



Mpact Podcast Episode 80

## Post-Peaky Transit With Tracy Hadden Loh, Fellow, Brookings Metro

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Kammy Horne (0s): Welcome to the Mpact Podcast. This is Kammy Horne, CEO of Mpact, formerly known as Rail~Volution. More than a year ago, we launched our new name and tagline, Mpact: Mobility, Community, Possibility. We are a national organization working at the intersection of transit, related mobility options and community development. The podcast is a chance to hear from a range of voices as we go deeper into how to leverage transit to make communities better for people.

Jeff Wood (42s): Hey there. I'm Jeff Wood, Principal of The Overhead Wire and your host. This month on the Mpact Podcast, we're chatting with Tracy Hadden Loh of the Brookings Institution, about impacts of the pandemic on downtowns, activity centers and transit usage. We chat about creating activity center cluster maps and a recent report entitled Building Better on Philadelphia. Stay with us.

Tracy Hadden Loh, welcome to the podcast.

Tracy Hadden Loh (1m 16s): Thanks for having me, Jeff.

Jeff Wood (1m 17s): Well, thanks for being here. Before we get started, can you tell us a bit about yourself?

Tracy Hadden Loh (1m 20s): Sure. I'm a fellow at the Brookings Institution in our metro program and I study commercial real estate.

Jeff Wood (1m 27s): That was short and sweet. I love that. When was the time in your life when you said, okay, cities are something I'm totally interested in and I want to focus on?

Tracy Hadden Loh (1m 36s): Oh, I've been obsessed with this since I was a little kid. So you know, even before I was a working professional, I have been, I'm like a serial getter involved and I'm a longtime volunteer and board member with Greater Greater Washington, which is a nonprofit in the DC area that's dedicated to better land use and more mass transportation. And I'm also on the board of the Washington Metropolitan Area Transit Authority.

Jeff Wood (2m 5s): Awesome. I just finished my Friday links article for Greater Greater Washington.

Tracy Hadden Loh (2m 11s): So excited to see that. Thank you for your service. That's something we have in common.

Jeff Wood (2m 15s): Well I always like to ask people in DC this specifically, what's your commute like?

Tracy Hadden Loh (2m 19s): So I still have to leave the house every day. I have two little kids, I have two little girls who attend the neighborhood elementary school. So leaving the house is an extreme struggle every day that involves somehow renegotiating our non-negotiable family policies about taking stuffies to school. But once we get out the door, we walk around the corner to the bus stop and we take either the end two, the 31 or the 33 to Tenleytown, we get off there and I drop the girls off at school.

They're old enough now that they can walk from the bus stop the rest of the way to the elementary school alone, which is great. So I can jump straight on the train and I ride that mm, five, six stops, something like that. And then I pop up at my office. I do enjoy the occasional telework, but I use it mainly as like, like I'll telework tomorrow because I gotta wait for the washing machine repair guy. So I, I use the flexibility in that way.

Jeff Wood (3m 19s): I do want to get to like the pandemic's impacts on a lot of different subjects that are intertwined, like, you know, being able to wait for the washing machine guy. But I also want to start by asking specifically how the pandemic has impacted you.

Tracy Hadden Loh (3m 31s): Thank you for asking that. I tele-worked full-time for three full years prior to the pandemic. I lived in a different city from my job and so I already knew how great having that kind of flexibility can be to grow your career while still taking care of your family, while still supporting a partner who also works. But I also see the flip side of that. The reason I needed that flexibility is because my partner's an essential worker. So the pandemic was really hard because I was the mother of young children who had a flexible job and my partner was working more hours than ever.

I'm married to someone who is in federal law enforcement. And so the pandemic was a crisis for our family, but the capital attack was another crisis on top of that that was extremely stressful and difficult and the consequences of that are still ongoing. And so it was a time for me to realize that we need internally as a family, a really healthy structure and set of routines so that we can take care of ourselves. Because we lost a lot of the things, a lot of the structure and care that we used to receive from a larger society and came to rely on our family more.

So a, a big part of emerging from the pandemic for me is trying to rebuild those broader social connections while at the same time remembering the lesson of the really strong foundation of family that got us through the pandemic.

Jeff Wood (5m 8s): I've worked from home since about 2014 and it's, it's obviously it was a different animal during the pandemic because when I was working from home I could choose, you know, to go out and do things. But when you're stuck at home, then it's a different situation, right. It's like completely different from thinking about it as a choice to thinking about it as a necessity or requirement.

Tracy Hadden Loh (5m 29s): You know, when I had that job that was fully remote and babies, believe me, I felt stuck at home. Oh yeah, I, I didn't feel like I had the choices that I wanted to have. I actually, I wanted to get a different job, grow my network, grow my career and I couldn't, I'm grateful for the flexibility of a role that allowed me to remain, you know, with an income and engaged in the workforce. But I think many women are familiar with the feeling of being trapped at at home and that that was not new.

