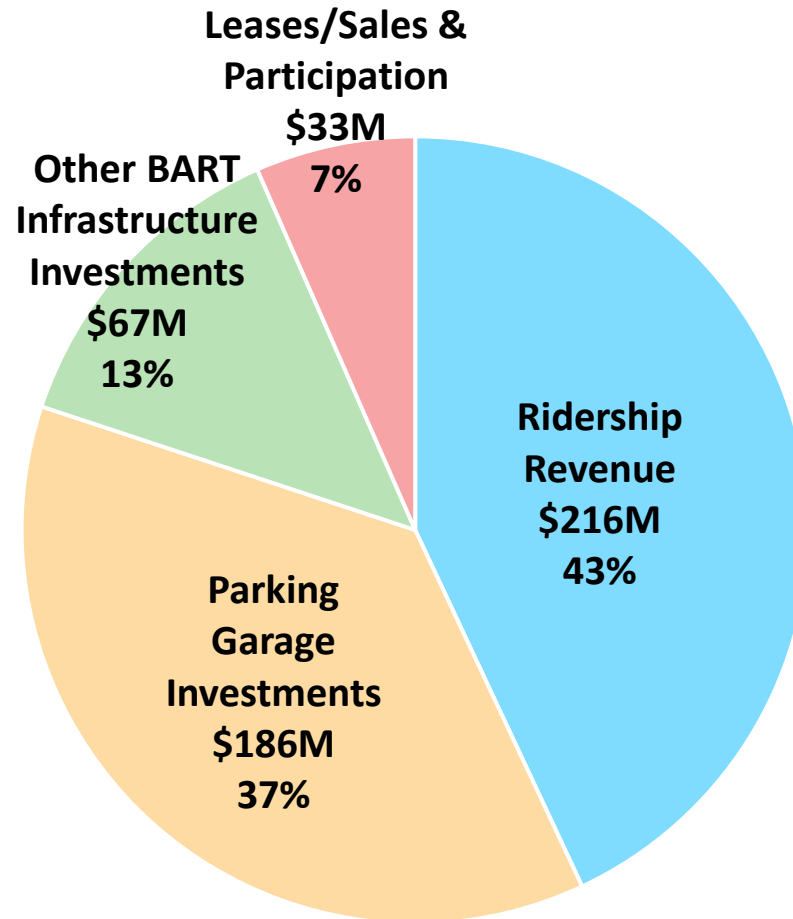


Chart only includes completed TOD projects; does not include projects under construction, in predevelopment, or future projects.

BART TOD Revenue: Leases/Sales & Participation

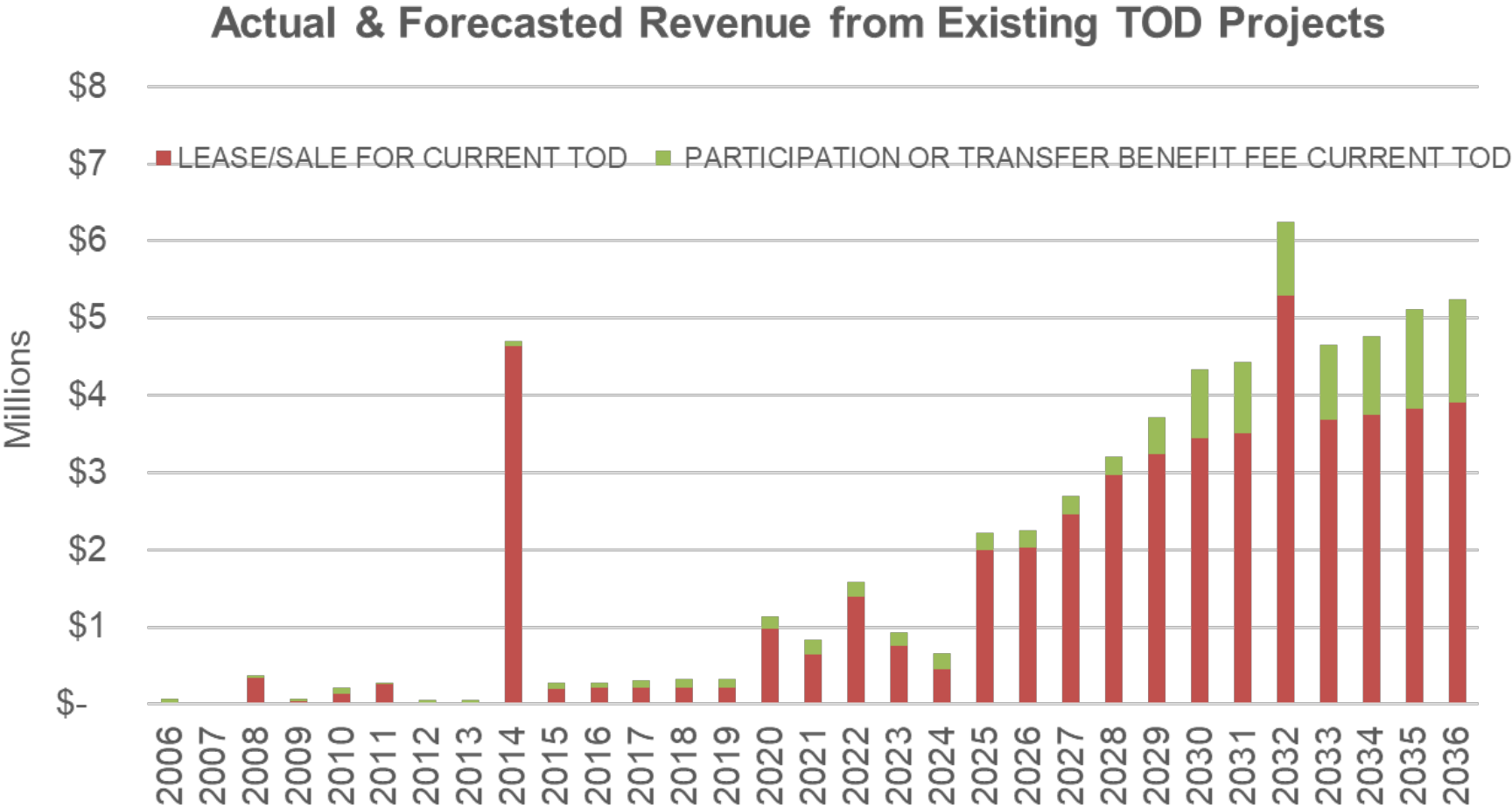


Chart not reflective of (1) Value to BART of replacement rider parking garages, or (2) Revenue from planned but unbuilt TOD projects/phases.

