

# Healthy Corridor For All Health Impact Assessment

## DRAFT Rezoning Impact Analysis

### Introduction

The goal of the health impact assessment is to assess whether, how and to what extent a set of selected indicators of neighborhood health in the areas of economy, housing and transportation are likely to change with the adoption of new zoning by the City of Saint Paul. To understand how the zoning will impact the priorities of the community, we need to 1) assess the existing conditions in the community, 2) understand some of the key features of the zoning proposal, 3) analyze how the existing conditions will be influenced by the zoning proposal, and finally 4) highlight positive proposed zoning attributes and make recommendations for alternative zoning approaches and improvements where necessary.

As a reminder, this analysis is rooted in how zoning changes may impact the health of the existing community. Research shows that housing, transportation and economic conditions impact health significantly and can lay a foundation for how healthy a person will be in the future. These are often described as the “social determinants of health.” The World Health Organization defines social determinants of health as *“the conditions in which people are born, grow, live, work and age, including the health system. These circumstances are shaped by the distribution of money and resources at global, national and local levels, which are themselves influenced by policy choices. The social determinants of health are mostly responsible for health inequities –the unfair and avoidable differences in health status seen within and between countries, [among race, income, gender and geography within a given location].”*

In January we shared a draft of the existing conditions analysis and presented on this analysis to the Community Steering Committee. In this draft report we share our assessment of the potential impacts of the zoning on the key community priorities. The document is organized by the Community Steering Committee prioritized objectives. Using this analysis we will work together to develop a set of recommendations for the zoning proposal to maximize health outcomes.

We are circulating this document for the purposes of receiving feedback from the Community Steering Committee, Technical Advisory Committee and other key stakeholders. Please send your feedback by Thursday, February 24<sup>th</sup> to Shireen Malekafzali, Senior Associate at PolicyLink: [shireen@policylink.org](mailto:shireen@policylink.org) or 510.663.4332. We look forward to your feedback.

# **Rezoning Overview**

## **Functions of Zoning**

Zoning plays an important role in how neighborhoods develop and change over time. Zoning can:

- a. Create standards for the allowable *uses* on a piece of land by location. Zoning is usually classified into categories based on *allowable uses*, such as retail, office, industrial, single-family residential, multi-family residential (apartments), industrial, or mixed-use. Mixed-use allows for a combination of residential with retail/commercial or office uses, or both.

Not all land uses in a city are valued the same. Planners often refer to the “highest and best use” of land, meaning what use could obtain the highest dollar value in that particular location, depending on other factors such as proximity to highways or transit, proximity to a scenic vista, and proximity relative to noxious uses (such as a landfill, refinery, etc.). In an urbanized area, industrially-zoned land is generally worth less per square foot than land zoned for commercial or residential uses.<sup>1</sup> Rezoning a property to allow for a higher value use, then, can increase the value of the property.

- b. Create development standards for the physical structure of buildings. These standards create requirements or criteria for how much can be developed on a parcel –examples include density, height, floor to area ratios –as well as how the development will look –examples include setbacks, location of doors, accessibility to buildings, among other requirements.

Density can be thought of in terms of the height of the building and the space it consumes on the property on which it is built. This is often referred to as the “floor area ratio (FAR),” or the ratio between the total floor area of a building and the area of the land upon which it is built. A higher floor area usually implies a taller building or a building that takes up more land area, or both. When land is rezoned to allow for an increase in density, this increases the number of residential units allowed or the floor area allowed for office or retail uses. Often, this translates into an increase in the height of the building. Properties with a higher allowable density can have a higher value per square foot of land area because their potential for higher intensity and higher value development is greater.

- c. Create a set of procedures for the review and evaluation of development proposals in order to help ensure development meets the needs of the city and the community. Examples include requiring discretionary review, developing a set of objectives the city aims to meet with zoning, balancing the mix of uses as they develop, and assessing non-conforming uses on a case by case basis.

## **Overview of the Proposed Rezoning in Saint Paul**

The rezoning of the Central Corridor is one of the first major regulatory implementation steps undertaken by the City of Saint Paul to implement the Central Corridor Development Strategy (CCDS) – the comprehensive vision of development in the Central Corridor resulting from the light rail line. In the zoning proposal, a large portion of the land around the new light rail transit (LRT) line is proposed to be rezoned, from the east side of Emerald Street to the west side of Marion Street, near the State Capitol.

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<sup>1</sup> DiPasquale, D. and Wheaton, W.C. 1996. Urban Economics and Real Estate Markets. Prentice Hall, Englewood Cliffs, N.J.

Most parcels to be rezoned are located fairly tightly along University Avenue, although some parcels north and south of University will also be affected around several of the proposed stations.

The City's stated overall goals for the rezoning are: *"higher density development, reduced demand for parking, pedestrian, and transit-oriented environments."*<sup>2</sup> Beyond this overarching goal the rezoning proposal focuses almost entirely on setting standards for uses and physical form. The proposal does not include explicit objectives for what the city and community envision for development in order to guide and organize regulations according to those objectives. It does little to enable it. Also missing is a set of procedures, incentives and controls to help ensure development enables the full vision set out in the CCDS. There is little explicit connection between the rezoning proposal and the CCDS which serves as the guiding vision for development, while zoning in the Central Corridor. The rezoning is a key regulatory framework for implementing this CCDS vision.

In the rezoning proposal, density is increased and many sites that are currently zoned for industrial, retail, office, and even residential uses, are being rezoned to allow for a mix of residential and retail or office uses on the same property. These uses are usually mixed vertically, meaning that the retail is usually on the bottom, with the offices and residential units on the upper floors.

Properties within the area to be rezoned are being consolidated into five zoning districts, as detailed below:

T2 Traditional Neighborhood District: designed for use in existing or potential pedestrian and transit nodes; will support compact, pedestrian-oriented commercial and residential development that can support transit usage. Special attention is given to areas of transition adjacent to residential neighborhoods.

T3 Traditional Neighborhood District: provides for higher-density pedestrian and transit-oriented mixed-use development; designed for development or redevelopment of land on large sites. Also intended for smaller sites in existing mixed-use neighborhoods.

T4 Traditional Neighborhood District: provides for high-density, transit-supportive, pedestrian friendly mixed-use development.

I1 Light Industrial District: intended to accommodate wholesale, warehouse, and industrial operations whose external physical effects are restricted to the area of the district and in no manner affect surrounding districts in a detrimental way; also intended to permit the manufacturing, compounding, processing, packaging, assembly, or treatment of finished or semi-finished products from previously prepared material.

IR Industrial Restricted District: intended to provide sites for commercial, office and light industrial uses that are compatible with any nearby parks, parkways, or residential uses.

The City's full documentations on the zoning proposal can be found at:

<http://www.stpaul.gov/index.aspx?NID=3881>

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<sup>2</sup> City of Saint Paul, October 2010. <http://www.stpaul.gov/DocumentView.aspx?DID=14511>

### ***The Current Saint Paul Real Estate Market***

While rezoning is the regulatory tool that enables development to occur at desired density levels with desired uses, there must be a steady real estate market for projects to be financially feasible. Without that market, it is difficult for developers to obtain financing to construct projects.

There are two primary studies that looked at the market of the Central Corridor that are of interest for this rezoning. A market analysis for the Central Corridor station area development potential was commissioned by the City of Saint Paul and conducted by Colliers & Associates in 2006. Additional modifications were made in 2008 to account for the new Victoria, Western, and Hamline station areas as well as some corrections for the recent economic downturn. This market study focused on the future development potential of the Central Corridor in a 20-year horizon. On the supply side, it analyzed current vacancies and trends in the supply of office, residential, industrial, and retail land to see if any of those markets were oversaturated. On the demand side, they emphasized how current and projected employment and demographic trends might increase demand for new housing and commercial uses. The figures in the individual station area plans are their projections of what the market can support by 2030.

The Center for Transit Oriented Development recently released a report that examined the financial feasibility of development in the Central Corridor and how that might influence public investment projects. They identified a few key trends for future Corridor development. First, they found that apartment projects would be the first to be constructed when the real estate market strengthens. Because there is still a gap between current rents and financially feasible rents for all types of development, the report suggests that projects that include affordable housing may come first as a way to fill the rent gap and satisfy demand for housing. Second, development is most likely to occur first on the western edge of the corridor in Saint Paul, around the Westgate, Raymond, and Fairview stations. Finally, office development is not anticipated to occur in the Corridor for a while until the market becomes unsaturated—office vacancy is currently high.

In the CTOD report, they also interviewed developers to ascertain how the corridor might develop over time and report a fairly speculative market. They found that *“owners are reportedly optimistic about transit’s potential to increase property values and, as a result, are holding their land based on the expectation of higher sales prices in the future. While this is positive in the sense that it indicates a strong potential for future investment in the corridor, landowners may perceive the value of their land to be higher than what is currently justified given the real estate market, creating an inhospitable climate for new development.”*

## **Impact Analysis**

### ***Methods***

To calculate the change in land use by station area, we created two possible scenarios for development. In the *market build-out scenario*, we used the numbers identified in the individual station area plans that represented the market potential in each station area by 2030. This represents the City consultant's assessment of what the economic market will support for development in the next 20 years. In the *maximum allowable build-out scenario*, we took the ratio of residential, office, retail, and hotel uses anticipated from the market scenario and applied it to the maximum floor area ratio allowed for each zoning district by parcel. In order to derive the potential number of residential units from the total square feet of residential land, we made the assumption that one residential unit is approximately 1,000 square feet in size, which would support a small two-bedroom multi-family unit.

