

Memorandum

To: Erin Aleman

From: CMAP staff

Date: August 1, 2023

Subject: Fostering transit-supportive land use and development

Executive summary

The success of regional transit is heavily dependent on the land use and development context in which the system operates. The enabling legislation for the Plan of Action for Regional Transit recognizes this connection, highlighting the need for recommendations on how the regional transit system can "[support] and [foster] efficient land use."

Northeastern Illinois benefits from many examples of transit-supportive land use and development, from the urban core of Chicago's Loop to downtowns and main streets throughout the region. However, there are significant opportunities to better align land use and development practices with the success of regional transit services. To support those efforts, the state and local governments should consider the following recommendations:

- Leverage public assets and investments. Specific strategies could include pursuing transit-oriented redevelopment of publicly owned surface parking lots, aligning existing incentive programs with transit-supportive land use priorities, and strengthening the link between transit-supportive land use and investments in transit service.
- Support private sector shifts in travel behavior. Specific strategies could include
 developing a comprehensive framework of transportation demand management
 requirements and incentives, leveraging development impact fees to support transit,
 streamlining processes for transit-supportive developments, and considering the land
 use and development impacts of potential new revenue sources for transit.



While pursuing these strategies in the short and medium term, the state and region should also consider longer-term shifts that could continue to better align the decision environment for land use, development, and travel behavior, such as the role that transit could play in regional development.

The challenge: Regional land use and development practices could be better aligned with the success and viability of transit services.

One of the most important factors contributing to the success (or failure) of a transit network is the land use and development in which the system operates. As noted in ON TO 2050, the region's long-range plan, "the region cannot meet its transit ridership goals without supportive development near bus and rail." The enabling legislation for the Plan of Action for Regional Transit also recognizes this connection, highlighting the need for recommendations on how the regional transit system can "[support] and [foster] efficient land use."

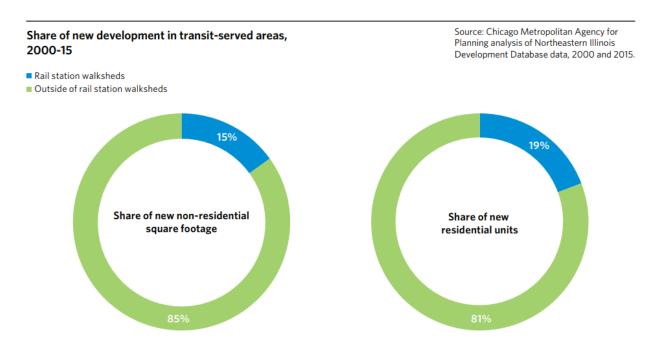
For transit to be a viable option, riders need to be able to connect to the system from both their origin (such as a home) and their destination (such as a job, a school, or a store). To support these connections, many communities have pursued a model known as transit-oriented development (TOD).

In a TOD model, train stations and bus stops should be surrounded by a concentration of both housing (potential transit users) and office, retail, or other land uses (potential destinations for transit users. In addition to supporting transit, TOD can lower household transportation costs, improve access to economic opportunities, increase revenues for local infrastructure and services, and enhance quality of life for residents. Northeastern Illinois is fortunate to have many examples of this type of development, ranging from the urban core of Chicago to older downtowns and main streets throughout the region.

However, these transit-supportive land use patterns are not uniform throughout northeastern Illinois. Until recently, market demand favored — and many local governments prioritized — other development patterns over these traditional forms, leading to lower density, greater dependence on cars, and an overabundance of parking. As shown in Figure 1 below, from 2000 to 2015, more than 80 percent of all development occurred outside of a walkable distance to rail. Because of these patterns, from 2000-15, the region expanded its developed footprint by nearly 12 percent, an area equal in size to the city of Chicago. While some evidence shows a further uptick in TOD since 2015, the region can take steps to accelerate these trends and better leverage the benefits for transit's financial sustainability.



Figure 1. Across the region, most residential and commercial development is happening far from rapid transit.

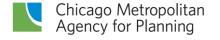


People are more likely to use transit if it is close to their frequent starting and ending locations — most notably for their daily commute to work or school. Today, 47 percent of residences and 45 percent of jobs in the region are in areas with partial or no transit access. Residents who want to travel to or from either of those parts of the region have limited choices: travel by car, or find another place to live or work. In these communities and neighborhoods, it is harder for transit to succeed, because with fewer riders and destinations nearby, it is more expensive (and less financially viable) to provide robust transit service.