Status of Current Projects

Pre-solicitation Planning:

- Bay Fair Station
- Fremont Station
- Hayward Station

Solicitation:

- Ashby Station (RFP issued)

Pre-entitlement - Planning, Entitlements, Negotiations:

- North Berkeley Station (ENA)
- Pleasant Hill Station (DDA)

Preconstruction - Design Review, Permitting, Negotiations:

- El Cerrito Plaza Station (Signed option; construction pending funding)
- Walnut Creek Station (Signed option; construction pending funding)
- West Dublin/Pleasanton Station (Signed Ground Lease; construction pending funding)
- West Oakland Station (Signed option; construction pending funding)

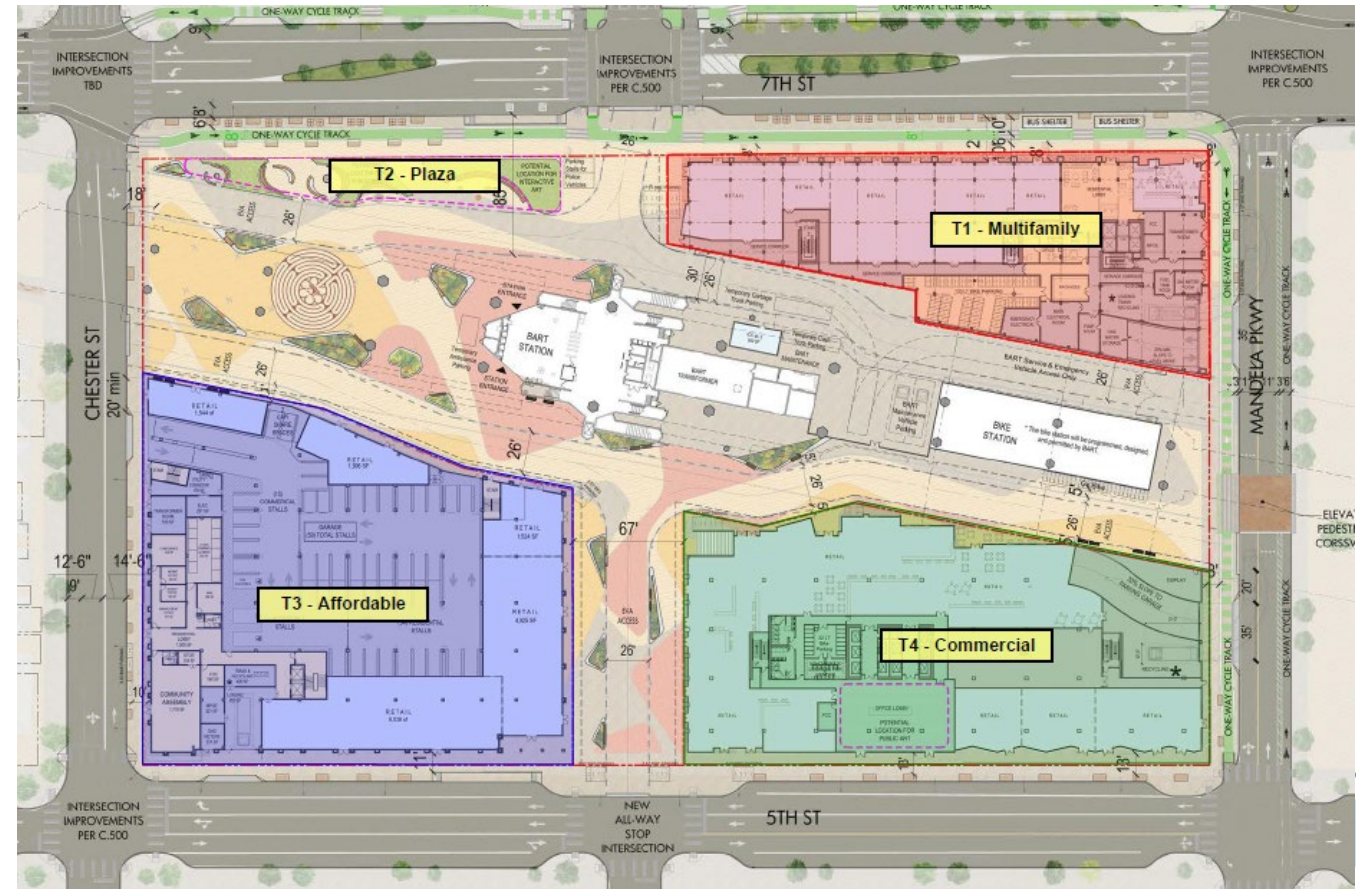
Construction:

