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Barriers to Alternative Development in the San Francisco Bay Area

A vision for alternative development in downtown Oakland © Urban Advantage

Abstract

This study attempts to better understand the barriers to the development of dense, mixed-use commercial and residential units near public transit hubs in the Bay Area. Such “alternative development” has a number of documented environmental and social benefits. Literature reviewed has outlined several categories of obstacles to initiating such projects: regulatory, political, financial and economic. Building on a similar survey conducted in 2001, our research explored further the question of how these obstacles currently present themselves to Bay Area private real estate developers. Our method was a qualitative and quantitative email survey to the Urban Land Institute Bay Area chapter’s 418 developer members, with a 20% response rate. Survey results showed no significant relationship between various perceived barriers and willingness to pursue alternative development projects. However, our conclusion is that both perceived market demand and experience of firms *do* have a significant impact on willingness to pursue alternative development. The implication for public administrators, such as planners and redevelopment agency professionals, is that 1) while regulatory obstacles perhaps could be streamlined, cities with strong market demand will continue to see development; and 2) cities should tap experienced development firms to pursue their transit-oriented and infill projects.

Introduction

Over the past several years, San Francisco Bay Area's regional agencies including the Metropolitan Transportation Commission, the Association of Bay Area Governments, and the Bay Area Air Quality Management District, have been touting dense, mixed-use commercial and residential units near public transit hubs as a solution to many of our region's woes. Such alternative development is generally defined as "higher than usual densities; a mix of land uses; a variety of housing types close together; pedestrian or transit-oriented design; availability of a range of transportation modes; and accessibility to major destinations" (Inman and Levine, 2004).

Alternative development has a number of proven environmental, social, and economic benefits according to a series of studies highlighted in the TDM Encyclopedia. For example, by living and working closer to transit residents are less automobile dependent. Driving less translates not only into reduced carbon dioxide emissions, but also more quality time spent with family and reduction in road rage. Other environmental benefits include more infill urban-focused development, which can reduce the pressure on building on the suburban fringe and require less land devoted to parking. Alternative development supports a diversity of housing types, an important factor in addressing affordable housing. Individuals can also benefit from greater mortgage borrowing power, because they don't have to factor in high transportation costs. Finally, if designed well, alternative development can help revitalize economically struggling areas.

With so many benefits, our research asks the question: What are the major barriers to alternative development that features a mix of land uses, especially around transit? In our

research, we built on a national survey of Urban Land Institute (ULI) developer members conducted by Inman and Levine in 2001 (Inman and Levine 2004) which debunks the idea that there is a weak market interest for alternative development and instead points to land use regulations and an arduous approvals process as the primary constraints. Our survey targeted Bay Area ULI developer members several years later (early 2007) with a more in depth examination of changes in experiences among this group in light of a regional push for alternative development.

Literature Review

Despite nearly universal academic and public policy support for alternative development, many barriers to such projects moving forward exist. The literature cites several categories of barriers to alternative development: regulatory, political, economic and financial. Regulatory studies point to restrictive zoning imposed by local jurisdictions (Boarnet and Compin 1999; Levine & Inman 2004; Loukaitou-Sideris and Banerjee 2000; Wheeler 2001). Related to zoning is the arduous approvals process, which places a burden on developers trying to get entitlements to their projects (Gerber & Phillip 2004; Loukaitou-Sideris and Banerjee 2000; Wheeler 2001). Thirdly, the challenge of land assembly is highlighted by several authors as a barrier to developers trying to reach economies of scale in alternative development projects (Boarnet and Compin 1999; Dumbaugh 2004).

In terms of political challenges facing alternative development, many authors highlight the challenges of NIMBY “Not In My Back Yard” neighborhood and community opposition (Gerber & Phillip 2004; Levine & Inman 2004; Loukaitou-Sideris and Banerjee 2000; Purcell

2000; Wheeler 2001). Often such community activists are those mostly likely involved in politics and help elect politicians on “NIMBY” platforms. Thus elected and appointed officials’ opposition – from zoning and planning commissions to city councils – is a barrier to alternative development (Boarnet and Compin 1999; Loukaitou-Sideris and Banerjee 2000; Purcell 2000; Wheeler 2001).

On the economic front, inability to turn a profit can be a barrier to developers pursuing alternative development (Boarnet and Compin 1999; Dumbaugh 2004; Levine & Inman 2004; Loukaitou-Sideris and Banerjee 2000). Political challenges can cause developers to lose their profit margin as delayed projects mean financiers refuse to take on the financial risk of waiting out project approval, and it is simpler to build auto-oriented projects on the suburban edge. A second economic challenge – especially in California since the passage of Proposition 13 – is the lopsided focus of local jurisdictions on sales tax revenue over property tax, known as the “fiscalization of land use”. The search for big-box and higher revenue-generating projects prevents political leaders from seeking true mixed-use alternative development with a substantial component of housing (Boarnet & Crane 1997; Wheeler 2001). Finally, case studies such as the Blue Line in Los Angeles (Loukaitou-Sideris and Banerjee 2000) point to cycles of poverty and lack of economic investment as a major barrier to alternative development in certain underprivileged neighborhoods.