For the economy section, we obtained the anticipated number of jobs by dividing the expected office and retail floor area projections by the average square feet that an office worker and a retail worker uses, according to the *Planner's Estimating Guide for Projecting Land Use and Facility Needs*.<sup>3</sup>

To anticipate the potential impact of the rezoning on small and minority-owned businesses as well as on existing subsidized affordable housing, we created three categories of potential for development to classify each parcel being rezoned. Parcels with a "*high*" potential for development are those that primarily fall into areas in the Central Corridor Development Strategy identified as "Major Opportunities for Investment." Parcels classified with a "*medium*" potential for development are those identified with a difference between the current FAR and proposed allowable FAR of greater than 2.0—therefore the rezoning will allow the land to double in its allowable density—and are adjacent to at least one vacant parcel. The additional criteria of being adjacent to vacant land was included as sites likely to redevelop may desire to assemble several parcels in order to make the project financially feasible. Parcels with "low potential" for development are all others being rezoned to increase development potential but do not meet the criteria described in the other two categories.

It should be noted that although we have identified these three tiers of potential development, that there are several other factors influencing the development of properties in the Corridor. What the rezoning does is establish a parameter of expectations for development; market forces such as current vacancy rates, feasible rents for development, opportunities for land assembly, and lender liquidity have significant impact on the potential for parcels to develop as well.

Finally, in our transportation analysis, we obtained the projected new population to live within the station areas of the Central Corridor by taking the total number of housing units and multiplying it by the average household size of the Central Corridor (2.39).

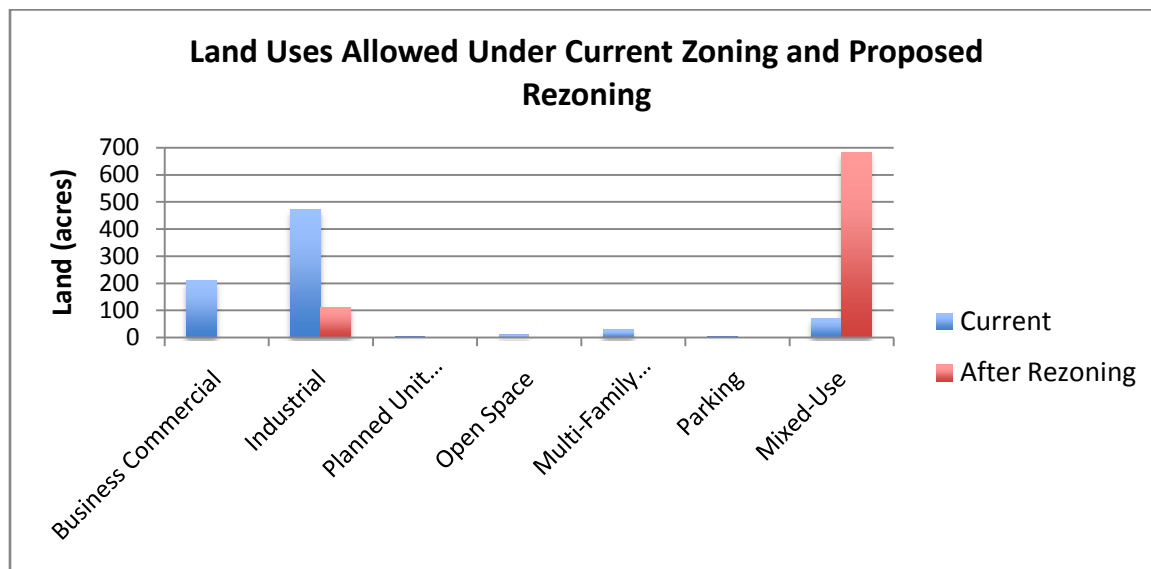
### ***Overview of Proposed Changes in Land Uses***

This next chart displays the significant changes in distribution of land use across the Central Corridor. Most notably, a large majority of the current land is zoned for industrial uses (nearly 500 acres). Under the rezoning proposal, the amount of industrially zoned land could decrease by 75% and will be replaced

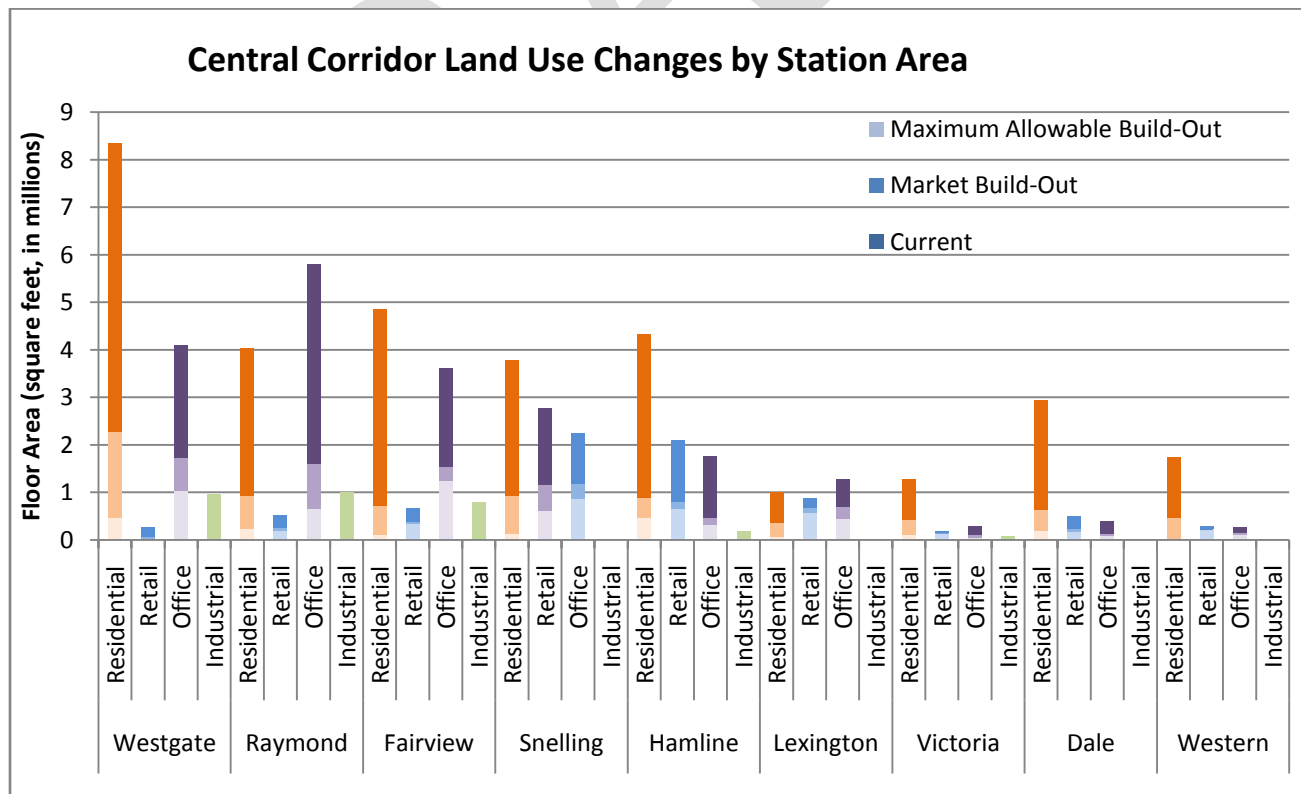
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<sup>3</sup> Nelson, A.C., 2004. *Planner's Estimating Guide: Projecting Land Use and Facility Needs*. APA Planners Press, Chicago.

by mixed-use traditional neighborhood zoning districts, which allow for residential, retail, and office commercial uses.



Below is a table that depicts land use changes by station area in the areas where rezoning is proposed (termed Area of Change by the City). Both the market build-out scenario and maximum allowable build-out scenarios as described above are included.