- Lake Merritt Station- Building B and Paseo

Active Planning/Preconstruction: West Oakland Station

Developers: Mandela Station Partners

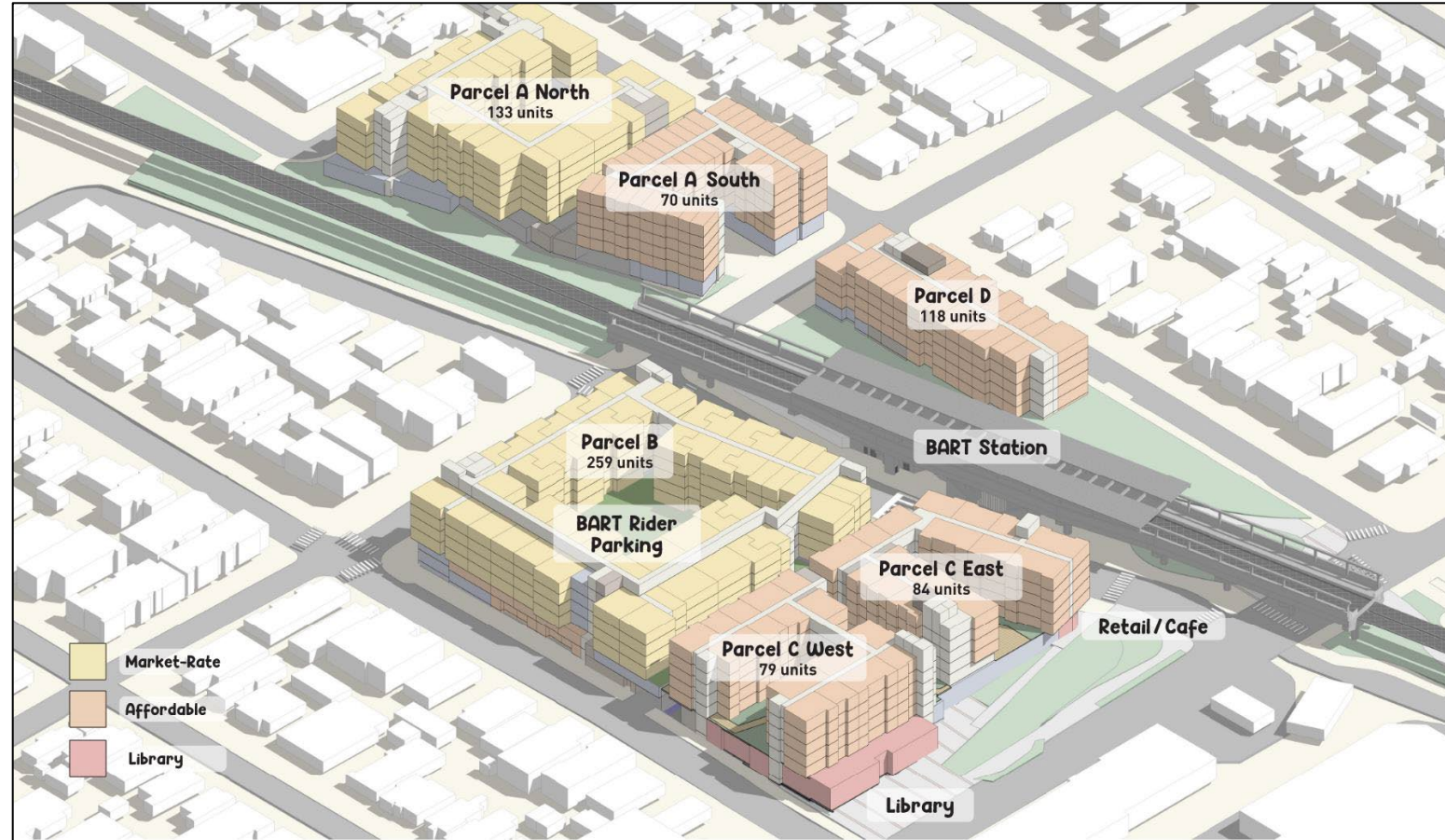
- 762 housing units, 240 affordable
 - 300K sq ft office, ground floor retail
 - Bike/ped access improvements
 - T3 slated to move first
-
- ✓ Option signed May 2023
 - ✓ \$109.2M funding secured for affordable housing phase
 - ✓ \$29.8M secured for master project infrastructure



Planning/Preconstruction: El Cerrito Plaza Station

Developers: Holliday Development, Related California

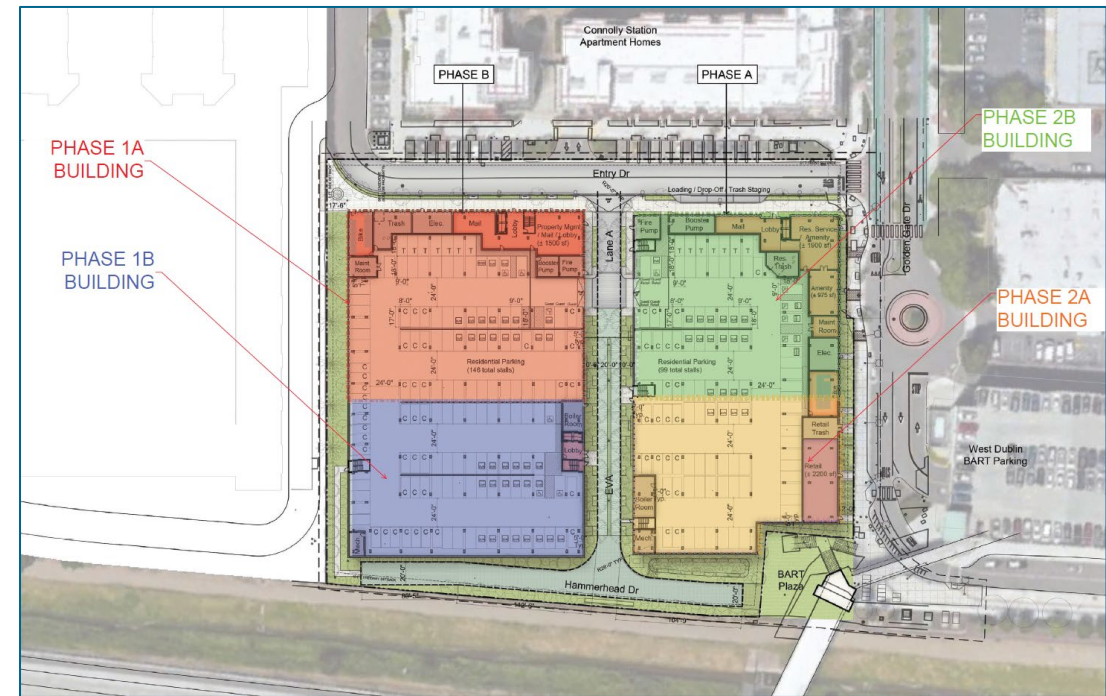
- 743 housing units, 47% affordable, including 118 units of 'missing middle income' housing
- Potential public library (pending local funding measure)
- Transportation infrastructure:
 - New intermodal
 - BART rider parking
 - Bike station
 - Widened Ohlone Greenway
 - Public plaza
- ✓ \$90M secured in housing and infrastructure funding
- ✓ July 2024: Master plan entitlements approved



Planning/Pre-Construction: West Dublin/Pleasanton Station

Developer: Related California

- Final component of infill station and TOD development
 - 4 phases totaling 300 housing units
 - 100% affordable
 - BART Plaza
-
- ✓ \$13.3M in City of Dublin funding commitments
 - ✓ Fully entitled



Active Planning/Predevelopment: North Berkeley

Developer: North Berkeley Housing Partners
(Avalon, Bridge, East Bay Asian Local
Development Corporation [EBALDC], Insight
Housing)

- ~740 housing units
- 52% affordable
 - \$26.2M City of Berkeley affordable housing contribution
- ~7,000 sq ft community-serving retail
 - On-site childcare
- Extension of Ohlone Greenway, other bike/ped improvements
- ~57,000 sq ft of open space
- ✓ December 2024: Master plan entitlements



Image courtesy of North Berkeley Housing Partners

Active Planning & In Construction: Lake Merritt

Developers: Strada, East Bay Asian Local Development Corporation (EBALDC)

- Implementing community vision as set forth in Lake Merritt Station Area Plan
- ✓ Building B & Paseo in construction
- Building A timing depends on market