Jeff Wood (5m 59s): Yeah.

Tracy Hadden Loh (5m 60s): And what I hope the promise of remote work becomes going forward is that it's a choice and not a ghetto for a certain section of the workforce.

Jeff Wood (6m 11s): Yeah. Well I think we can categorize the pandemic's impact into a few different buckets that are absolutely related. There's the impact on work, which we was just talking about a little bit and it's closely linked to the health of downtowns. And so I'm wondering what is happening with work at the moment and how does it impact those downtowns and business districts specifically because of some of the changes that have been happening? Yeah,

Tracy Hadden Loh (6m 31s): So the impact of downtowns is related on how office utilization is changing, right? Because most US downtowns are really heavily dominated by office, commercial real estate product. And you know, even prior to the pandemic, the way that we were using offices was changing, right? Over the 25 years prior to the pandemic, the number of square feet per worker that was used in the top 10 US office markets went down 25%.

So even during a time when the economy was growing, we were adding jobs, we built a lot of new offices, we were using fewer square feet per worker. And so there was already a canary in the coal mine letting us know that the future of offices was not going to be like the past. What the pandemic has done now is accelerate another 25% drop in demand in square feet per worker overnight. And so the built environment and the market don't have 25 years to gradually absorb it.

And so that's leading to a huge disruption for downtowns. Not just in the commercial real estate office across submarkets, but in downtown foot traffic, what it's like on the street, how the ecosystem works, second order impacts on retail and on transit, et cetera.

Jeff Wood (7m 59s): I'm interested in that specific idea of that drop in space utilization because it feels similar to something that's happening with housing too.

Tracy Hadden Loh (8m 7s): The opposite thing is happening with housing. Yeah. But you are correct to draw a connection. As our offices are getting smaller, our homes are getting bigger in part because more people are working from home. And so the trend in the United States for a long time has been more square feet per person in the home. There are a lot of things driving that trend that aren't working from home that's related to, you know, like if you go into a house that's a hundred years old and you go in the bedrooms, there are no closets.

People used to own way less clothes. So that's a lot of things that are driving trends in how big houses are. But consistently, you know, since the dawn of the modern United States, since the second we started building homes, they've been getting bigger. And that is also a trend that's

been supercharged by the pandemic. That's one of the things that's caused home prices to go up by so much, even as office valuations are cratering.

Jeff Wood (9m 6s): You said there was a canary in the coal mine about office monoculture, or at least like office spaces. I'm interested in why the inertia continued. I feel like we've talked about the problems with office dominated downtowns in the past and then it kind of came back to bite us. And so I'm wondering about that inertia that was happening, or at least why nobody really paid attention to that canary in the coal mine.

Tracy Hadden Loh (9m 26s): I wouldn't say nobody, but just not the people making decisions, right? So real estate is a really specialized sector that's divided into a lot of sub professions. So just think about a typical office building. There are the tenants and there's, there could be a whole bunch of different ones and they're all doing different things and they care about different things and they need different things. Then there's the leasing agent. There's a person whose only job it is is placing tenants, matching them with spaces.

Then there's the property manager, they're physically in charge of the building and they take care of the building's systems and they may do some things also for individual tenants. These are all separate jobs from the building's owner who may or may not go to the building all that often. And then this is even separate from the building's lender, the person who is, you know, out on the skis about this building, the person who owns the note on the building and whose preferences and the information that they look at shape a lot of how these other people end up going about their jobs.

They put a lot of constraints on these other people and how they do their jobs even though the lender is probably in a different city than the asset itself. So these changes in, you know, office utilization were going on, but they were most perceived by the tenant and perhaps least perceived by lenders.

Jeff Wood (11m 10s): What about the places, like we talk about downtowns as being impacted, but what about places outside of downtown?

Tracy Hadden Loh (11m 16s): So a big trend in the United States now for generations has been that downtowns are no longer the only game in town when it comes to jobs, right? The suburbanization of jobs happened two generations ago. So whereas it used to be the case that the vast majority of jobs were located in the center of a city, in the center of a region, now half the jobs are in the suburbs. They're not evenly spread out all over the suburbs though even in the suburban context, we still see a desire for jobs to locate near other jobs.

This is what economists call agglomeration. So downtowns now have as companions these other regional activity centers that form office clusters throughout a region. And those other activity centers are being impacted by the same trends that are affecting downtowns in terms of what's going on with office utilization. But those other clusters aren't as dependent on transit and aren't as impacted by some of the other things that downtowns are going through right now that are more unique.

In part because in every of the top 45 US regions, the downtown remains by far the biggest and densest activity center within the region. So while they are not totally unique, they are still special within this group. And so that means they have some singular challenges.