Of all these barriers, Inman and Levine (2004) found regulatory and political constraints as the primary barriers to alternative development. Building on a similar survey conducted by Inman and Levine in 2001, our research will explore further the question of how these obstacles currently present themselves to Bay Area private real estate developers. The Bay Area’s

regional agencies – MTC and ABAG – have made a fairly aggressive effort through publications, educational forums, regional policy-setting and infrastructure prioritization to encourage local jurisdictions to move towards alternative development patterns. Through our research, we hoped to uncover whether these regional efforts have borne fruit in terms of developers’ perceptions of what is possible on the ground. This research helps identify the reasons why alternative development is not happening at a swifter pace. Our research hypothesis was that local jurisdictions’ regulatory controls and political opposition prohibit the facilitation of alternative development.

Research Method

We employed a research design and data collection instrument similar to Inam and Levine's 2001 survey. For our cross sectional design, we surveyed real estate developers in the greater San Francisco Bay Area to determine the perceived obstacles to alternative development faced by private industry developers, with the unit of analysis being the individual real estate development firm. The survey focused on the main obstacles to alternative development as outlined in the literature, namely political and neighborhood opposition, the requirements of planning regulations, perceived market demand and the ease of securing project financing. While Inam and Levine (2004) have previously surveyed for these factors in Winter 2001, the goal was to observe how the potential alternative development landscape has changed in light of the Bay Area’s regional agencies’ educational and policy-setting efforts.

As noted above, our target population for this research was real estate developers within the greater San Francisco Bay Area. Specifically, we looked for opinions by those firms who

engage a project from the beginning stages of land assembly, zoning and government approval through the end result of the completed build out. By being involved in the entire development process, these developers have exposure to all potential barriers of alternative developments. To isolate such entities, we used the membership database of the Bay Area chapter of the Urban Land Institute denoted as “developers.”

Applying this sampling frame has some biases. Most significantly, the ULI membership database is not an inclusive listing of all developers in the Bay Area. No doubt some have registered only with the National Homebuilders Association, or simply chose to remain unaffiliated. Anecdotally, there is also a tendency for ULI members to be predisposed to consider taking on alternative development projects. Moreover, ULI as an organization provides publications, workshops and seminars on subjects focusing on the issues the survey will deal with. The bias, then, might result in data showing that the perceived barriers to alternative development is artificially low because the firms surveyed are acclimated to the process, or believe that such projects are so important that the barriers may not seem terribly significant.

Upon further examination, however, the potential for bias is not so significant. The study researched only those developers actually capable of engaging in complex development projects and it is not intended for the results to be generalizable to all entities engaging in real estate construction—only those that develop a project from start to finish. As the National Homebuilders Association includes many members not involved in the planning and approval process, as noted by Inam and Levine (2004), the data collected from such firms would fall outside the scope of the research question. Therefore, utilizing the ULI database as a sampling frame better captures our target population than would a wider net.

As of February 2007, the ULI Bay Area Chapter registry contained 418 members categorized as “developers.” All of these members were issued a survey for a 100 percent sampling rate. Because the dependent variable to be measured is the willingness of real estate firms to engage in alternative development, the survey begins with the definition that alternative development has a significant share of the following characteristics: “higher than usual densities; a mix of land uses; a variety of housing types close together; pedestrian or transit-oriented design; availability of a range of transportation modes; and accessibility to major destinations” (Inam and Levine, 2004). As noted in Inam and Levine (2004), this description of alternative development is not so much an objective definition as an interpretation of what the respondent thinks is alternative development. We acknowledge this potential lessening of respondent reliability in that some respondents may have a stricter view of what falls inside the realm of alternative development as compared to others.

As a survey, our variables were operationalized around the direct response of participants to questions posed. Thus, willingness of firms to engage in alternative development was determined by analyzing the responses to questions that ask respondents to rate their likelihood of engaging in alternative development given the presence or absence of a variety of barriers. Our data was analyzed to determine the relative prominence of the four barriers to alternative development, as well as how certain characteristics of the queried firms—such as past experience, size, etc.—affect their perceptions of the barriers and their corresponding willingness to take on alternative development projects. Finally, we refined some of Inman and Levine’s questions to ensure they were not double barreled nor confusing to the reader.