The COVID-19 pandemic hastened the introduction of another option for many regional residents with significant implications for the regional transit system: telework, also known as remote work. It is important to note that for many regional residents, remote work has not been and will not be an option – CMAP research has found that roughly 60 percent of regional jobs require in-person work most of the time. However, for the significant minority of regional residents who can take advantage of remote work options, it has led to a significant shift in travel behavior. CMAP modeling estimates that about 20 percent of *all* workdays could be spent at home in the post-COVID era.¹

The growth of remote work has important implications for transit ridership. Most notably, it reduces the number of trips taken in transit's most competitive market – the downtown rush hour commute. Those residents – many of whom might still take transit two or three days a week – now have some days of the week when their trips are based around their home instead

¹ "Rethinking Mobility in a Post-COVID Chicago Region", CMAP, Accessed June 16, 2023, https://www.cmap.illinois.gov/documents/10180/1475089/Mobility+Recovery+-+COVID-Induced+Changes.pdf/aad7941d-3d2c-f585-bd7d-d76b6d8f8861?t=1661185352412



of an office or worksite. But unlike the downtown commute, those trips often do not have convenient or reliable transit options available, or other non-car alternatives like walking or biking. This relates to the development patterns shown in Figure 1 above, which reinforces an important conclusion: Current land use patterns are not aligned to support transit as a choice for many of these modern demands.

There are numerous barriers to a more widespread adoption of transit-supportive land use practices in the region. These include:

- Regulatory and policy limitations (e.g., density limits, parking minimums, financing restrictions) that discourage or prohibit transit-supportive development decisions. ON TO 2050 notes that there are significant opportunities to "update plans, zoning codes, and development regulations to require greater densities and mixed uses near rail stations and along high-priority bus corridors with a preference toward employment rich land uses."
- A lack of alignment of existing programs toward TOD. The public sector provides
 incentives and financial support for some development projects, but has not always
 prioritized the use of public funds or assets toward transit-supportive development. This
 is contrary to the public's growing interest in dense walkable development as the
 region's population ages and younger buyers show preference for these types of places.
- An oversupply of parking in proximity to transit. Even before the growth in remote work, many regional transit stations had significant amounts of unused or underused parking nearby, which reduces the number of potential riders and destinations within walking distance of transit. However, these parking facilities also represent significant opportunities for additional development (residential and/or commercial), as discussed below.
- The full costs of private sector decision-making. Employers' location decisions also factor heavily into transit's competitiveness as a reliable mode. For example, the rise of ecommerce and the changing demand for industrial and flex spaces have created further separation of jobs from transit. Trends towards space with higher ceilings, more mezzanine floors, and additional truck bays to accommodate modern distribution are fueling demand for new warehouses in rural or urban edge communities often with limited commute options and missing last-mile connections. Adjusting transit to serve these new employment centers can be a costly strain on the system with limited benefit. Better alignment between businesses' location choices and transit planning can improve the ability of workers to choose non-car commutes, particularly for lower-wage workers.

Both the state of Illinois and communities throughout the region will have a role to play in overcoming these challenges, toward a goal of fostering more transit-supportive land use. The following section reviews recent and ongoing efforts to that end.



Regional context: Many communities have shown that a transit-supportive approach is possible

Across the region, municipalities are making changes to promote more transit-supportive land use and development decisions. A non-exhaustive list of recent examples includes:

- The Village of University Park recently adopted a TOD Plan that proposes development on 77 acres of vacant parcels east of its station on the Metra Electric line. Their market analysis indicates that the development could support 200 multifamily units and 10,000 square feet of free-standing retail in the initial phase, as well as additional single-family homes and commercial space in future phases.²
- Over the past decade, numerous TOD projects have occurred along Metra lines throughout the region, including examples like Plaza Circle in Mundelein, Lincoln Station in New Lenox, Ninety 7 Fifty in Orland Park, and ONE in Wheeling.
- The City of Chicago adopted the Connected Communities Ordinance,³ which changes zoning around CTA and Metra rail stations and most bus routes. The ordinance increased the number of parcels eligible for bulk and density incentives as well as parking reductions by nearly 1,200 percent, with a particular focus on projects that provide affordable housing. The Connected Communities Ordinance was paired with supportive funding to develop pilot TOD projects that exemplify how these developments can respond to local context and community feedback. The ordinance also requires private developers to include transportation demand management (TDM) strategies in most new developments close to rail transit stations.
- Through the City of Chicago's eTOD⁴ Pilot Program, the McKinley Park Development Council received funding to pursue the transit-supportive vision laid out in its neighborhood plan⁵ (adopted in January 2021, with support from CMAP's Local Technical Assistance program). The neighborhood plan identifies large surface lots for redevelopment adjacent to the Ashland and 35th/Archer Orange Line Stations. Through the same pilot program, the North River Commission received funding to support redevelopment of a CTA Park and Ride lot near the Kimball Brown Line Station.⁶

⁶ "ETOD Pilot Program," City of Chicago, accessed June 15, 2023, https://www.chicago.gov/content/city/en/sites/equitable-transit-oriented-development/home/etod-pilot-program.html.



² "Village of University Park TOD Plan" (Regional Transportation Authority, February 2023), https://www.rtachicago.org/uploads/files/general/Communities/University-Park-TOD-Final-Plan-Report-002.pdf. ³ "Connected Communities Ordinance," City of Chicago, accessed August 1, 2023, https://www.chicago.gov/city/en/sites/equitable-transit-oriented-development/home/connected-communities-

https://www.chicago.gov/city/en/sites/equitable-transit-oriented-development/home/connected-communities-ordinance.html.

 $^{^4}$ 'eTOD' refers to equitable transit-oriented development — a practice which intentionally and inclusively centers the needs of low-income communities and residents of color in planning and implementing TOD.

⁵ "City of Chicago McKinley Park Neighborhood Plan" (Chicago Metropolitan Agency for Planning, January 2021), https://www.cmap.illinois.gov/documents/10180/862186/FY21-0016_McKinley_Park_Plan.pdf/bfbc8002-13cd-e88e-160f-22c7f60c2e0a?t=1613513625398.

County governments have also taken an interest in transit-supportive land use practices.
 For example, in its Rosemont Transit Center Study, the Cook County Department of
 Transportation and Highways is evaluating how to convert an 11-acre, county-owned
 surface parking lot and Pace bus transfer terminal directly adjacent to the CTA Blue Line
 Station into a mixed-use development with commercial and office uses.⁷ The Rosemont
 Transit Center represents the type of projects that can enable sustainable development
 and contribute substantial economic benefits to the municipality, agencies, and region.

While individual governments and private developers have taken important steps to promote more transit-supportive land use practices, there are still significant opportunities for more progress at the regional scale., Below, this memo outlines a series of short- and medium-term recommendations that could promote more widespread adoption of transit-supportive land use and development practices, including by both public and private sector actors. The memo concludes with an overview of additional topics that could be considered in ongoing local and regional planning efforts.

Recommendation: Leverage public assets and investments to foster transit-supportive land use

Through their role in planning for and regulating local development, local governments support small but significant pieces of regional markets for different development types. These cumulative local decisions create the region's communities and economic centers with broad impacts on infrastructure needs, commute patterns, and transit ridership. Local governments have access to many existing policies, regulations, and funding programs to advance transit-supportive development. But many find it challenging to play their pivotal role in planning for TOD, due to both financial and political issues. The following recommendations examine how these existing tools can be better leveraged to work toward a more sustainable transit system.

Pursue transit-oriented redevelopment of publicly owned surface parking lots

Although the private sector is responsible for most development in northeastern Illinois, the public sector also has a significant role to play. Among other responsibilities, many regional municipalities and transit providers own and/or operate parking lots next to transit stations. The most common example of these are parking lots next to Metra stations, but there are also significant amounts of parking near both CTA and Pace bus and rail facilities. Many of these parking lots hold great potential for redevelopment into a combination of housing, retail, and/or office space — all of which would help to rebuild the ridership base for regional transit.

⁷ "Joint Development Analysis for Rosemont Transportation Center," SB Friedman, accessed August 1, 2023, https://sbfriedman.com/project/joint-development-analysis-rosemont-transportation-center.