Jeff Wood (12m 58s): The idea of activity centers is really interesting. Back in, I think this was 2009, we wrote reports on transit ridership and new light rail lines and a lot of the discussion revolved around how, you know, ridership was driven by connecting these different centers. We'll talk about that in a little bit, but I'm also curious about the idea of activity centers as these places outside of downtown's, the activity in activity centers. What is that like quote unquote activity?

Tracy Hadden Loh (13m 22s): Well you're right to ask this because it's not just jobs, right? You know, it's like that Richard scary book for kids. What do people do all day, right? What, what do people do all day? They're doing all kinds of things that aren't sleeping and that aren't going to an office. There's, there's lots of other things. There's shopping, there's going to the doctor, there's going to school, there's going to church, people are up to all kinds of things, right? 75% of the trips that Americans take are not related to work.

And so all of those things that we're doing in that 75% of time, a lot of which is like visiting a friend or or what have you, is meeting up with somebody else. That's all activity and that's all concentrated in activity centers. And that's actually, that's another difference. Downtowns, one of the ways they're different from other activity centers is that typically the downtown product mix is very dominated by offices. Whereas these newer, either downtown adjacent or suburban activity centers have a much more sort of evenly diverse product mix that includes not only a lot more residential but also like a lot more retail.

And so that is something that in the new like pandemic times, that's something that is undoubtedly going to influence how active different kinds of activity centers are.

Jeff Wood (14m 49s): Can you give us an example of one of these activity centers?

Tracy Hadden Loh (14m 52s): You mean that's not a downtown, right?

Jeff Wood (14m 54s): Yeah, that's not a downtown, right?

Tracy Hadden Loh (14m 56s): Yeah. So in a lot of cities now in addition to the downtown, there's probably like a cool arts district and there might be a historic waterfront that's just like adjacent to the downtown. And then many older US cities have historic streetcar suburbs that even if the streetcar is no longer there, the historic suburb still has essentially like the little downtown, which is where the streetcar terminal used to be.

And that little downtown may now have grown up into a suburban activity center that has its own offices and retail. It's also places like logistics centers and airports, places anchored by institutions like hospitals and universities, museums. All of those things can be the spark that becomes the fire of a cluster of activity.

Jeff Wood (15m 60s): So folks like Christopher Leinberger talk about walkable urbanism and drivable suburban places. And I'm curious like how would you characterize from a data perspective, an activity center? Is it a certain density of jobs? Is it like a walkability that happens in these places? Like is there a defining aspect or is it a nebulous concept of a bunch of activity and a bunch of jobs but it's hard to put your finger on what might actually qualify as one or not.

Tracy Hadden Loh (16m 25s): So I used to work for Chris Lineberger and Chris's approach was the best of what was available at the time in terms of data. So you know, he defined these activity centers as places that have at least 10 million square feet of office space or a million square feet of retail. And he used this kind of like this mass square footage mass as like a sort of a threshold type definition. The issue with that kind of one size fits all definition is that that means that all of New York is like one one giant activity center and then most of Omaha's not.

And actually like, you know, regional spatial structure is just something that's relative to you know, where you're standing at the time. So for the activity centers project that we did at Brookings, we decided to come up with a similar kind of like a standard definition, but to make it something that could flex organically across regions of different sizes. So we were playing around with Chris's idea of regional significance, right?

These regionally significant places, right? Because just what's significant in New York is just different from what's significant in a smaller place. And so what we did was we did like a big data exercise where we got a ton of data about a ton of different kinds of activity, jobs,

businesses, infrastructure nodes, cultural and community assets. Basically like an asset mapping exercise where we just harvested a huge amount of public and private data about all the things that we could think of.

And then what we looked for were clusters in space where there was a disproportionate concentration of these assets relative to the region as a whole. And this trick of like looking for these clusters essentially like at the tail end of spatial statistical distribution, this worked really well not just for locating downtowns but for locating these other activity centers throughout a region and for locating places that might have the potential to become activity centers in the future.

Jeff Wood (18m 53s): That's important, right? Because you want to see where places are growing and I feel like it was, I don't know if it was the Turner Center or somebody in uc, Berkeley did some like gentrification research and it was looking at the data and seeing where you know, the next places that might be impacted, looking at that 20 year spread of like what happened to the places that you already feel are gentrified. And then the places that are 20 year in the future might be gentrified and they wouldn't be places that you'd think, but from the data you could see. I'm just interested in that process too because you know, a long time ago I did a lot of data analysis with the LHD data and tried to look for clusters in different cities as we were looking at light rail connections and TOD and you know, it was hard at the time and so I'm wondering like how, you know, the data availability and the processing has like allowed you to, you know, put together these really cool, you know, ideas about what clusters are. Because at the time I was trying to do something similar and it was really, really hard or almost next to impossible.