Survey Logistics

The survey instrument for this study reconstructed the same instrument used by Inam and Levine (2004), with the addition of seven new questions. The addition for these questions serves three purposes. The first is to more accurately identify any confounding variables that might influence a firm's willingness to engage in alternative development besides the independent variables. This is done by adding questions asking how many full time employees the firm has, what its gross annual revenue is and how long it has been in business. Second, one question was added to directly measure the stated willingness of a firm to engage in alternative development. Such data provides additional tools to build a case for correlation, should one exist, between the dependent and independent variables. Third, we felt that the original instrument used by Inam and Levine does not adequately probe the extent to which financing might constrain alternative development projects, based on the fact that a significant number of original respondents filled out "Other" and wrote in financial challenges. Additional questions were added to elicit the potential existence of that obstacle; including a question related to the proportion of newly constructed housing units that must be designated as affordable, which may affect the perceived profitability of the project in the eyes of financiers.

In addition to being sanctioned by San Francisco State University, this study was jointly sanctioned by the Bay Area chapter of the Urban Land Institute. As such, the researchers had in depth access to membership lists, including the address, phone number and email of the members. Due to this access, and to keep costs as low as possible, the survey was sent out via an email communication. Contained within the email was a link to Survey Monkey, asking participants to complete the survey. A follow up email will be sent out a week later to those who

did not complete the survey, and a third and final reminder to non-respondents two weeks later. The final result was sufficient with a 20% response rate, thus the researchers did not feel it was necessary, as originally proposed, to further follow-up via phone calls or mail. The survey instrument can be found in its entirety in Appendix A.

Schedule of Research - 2007

January: IRB approval, survey design/layout, acquisition of ULI membership database.
February: Distribution of survey, data collection, follow up as outlined above.
March: Continued data collection, continued follow up on nonrespondents.
April-May: Data analysis, summarization and discussion of results.

Survey Results

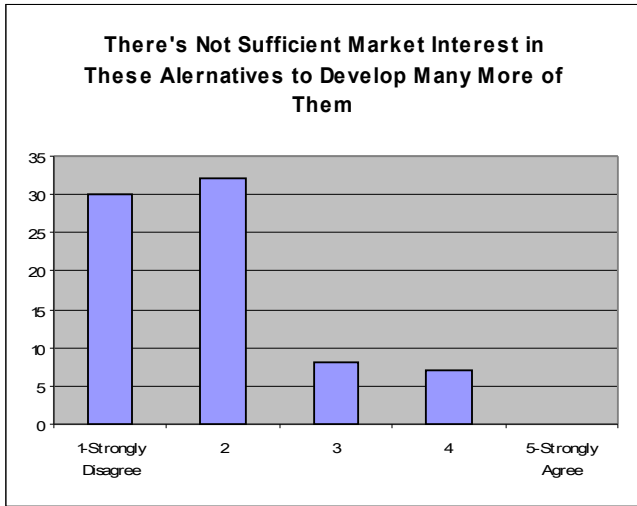
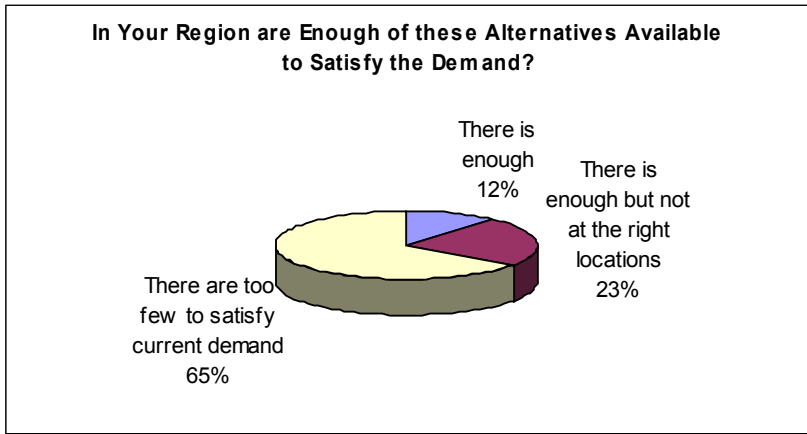
Respondents

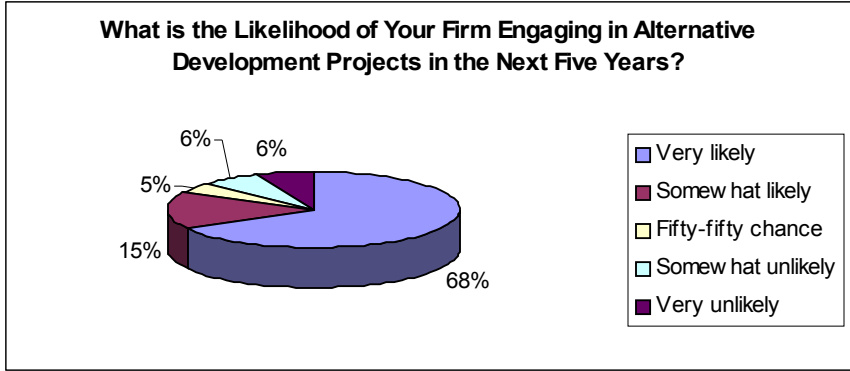
The respondents represented a wide range of firms, from 1 to 14,000 workers. Mean number of workers was 334, with a standard deviation of 496. The firms' gross annual revenue ranged from \$1 million to \$14 billion, with a mean of \$535 million and a standard deviation of \$2,337,300.