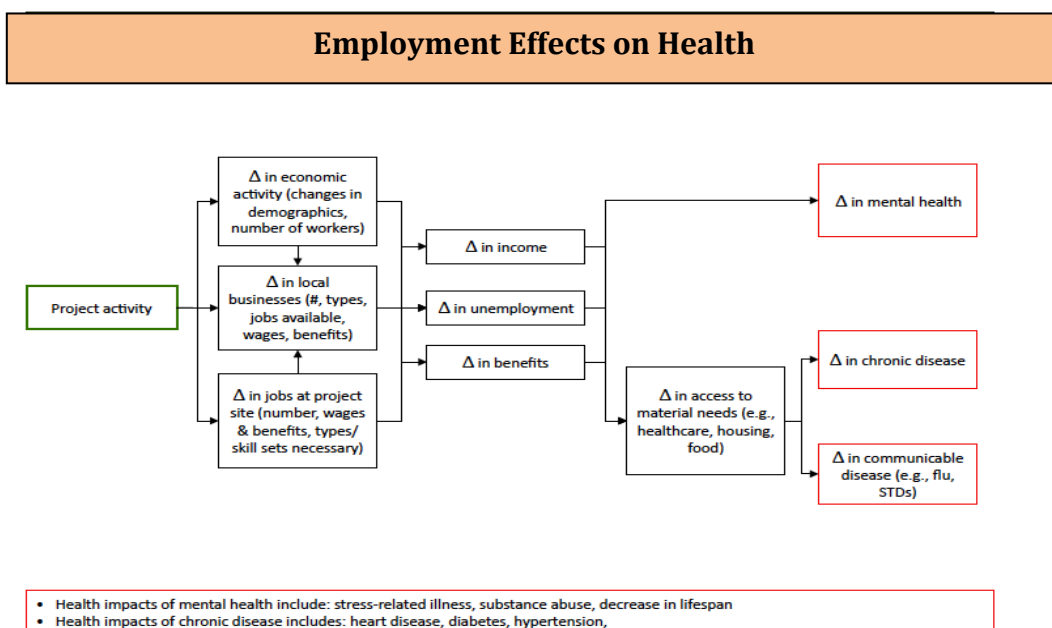
A few points can be drawn from this chart. First, the corridor is expected to become significantly more residential, in both development scenarios. Second, the majority of development will be concentrated in the station areas on the western end of the Central Corridor. Finally, there is a large difference between the market build-out scenario and the maximum allowable build-out scenario -the maximum allowable build-out scenario permits significantly more development than what the City estimates the market will withstand by 2030.

Our assessment of this rezoning plan is that it appears to be attempting to strike a balance between what the current market will support and a longer-term vision for development in the community. Consider that when a building is developed on a piece of land it is typically decades before the building will be torn down or significantly changed, yet markets fluctuate on a regular basis.

### **Potential Impacts on Healthy Economy**

The new transit line, development strategy and zoning plan will impact the economy of the Corridor neighborhoods in many ways including through potential changes in employment opportunities for residents (both along the Corridor itself and accessible via the broader transportation network), the success of local, small, and minority-owned businesses, the availability of different types of goods and services and the demand for more and different goods and services given the increases in population. The construction of the transit line and new housing itself will create job opportunities for residents and contracting opportunities for area businesses. It will also create a period of time when existing business is disrupted along the Corridor during construction, which may destabilize small businesses. In addition, the new light rail line and subsequent development could change the composition of businesses in the area and impact how well local businesses meet local residents' needs for retail and services.

There is a strong relationship between the economy and health, as seen below:



Source: Human Impact Partners, 2011.

The health of the regional economy for the Minneapolis-Saint Paul area is important to the future development opportunities made feasible by the rezoning and in many ways integral to the implementation of the Central Corridor Development Strategy and the subsequent station area plans. Similar to the rest of the country, the Twin Cities area is in the middle of a recession, facing numerous job losses, high unemployment, and a struggling housing market with many foreclosures. However, a recent Brookings Institution report ranked the Minneapolis-St. Paul region as 6<sup>th</sup> poised to recover best from the economic crisis, compared to other metropolitan areas in the United States, and ranked 44<sup>th</sup> in the world.<sup>4</sup> Furthermore, job growth was documented in all quarters of 2010 in the Minneapolis-St. Paul area, even in the manufacturing sector.<sup>5</sup>

While our focus is specifically on jobs located in the Central Corridor and accessibility of new or changing industries to residents of the nearby neighborhoods, it should be noted that economic dynamics are typically regional. People are often willing to commute to work in different cities or counties and the commuting dynamics in the Twin Cities reflect that pattern. We are assessing local impacts because of the focus of the analysis on local communities. The rezoning also presents a specific occasion to increase job and income opportunities for those most in need, and the Central Corridor is home to higher than citywide unemployment rates and lower income households.

Specific to the Central Corridor, rezoning could impact the economy in several ways. First, the rezoning proposal allows for an increase in the land available for commercial uses such as retail and offices. As the regional economy recovers, the number of retail institutions and businesses requiring office space will increase in the corridor, increasing the number of jobs available around the station areas. The types of jobs that are likely to increase as a result of these changes, especially those that fall within the “office” category, will depend upon other factors such as which industries are growing in the Minneapolis-Saint Paul region and which services are in greater demand locally.

As the amount of land available for office and retail uses increases in the Central Corridor, the area available for industrial uses will decrease substantially. This may result in several impacts: industrial businesses on property rezoned for higher density mixed use development may face pressure to relocate, as property values rise due to increased development potential. This could result in the loss of jobs associated with industrial uses, including higher-paying jobs in the manufacturing and wholesale trade industries. A recently published report by the Brookings Institution stated that manufacturing can be a key sector to bolster economic recovery for the Minneapolis-Saint Paul region as well as provide higher paying jobs for people with less education.<sup>6</sup> The proposed rezoning, does not only make several industrial businesses vulnerable to market forces, but also precludes the growth of the manufacturing sector and innovative businesses drawn to that type of land.

Third, zoning can have impacts such as increased commercial rents, changing markets –such as new customer-base or a loss of customers depending on the changing population of the community –or displacement on more vulnerable businesses such as small and/or minority-owned businesses. For example, if properties are *upzoned*,<sup>7</sup> property values will likely increase –as described above in the *Zoning Overview* section. Where development is financially feasible, property owners may redevelop the

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<sup>4</sup> Brookings Institution, Global Metro Monitor, December 2010.

[http://www.brookings.edu/reports/2010/1130\\_global\\_metro\\_monitor/1130\\_global\\_metro\\_profiles.aspx](http://www.brookings.edu/reports/2010/1130_global_metro_monitor/1130_global_metro_profiles.aspx)

<sup>5</sup> Brookings Institution, Metro Monitor, December 2010. [http://www.brookings.edu/reports/2010/0615\\_metro\\_monitor.aspx](http://www.brookings.edu/reports/2010/0615_metro_monitor.aspx)

<sup>6</sup> Brookings Institution, February 2011. “Accelerating Advanced Manufacturing With New Research Centers.”

<sup>7</sup> Upzoning can be defined as the rezoning of a property to allow for greater density, height, or higher value uses, such as multi-family residential or office space.



site in order to maximize the new potential value of their property, which may displace current businesses or residences located on the property. Even if redevelopment is neither financially feasible nor desirable, property owners may increase rents to compensate for the increase in their property values and/or possible increases in property taxes, or for the increased desirability of the location to businesses.

We focus on small and minority-owned businesses because they are typically more disadvantaged than their white-owned and larger counterparts. For example, small and minority-owned businesses tend to have lower average sales volumes and a smaller market-base and are thus more vulnerable to changes in business volume and sales. Minority-owned businesses are less likely to be connected to business networks (less information about successful practices), have smaller amounts of risk capital (therefore less fall back savings), and are less likely to receive large-scale contracts.<sup>8</sup> All of these factors make small and minority-owned businesses vulnerable to disruption in terms of their sales volumes and bottom line. The loss of small and minority-owned businesses can negatively impact not only the economic stability of business-owners and their employees, but also threatens to disintegrate the cultural and social networks that contribute to the strong sense of place and identity within the corridor.

### **Objective 1: High Quality, Healthy Jobs that Increase Wealth, Income, and Equity for All Residents**

*How will the proposed zoning change the amount and quality (level of pay) of jobs that will be available to residents in the Corridor neighborhoods?*

- **The number of jobs in the station areas alone can potentially increase by approximately 10,000 according to the market build-out scenario and nearly 58,000 according to the maximum allowable build-out scenario; nearly 80% of these jobs will be in office settings, the remaining 20% will be in retail.**
  - A significant proportion of new jobs added will likely be located in the west portion of the Central Corridor, where development potential has been identified as most financially feasible by a recent CTOD analysis.<sup>9</sup>
  - It is likely that new jobs added will be split into higher paying service and information jobs that typically require higher educational attainment and lower paying service jobs that require lower educational attainment. See below table for more details.
- **Some jobs may be lost as industrial and heavier service commercial land is slowly converted to residential, office, and neighborhood and large-scale retail uses.**
  - Under the new rezoning, several existing warehousing and auto-service operations will become non-conforming<sup>10</sup>. As the market improves and the completion of the LRT line spurs on further property value increases, these businesses may be at greater risk for relocation.

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<sup>8</sup> Buy Newark: Adopting a Comprehensive Buy-Local Strategy for the City of Newark. PolicyLink, 2011: <http://www.policylink.org/atf/cf/%7B97C6D565-BB43-406D-A6D5-ECA3BBF35AF0%7D/BuyNewark.pdf>

<sup>9</sup> Center for Transit Oriented Development and Strategic Economics, January 2011.

<sup>10</sup> A non-conforming use is one that is not allowed by the zoning district. While several businesses along University Avenue will become non-conforming, the City of Saint Paul is allowing them to remain. However, their ability to expand their business, if desired, will be limited.