Tracy Hadden Loh (19m 46s): Yeah, I mean this is, this first off was like a super computationally intensive exercise that was something that's really only possible because of the kinds of resources, kinds of computing resources that are available now. But also like if I do say so myself, like we put together an incredible team, You know we, we got, you know, I'm a data scientist and we brought on a senior research assistant who was a human geographer and we just got the right people in the an interdisciplinary team in the room together in order to figure this out.

A huge challenge with trying to find these clusters is that a lot of the data that you want to work with to find the clusters is census data. And the way that you know where the numbers are in space is through census geographies, like blocks, block groups tracks, et cetera. The problem is that those aren't always a standard size, right? Like a census tract targets having like 4,000 people in it. But actually there can be huge variance in how many people are in it. And



because they're trying to hit that magic 4,000 number, the number of acres, the amount of land that's in a census tract, they can vary from teeny, teeny tiny to enormous and gigantic.

And so you can't look for clusters and space when you have a modifiable aerial unit like census geographies. So we never would've been able to do this project if we hadn't combined census geographies and the really rich data that comes from those with remote sensing data that allowed us for each census tract to estimate the share of the land area within the tract that was actually developed.

And that developed land area denominator essentially gave us a way to control for the huge amounts of green or and and vacant an undeveloped space like a census track that like has a cemetery in it or a census track that's just happens to be adjacent to a national park, right? Like these things happen And so we like we, we cut out all the water, we figured out where the developed land area was and that allowed us to calculate something much closer to the true activity density of each of these geographic units and to find the real clusters.

Jeff Wood (22m 19s): By remote sensing you mean like aerial photography and things along those lines?

Tracy Hadden Loh (22m 23s): Yes.

Jeff Wood (22m 24s): That's super interesting to me as a geography nerd and hopefully other folks as well. But it's also important because I feel like those clusters now if you have them, you can use them for other things. What are some of the things that you can think about when you have these clusters that create so much of the economic activity in the United States?

Tracy Hadden Loh (22m 42s): So we totally hope that people will use these clusters that we identified for all kinds of things. We have posted these clusters for free up on [brookings.edu](https://www.brookings.edu). Anyone can download a shape file of the activity centers in something like the top 110 US metro areas by population for free. And we talk in, in the paper that we wrote about this, we suggest some kind of obvious applications like for example, you know, doing future transit planning.

I think equitable economic development is also another kind of obvious application because yeah, like when you sit down and think about the economy of a region and you're like, where are the activity centers? You don't need to go to [brookings.edu](https://www.brookings.edu) to look up, you already know where the downtown is, right? Maybe you know where a couple of these big suburban

prosperous office clusters are, but they're also overlooked concentrations of assets maybe on the more disinvested side of town that are worth taking a second look at.

And our method uncovers these sometimes overlooked assets. The coolest application that I've heard of so far is that I was recently contacted by a planner in the city of Austin. The city and the region are trying to figure out where to use federal resources in order to build EV charging infrastructure. And you know, they realized that they essentially needed to do some kind of activity center exercise and you know, we didn't invent activity centers.

Many high capacity metropolitan planning organizations have already done this for their own region, right? Like the Seattle areas NPOs, like this is not a, this is an old concept in planning, it's just that we have now done it in a comparable and replicable methodology for all 110 MSAs, which allows us to compare regions activity centers to each other across different kinds of outcomes. And then, you know, what Austin wanted to do is like they just didn't have the time and the data to do such an exercise and Austin's growing so rapidly they need to act now.

They can't spend a year playing around with big data. That's right. So, you know, so here's some activity centers that are ready to go now. And also this allows Austin a relatively high capacity NPO in the capital area to develop a methodology for making decisions about EV charging infrastructure that they can then share with other NPOs in Texas so that everyone doesn't have to reinvent the wheel. And the good news is we've already mapped their activity centers too, so it's ready to go.

Jeff Wood (25m 28s): I think you'd be surprised too, well not you obviously, but I mean I think folks would be surprised generally there are a lot of folks out there that haven't seen like maps of activity centers or you might see a population density map for a city. But you know, when we were doing our work when we made a cluster map, folks were like, oh, I've never seen this for the region, I've never seen this. And it's, it's not necessarily because it was not something that they wanted, but it was something that wasn't created yet. And so I think that that's really positive aspect of what you all are doing too, is that creating these maps opens up some new ideas and potential like what happened in Austin for folks that might not have seen that this mapping technology or mapping process was there.

Because you can see from the census it provides a small amount of data, right? And it provides it in those census tracts and you get like a coarse idea of what's going on in a region, but if you can actually get to those clusters, it tells you a lot more about what's going on in a city or region. Yeah,

Tracy Hadden Loh (26m 16s): I think one other thing we wanted to get at with this project is that a lot of regions when they sit down to map activity centers, the process becomes more political and aspirational than it is, you know, economic or technical and you end up with a, a local jurisdiction that wants an activity center and they want to be on the map and, and that sometimes those feelings are something, something that people feel like they, you know, need or have to accommodate.