Strong Market Interest

The survey showed a strong market interest in alternative development, with 65% of respondents stating there are too few such projects to satisfy the demand. Correspondingly, 0% responded "strongly agree" to the statement "There's Not Sufficient Market Interest in These

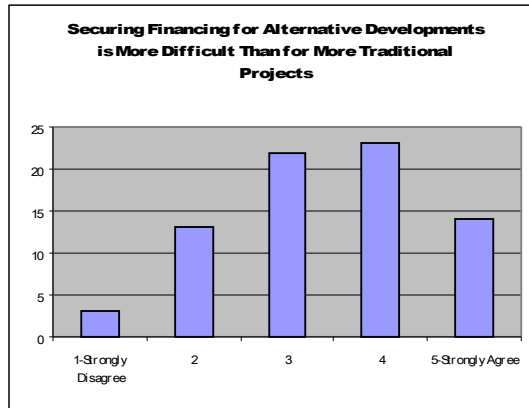
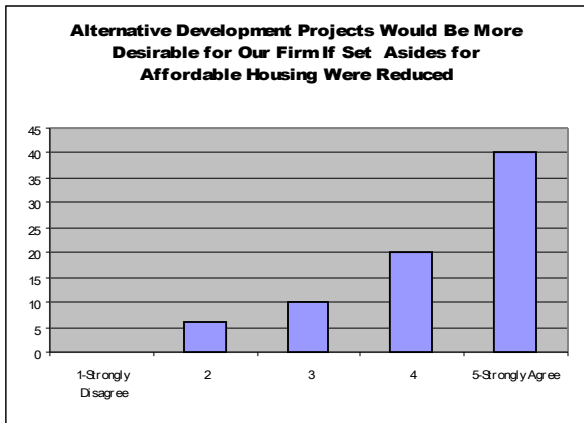
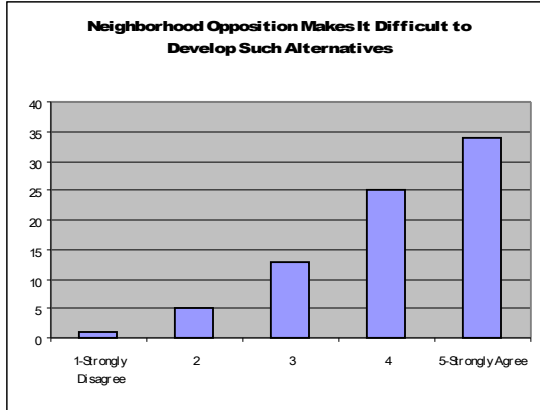
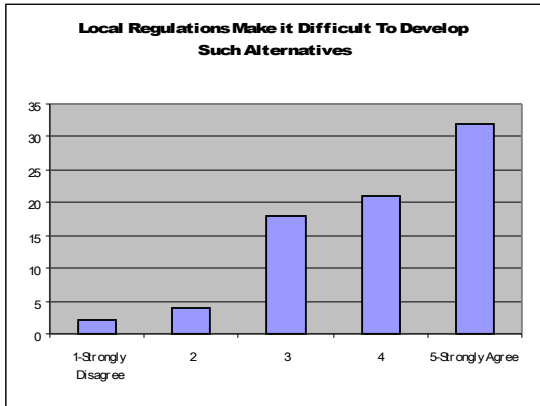
Alternatives to Develop Many More of Them,” with the vast majority agreeing at least somewhat strongly. An overwhelming percentage of respondents stated they were likely to engage in such projects in the next five years – 83% of respondents saying they were “very likely” or “somewhat likely”.





Top Barriers: Local Regulations, Neighborhood Opposition, Affordable Housing Requirements

Within the Likert scale questions, survey respondents cited neighborhood opposition, local regulations, and affordable housing requirements as top perceived barriers. Securing financing for such projects was seen as less of a barrier.

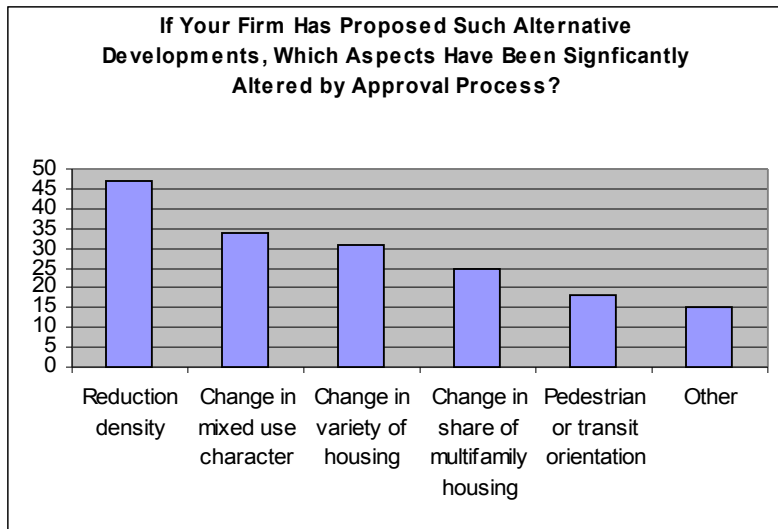


In conducting content analysis on responses to the open-ended question “Are there any other barriers to engaging in alternative development projects that affect your firm?” no other categories of barriers emerged beyond those already covered by other questions – except for