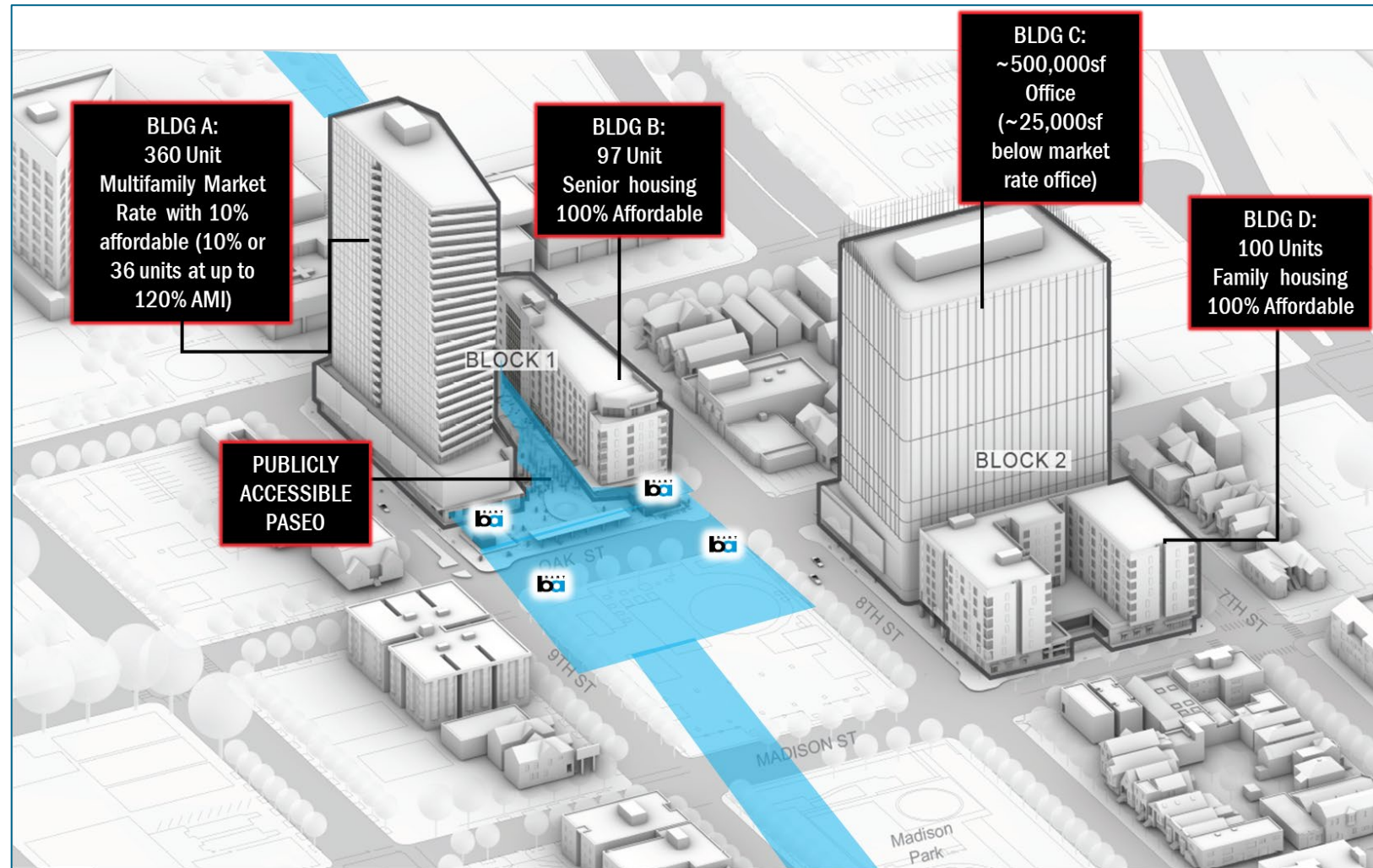


Image courtesy of Strada/EBADLC

Solicitation

Ashby

- ✓ BART/City Adopted Joint Vision & Priorities for TOD in 2022
- ✓ BART/City approved Term Sheet and executed Exchange Agreement in 2024
- ✓ BART issued RFP for West Lot Development Dec. 2024
 - 50% of first 602 units to be affordable
 - City contributing \$18.5M affordable housing funds
 - 5k ground floor retail for Flea Market and community uses
 - New BART plaza and access improvements
 - Proposals due March 2025
 - Recommendation to Board Summer 2025
- City to seek developer for East Lot Development



TOD Work Plan (2024)

Developed in coordination with local and regional agencies.

Evaluation of future TOD sites, based on four criteria:

1. Local support

- Zoning, adopted community plans, public outreach
- Local interest in and funding for development
- Housing policies

2. Infrastructure readiness

- BART rider parking, replacement parking on-site, off-site solutions
- Major utilities, flood channels, freight rail, etc.
- Access

3. Market readiness

- CoStar data
- Station access environment (WalkScore®, BART's Station Access Typology)

4. Development capacity (new)

- Considers development output / efficiency
- Developable acreage, density



TOD Work Plan: Priorities

Timeframe to Advance to Developer Solicitation (RFQ/RFP): Alphabetical		
Near-Term (2024-2028)	Mid-Term (2029-2033)	Long-Term (2034 and beyond)
Ashby (Phase 2)	Coliseum (Phase 2)	Castro Valley (Phase 2)
Bay Fair	Concord (Phase 1-Monument)	Daly City (San Francisco & Daly City parcels)
El Cerrito del Norte	Dublin/ Pleasanton (Phase 2-Pleasanton)	Fruitvale (Phase 3-Derby)
Fremont	Lafayette	Glen Park
Hayward (Phase 2)	Pittsburg/ Bay Point	North Concord
	South Hayward (Phase 2)	Orinda ¹
	Union City	Pittsburg Center
	Warm Springs/ South Fremont	Rockridge
		South San Francisco

¹ Owned by Caltrans and operated by BART as parking

Notes:

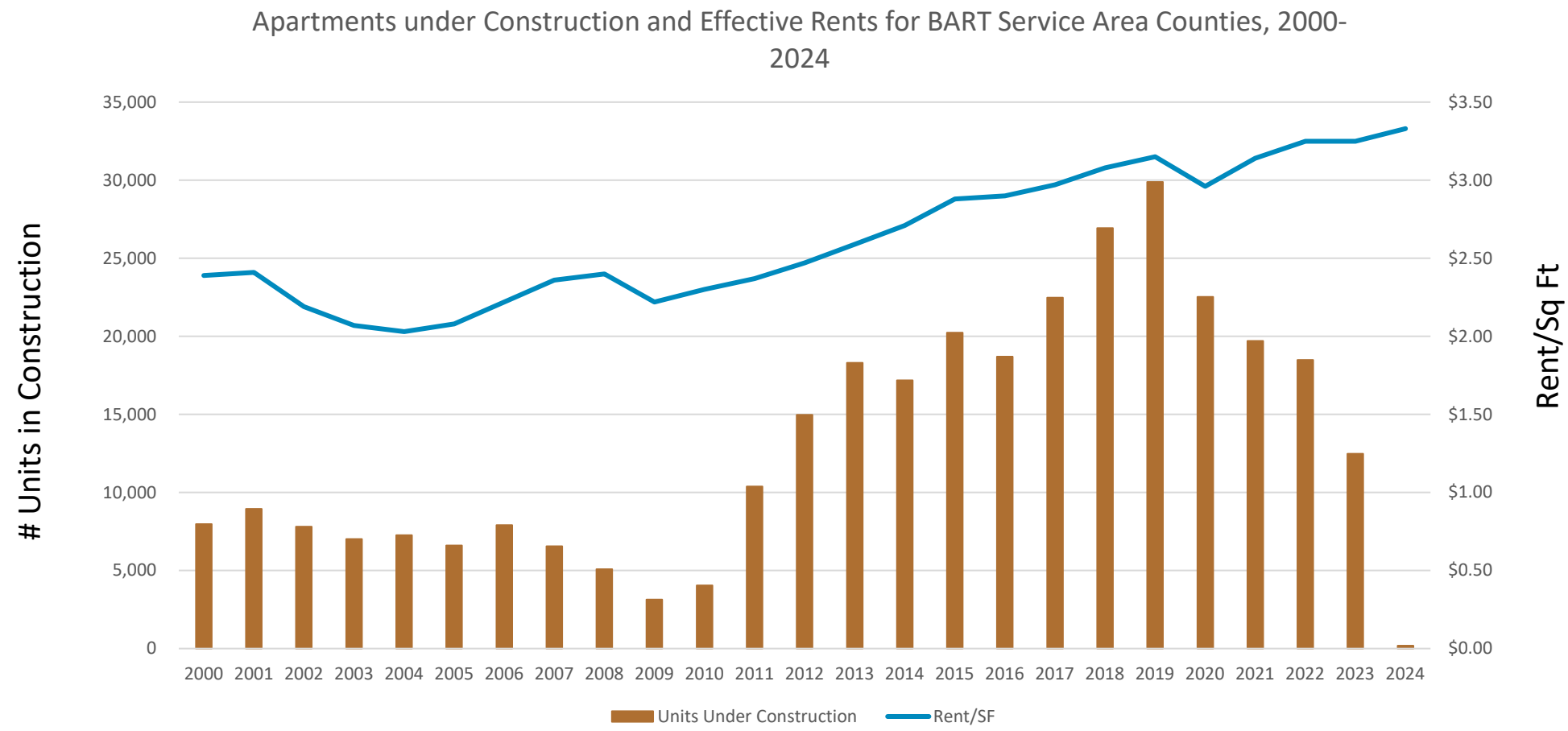
- 8 projects, not included here, have already gone through developer solicitation and are in predevelopment
- Sites that have not moved forward by the next TOD Work Plan update will be revisited

BART TODs Leverage Funding for BART Capital Needs

- **\$113 million in AHSC funding for BART projects, including:**
 - \$72M for rail cars
 - \$21M for assorted station access and station modernization
 - \$13M for TPSS upgrades
 - \$7M for next generation fare gates
- **\$74 million in TIRCP funding for BART projects and TOD access, including:**
 - \$25.7M for BART rider parking at El Cerrito Plaza and North Berkeley TODs
 - \$21.3M for station access improvements at El Cerrito Plaza, North Berkeley, Lake Merritt, and West Oakland Stations
 - \$12.9M for Uninterruptable Power Supply Replacement at Lake Merritt Station
 - \$7M for plaza/paseo at Lake Merritt and North Berkeley TODs

Apartment Construction At Low Cycle

Despite steadily rising rents, apartment construction has dropped off greatly since pandemic. CoStar reports just 181 apartments under construction in 2024, down from 2019 peak of ~30K.