- **At least 47 industrial businesses are located on properties being upzoned to accommodate mixed-use development.**
  - With the loss of industrially zoned land, it is likely that several manufacturing, wholesale trade, and transportation and warehousing jobs will be lost by 2030; these jobs are often unionized and pay higher wages with less educational attainment requirements.
  - These 47 businesses account for 111 manufacturing employees, 29 transportation and warehousing employees, 164 wholesale trade employees, and 11 construction employees, for a total of 315 jobs.
- **As industrially-zoned land is being rezoned for residential and commercial uses, the following properties have been identified as industrial sites with a high number of jobs potentially at-risk for relocation:**
  - The block between University and Thomas, Wheeler and Aldine: These parcels are being rezoned to T3 and T4 districts and currently house 138 manufacturing workers.
  - Syndicate and University (southwest corner): This site is being rezoned to the T4 district, increasing the allowable density substantially. Furthermore, many of the buildings currently on this site is not included in future plans as delineated in the Hamline Station Area plan. This block contains about 45 manufacturing jobs and 24 transportation and warehousing jobs.
  - University and Prior (southwest corner): while this area is not currently being rezoned, part of the site has been identified as a “Major Opportunity for Investment” in the Central Corridor Development Strategy. This block contains about 85 manufacturing jobs and 252 wholesale trade jobs.
  - Raymond and Wabash (southwest corner): While these parcels are not proposed to be rezoned at this time, this particular portion of the larger industrial site has been identified as a “Major Opportunity for Investment” under the Central Corridor Development Strategy. The block on which these parcels are located contains a total of 526 manufacturing jobs.

The following table describes potential changes in each industry represented in the Central Corridor based on the land use changes anticipated as a result of the proposed rezoning and employment and jobs projections. Average wages and educational attainment are included to connect these changes to the quality of jobs (as defined here by level of pay) that may result and to whom these opportunities may be available to (as defined by educational attainment). Industries are ranked by the total number of jobs in that sector within the Central Corridor. The chart also includes the percent of total Central Corridor workers who work within the industry across the Metropolitan Statistical Area.

CC Industries by Total Number of Jobs	Average Annual Wages in County	Average Educational Attainment	% of CC Workers in Sector	Land Use Category	Potential Changes Based on Rezoning Proposal
1. Health Care and Social Assistance	\$44,372	78% with some college or higher ed.	16%	Office	Likely to significantly increase. The health care and social assistance industry is projected as the second fastest growing industry in the country <sup>11</sup> ; in Saint Paul, this sector grew even during the recession. <sup>12</sup> Many new jobs in this sector are

<sup>11</sup> Bureau of Labor Statistics, 2009. <http://www.bls.gov/news.release/ecopro.t02.htm>

<sup>12</sup> City of Saint Paul, 2010.

					anticipated to be home health care workers, which require less education but typically are lower-paid. <sup>13</sup>
2. Public Administration	\$25,290	82% with some college or higher ed.	4%	Office	Likely to stay the same. Jobs in the public sector are not likely to grow in Saint Paul. Current local government budget constraints lower the ability to hire new workers, despite demand.
3. Administration and Support and Waste Management	\$27,919	34% with high school degree or less	8%	Office	Likely to increase. As the number of offices and new residential units in the Corridor increases, the demand for occupations in this industry, such as janitors, office clerks, security guards, and landscaping workers will likely increase as well. These jobs, while requiring less education or skill-level, tend to be lower paid. <sup>14</sup>
4. Finance and Insurance	\$70,596	82% with some college or higher ed.	6%	Office	Likely to increase. The financial and insurance industry is growing, although at a slower rate than many other sectors. <sup>15</sup> While it may not increase significantly in the short term, as the economy recovers and office space increases in the corridor, the number of these jobs will likely increase. In addition, an increase in households will likely stimulate demand for new retail banking institutions.
5. Professional, Scientific, and Technical Services	\$70,893	89% with some college or higher ed.	6%	Office	Likely to significantly increase. This is a fast growing industry, not just in the country, but in Minnesota as well. <sup>16</sup>
6. Accommodation and Food Services	\$15,516	51% with high school degree or less	10%	Retail	Likely to increase. The accommodation and food service sector is growing in the country; the increase in new households in the Central Corridor and the increase in land zoned for retail and hotels will increase demand for service workers in this industry.
7. Manufacturing	\$68,826	25% with high school degree or less	8%	Industrial	Likely to decrease significantly. The loss of industrially zoned land will put short and long term pressure on existing firms to relocate outside of the Central Corridor. In addition, many jobs in the manufacturing industry were lost in Minnesota due to the recession. While some gains are predicted in the next few years, manufacturing jobs are not expected to return to pre-2007 levels. <sup>17</sup>
8. Other	\$31,976	39% with	4%	Retail	Unclear. The number of jobs in this sector is

<sup>13</sup> Minnesota Public Radio, 2011. <http://minnesota.publicradio.org/display/web/2010/05/21/healthcare-jobs-on-the-rise/>

<sup>14</sup> <http://www.bls.gov/iag/tgs/iag56.htm>

<sup>15</sup> Bureau of Labor Statistics, 2009. <http://www.bls.gov/news.release/ecopro.t02.htm>

<sup>16</sup> Minnesota Department of Employment and Economic Development, 2010.

[http://www.positivelyminnesota.com/Data\\_Publications/Employment\\_Review\\_Magazine/July\\_2009\\_Edition/Technically\\_Speaking\\_Central\\_Minnesota\\_is\\_Still\\_Exping.aspx](http://www.positivelyminnesota.com/Data_Publications/Employment_Review_Magazine/July_2009_Edition/Technically_Speaking_Central_Minnesota_is_Still_Exping.aspx)

<sup>17</sup> Minnesota Public Radio, 2011. <http://minnesota.publicradio.org/display/web/2010/05/24/manufacturing-in-minnesota/>

Services		high school degree or less		and Industrial	growing across the country and in the Twin Cities. <sup>18</sup> There will be an increase in these types of jobs as they are related to occupations that are typically in retail spaces. However, this sector also includes automotive and machine repair services, which are jobs that are typically housed in industrial type areas and will likely be phased out of the Corridor as industrially-zoned land is lost and new regulations are placed on auto-oriented uses (as described in the rezoning proposal).
9. Educational Services	\$40,787	84% with some college or higher ed.	11%	Institutional or Office	Likely to increase. The educational service sector is rapidly growing in the country and in the Minneapolis-Saint Paul metro area. <sup>19</sup> The projected increase in households in the Central Corridor will create a need for existing capacity at existing schools and potentially demand for new schools.
10. Retail Trade	\$25,578	39% with high school degree or less	9%	Retail	Likely to increase. The projected increase in households in the Central Corridor, the addition of land zoned for retail, and the increase in transportation access by light rail combine to likely increase demand for retail institutions in the corridor, serving both neighborhoods and the region. While retail jobs declined during the recession, the MSP metro area is posed to have a strong recovery, strengthening demand for retail goods.
11. Construction	\$63,161	43% with high school degree or less	2%	Industrial <sup>20</sup>	Likely to increase temporarily. The Met Council has projected that the Central Corridor will produce approximately 2,500 construction jobs in the next four years alone. <sup>21</sup> However, construction jobs, as part of a larger trend, have been declining since the recession. <sup>22</sup>
12. Management of Companies and Enterprises	\$103,248	81% with some college or higher ed.	4%	Office	Unknown
13. Information	\$64,159	81% with some college or higher ed.	3%	Office	Increase is uncertain. While more office space would accommodate demand for information workers, there has not been a significant increase in information jobs in the metro area in the last decade. <sup>23</sup>

<sup>18</sup> The Itasca Project. "Charting a New Course: Restoring Job Growth in the Minneapolis-St. Paul Region" April 2010.

<sup>19</sup> Bureau of Labor Statistics, 2009. <http://www.bls.gov/news.release/ecopro.t02.htm>

<sup>20</sup> While construction jobs are often classified as industrial, construction workers often do not have an official "workplace." Because new development will significantly be increasing in the Corridor, the number of construction jobs will likely increase substantially as well, although their sustainability is uncertain in the long-term.

<sup>21</sup> Minnesota Public Radio, 2011. <http://minnesota.publicradio.org/display/web/2011/02/09/dbc-hiring-central-corridor/>

<sup>22</sup> Minnesota Public Radio, 2010. <http://minnesota.publicradio.org/display/web/2010/05/21/workers-in-transition/>

<sup>23</sup> The Itasca Project. "Charting a New Course: Restoring Job Growth in the Minneapolis-St. Paul Region" April 2010.

14. Wholesale Trade	\$66,880	27% with high school degree or less	3%	Industrial	Likely to decrease. While the wholesale industry is not declining across the country nor in the Twin Cities, <sup>24</sup> the loss of industrially-zoned land, combined with rising land prices will likely place pressure on existing warehouses to be demolished or converted to residential or office uses.
15. Arts, Entertainment, and Recreation	\$31,812	28% with high school degree or less	2%	Retail and Office	Likely to increase. This industry, which includes occupations such as public relations agents or graphic designers, will likely grow as office space builds out in the CC.
16. Real Estate and Rental and Leasing	\$39,771	31% with high school degree or less	2%	Office	Likely to stay the same or slightly increase. An increasing real estate and especially residential market in the Central Corridor will increase demand for real estate services. As new residential buildings are constructed, maintenance workers and rental clerks will probably be needed. However, job growth is slow in this sector <sup>25</sup> , so not many new jobs will likely appear in the Corridor.
17. Transportation and Warehousing	\$39,944	34% with high school degree or less	3%	Industrial	Likely to decrease. With the loss of industrially-zoned land and the increasing price of land in the corridor, there will likely be pressure on existing firms in the long run to relocate to areas with lower land premiums and less nearby residences.