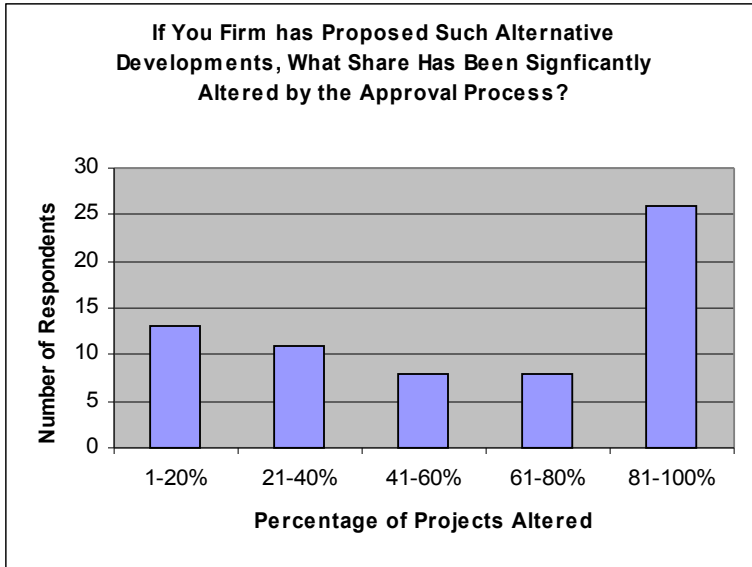
“land cost”, which six respondents mentioned. After that, nearly all “Other” responses received only one mention.

Significant Alterations

Most respondents mentioned a host of alterations made to such projects through the approvals process, with reductions in density garnering the greatest response.



The largest percentage of respondents (26%) responded that 81-100% of their projects have been altered by the approvals process.



Inferential Relationships Between Barriers to Alternative Development and Likelihood of Future Development

Likelihood of pursuing alternative development in the next five years served as the measure of a company's willingness to engage in future alternative development projects. Of the 78 respondents who answered this question, 53 (68%) said they were very likely to engage in alternative development in the next five years. To track how this dependent variable was associated with the independent variables measuring a company's perception of barriers to alternative development, we conducted a one-way ANOVA test. Using likelihood of development as the dependent variable and the barriers as factors, we used SPSS 14.0 to determine if a difference existed between how likely the companies were to develop and how important they thought a particular barrier was. For each ANOVA test, our null hypothesis is that there is no difference between the means of the importance they attributed to a perceived barrier and their likelihood of engaging in alternative development in the next five years.

ANOVA tests comparing likelihood of development with the degree of local regulation, affordable housing requirements, degree of neighborhood opposition and securing project financing all failed to reject the null hypothesis. That is, the firm's perception of the importance of these factors had no significant bearing on a firm's likelihood to engage in alternative development in the future.

The only statistically significant difference between groups occurred with the market demand variable. The null is rejected at the 90% confidence level with an F score of 2.528. An LSD post-hoc test indicated that, at the 95% confidence level, those respondents who strongly agreed that there is enough market interest to support more alternative development were more likely to engage in alternative development in the next five years than were those respondents who were neutral on the strength of market demand for alternative development (*see tables below*).

Likelihood of engaging in alternative development vs. perceived market demand for alternative development

“In my region, there is currently enough market interest to support significant expansion of these alternative developments.”

	N	Mean likelihood of engaging in AD in 5 years*	Std. Deviation
1-Strongly Disagree	0	--	--
2	9	4.5556	.52705
3	14	3.7143	1.63747
4	30	4.1000	1.29588
5-Strongly Agree	21	4.7619	.88909
Total	74	4.2703	1.24193

*5=Very likely, 4, 3, 2, 1=Very unlikely

ANOVA

Dependent variable: Likelihood of engaging in alternative development in the next 5 years.

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	11.006	3	3.669	2.528(*)	.064
Within Groups	101.589	70	1.451		
Total	112.595	73			

*Significant at the 90% confidence level.

Post-Hoc LSD Test

Dependent variable: Likelihood of engaging in alternative development in the next 5 years.

(I) Demand more AD	(J) Demand more AD	Mean Difference (I-J)	Std. Error	Sig.	
3	2	-.84127	.51470	.107	.1853
	4	-.38571	.38992	.326	.3920
	Strongly Agree	-1.04762(*)	.41566	.014	-.2186

* The mean difference is significant at the .05 level.