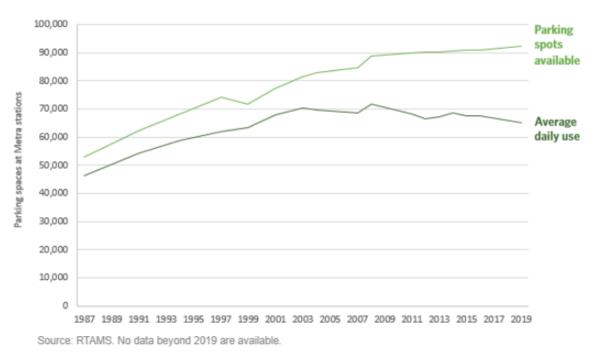


Historically, parking lots next to transit accommodated a "park and ride" model of transit usage. Riders would drive to a station before taking transit to and from their destination, most often for a weekday rush hour commute.

The "park and ride" model does provide an option for transit users who do not have any other way to get to and from a transit station. However, the growth in remote work prompted by COVID-19 has highlighted some of the limitations of this approach. As riders adjust to new travel patterns, some riders who previously used transit five days a week might now only rely on it two or three. Unless that decline is offset by an increase in nearby residents and/or destinations, transit ridership will likely remain depressed. And the (now emptier) parking lots will not generate that demand on their own.

Data on Metra parking lots provide an instructive example of the challenges this model was facing even before the pandemic.⁸ As shown in Figure 2 and Figure 3 below, since the early 2000s, average daily use of parking lots has fallen even while the number of parking spots available has grown. In total, this amounted to more than 27,000 unused spaces on a typical weekday in 2019. Almost every line on the system saw reduced parking occupancy rates over the last two decades. Some lines saw especially sharp declines, such as the Southwest Service (44 percentage points) and the Metra Electric (33 percentage points). While regional statistics on parking lot usage after 2019 are not yet available, given the shift to remote work and the reduction in peak period transit ridership, it is very likely that usage has since further declined.

Figure 2. Average daily Metra parking use peaked in 2009, but overall parking lot capacity has continued to grow



⁸ "Metra Parking Counts" (RTAMS, October 19, 2022), https://rtams.org/dataset/metra-parking-counts.



Figure 3. Parking usage rates have fallen on most lines over the last two decades

Line	Parking usage change, 1999-2019	Parking usage change, 2008-2019
BNSF	-9.9%	-9.5%
Electric	-33.4%	-21.4%
Heritage Corridor	8.9%	-15.9%
Milwaukee District North	-20.2%	-16.3%
Milwaukee District West	-3.9%	-4.4%
North Central Service	-22.4%	-11.5%
Rock Island	-25.2%	-17.2%
NICTD South Shore ⁹	-22.1%	19.4%
SouthWest Service	-44.4%	-9.3%
Union Pacific North	-4.8%	-8.7%
Union Pacific Northwest	-21.4%	-20.3%
Union Pacific West	-8.7%	-6.8%

Source: HNTB analysis of RTAMS Metra Parking Counts at Stations

The challenges facing these "park and ride" lots also present the region with significant opportunities to rebuild a ridership base for transit. In many cases, these parking lots offer important opportunities for redevelopment on publicly owned lands, whether the lot is owned by a transit service provider¹⁰ or (more commonly) by a local municipality. While some parking lots remain heavily used, both as transit assets and as parking for other nearby destinations, many now provide significantly more capacity than demand warrants. Similar opportunities may exist to redevelop other key sites with suboptimal uses along Pace Pulse corridors and CTA's bus and rail network.

Many municipalities have developed local downtown and transit-oriented development (TOD) plans, including those supported by long-standing CMAP and RTA planning grant programs. Communities can seek to collaborate with transit providers and developers to deliver TOD projects on public or privately own lots near stations — by identifying potential sites for redevelopment and determining their alternative uses, establishing land use policies and partnerships, and/or providing incentives that advance these goals. Public ownership of these sites could help to limit costs related to land acquisition and assemblage, while offering

¹² Given their location along historic freight railroad corridors, some surface lots are on previously industrial sites. This could mean that successful redevelopment will require remediating challenging environmental conditions beneath the pavement. In turn, redevelopment opportunities on certain lots may be constrained by existing land use restrictions or institutional controls. Additional resources (perhaps funded by the State) for environmental assessment and remediation will be critical for ensuring that residential, commercial, or mixed-use development can occur on certain sites.