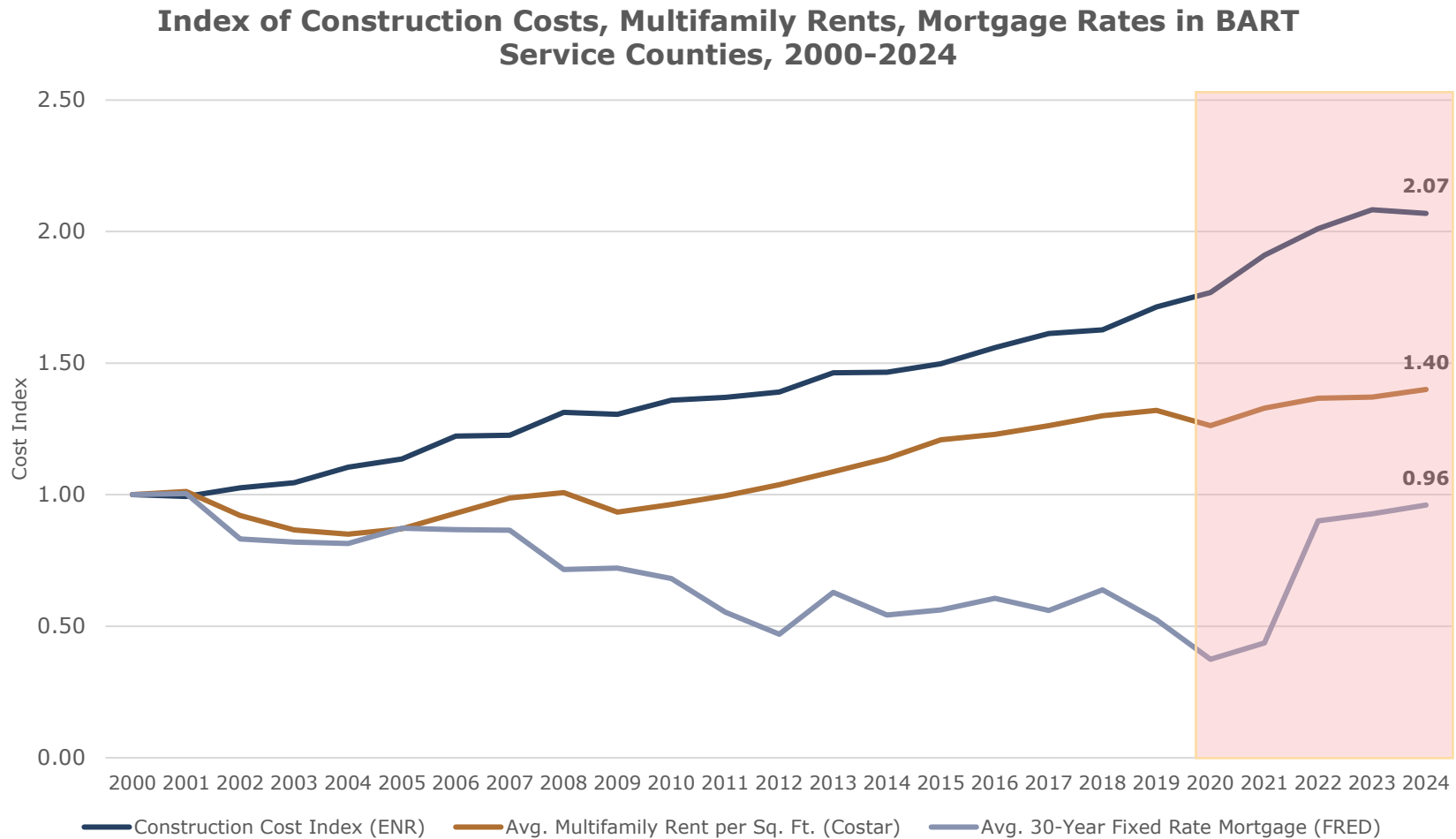


Source: CoStar; Analysis by Economic & Planning Systems



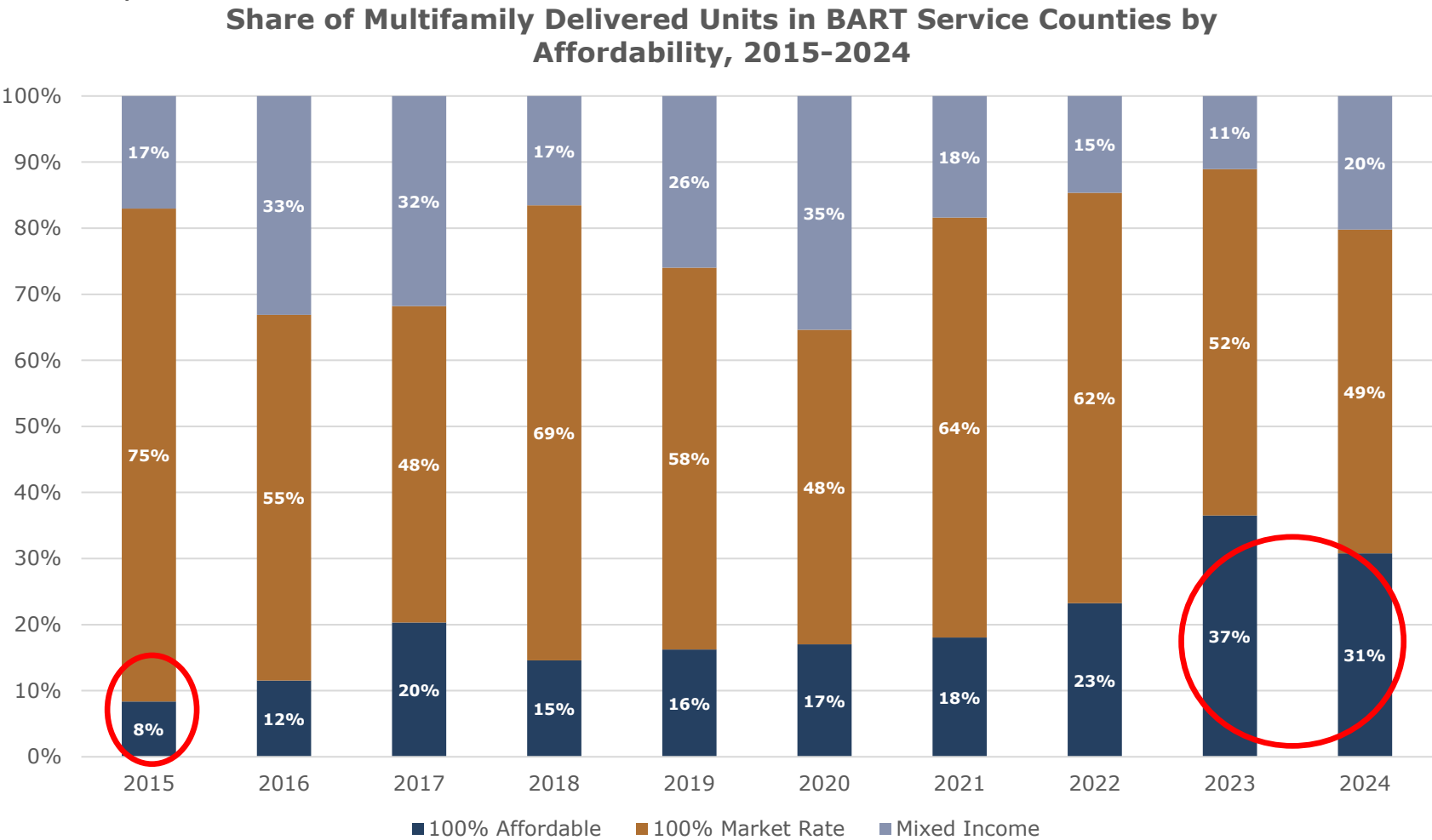
Feasibility Challenge for Apartments

Construction costs have long escalated faster than rents, making new apartments less feasible to develop. Since pandemic, cost inflation and financing costs have spiked.



Affordable Housing Increases Market Share

Due to aggressive funding for affordable housing and challenges for market-rate apartments, 100% Affordable projects represent a growing share of projects, representing roughly one-third of unit deliveries in 2023-2024 (up from 8 percent in 2015).