But that's different from where assets are actually concentrated, right? The squeakiest wheels aren't necessarily the ones that are pulling the wagon. Yeah.

Jeff Wood (26m 58s): Yeah. so I want to get back to the pandemic's impact on, and we talked about work, we talked about the health of downtowns activity centers. So now there's this discussion about transit, right? And you know, how are work and employment trends in downtowns but also some of these activity centers may be tied to transits recovery.

Tracy Hadden Loh (27m 15s): Yeah. You know, this is, this is why downtowns are going through part of why downtowns are going through something hard that other activity centers are less impacted by because downtowns are so dense, they're already at the limit of how many people you can bring into proximity via single occupancy vehicles, right? There's just like, there's the congestion challenge on the roads that like there's just like hard capacity limits on that and then the car storage problem as well.

So downtown's overcome this through mass transit and downtown's cannot be at the density that is their unique value add without mass mobility to get that number of people there. That's why they work not just for office work but for, for example like special events. And the challenge now is that because many downtowns were office was the highest and best use of this highly accessible land, a lot of US transit systems got kind of hyper optimized in order to serve a specific kind of trip which is commuting and a specific kind of commuter, the office worker that's not, most people aren't office workers but transit systems, there are multiple US transit systems where 50% or more of their trips were these work trips into downtowns.

And so that left the transit systems extraordinarily vulnerable to a disruption in office commuting. And because transit systems involve a lot of fixed assets, it's not just like flipping a switch to get out of that hole once you've fallen in.

Jeff Wood (29m 10s): It's interesting too, some of the data that you all found out, you looked at, you know, some of the top performing cities before the pandemic and then you also looked at other cities as well. And it's interesting the connection that those cities have to work from

home as well. There's a connection there between Yeah those places, there's correlation between those places that had a really high transit ridership before and then also have high work from home. Now.

Tracy Hadden Loh (29m 31s): Yes, I am not prepared to say there's a causal relationship,

Jeff Wood (29m 35s): But certainly that's kind of what I was getting at. I was like I, there's not a, like

Tracy Hadden Loh (29m 38s): It's a, people are not working from home specifically because they're trying to avoid their transit commute necessarily. Right. There is a clear correlation though, right? Like the cities that had high transit mode share prior to the pandemic have higher work from home now. And I don't think we should shy away from asking is this because commuting to work via transit is undesirable or unattractive to people and that's why they don't want to return to office. But I think also if we look at those cities we'll see that it's not just that people were commuting via transit, they were commuting extraordinarily long distances.

These are cities where the average commute time and distance are also very high. And so, you know, this is one of those transportation questions that maybe should be a land use question. And the way out is not to say we need to liberate people from transit and just let them stay at home. It's, we need to build more homes that are closer to jobs.

Jeff Wood (30m 42s): Here in the Bay area. That's a pretty, I feel like it's fairly obvious that we need more homes closer. 'cause there are people coming from the Central Valley all the way into San Jose or to San Francisco and that seems like it wasn't really tenable for the long term.

Tracy Hadden Loh (30m 57s): And you're right to bringing up the Bay area because of all of the major transit systems in the United States, the Bay Area rapid transit system has the lowest ridership recovery of any major system.

Jeff Wood (31m 10s): It's also interesting because, and I, I mentioned this a number of times before on the show, but like before the pandemic we praised Bart for having such a, you know, high fair box recovery ratio, right?

Tracy Hadden Loh (31m 20s): Very high fair box recovery.

Jeff Wood (31m 21s): You have a very high fair box recovery, which tends to lend itself I imagine to like office type commuters. But also now that it's dropped it needs some sort of subsidy or

you know, we're going to have an election in 2026 about this, whether we're going to fund a transit in the region. But it's so different than other transit systems that it has a different response when it gets hit by something that is so impactful like this pandemic.

Tracy Hadden Loh (31m 44s): That's exactly right. And that's why I think that, you know, we can't be sure like the reason that people don't want to get back on Bart, maybe it's because sometimes a one way trip on Bart's like \$15,

Jeff Wood (31m 55s): It's a lot. Yeah.

Tracy Hadden Loh (31m 56s): And not because like people don't want to go downtown. People probably still do want to go downtown. It's just that there's some sticker shock to that.

Jeff Wood (32m 5s): Are these outcomes dependent on mode or or service or some other variable related to the transit systems themselves?

Tracy Hadden Loh (32m 14s): So this key variable that I'm talking about in the paper about like the share of trips that our journey to work trips is one factor, but another thing that we're seeing across regions in the United States is that the bus recovery is much stronger than the rail recovery. And that's because journey to work is less prevalent in the bus trip mix, but it's also because the demographics of bus riders are different than rail demographics. And so it's because of what the bus does, but also who the bus serves.