While perceptions of barriers does not appear to have a significant impact on willingness to pursue alternative development, previous experience does. Firms were asked what percentage of their development portfolio consisted of alternative development projects. Our null hypothesis is that there is no difference between the amount of experience a company has with alternative development and their mean likelihood of engaging in alternative development in the next five years. An ANOVA test did result in a significant F score of 2.91, allowing for the rejection of the null with 95% confidence. A post-hoc LSD test revealed that the differences occurred between those companies with no experience in alternative development and those with 21% or more of their portfolio containing alternative projects. Additionally, those companies with 1-20% of their projects considered alternative were significantly different than those companies with 41-60% and 81-100% (*see tables below*).

Likelihood of engaging in alternative development vs. Experience with alternative development

“What percentage of your firm's products would fit the description of 'alternative development' as previously defined?”

% of AD	N	Mean likelihood	Std.	Std. Error
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development		of engaging in AD in 5 years*	Deviation	
0%	6	3.0000	1.26491	.51640
1%-20%	18	3.8333	1.33945	.31571
21%-40%	15	4.4000	1.12122	.28950
41%-60%	14	4.7143	.82542	.22060
61%-80%	8	4.3750	1.40789	.49776
81%-100%	15	4.7333	1.03280	.26667
Total	76	4.2763	1.22853	.14092

*5=Very likely, 4, 3, 2, 1=Very unlikely

ANOVA

Dependent variable: Likelihood of engaging in alternative development in the next 5 years.

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	19.432	5	3.886	2.901(*)	.019
Within Groups	93.765	70	1.340		
Total	113.197	75			

* Significant at the .05 level.

Post-Hoc LSD Test

Dependent variable: Likelihood of engaging in alternative development in the next 5 years.

(I) % of AD	(J) % of AD	Mean Difference (I-J)	Std. Error	Sig.
0%	1%-20%	-.83333	.54559	.131
	21%-40%	-1.40000(*)	.55906	.015
	41%-60%	-1.71429(*)	.56474	.003
	61%-80%	-1.37500(*)	.62505	.031
	81%-100%	-1.73333(*)	.55906	.003
1%-20%	0%	.83333	.54559	.131
	21%-40%	-.56667	.40462	.166
	41%-60%	-.88095(*)	.41243	.036
	61%-80%	-.54167	.49179	.274
	81%-100%	-.90000(*)	.40462	.029

* The mean difference is significant at the .05 level.

Given the influence of experience with alternative development on the likelihood for conducting future projects, a series of ANOVA tests were used to determine differences in how companies felt about the difficulties in engaging in alternative development compared to their

experience with it. The mean level of agreement did not vary with the amount of alternative products in a firm's portfolio for the factors of local regulation, neighborhood opposition, securing financing and affordable housing requirements. Therefore, we fail to reject the null hypothesis that there is no difference between the level of experience companies have with alternative development and their respective mean level of agreement with how important particular barriers are.

However, we can reject the null at the 90% confidence level with respect to the level of perceived market demand and experience with alternative development. The table below points to where some of the differences lie, but generally speaking, developers with 60% or more of their products defined as alternative development perceive a higher level of market demand than do those with less experience.

Perceived strength of market demand vs. Experience with alternative development

“What percentage of your firm's products would fit the description of 'alternative development' as previously defined?”

	N	Mean agreement that market is satisfied by current level of AD*	Std. Deviation	Std. Error
0%	6	2.33	1.211	.494
1%-20%	18	2.11	1.023	.241
21%-40%	14	2.29	1.069	.286
41%-60%	14	1.43	.514	.137
61%-80%	8	2.00	.535	.189
81%-100%	15	1.53	.834	.215
Total	75	1.91	.932	.108

*1-Strongly Disagree, 2, 3, 4, 5-Strongly Agree

ANOVA

Dependent Variable: Demand currently satisfied

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	9.217	5	1.843	2.307(*)	.054

Within Groups	55.130	69	.799		
Total	64.347	74			

(*) Significant at the 90% confidence level.

Post-Hoc LSD Test

Dependent Variable: Demand currently satisfied

(I) % of AD	(J) % of AD	Mean Difference (I-J)	Std. Error	Sig.
0%	1%-20%	.222	.421	.600
	21%-40%	.048	.436	.913
	41%-60%	.905(*)	.436	.042
	61%-80%	.333	.483	.492
	81%-100%	.800	.432	.068
1%-20%	0%	-.222	.421	.600
	21%-40%	-.175	.319	.585
	41%-60%	.683(*)	.319	.036
	61%-80%	.111	.380	.771
	81%-100%	.578	.312	.069
21%-40%	0%	-.048	.436	.913
	1%-20%	.175	.319	.585
	41%-60%	.857(*)	.338	.013
	61%-80%	.286	.396	.473
	81%-100%	.752(*)	.332	.027

* The mean difference is significant at the .05 level.