⁹ Figures only include South Shore Line stations in the RTA region and do not include stations in northwest Indiana. ¹⁰ Many Metra-owned parking lots were originally federally funded and may still be subject to reversionary clauses if existing parking spaces are removed from service.

¹¹ "Technical Assistance Call for Projects," Chicago Metropolitan Agency for Planning, accessed August 1, 2023, https://www.cmap.illinois.gov/programs/lta/call-for-projects.

greater local control over the eventual planning and design. While some plans anticipate a reduction in parking capacity, many others seek to accommodate parking demand in parking structures that allow for more effective sharing of spaces and more efficient use of highly visible and accessible parcels. Opportunities may also exist to incorporate privately-owned parking lots or adjacent properties into larger site plans.

Implementation steps

Local governments and other owners of parking facilities (e.g., the transit service boards) would have the primary role to play in any surface parking lot redevelopment. However, the state could play a significant role in fostering these kinds of redevelopment projects at scale throughout the region.

Legislative action

- Consider creating and funding a TOD "implementation pilot" program that offers grants, loans, and tax credits to communities that are interested in redeveloping existing surface parking lots or other vacant parcels in proximity to regional transit assets. This could include the participation of staff and resources from state agencies outside of just transportation stakeholders, including IDOT, IHDA, DCEO, and IEPA. Resources could be initially focused on communities and sites that have been included in transit-oriented land use planning efforts, such as those funded by CMAP and RTA
- Provide funding support to address project funding gaps, such as environmental remediation necessary to redevelop parking lots that were previously industrial sites.
 The state could also commit to hold municipalities or parking facility owners harmless for any reduction in net parking revenue while new developments are underway.

Local and regional actions

- Leverage existing resources and any new state support to promote transit-supportive redevelopment of existing underused parking lots.
- Consider reforms that address barriers to transit-supportive development, e.g., excessive mandated parking minimums for sites close to transit.



Evaluation

Policy

Category	Rating	Rationale
Mobility	Medium/ High	The effect of this strategy would depend on its scale; one project will not have a regionally significant impact, but a broader regional approach could. Development of parking lots near transit increases the supply of compact, mixed-use space in central locations, while rightsizing the availability of nearby parking. Reducing residents' dependence on cars to and from the new developments allows for increased demand for transit service and greater ridership. Parking lots often hamper bike and pedestrian activity. Removing them creates a tighter distribution of destinations and enhanced streetscape at train stations and bus stops.
Equity	High (with variation)	In general, transit-oriented parking lot redevelopments will promote greater equity by providing community residents with more housing and transportation choices at lower costs. The extent of these benefits can depend on project-level decisions. Public agencies can enhance equity impacts by pursuing mixed income housing to increase access to new opportunities.
Environment	Medium/ High	By adding new residential and commercial destinations in proximity to transit, these developments would help to support the shift toward more sustainable modes. As with other metrics, the ultimate impact would depend on the scale of redevelopment. These projects could have additional impacts due to their replacement or reduction of parking.
Economy	Medium	By adding new residential and commercial destinations in proximity to transit, these developments would modestly increase the number of opportunities accessible by transit. As with other metrics, the ultimate impact would depend on the scale of redevelopment.
Regional benefit	Regional	These approaches could be deployed in communities throughout the region, including in existing and potential future Metra-oriented main streets and commercial corridors.



Process

Category	Rating	Rationale
Administrative feasibility	Low	Historically, there has been little consensus around the development of areas adjacent to commuter rail, particularly surface parking lots. Any redevelopment needs to be coordinated with changes in transit service models regionally and desired land uses locally.
Political feasibility	Low	TOD on surface parking lots would represent a departure from historical practices for some communities. There may be local resistance to TOD due to concerns over the removal of parking, higher density, or related traffic. A pilot program supporting development examples that showcase TOD flexibility to fit local context and needs will help mitigate concerns.
Timing	Medium	Development is typically a multi-year process. Following the launch of a pilot program, communities would need to select sites, evaluate parking use, market sites, and align development review processes. There would be additional time before developments are built.
State span of control	Low	The state does not own or control the relevant parking facilities. It could fund a pilot and/or create conditions on the use of state transit funds to incentivize the pursuit of these redevelopments.