Jeff Wood (32m 50s): Do you know if there's a comparable drop in auto trips as well?

Tracy Hadden Loh (32m 53s): We did look at this and my colleague Adie Tomer did another paper actually that looked into travel trends regardless of mode across US metro areas. And what he found is mixed results. There's a whole bunch of metro areas where aggregate travel demand is greater than ever, where whatever people are doing while they're doing this work from home, it's not staying at home, They're making more trips than ever.

There's also a small subset of metro areas where there are fewer trips and then there are some that are stable. But the most common trajectory from 2019 to 2023 is an actual aggregate increase in travel demand. So, you know, if you go out of your house, you know, everyone can see traffic is back. So, you know, look, if traffic's back then that means there is a future for transit.

It's just going to look different than it looked in the past because the days of being able to justify your existence as a service just by taking office commuters from the suburbs to the center, those days are gone.

Jeff Wood (34m 13s): So let's talk about that a bit. I mean the peaks are gone, right? Not gone completely, but

Tracy Hadden Loh (34m 16s): Yeah, no, there's still peaks, but they're

Jeff Wood (34m 17s): Less peaks. There are still peaks,

Tracy Hadden Loh (34m 18s): But they're less peaks and they're less tall and they're narrower.

Jeff Wood (34m 20s): I mean the graphic was quite interesting in, in the report. Yeah. I'm wondering how transit agencies can take advantage of that because I, I do feel like while we're seeing some rough times now, I feel like there are some ways that they can take this and run with it.

Tracy Hadden Loh (34m 32s): Yeah. So pivoting from providing extraordinary excellent service, but just during the peak, because that's where all the demand is to providing frequent all day service. It kind of reminds me of an a joke that Chris Leinberger loves to tell, which is that, you know, you walk up to a guy who's standing in the dark on the street and he is like bent over under streetlight looking around and you're like, Hey, what, what are you doing man? He's like, Hey, I'm looking for my keys. I, I can't find them.

And you say, oh, okay, I'm going to help you find them. Where's the last place you saw them? And the guy like gestures like somewhere totally different and you're like, why are you over here looking for the keys if the last place you saw them was over there and the guy says, well that's where the light is. So you know, you can apply this metaphor to service. We've provided frequent excellent service during the AM and the PM peak and ridership responded.

And so that's the, the ridership that transit systems had before the pandemic. If we provide frequent reliable service all day, I think we might find our keys

Jeff Wood (35m 50s): In more ways than one. Yeah.

Tracy Hadden Loh (35m 51s): And the transit systems that are trying this are already seeing this, right? That like ridership in the evenings and on weekends is experiencing a stronger recovery

than the weekday traffic. People may want to work from home, but that does not mean that they always want to be at home

Jeff Wood (36m 8s): Here in San Francisco, the 22 line specifically as well as the 49 and the 47, which run along Van Ness, which was improved by a bus rapid transit lanes that opened during the pandemic. But the 22 line has been over ridership and they've provided more service and it goes, it doesn't go downtown, it skirts the downtown. It's a circumferential route that folks always took. And I'm wondering what that tells us kind of about how we should think about transit in the future, going away from, like you said, the commuter focused idea to something that's a little bit more focused on serving activity centers, but also where people are going now.

Tracy Hadden Loh (36m 41s): It's always going to be important to have regional transit infrastructure that enables people to access the downtown. Downtowns will always remain the most, they're at the center, so they're always going to be the most accessible place within a region and we as regions are always going to need that place in order to come together. But the future of transit is that, you know, because land use is more diffuse now and there are all these other activity centers, we need additional routes that connect these activity centers directly to each other.

So that's like what you described, more circumferential type routes that directly go from neighborhood to neighborhood or suburb to suburb. And it's not just in San Francisco that we see that in ridership data. So for example, you know, while there's plenty of stations in New York and the MTA system in Manhattan that are not at their pre pandemic boardings and lightings yet there are other stations that are already way above pre pandemic and are seeing more demand than ever because there are a lot of people who want to take the queue from Brooklyn to Queens without having to pass through Manhattan.

Jeff Wood (37m 57s): Yeah. And also tells us something about designing new transit lines. I feel like we've gotten stuck in this idea of, you know, trying to do the cheapest thing possible in order to build something. So whether that's running on existing freight rail lines or you know, making sure that you're going to the downtown, but skipping employment centers has been a popular thing to avoid costs. But maybe it's not the best idea in terms of ridership or getting people to ride your system. Yeah,

Tracy Hadden Loh (38m 23s): I think, you know, jobs are going to remain a planning fundamental for thinking about transit demand because the journey to work is uniquely suitable to serve via transit demand for it is inelastic. Like I go to work even when I don't want to and, and, and it's predictable. I'm fortunate enough to have a work schedule. I I go at the

same times on the same days. And while not every worker has that a lot do, and so those kinds of inelastic predictable trips are, they are easier to serve.