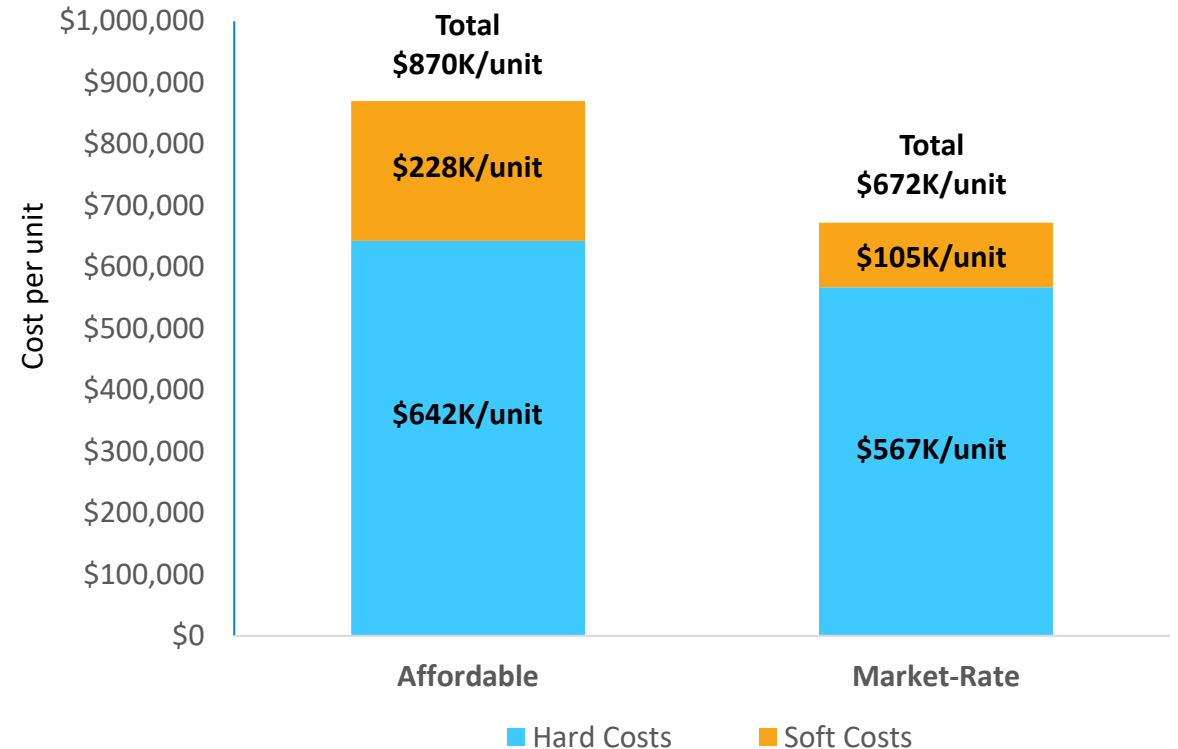


Development Costs at BART TODs

Affordable housing development costs often exceed market-rate development costs:

- Public subsidy/public land requirements result in:
 - Design requirements (e.g., green building, accessibility)
- Multiple funding sources mean:
 - Higher financing transaction costs (i.e., multiple transaction fees)
 - Higher land carrying costs
 - Higher project administrative costs to manage compliance with requirements of multiple public funding sources and public land ownership.

Example: Lake Merritt TOD (Phase 1)

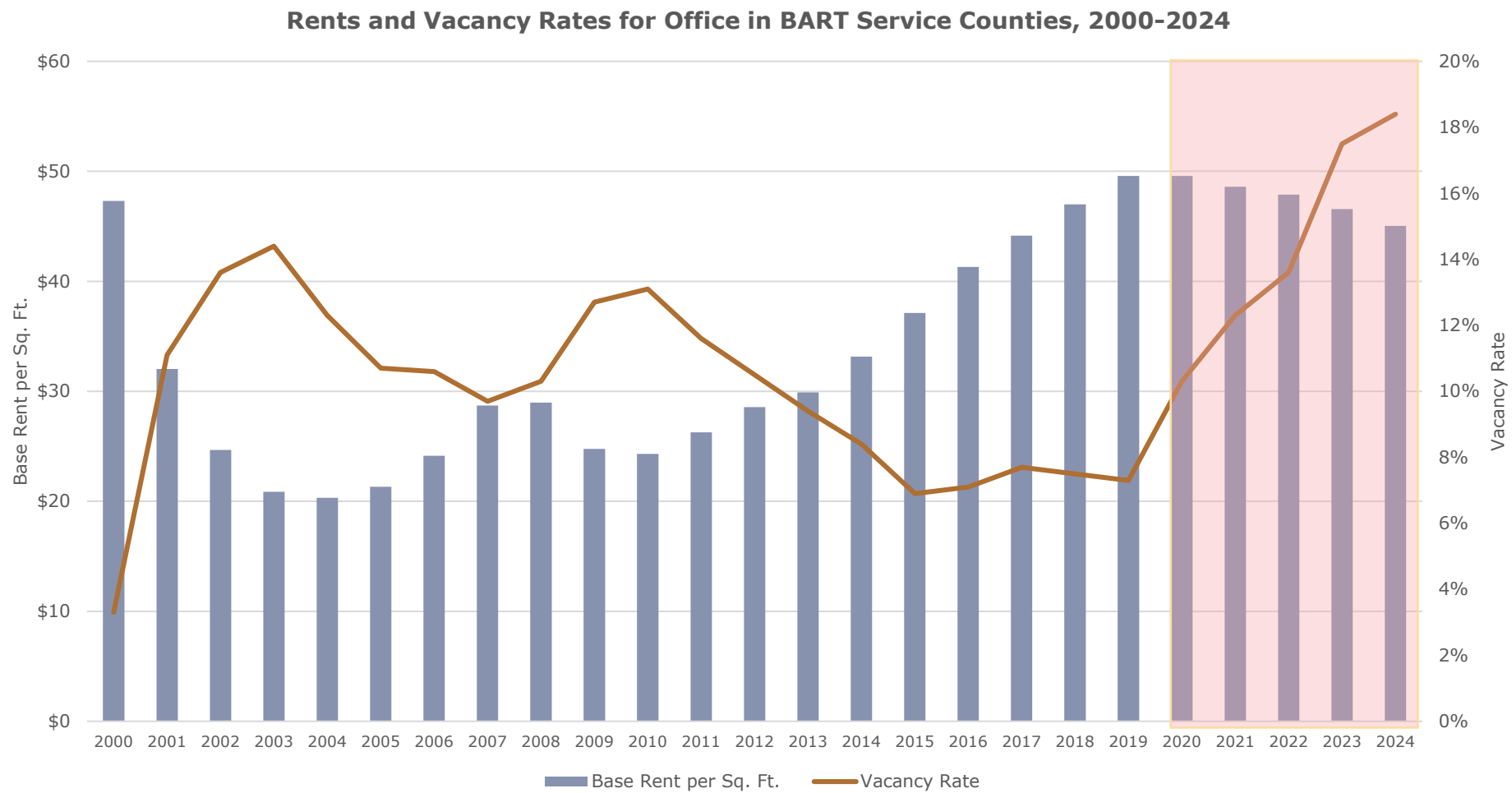


Notes

- Costs based on 2023 project estimates.
- Hard costs include all construction-related costs.
- Soft costs include all non-construction-related costs (e.g., design, permitting, financing).
- Costs for all off-site and on-site access improvements included in the affordable project (responsibility of first phase).