Conclusions

“Barriers” better characterized as problems

A San Francisco Bay Area firm's perception on how difficult factors such as local regulation, neighborhood opposition, affordable housing requirements and securing financing have on alternative development has no observable association with its intent to pursue such development in the near future. While these factors have been identified in the literature as barriers, this research indicates that they would be best described as problems. Even though the data indicates that companies by and large see these various factors increasing the level of

difficulty for conducting alternative development projects, they do not make it so difficult as to dissuade a company from developing altogether.

Market demand overwhelming determinant

Clearly, the problems identified do not appear to contribute directly to developers' willingness to take up alternative development projects. Even though strong pluralities—if not majorities—felt that neighborhood opposition, securing project financing and regulatory burdens were obstacles, that perception did not lessen the likelihood of pursuing alternative development projects in the future. However, previous experience does play a role in a company's willingness to engage in future development. The greater the percentage of alternative development in a company's portfolio, the more likely they are to continue with future projects. Interestingly, a company's experience with alternative development has little bearing on their perception of some of the perceived difficulties as outlined above.

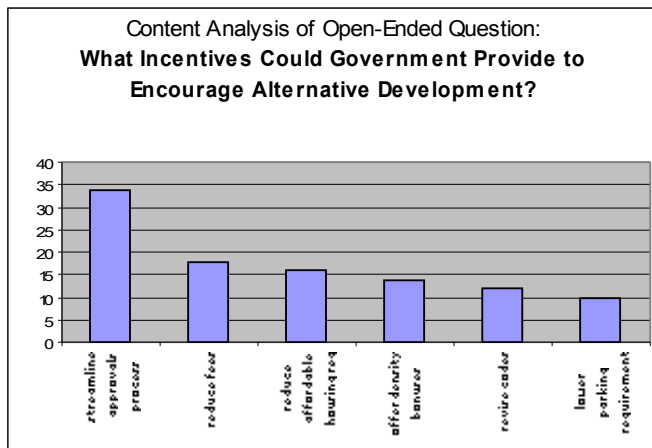
Lack of market demand for alternative development does not appear to be a true barrier in the San Francisco Bay Area. The data indicate that market demand outstrips available supply of alternative projects. The strength of demand may serve as an answer for why the other barriers do not seem to affect future projects. Indeed, the only significant relationship where likelihood of future projects lessened was with those respondents who indicated an indifference to market demand.

The implication for public administrators, such as planners and redevelopment agency professionals, is that 1) while regulatory obstacles perhaps could be streamlined, cities with strong market demand will continue to see development; and 2) cities should tap experienced development firms to pursue their transit-oriented and infill projects.

Future Research

Because so few relationships presented themselves, further work is needed to flesh out the reasons why alternative developments are increasing at such a small pace. Studies comparing the profitability between alternative and traditional projects may shed more light on this matter. In addition, the conclusions for this research rest upon the perceptions of those individual responding to the survey. Analysis of number and types of projects proposed within specific regulatory and political environments might yield different results. However, the perceptions themselves are quite revealing.

Further research could also explore what specific actions governments can take to incentivize alternative development. The vast majority to the responses to the open-ended question “What Incentives Could Government Provide to Encourage Alternative Development?” fit within six categories, with streamlining the approvals process a clear number one priority.



In whatever manner local governments proceed, the San Francisco Bay Area should see a steadily growing number of alternative projects throughout the region. As acres of developable land continues to drop and demand for housing continues to rise, market demand should remain

high enough to entice more developers to into the alternative market. These new players, then, will increase their alternative portfolio, creating a compounding effect that will speed alternative develop for the entire region.

Appendix A

Survey of San Francisco Bay Area Real Estate Developers on Alternative Development

Researchers from San Francisco State University are studying the barriers facing the construction of alternative development. Data used from this survey will be used for the completion of a master's degree in Public Administration. All real estate development companies associated with the Bay Area chapter of the Urban Land Institute have been sent this survey. The answers you provide are important to help understand how governments can better facilitate varying forms of alternative development.

Implied Consent to Participate in Research

Please complete the following survey by April 16, 2007. You must be 18 years of age or older to participate. There are no risks or benefits to you in participating in this survey. You may choose to participate or not. You may answer only the questions you feel comfortable answering, and you may stop at any time. All responses are confidential. No identifying information will be shared with anyone, and responses will be reported only in the aggregate. If you do participate, **completion of the survey indicates your consent to the above conditions.**

Please do not put your name on this form. The following questions will pertain to your company's ability, inclination and reticence to take alternative development projects. The survey will take approximately 15 minutes to complete and final results will be distributed to all participating companies.

Any questions or concerns should be directed to either of the principal investigators,

Kate White, kwhite@uli.org

Jim Shannon, constantlyreading@gmail.com

or the research advisor, Professor Sheldon Gen at sgen@sfsu.edu.