And so it makes sense still to give weight to those trips as a planning consideration in planning transit service because it's going to be easier to capture more of those trips.

Jeff Wood (39m 14s): In doing all this research and looking at all the data and everything, was there anything that surprised you about the outcomes?

Tracy Hadden Loh (39m 19s): I was really surprised at how much the transit ridership recovery varies from region to region. I thought that we would just see this kind of across the board, like big decline in transit demand. I was really surprised at the number of transit providers that are at or near their pre pandemic ridership. Like for example, did you know that New Jersey transit is at over 90% of its pre pandemic ridership?

Jeff Wood (39m 46s): I was not aware they need more funding breaking is

Tracy Hadden Loh (39m 50s): They need more funding.

Jeff Wood (39m 52s): The governor is trying to yell at congestion pricing and trying to fund the transit system at the same time.

Tracy Hadden Loh (39m 58s): Well, I I can understand like the issue with congestion pricing is that a lot of those congestion pricing fees are going to be paid by New Jersey commuters and the fee is generating revenue, capital revenue, dedicated capital revenue for the MTA not for New Jersey transit. So, you know, there is a regionalism challenge here that is real and it's a hard one to solve, right?

Because there's this federalist issue here, right between the state of New Jersey and the state of New York and you know, here in the DC area we have one notch even worse than that situation, right, where we need to figure out a future for transit in terms of equitably funding across Maryland, DC and Virginia. So, you know, this is, it's a real challenge and no one has ever figured this out in a multi-state regional context in the United States.

Jeff Wood (41m 4s): It's almost as if economic geography doesn't quite match political geography.



Tracy Hadden Loh (41m 9s): Yeah. So we have to do a better job of lining up our policies with the way people actually live their lives. But it's easier said than done because elections are different from lifestyles.

Jeff Wood (41m 22s): Oh, for sure. Well, so I have another topic to cover with you as well. The Mpact Transit + Community Conference is going to be in Philadelphia in October and a new report you're involved with, *Building Better*, focuses on transformative investments including the Navy yard redevelopment in South Philly. Can you give us kind of a brief overall summary of that report's focus on, on different ways that the developers and the communities are aligning?

Tracy Hadden Loh (41m 45s): Yeah, so I really wanted to, this is a actually another piece of work inspired by Chris Lineberger. He and I wrote a paper together a few years ago called *Catalytic Development recreating Walkable Urban Places*. And in that paper we were looking at how different places are dealing with the challenge of these very large parcels of land that are available for development for a variety of reasons. Sometimes it's because of the legacy of urban renewal and demolition that occurred during that time period.

Sometimes it's because of de-industrialization. So for example, the Navy yard site in Philadelphia, and we did a set of six case studies where we looked at six successful cases where these assemblies were redeveloped in ways that produced a lot of benefits. One takeaway from that project was that how to center equity and inclusion in these processes is something that no one really has a satisfactory answer to.

But we were getting a lot of phone calls, there's a lot of demand for answer to that question. And so *Building Better* is our attempt to take a look at that. We found another set of case studies of real estate developers working on these big parcel projects, but who are really grappling with how to authentically center equity and inclusion. What we learned is that there's a lot of frustration over cosplaying equity and inclusion in very transactional and repetitive ways, and a lot of frustration and desire to uncover new ways of embodying those values that can deliver real results for the communities that need them.

Because the kinds of real estate developers that undertake these very large projects, they tend to be community-minded because they are at the scale that they're working, creating a community. But the other challenge is that real estate development is very poorly understood by people who don't work in the sector. It's not something you just read about in a book, it's not like taught in school or something. And so the average person has a lot of very mistaken assumptions about what real estate developers know and what they don't know, what they're

good at and what they're bad at, what they're capable of, what they're not capable of, what resources they have, what resources they need.

And that kind of information mismatch is what we directly wanted to address in this paper. How can we help these two groups communicate and work together better in order to produce great outcomes and great places for people.

Jeff Wood (44m 34s): I'm in that cosplay comment because I, I feel like that's kind of an interesting pullout. What are some of the things that are frustrating people that are the cosplaying of equity inclusion? Like what are some of the things that are making it hard for folks to get on the same page in terms of getting the outcomes that they want?

Tracy Hadden Loh (44m 49s): So, you know, a lot of people think that real estate is a form of economic development. And in fact, you know, like they, they both like use the word development. So you know, even like the vocabulary, like the language is kind of confusing here. Real estate actually responds to economic development. It's a function of economic development not a cause. But when we try to make it a cause, you know, here's where the cosplay can come in, for example, we can say like, okay, I'm going to do this huge real estate project and people are going to be working as part of the real estate project, right?