### **Summary of Impacts**

With the increase in allowable density (FAR) for new development in the corridor, the number of jobs is likely to significantly increase as the market improves as new offices and mixed-use buildings are constructed. The quality of these jobs, and the degree to which they will be available to Central Corridor residents, is less certain. Industries that will likely fill the office space projected to increase in the corridor include health care and social assistance, finance and insurance services, professional, scientific, and technical services, and administration and support and waste management. Wages and educational attainment requirements for these jobs vary; it is likely that job growth for lower-educated workers in these industries will be in occupations such as janitors, home health care workers, and administrative workers, all of which do not have very high average wages. As the amount of retail and hotel space increases in the corridor, the number of jobs in the retail trade and accommodation and food services industry will likely increase. These jobs have less educational attainment requirements as well as fairly low wages. The increases in office space will have a fairly large increase in higher paid jobs which require higher educational attainment. The loss of industrially zoned land could also have some negative impacts on employment in the Corridor. While current industrial uses that become non-conforming will not have to relocate, they may face pressure to do so anyway if property values rise due to the rezoning and there is substantial profit to make in redeveloping these sites. There are four such locations, identified above, that may experience this pressure in the future. Therefore as a result, manufacturing as well as other jobs which are often located on industrial land will likely be lost.

<sup>24</sup> The Itasca Project. "Charting a New Course: Restoring Job Growth in the Minneapolis-St. Paul Region" April 2010.

<sup>25</sup> Bureau of Labor Statistics, 2009. <http://www.bls.gov/oco/oco2003.htm>

## **Objective 2: Diverse, Local Businesses—Existing and New—Are Developed and Supported**

*How will the zoning changes affect small<sup>26</sup>, locally and minority-owned businesses that are located along the Corridor?*

- **More than one-third of small businesses and nearly one-quarter of minority-owned businesses are on parcels with either medium or high potential for redevelopment.**
  - If these parcels develop, it is likely that businesses currently located on these sites will have to relocate at minimum temporarily as the building is redeveloped and potentially permanently if new uses are proposed or rents increase significantly.
  - A smaller proportion of minority-owned businesses are affected by the rezoning, compared to small businesses, because several of them are located on the eastern blocks of University Avenue, where less intense development is anticipated.

The table below shows the number and percentage of total businesses, small businesses, minority-owned businesses, and total employees relative to land parcels that have high, medium, and low potential for redevelopment as a result of the rezoning.

**Businesses Located on Parcels with High or Medium Redevelopment Potential**

Redevelopment Potential	High		Medium		Low		Total
	Number	Percent	Number	Percent	Number	Percent	
Total Businesses	129	15%	181	21%	570	65%	880
Small Businesses	113	15%	155	21%	464	63%	732
Minority-Owned Businesses	16	13%	18	14%	94	73%	128
Total Employees	2,231	19%	1,946	17%	7,441	64%	11,618

Source: U-PLAN University Avenue Business Survey, December 2010.

\*These numbers do not include non-profits and governmental organizations surveyed.

Below is a map that shows the location of small businesses and minority-owned businesses relative to sites with high and medium potential for redevelopment. As the map shows there are a number of parcels along proposed for rezoning which could place small and minority owned businesses at risk for displacement. See the appendix for a close-up of this map at the sub-market level.

<sup>26</sup> Small businesses are defined by the Small Business Administration as having revenues of less than \$2 Million per year.

## Proximity of Small and Minority Owned Businesses to Parcels With High and Medium Potential for Redevelopment



- **Small and minority-owned businesses across the Corridor may face higher rents if property values rise due to the rezoning.**
  - Even if redevelopment is not imminent for many businesses, the potential for commercial rents to rise is likely, as property owners adjust rents to match rising property values due to the premium of transit (15% premium in the CC as estimated by CTOD) and the increased development potential of the property.
  - While this increase can potentially have negative effects on the stability of small and minority-owned businesses, it also can present a positive opportunity for businesses to grow and thrive if policies and programs are put in place to mitigate displacement. Positive opportunities include an increased customer base through the addition of new residents, transit access and potential increased foot traffic and infrastructure improvements.
- **The loss of on-street parking as a result of the light rail development may have negative impacts on small businesses by making customer access more difficult.**
  - The proposed rezoning does not mitigate the loss of onstreet parking and may exacerbate the parking situation by increasing the population and limiting parking requirements. At the same time, the increased foot-traffic, increase access through transit and residents in close proximity can support additional customer base for businesses.

### ***Summary of Impacts***

We have identified two scenarios that may negatively impact small and minority-owned businesses in the corridor: redevelopment and rising commercial rents due to property value increases. One-third of small businesses and one-quarter of minority-owned businesses are located on parcels that have high or medium potential for redevelopment. The timeline of this development is uncertain, and depends on the current economic climate, ability to secure financing, and the relative ease to assemble land, among other things. Small and minority-businesses across the corridor will be affected if property values rise to the point where rents are raised. Businesses that do not own their building or are in a short-term lease are particularly precarious in this scenario. Positive impacts may also occur due to increasing the population who has access to existing businesses, through increased transit access and increased local population.

### **Potential Impacts on Affordable, Healthy Housing**

Research and precedent have shown that new transit investments tend to lead to greater housing demand and increased land values around revitalized transit stations because people will pay more to live near transit. This increased demand drives the private sector to provide new development consisting of new housing product types (examples include smaller units, multi-unit housing, and loft apartments), which often bring in new residents.

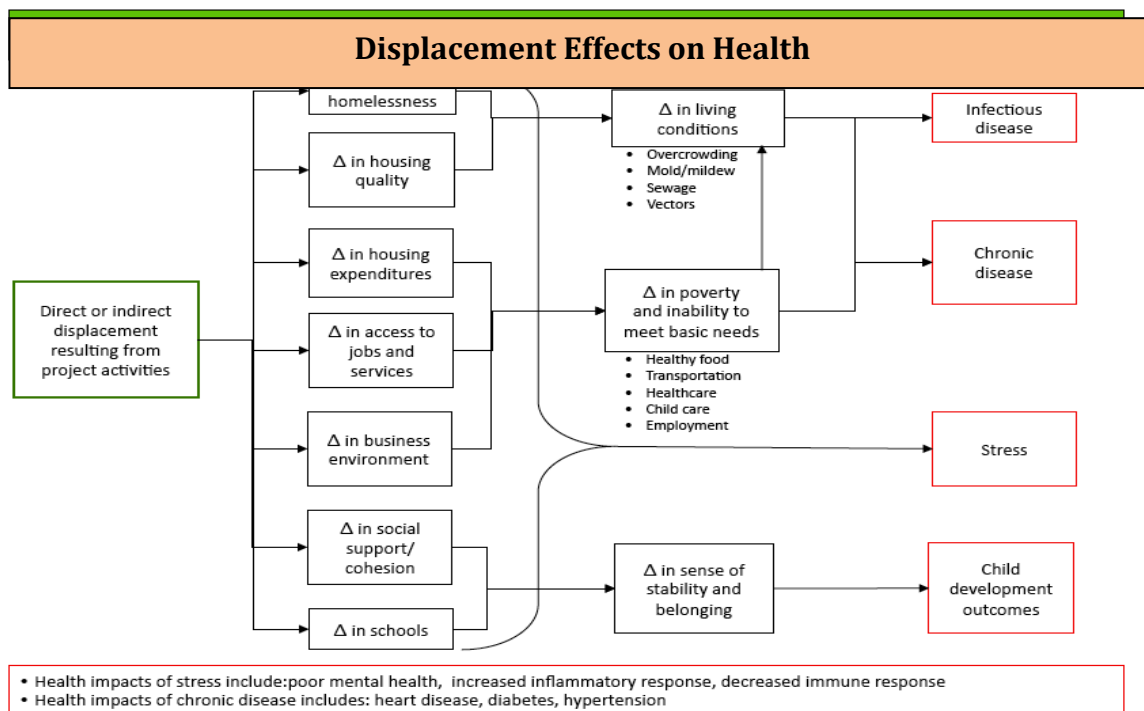
How these changes impact the existing neighborhood depends to a large extent on the strength of the original housing market. A neighborhood with a weak housing market – with many blighted homes, vacant properties (including foreclosed properties), and a lack of reinvestment by existing homeowners/landlords – can accommodate new demand for housing by filling in vacant spaces and units. In this case new development can lead to neighborhood revitalization, and providing amenities without displacing or significantly increasing prices for existing residents. By contrast, in a neighborhood with a stronger housing market and few vacancies, existing houses are renovated and resold at higher values, apartments are converted to condominiums, renovated and sold, and older, more affordable buildings are demolished to make way for newer buildings. In this last scenario, without proactive strategies and policies to maintain the affordability of the housing stock, new investment can lead to speculation, rising housing costs, the loss of affordable homes, and the displacement of existing residents.<sup>27</sup>

Displacement has a significant influence on health, as evidenced below:

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<sup>27</sup> Kennedy, 2001. “Dealing With Neighborhood Change: A Primer on Gentrification and Policy Choices.”