This survey is concerned with alternatives to conventional, low-density, automobile-oriented, suburban development. Some characteristics of this alternative development are:

- Higher than usual densities;
- A mix of land uses;
- A variety of housing types close together;
- Pedestrian or transit-oriented design;
- Availability of a range of transportation modes; and
- Easy accessibility to major destinations.

These alternatives can include New Urbanist designs, transit villages, clustered developments, ecological designs, attached or multifamily housing, and others.

Thank you very much for your cooperation.

1.How many full-time workers does your firm employ?_____

2.How many years has your firm been in business?_____

3.What is your firm's gross annual revenue?_____

4.Please tell us about the kinds of development you are involved with (check all that apply):

- Residential development
- Commercial development
- Industrial development
- Development that mixes at least two of the uses above

5.In your opinion, what percent of households in the market(s) in which you operate are interested in alternative types of development, as defined above?

- 0%
- 1% to 20%
- 21% to 40%
- 41% to 60%
- 61% to 80%
- 81 % to 100%

6.In your region(s) are enough of these alternatives available in existing housing and new construction (both rental and purchase) to satisfy the demand for them, or not? Please check one:

- There is enough in existing housing and new housing construction to satisfy current demand for alternative development at the desired locations.
- There is enough in existing housing and new housing construction to satisfy current demand for alternative development, but not necessarily at the right locations.
- There are too few of these alternatives available in existing housing and new construction to satisfy current demand.

7. What percentage of your firm's products would fit the description of alternative development as described above?

- 0%
- 1% to 20%
- 21% to 40%
- 41% to 60%
- 61% to 80%
- 81% to 100%

8. What is the likelihood of your firm engaging in alternative development projects in the next 5 years?

- Very likely
- Somewhat likely
- Fifty-fifty chance
- Somewhat unlikely
- Very unlikely

9. If your firm has proposed any such alternative developments, what share of these proposals has been rejected by local governments?

- Our firm has not made any such proposals
- 1% to 20%
- 21% to 40%
- 41% to 60%
- 61% to 80%
- 81% to 100%

10. If your firm has proposed any such alternative developments, what share of such proposals has been significantly altered by the planning and approval process? "Altered" refers to reduction in the density, mixed use character, housing variety or pedestrian or transit orientation of the development.

- Our firm has not made any such proposals (skip to question 12)
- 1% to 20%
- 21% to 40%
- 41% to 60%
- 61% to 80%
- 81% to 100%

11. If your firm has proposed any such alternative developments, which aspects of such proposals have been significantly altered by the planning and approval process? (Please check all that apply)

- Reduction in density
- Change in the mixed use character
- Change in the variety of housing types

___ Change in the share of attached or multifamily housing
 ___ Pedestrian or transit orientation
 ___ Other: _____

For questions 12 through 23, please choose your level of agreement with the following statements.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
12. There's not sufficient market interest in these in these alternatives to develop much more of them.	1	2	3	4	5
13. Local regulations (e.g. zoning ordinances, subdivision regulations, parking standards, street width requirements) make it difficult to develop such alternatives.	1	2	3	4	5
14. Neighbors' opposition makes it difficult to develop such alternatives.	1	2	3	4	5
15. In my region, there is currently enough market interest to support significant expansion of these alternative developments.	1	2	3	4	5
16. I expect market interest in these alternative developments to grow significantly in the future in my region.	1	2	3	4	5
17. My firm finds that the planning process of most local governments in my region does favor alternative developments.	1	2	3	4	5
18. My firm expects that proposals with high densities will be lowered in the course of the approval process.	1	2	3	4	5
19. My firm expects that lower density developments are more likely to be approved than higher density developments.	1	2	3	4	5
20. If regulations on density, floor area ratio, setbacks or lot sizes were eased, some of my products					

would be developed more densely than they are now. 1 2 3 4 5

21.If regulations on separation of land uses were eased, some of my products would exhibit more mixing of land uses than they do now. 1 2 3 4 5

22.Securing financing for alternative developments is more difficult than for more traditional projects. 1 2 3 4 5

23.Alternative development projects would be more desirable for our firm if set asides for affordable housing were reduced. 1 2 3 4 5

24.What difference would relaxation of density, floor area ratio, setback or lot size regulations make to your firm's developments in: (Please check one box in each row)

	We'd develop less densely	No change	We'd develop more densely	We don't develop in that market
Central City				
Inner Suburbs				
Outer Suburbs				
Rural				

25.What difference would relaxation of regulation regarding separation of land uses make to your firm's developments in: (Please check one box in each row)

	We'd develop less densely	No change	We'd develop more densely	We don't develop in that market
Central City				
Inner Suburbs				
Outer Suburbs				
Rural				

26.About how many housing units--if any--does your firm build per year? _____

27.Are there any other barriers to engaging in alternative development projects that affect your firm? If so, why are they significant?

28.What incentives could governments provide to encourage alternative development?

29. Do you have any specific development projects that you've worked on that may have relevance here? Please elaborate:

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