I'm going to be hiring plumbers and guys to do concrete and, you know, sew a direct traffic and there's, there's all kinds of jobs associated with this. So we say, okay, here's how I'm, I'm going to prove that real estate is economic development because I'm going to say it's creating jobs and then I'm going to center equity and inclusion by trying to pick winners and losers in terms of who gets those jobs. Yeah, you can do that, but at the end of the day when the real estate development is complete, those jobs are over and what is the legacy?

What have you really done? I guess you hope some people get a line on their resume and some experience, but there are ways to bring workforce pathways into these big real estate projects that are longer term and can be more rooted in the place. And so, you know, trying to dig into an idea like that and figure out how to operationalize it, that's one example of what we wanted to do in this paper.

And we wanted to do that not just for economic outcomes, but also for physical, social and civic outcomes.

Jeff Wood (46m 41s): Philadelphia is such an interesting city, there's so much going on. There's, there's a lot of activity from transit, from the development you're talking about. Obviously it's a

really important city on the east coast. I'm wondering what you are most interested in seeing happen in Philadelphia in the future? Maybe it could be from the project you were just talking about, or, or maybe it could be anything else that that comes to your mind.

Tracy Hadden Loh (47m 1s): First off, I think that's, that's for Philly, that that's for people who are from, like I'm a huge believer in like be in your place and root for it. But I, I'll say as an outsider who has just recently spent a huge amount of time in Philadelphia on various research projects, one thing that seemed like super low hanging fruit to me that I was really surprised hasn't already been done is capping the Vine Street Expressway. And I know people already out there talking about it. I'm not inventing this idea, but I'm just surprised that idea isn't further along and that there isn't more clarity about who the stakeholders are, what the vision is, how to potentially get it paid for.

Jeff Wood (47m 40s): I mean, there's so much discussions about different things going, I mean that Roosevelt subway is one of the big discussion topics now promoted by a lot of advocates and it seems like there's a lot of things that people are focused on, but that's interesting that you saw that as the idea that caught you the most.

Tracy Hadden Loh (47m 53s): And I also like as far as the future transit goes, I wouldn't rush to like whatever the next possible like big sexy capital project is. SEPTA is in the same situation that other major US transit systems are in, in terms of needing more dedicated both capital and operating revenue. And you know, so like this isn't like a Philadelphia specific wish. I think in Pennsylvania cities are quite restricted in terms of the revenue generating options that they have.

When I look at a city like Chicago and how creative they have been able to get about creating new sources of revenue like both for transit, but also for the city, they have really been able to bring the best and brightest minds to bear in municipal finance in order to try to write the ship there. You know, from from a lot of things that have happened in Chicago in the past that should not have happened. I would love to see that kind of flexibility and opportunity to modernize and innovate for Pennsylvania municipalities because they are unusually constrained at the state level.

And that is something that affects the state's competitiveness. That the cities can't be more dynamic.

Jeff Wood (49m 12s): The five counties of Southeastern Pennsylvania generate 40% of the state's economic activity on 5% of the land. That's incredible.

Tracy Hadden Loh (49m 20s): Cool fact, Jeff?

Jeff Wood (49m 21s): Yeah. Where did it come from?\* Thank you. Where can folks find these reports and more about what you're up to at Brookings?

Tracy Hadden Loh (49m 31s): So the rare privilege of working at Brookings is that it feels like we're the last people standing in terms of there's no paywall. All of the research that we do is available for free on [brookings.edu](https://www.brookings.edu) and finding any one of the, the one challenge is that [brookings.edu](https://www.brookings.edu) is so huge that finding any one of these things can be kind of difficult. So download activity centers for free by going to [brookings.edu/articles/ activity centers](https://www.brookings.edu/articles/activity-centers), plural.

Jeff Wood (50m 7s): We'll put the links in the show notes as well,

Tracy Hadden Loh (50m 9s): Read about the future of Transit by looking up our article on ensuring the intertwined recoveries of downtowns and transit systems. And then learn more about how real estate and community can move from opposite sides of the table to the same side of the table in our new paper, Building Better.

Jeff Wood (50m 34s): Awesome. Well, Tracy, thanks for joining us. We really appreciate your time. Thanks

Tracy Hadden Loh (50m 38s): For having me, Jeff.

Speaker 0 (50m 43s): Thanks

Speaker 1 (50m 43s): For listening. And thank you to Hilary Reeves who leads Mpact: Voices and the development of this podcast. Find out more about our work by visiting our website, [mpactmobility dot org](https://mpactmobility.org). That's M as in Mobility and Pact as in agreement. [mpactmobility dot org](https://mpactmobility.org). Sign up for our newsletter to make sure you hear about new podcasts as they come out.

\*Southeastern Pennsylvania, which covers 5% of PA's land area, accounts for 42% of the Commonwealth's economic activity. (Source: SEPTA Forward Strategic Plan)