Source: Human Impact Partners, 2011.

Zoning is the key regulatory tool used to accommodate the increased housing demand around transit stations. In the Central Corridor, many properties along and near University Avenue are being rezoned to the traditional neighborhood, mixed-use zoning districts from previous business commercial or industrial districts to allow for multi-family residential uses. This change will not only accommodate demand for housing as the market improves, but also has, coupled with the completion of the LRT line, the potential to increase property values as the higher density, higher value development is allowed under the zoning. This increase in property values can translate into higher residential rents on the properties rezoned. As mentioned previously, CTOD and Strategic Economics have projected a 15% increase in property values and rents due to transit.<sup>28</sup>

There are a few ways that the rezoning can affect affordability and involuntary displacement in corridor neighborhoods. Current subsidized affordable properties located on properties being rezoned to accommodate for higher density may experience greater pressure to let their affordability contracts lapse and convert to market-rate units, or, redevelop completely if property values increase to reflect the increase in development potential. Residential properties not being rezoned but located adjacent to land with high or medium potential for redevelopment within the Area of Change may experience pressure for redevelopment, especially if a large development is proposed nearby.

Furthermore, the Final Environmental Impact Statement (FEIS) on the development of the new light rail line has identified gentrification as a potential effect of development along the Central Corridor. It states: *"in recent years, the Midway area has experienced growth in multifamily housing and new*

<sup>28</sup> CTOD and Strategic Economics, January 2011.

*commercial/office enterprises. These development activities are expected to continue along the corridor in response to market demand...Underutilized land and buildings near some station areas that are now prime development and redevelopment sites will be built out. More housing opportunities will be available for current residents in the corridor, but population composition and neighborhood character may change as new residents move into the neighborhoods (gentrification) to take advantage of transit.”<sup>29</sup>*

The potential impacts of gentrification on low-income and people of color have also been recognized by the US District Court in their recent summary judgment: “...the Court recognizes the validity and magnitude of Plaintiff’s concerns with respect to the impact that the CCLRT Project could have on the previously disrupted Rondo community and the potential impact that gentrification could have on low-income and minority populations...If the relevant groups—including the Metropolitan Council, the City of St. Paul, and Ramsey County—fulfill their commitments to mitigate the displacement of the impacted communities due to gentrification of the area and to minimize impacts to the Rondo community, they will revisit these issues with Plaintiffs and resolve them in the best interest of all concerned.”<sup>30</sup>

### **Objective 3: Protect Residents from Negative Impacts of Gentrification**

*How will the proposed zoning affect the likelihood of neighborhood gentrification and the involuntary displacement of current residents due to rising rents and the loss of rental housing, particularly residents who are low-income and/or transit dependent?*

- **The cost of housing will likely continue to rise in Corridor neighborhoods, potentially impacting already high housing cost burdens for Central Corridor households.**
  - As property values likely rise in residential neighborhoods near station areas and the Area of Change, renters will likely see rent increases, negatively impacting their housing cost burden. This process is more likely to occur in the west sub-market where the highest density development is anticipated and is closest to being financial feasible in the current market.<sup>31</sup>
  - This rise in housing costs will likely impact existing and potential homeowners as well. Existing home owners may see an increase in property taxes as their properties assess for higher values. New potential homeowners will experience higher price tags on homes for sale.
- **Gentrification is likely to increase as a result of the rezoning.** Based on recognized indicators of gentrification the data indicates that gentrification is currently in process in the CC. As demonstrated in the table below, these indicators will likely continue to rise at an increased rate with the implementation of the rezoning proposal.

The table below discusses several of the most important nationally recognized indicators of gentrification which we measured in the Existing Conditions Analysis. In this table we estimate changes to the existing conditions of these key indicators that may result from the implementation of the proposed rezoning.

<sup>29</sup> Final Environmental Impact Statement, Central Corridor Light Rail Transit project. 2009.

<sup>30</sup> Saint Paul Branch of the National Association for the Advancement of Colored People et al. v. United States Department of Transportation et al. (United States District Court, District of Minnesota, January 27, 2011)

<sup>31</sup> CTOD, Bonestroo, & Springsted, December 2010. “Central Corridor TOD Investment Framework: A Corridor Implementation Strategy.”

Indicator of Gentrification	Existing Conditions	Estimated Forecast
Rising rents	Moderately increasing; have risen 10% in CC in last decade	Will continue to rise at an increasing rate. As described above, as property values increase, landlords will likely increase rents. CTOD estimates the completion of the light rail to increase rents by 15%. <sup>32</sup>
Rising home values	Yes—significantly increasing; have risen 77% in CC in last decade	Will continue to rise at an increasing rate. The increases in allowable density will aid in increasing property values. As noted above transit is expected to increase property values by approximately 15% within a half mile of the light rail line, home values have already been significantly increasing since 2003.
Influx <sup>33</sup> in higher-income residents	Somewhat; Percent of CC households making more than twice RC median income increased 3% points	The rezoning allows for substantially more housing in the Central Corridor, particularly near the western corridor station areas. If this housing is constructed at the market-rate, combined with the 15% expected increase in rents, new residents who will be able to afford this housing will likely have a median household income higher than current Corridor residents.
Outmigration <sup>34</sup> of lower-income residents	Somewhat; poverty rate has increased in last decade, yet income levels have increased	As rents and home values continue to rise, the housing burden of many lower-income residents will continue to rise beyond current levels potentially forcing residents out of corridor neighborhoods. This process will likely not occur evenly across the corridor; rather, pressure will happen on western neighborhoods first where development feasibility is more likely in the short term.
Increase in educational attainment of residents	Yes; Percent of CC residents with a Bachelors degree increased by 57% in last decade	Will likely continue to increase. As higher income residents move into the neighborhood with an increase in the supply of market-rate housing, educational levels will likely be higher as higher education is correlated with income. <sup>35</sup>
Decrease in racial diversity	Yes; the white population grew in the CC from 47% to 53% in the last decade, despite declines in SP and RC	Will likely continue to decrease. Due to the racial income gap in the Twin Cities and in the CC, incoming households that will be able to afford the higher prices in the Corridor will likely be white, non-Hispanic. Also due to the correlation between income and race, if displacement of lower income residents occurs this will also mean a likely loss of people of color.

<sup>32</sup> CTOD, Bonestroo, & Springsted, December 2010. "Central Corridor TOD Investment Framework: A Corridor Implementation Strategy."

<sup>33</sup> The data is not clear on whether there is an influx of new residents making more income or if existing residents are dramatically increasing their income.

<sup>34</sup> The data is not clear on whether existing low-income residents are leaving the Corridor or existing residents are increasing their income.

<sup>35</sup> US Census Bureau, Current Population Report, 2007. "Educational Attainment in the United States." <http://www.census.gov/prod/2009pubs/p20-560.pdf>

### **Summary of Impacts**

We anticipate that rezoning will likely increase the occurrence of gentrification across the corridor, potentially increasing cost of housing and the likelihood for involuntary residential displacement, as well as commercial displacement as discussed in the Healthy Economy section above. If property values rise due to the incoming transit and the increase in potential development value, then residential rents and home values will likely rise. This can negatively impact the well-documented existing high housing burden for both renters and owners in the corridor; if the housing burden increases, then displacement may occur.

### **Objective 4: Construct and Preserve Affordable and Diverse Housing In Proportion to Demand**

*How will the proposed zoning impact the cost of housing in the neighborhood, and the availability of affordable housing, in terms of housing construction and the preservation of existing affordable homes?*

- **Approximately 5,775 new units will be constructed by 2030 in the station areas according to the market build-out scenario; under the maximum allowable build-out scenario, that number could be as high as 24,669 by 2030.**
  - Under current rezoning, without City or Housing and Redevelopment Authority (HRA) assistance, these units will be constructed at market-rate. Where the city provides assistance for development city ordinance mandates that for rental housing, 30% of the total number of units will be affordable to households at less than 60% Area Median Income (AMI), of which one-third must be available to households at 50% AMI and one-third available to households at 30% AMI. For owner-occupied homes, 20% of new units constructed with City or HRA assistance must be affordable for households earning up to 80% AMI, and an additional 10% must be affordable to households at 60% AMI.
  - Furthermore, we understand that the City has begun land banking in anticipation of rising property values; it currently owns two properties along the corridor that it plans to develop into affordable housing within the next five years. Other City affordable housing policies also exist to support affordable housing development.
  - The City of Saint Paul 2010-2013 Housing Action Plan estimates that only 215 of the new units slated to be constructed in the Central Corridor will be affordable to households earning 60% AMI or less; this represents, at most, 2% of the new housing constructed projected under the market build-out analysis and less than 1% of the projected number of units under the maximum allowable build out potential. In addition, according to the Housing Action Plan approximately 399 existing affordable units will also be preserved in this period. Therefore, the City's Housing Action Plan strategy aims to add and preserve a total of 614 affordable units. This number represents approximately 10.6% of the market build-out scenario and 2.5% of the maximum allowable build-out scenario. This does not adequately meet the current needs for affordable housing as shown in the chart below.