Recent Declining Demand for Office Space

After a decade of decreasing vacancies and rising rents, trends reversed in 2020. 5-County area now has 97 million Sq Ft of available office space.

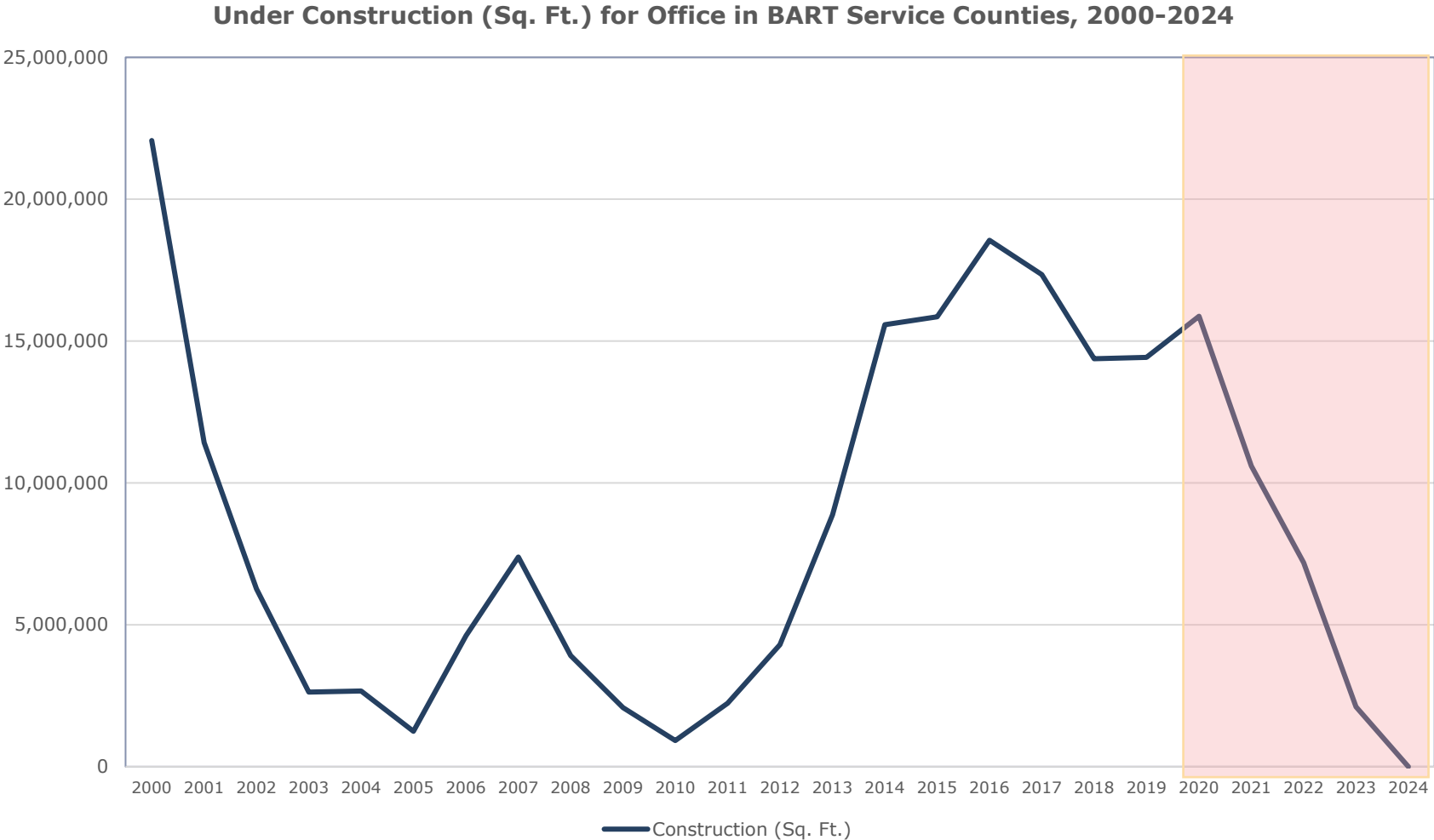


*Vacancy rate shown for 2000 to 2004. Availability rate shown for 2005 onwards. Source: CoStar; Analysis by Economic & Planning Systems



Office Construction at Bottom of Cycle

New office construction spiked 2013-2020 but has declined greatly since the COVID-19 pandemic, with no clear expectation of recovery timeline.



Source: CoStar; Analysis by Economic & Planning Systems

Managing Expectations

Real estate market cycles are common and expected

- Previous charts show how construction ebbs and flows
- Boom-times often result from pent-up demand plus capital exuberance and availability, followed by periods of slow growth as new supply is absorbed

Some specific current market conditions have no precedent

- “New normal” of office attendance not fully determined, even as job base grows and unemployment is low
- Housing remains in great demand, but construction costs remain too high for market-based rents
- Unknown impact of potential tariffs, federal funding changes, insurance markets, etc.

Recovery is likely to be prolonged and location-specific

- Proven market areas likely to see investment before “pioneering” areas
- Transit-oriented sites have traditionally enjoyed market advantages
 - Historically, higher rents and lower vacancies than similar properties (Cervero, et al)
- Patience will be key for all involved – landowners, developers, cities, communities

Good time to plan for next cycle

- Few projects likely to break ground soon, but can get sites ready: info on site conditions, entitlements, financing, etc. to prepare for future development

2024/25 Headlines

Residential Development

'A perfect storm': California's housing crisis could worsen as construction slows

Why has housing construction slowed to a snail's pace in Oakland?

San Jose rolls out incentives to 'unblock' multi-family housing development pipeline

Office Development

Office vacancy levels soar to record highs in biggest Bay Area markets

SF's office vacancies just hit a new all-time high. But the 'Great Reset' has begun

OpenAI expands new S.F. campus, signs another huge office lease nearby

Upcoming Board Items

- **Spring 2025:** North Berkeley TOD Project Update, Negotiations Update
- **Summer 2025:** Ashby Developer Selection

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