Net cost / investment

While transit-oriented parking lot redevelopments could entail near-term costs or reduced parking revenue, they should ultimately more than offset those costs through increased property tax revenues. Depending on the state's interest in supporting these efforts, the primary cost could be in additional state funding (e.g., development finance or site remediation).

Align existing incentive programs with transit supportive land use priorities

There are significant opportunities within existing funding streams and incentives to promote greater adoption of transit-supportive land use practices. Local and state governments already commit significant resources to help fund and finance development projects throughout northeastern Illinois. These include direct funding, tax incentives, financing alternatives, infrastructure investments, fee waivers, land write-downs, and site preparations, among others (see Figure 4 below).



While some of these programs do already encourage or reward transit-supportive practices, that is not universal. Many of these programs should be modified to better reflect the long-term financial benefits of transit-supportive land use. To that end, state and local governments should adjust eligibility and selection criteria to align a portion (or an increased portion) of these and other grant and incentive programs to support transit-oriented projects.

Figure 4. There are many existing incentive and grant programs that could encourage transitsupportive land use and development (either newly or by increasing existing support)

Agency	Areas of influence include:	Grants or incentives (non-exhaustive)
Illinois Department of Transportation	Infrastructure (street design, sidewalk, lighting, pedestrian safety, bike infrastructure)	 Highway Safety Improvement Program Economic Development Program Illinois Transportation Enhancement Program Safe Routes to School Planning grants Rebuild Illinois
Local municipalities	Incentive policy and infrastructure	 Tax Increment Financing Enterprise zones Community Development Block Grants (CDBG) Sales tax rebates Property tax abatements Business Development Districts
Illinois Housing Development Authority & Chicago Housing Authority	Funding for affordable and mixed- income housing	Low Income Housing Tax CreditsVouchers
Illinois Department of Commerce and Economic Opportunity	Business development and attraction	 Federal Grant Match Program CDBG Economic Development for a Growing Economy (EDGE) tax credits
Counties	Infrastructure and business development	CDBG fundingEnterprise zonesGrow Grant (Cook County)
СМАР	Infrastructure funding and local technical assistance (LTA)	 LTA program Congestion Mitigation and Air Quality (CMAQ) Surface Transportation Program (STP) Transportation Alternatives Program (TAP-L)
RTA	Local technical assistance (LTA)	LTA program

Implementation steps

In some cases, public agencies have wide discretion in setting the requirements and expectations for these funds. In others, state legislation would be needed to adapt eligibility criteria and eligible uses to reward transit-supportive outcomes.



Legislative and state agency action

There are important precedents for this focus on transit-supportive land use and development that could serve as a model for future state action. For example, from 2006 to 2011, the state's Business Location Efficiency Act created additional benefits for businesses that located near transit. This legislation increased the tax credits for EDGE grants by 10 percentage points for developments in transit-served areas (as well as those in proximity to affordable housing). However, the program expired without renewal in 2011. The state could consider relaunching this program or a similar one, as well as identifying additional opportunities to realign state incentives toward transit-supportive developments.

The state could also consider how its housing investments align with access to transit. For example, the Illinois Housing Development Authority (IHDA) could increase the points awarded to projects within transit-served locations in the biannual qualified allocation plan (QAP), which determines investment standards for the state's affordable housing development programs. IHDA's QAP currently provides only one point out of one hundred for projects within ½ mile of a TOD hub, ¼ mile of a regular bus route, or served by public demand-responsive service. 14,15

In the 2022 round, IHDA committed Low-Income Housing Tax Credits (LIHTCs) that are anticipated to produce \$296 million in development funding to support twenty-five affordable housing developments, including fourteen in the Chicago region. Together, these projects will enable the creation and/or preservation of 1,343 affordable units for low- to moderate-income families, seniors, veterans, and people with disabilities. Adjustments could be implemented as early as in the 2024-2025 QAP.

The City of Chicago, which also receives federal housing funds, has put increasing emphasis on Equitable Transit Oriented Development (ETOD) in recent years through actions like adopting an ETOD Policy Plan (2021) and updating development regulations around transit nodes through the Connected Communities ordinance (2022).^{17,18} The ordinance allows for density bonuses and eliminates parking minimums for developments with 50 percent or greater affordable housing. In addition to adding points for TOD overall, IHDA could adjust its QAP to further prioritize ETOD proposals within the City of Chicago and investigate providing expanded



¹³ "Public Act 094-0966," accessed August 1, 2023, https://ilga.gov/legislation/publicacts/fulltext.asp?Name=094-0966.