### Housing Burden by Income Category

Income Group	Existing Housing Burden (households paying more than 30% of gross income on housing)
Less than \$10,000	26%
\$10,000 and \$19,000	24%
\$20,000 and \$34,999	24%
\$35,000 and \$49,999	11%
\$50,000 and \$74,999	10%
\$75,000 and \$99,999	3%
\$100,000 or more	1%

- **Both subsidized and un-subsidized affordable housing may be at risk for conversion to market-rate under the rezoning proposal.**
  - While few subsidized properties are located on parcels identified to have high or medium redevelopment potential, many subsidized units are located in the overall Area of Change. In this area, as the allowable density and uses rises on parcels, even though they may not redevelop in the short or medium term, property values may rise with the transit premium, leaving subsidized properties in private ownership vulnerable to potential conversion to market-rate housing as their contracts expire.
  - Many block groups<sup>36</sup> in the Central Corridor (30 out of the 53 block groups in the Corridor) have a median gross rent less than the HUD fair market rent for a one-bedroom household in the Minneapolis-Saint Paul metropolitan area as property values rise with the premium of transit, the market rate in these block groups will likely rise, potentially leaving households who live in market-provided affordable housing with a higher rent burden. However, the city has stated that maintaining the quality and affordability of this housing is a priority: *"...much of the existing housing along the Central Corridor is already affordable, and the focus should appropriately be on maintaining the quality and affordability of that housing."*<sup>37</sup>

### Summary of Impacts

The proposed zoning will likely impact the cost of housing and availability of affordable housing in the Central Corridor. As stated previously, if property values increase due not only to the completion of the light rail line but also due to the increased development potential from the rezoning, rents and home prices will likely increase to reflect these changes. This could affect not just current market rate properties in corridor neighborhoods but also subsidized housing, unless provisions are made to ensure that new units constructed in the corridor are built for a variety of income levels. Given the high housing

<sup>36</sup> Block groups are the primary geographical unit for our analysis. They are an arbitrary boundary created by the Census Bureau and are supposed to average approximately 1,000 people in population.

<sup>37</sup> City of Saint Paul, January 2011. Overview of Central Corridor Affordable Housing Policies and Current Implementation Activities.

burden currently documented for Central Corridor residents, increases in housing costs may result in displacement.

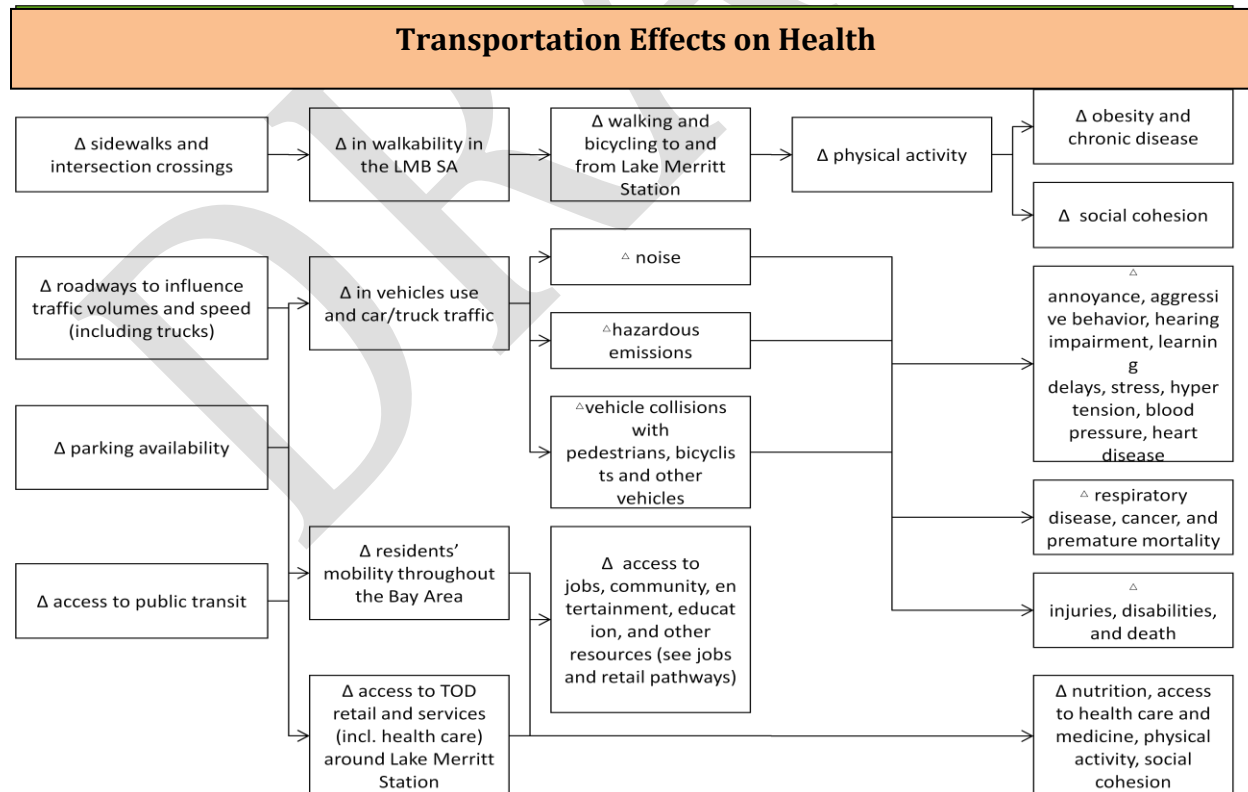
### **Potential Impacts on Sustainable and Safe Transportation**

The development of the Central Corridor light rail line will provide a new source of mobility for Corridor residents. The zoning changes along the Corridor will be instrumental in creating more transit riders, reducing dependence on car use and increasing access for those who are transit dependent, low-income, older adults or people with disabilities.

The new light rail is only one piece of the neighborhood transportation system. Promoting use of and access to successful bus service and bicycle and pedestrian infrastructure is also necessary for a truly sustainable transportation system. All three components must be coordinated with each other and with the new zoning.

The increase in land zoned for residential uses will undoubtedly increase the population in the Central Corridor and thus the number of people with access to transit, potentially increasing ridership levels not just for the new LRT line but also on existing bus lines that traverse corridor neighborhoods. This potential increase in ridership could further exacerbate demand for safer pedestrian and bicycle connections throughout the Corridor and without adequate safety improvements, may result in increased pedestrian injuries.

There is a strong connection between transportation and health, as described by the diagram below:



Source: Human Impact Partners, 2011 (from an analysis of a Lake Merritt transit station in Oakland, California)

The analysis below is focused on the policies within the zoning proposal. Yet, we are aware of other efforts by the City of Saint Paul to address transportation infrastructure deficiencies, such as the Central Corridor Pedestrian and Bicycle Action Plan and other capital improvements currently slated for the corridor.

#### **Objective 5: Maintain and Improve Affordable and Accessible Transportation**

*How will the proposed zoning coordinate with and affect affordable and accessible public transportation for the Central Corridor and the East Side?*

- **The Central Corridor population around the station areas alone is expected to increase by 13,802 people according to the market build-out scenario and up to 58,589 people according to the maximum allowable build-out scenario; the latter of which would nearly double the Central Corridor population.**
  - This will increase the proportion of Central Corridor residents with access to transit as well as likely increase ridership of the LRT line as well as the bus lines that traverse CC neighborhoods as well as connect the East side to the transit line.
  - With a significant rise in transit ridership anticipated, this could potentially increase demand for additional north/south bus connections beyond what currently exists in the corridor. In particular, as the Existing Conditions Analysis demonstrates, there is an existing need for additional north/south bus connections in the East and Central submarkets of the Central Corridor which will be exacerbated with the addition of new residents and new transit access points.

#### **Summary of Impacts**

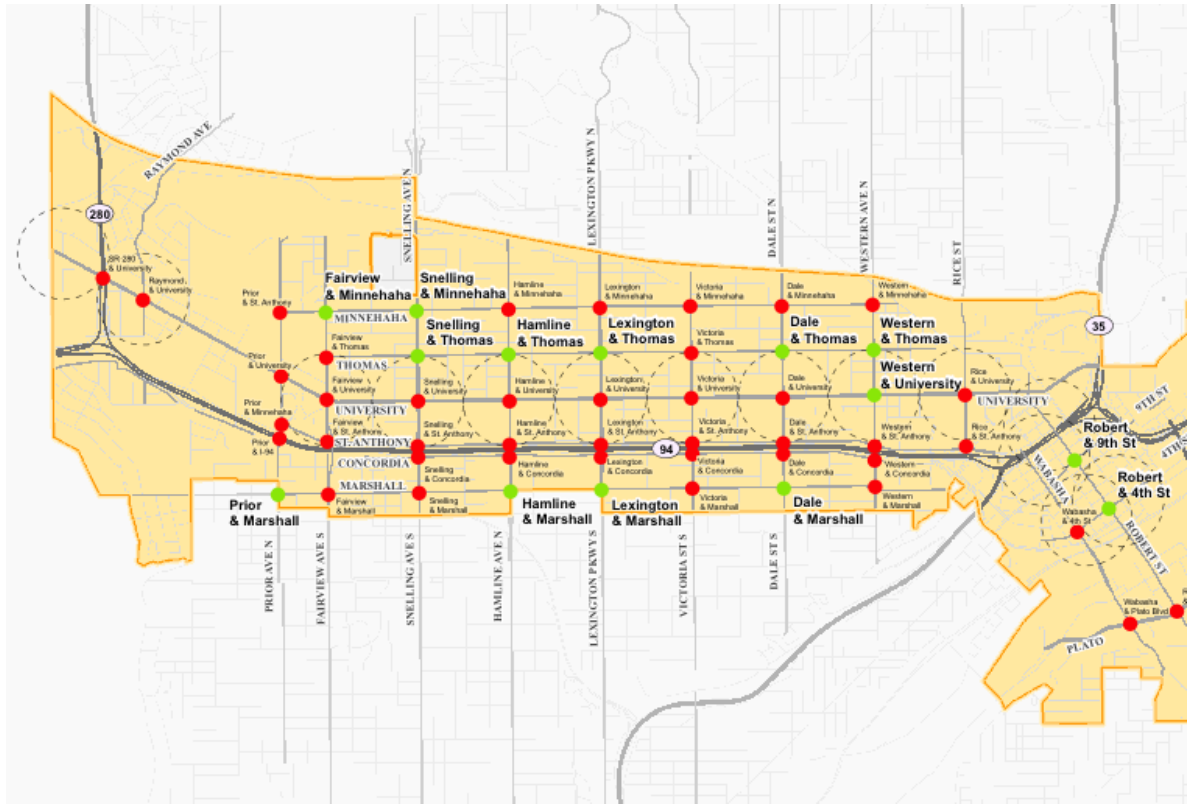
The increase in density allowed in the rezoning will increase population dramatically and thus increase the number of people in close proximity and access to high frequency transit stops. The need to couple the increased east/west transit access with north/south connection becomes particularly important as new populations come into the Corridor and existing populations on the north and south sides of the city desire access to the new transit line.

#### **Objective 6: Safe, Connected Biking & Walking To, From, and Across Transit Stops**

*How will the proposed zoning coordinate with and affect access to safe and connected biking and walking routes to, from and across rail and bus stops?*

- The increase in density around station areas will increase exposure to the existing unsafe pedestrian crosswalks and create a stronger incentive to install safe pedestrian and bicycle infrastructure that will keep the increased number of active transporters safe.
- Below is a map of intersections within the Corridor that have less than adequate pedestrian infrastructure (red dots), with an overlay of the station areas. Note that the station areas with the highest projected population growth (Westgate, Raymond, and Fairview) also have poor pedestrian infrastructure at key intersections within the Area of Change, which encompasses University Avenue in those areas.

## Pedestrian Quality at Key Intersections



### **Summary of Impacts**

The increased population enabled by the rezoning will increase foot traffic along and around the Central Corridor as people walk to transit stops, jobs and goods and services. The added population will then increase exposure to existing poor pedestrian infrastructure unless improvements are made. Pedestrian and bike rider injuries will become more prevalent given the sheer increase in the number of people exposed to the infrastructure. With pedestrian improvements, in particular in areas beyond ¼ mile of planned transit stations, new populations will have safe access to transit lines.



## **Impact Analysis Conclusion**

The rezoning proposal in many ways should lay a foundation –almost literally –for the implementation of the Central Corridor Development Strategy. While there is little explicitly linking the rezoning to the vision of the CCDS, the rezoning proposal succeeds in promoting land uses and a built environment that will support higher densities and a mix of uses which are a necessary base for transit oriented development. There will be many impacts, with both positive and negative outcomes. Rezoning University Avenue to accommodate higher density, mixed-use transit oriented development will likely increase the number of jobs available as office and retail development grows. The significant increase in housing anticipated due to the increase in land zoned for higher density residential development will bring more people to the corridor, increasing customer base for businesses, transit access and demand for additional bus service, especially along key north/south corridors.

However, with these positive benefits disadvantages may arise for existing corridor residents and business owners. First, while the increase in jobs may aid in improving unemployment for corridor residents, many of the jobs which match the level of education of current residents will have lower wages as well resulting in little movement along the income ladder. While higher wage jobs will likely increase as well these jobs will most likely be in occupations that require at least a bachelor's degree or higher, which precludes many corridor residents from applying without accompanying training and educational opportunities. Furthermore, as industrial land is rezoned for commercial and residential uses, many manufacturing and wholesale trade jobs with decent wages and lower education requirements may eventually relocate as property values rise. The loss of industrial land also limits the city's ability to plan for future industries linked to industrial land uses which provide higher wage careers for those with limited education levels or those with language barriers.

Small and minority-owned businesses, which currently reside along University Avenue, may be pressured to relocate due to impending redevelopment or face increasing commercial rents if property values rise and market changes occur without technical and financial support.

Although affordable housing will be easier to construct in the Central Corridor due to an increase in land zoned for higher density residential units, the likelihood for the realization of affordable housing will hinge of incentives and policies to support such development. The influx of market-rate housing currently enabled by the zoning may further the gentrification already occurring in the Central Corridor and without careful planning could lead to displacement. As property values rise due to the improved proximity to light rail transit and higher development potential, rents and home values may rise to a point where current residents will have to choose between a higher rent burden and moving out of the neighborhood. The current housing burdens in the Central Corridor are high, allowing limited room for increases in housing costs. The city has stated goals that aim to mitigate these impacts yet there are no direct provisions in the proposed rezoning to prevent displacement, incentivize new affordable units or maintain existing affordability within the corridor.

Finally, the anticipated increase in population due to higher allowable densities and increased land zoned for residential development, while increasing the number of people with access to both light rail and bus transit, will also raise the number of people exposed to existing hazardous pedestrian conditions along the corridor, especially along the western end. There are policies outside of zoning which the city is looking to employ in order to support pedestrian and bike infrastructure.

The proposed rezoning is an essential step to implementing the Central Corridor Development Strategy via the regulatory layer called out in Section 4 of the CCDS, “How We Get There.” However, there are many lost opportunities in the rezoning proposal to reflect the vision of the CCDS and mitigate against the unintended consequences of transit supportive development which the CCDS proposes objectives and strategies for. The rezoning of the Central Corridor presents a key opportunity to incorporate these items so as to minimize the potential negative impacts of development and maximize the potential benefits for all –including and especially for those currently living in the Central Corridor.

Our next steps are to establish policy recommendations that can be incorporated into the rezoning that can mitigate any potential negative impacts identified in this Impact Analysis and support positive outcomes.

## Appendix

Figure 1: Minority-owned businesses in the West sub-market



Figure 2: Minority-owned businesses in the Central sub-market



Figure 3: Minority-owned businesses in the East sub-market

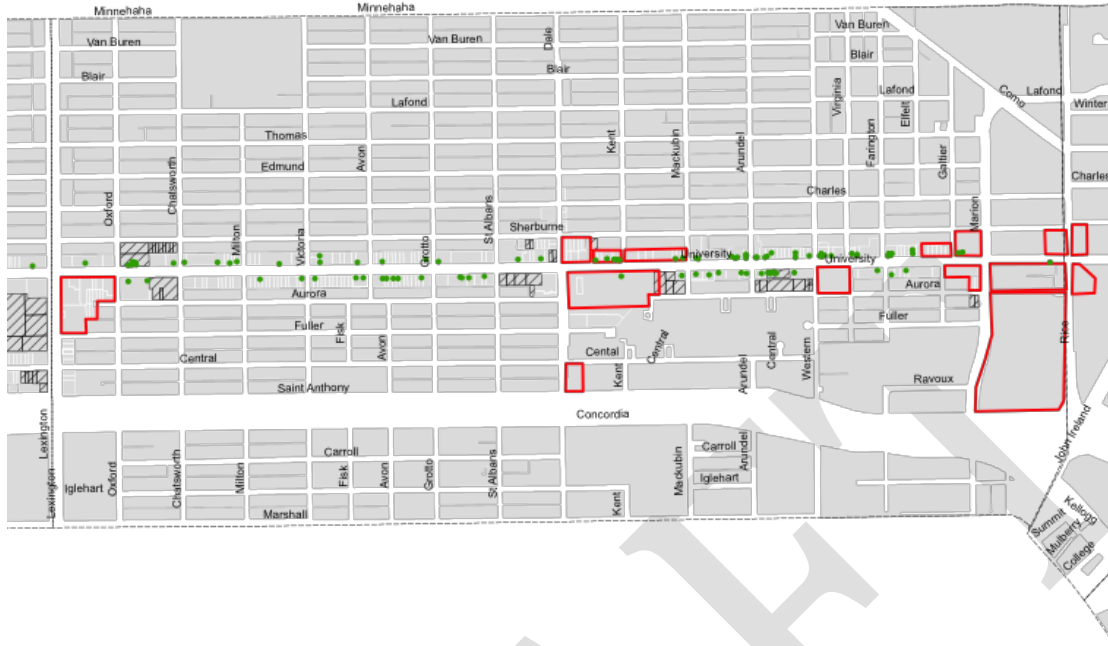


Figure 4: Small businesses in the West sub-market



The map shows a grid of streets in the University Heights area. Key streets include Van Buren, Kent, University, and Lorain. Neighborhoods labeled include Aurora, Central, Ravoux, and others. Red outlines highlight specific blocks and areas, likely indicating the locations of the 100+ homes mentioned in the text.