¹⁴ Illinois Housing Development Authority. 2022-23 Qualified Allocation Plan. <u>QAP 2022-2023 Website.pdf</u> (ihda.org)

¹⁵ The transportation element of IHDA's current QAP also provides one point for proximity to job centers, regardless of transit accessibility. Within the Chicago region, that standard is 6,500 jobs within one mile of the site in Suburban Cook County and the collar counties, and 10,7000 jobs within one mile in the City of Chicago.

¹⁶ Illinois Housing Development Authority. "Pritzker Administration Awards \$34 Million in Tax Credits for Affordable Housing." Illinois.gov. Accessed June 15, 2023. https://www.illinois.gov/news/press-release.24971.html.

¹⁷ ETOD-Full-Policy-Plan-with-Appendices-6-15-21.pdf (chicago.gov)

¹⁸ Connected Communities Ordinance (chicago.gov)

technical assistance to communities for ETOD projects, potentially in partnership with the RTA Community Planning program.

Evaluation

Policy

The impacts would vary significantly depending on the incentive or reform in question. Generally, greater focus on transit-supportive land use and development decisions should lead to better mobility, equity, economic, and environmental outcomes.

Process

Category	Rating	Rationale
Administrative feasibility	High	While the process would vary by program, the goal of this recommendation would be to identify those which could be adjusted within existing program structures, rather than establishing entirely new frameworks.
Political feasibility	Medium	There may be some resistance to allocating a portion of budgets to a specific development type. However, there are numerous past and current examples of similar policies already in place at both the state and local level.
Timing	Near/ Medium	Varies based on incentive or program cycle and timeline.
State span of control	Medium/ High	Many but not all of the funding programs explored are issued by state level agencies and are in state control. Some of the programs may require legislative action to expand the eligible uses to include TOD.



Principle: Strengthen the link between transitsupportive land use and investments in transit service

The state and regional transit providers should also continue to consider the land use and development context when making decisions about investments in transit service.

Transit-supportive land use patterns are necessary for transit systems to be financially sustainable. As shown in Figure 5 below, the population, employment density, and the pedestrian environment near transit each have a direct impact on the number of riders the system can expect to serve. These can positively reinforce one another in a virtuous cycle, with greater levels of service enabling new developments that support yet additional levels of service. However, the feedback loop can also go in reverse. Without transit-supportive conditions, providing useful transit service is both more difficult and more expensive (if possible at all), reducing the long-term viability of the system.

Figure 5. The financial viability of transit service depends on nearby surrounding land use and development



Regional transit providers already consider these dynamics when making service decisions. For example, in Pace's strategic plan, *Driving Innovation*, the agency recommends the establishment of "transit and land use typologies." These typologies, which are included in Figure 6 below, highlight the different transit service needs and challenges facing communities throughout northeastern Illinois.¹⁹

¹⁹ "Driving Innovation: The Pace Strategic Vision Plan" (Pace, September 2021), https://www.pacebus.com/sites/default/files/2021-10/Driving%20Innovation%20Plan_September%202021.pdf.



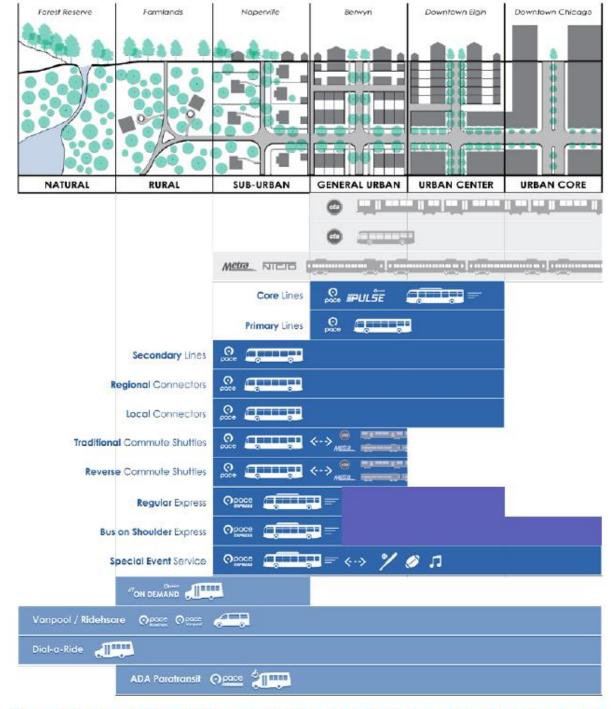


Figure 6. Existing Pace transit typologies by urban transect

Note - The top portion of the above illustration is modeled on the "Rural-to-Urban Transect" concept as featured in the Congress for the New Urbanism (CNU) Public Square Journal, and developed by DPZ Partners (cnu.org, 2017).

The specific municipalities displayed in the column headers are used for illustrative / example purposes only.

Source: Driving Innovation, Pace

Public investments can help or hinder the alignment between land use and transit service. Building on a context-sensitive approach, the state should consider how the allocation of transit funding (for both operating and capital investments) could encourage land use and development decisions that will support the system long-term. The companion PART materials on governance and funding allocation (some of which are still pending) will include additional details on how this principle could be incorporated into transit decision-making.

Given limited resources, these factors should also be considered when evaluating and implementing recommendations that will be included in other elements of the PART report — particularly in a constrained package of system improvements. For example, the complementary PART memo on regional rail outlines the scale of operating and capital investments that could be required to support Metra's evolution to a more all-day and frequent network. Those investments would enable greater levels of transit service to communities throughout the region. But as highlighted above, its success and financial viability would depend significantly on the market context surrounding stations. That context could be a leading factor in prioritizing corridors for initial implementation in a multi-phase approach.

More generally, the state could also consider other strategies that would reinforce local actions to align land use and transit service. For example, the state could make dedicated matching funds available for communities (or groups of communities) that are interested in purchasing additional service^{20, 21} if those communities have adopted transit-supportive land use policies and practices. This should not affect baseline levels of transit service as established by regional transit service providers but could support local efforts to boost service beyond what is possible with existing resources.²² The level of any state match could also vary to reflect local community capacity — for example, providing greater resources in disinvested areas. This would mirror IDOT's commitment to cover the local match portion of federal grants for communities in the highest-need tier of CMAP's Community Cohorts.²³

²² Where transit lines span multiple communities or service enhancements could divert resources from existing service, this program could encourage multiple communities to pursue enhanced service along a shared transit corridor. Such subregional initiatives would help to optimize available public resources and boost ridership.

²³ "CMAP's Cohorts Tool Can Help Communities Apply Equity Lens to Funding Decisions," Chicago Metropolitan Agency for Planning, July 24, 2020, https://www.cmap.illinois.gov/updates/all/-



²⁰ As a local example, under the Fair Transit South Cook pilot program, Cook County funded fare discounts and an expansion of fixed route service from Pace and Metra. This included significant investments in increased frequency on Pace's Route 352, such as by cutting weekday peak headways from every 30 minutes to every 10 minutes. For more information, see: https://www.cookcountyil.gov/sites/g/files/ywwepo161/files/documents/2022-05/Fair%20Transit%20South%20Cook%20First%20Year%20Report_0.pdf.

²¹ For example, Seattle, Washington has invested in additional transit service through the Seattle Transportation Benefit District (STBD). This program, which is enabled by state law and funded by a combination of local vehicle fees and sales taxes, allows the city to purchase more frequent bus service than would otherwise be available from regional transit operators. It also funds capital projects and low-income fares. For more information, see: City of Seattle. "Seattle Transportation Benefit District Year 5 Performance Report." seattle.gov, 2020. https://www.seattle.gov/documents/Departments/SDOT/TransitProgram/STBD/STBDYear5AnnualReport_DRAFT_ 102020 LowRes.pdf.

Recommendation: Support private sector shifts in travel behavior

While the public sector can play a role in directly funding and developing transit-supportive land use projects, most of the region's land use and development decisions involve private actors. Every day, developers and other private businesses make choices about where to locate, what to build, what benefits to provide to their employees, and more.

Those choices have enormous potential to shape regional residents and employees' travel behavior – either toward transit, or away from it. The section below provides examples of the kinds of actions that the state and local governments could take to support shifts in these decisions toward practices that make it easier for transit to succeed.

Develop a comprehensive framework of transportation demand management requirements and incentives for employers

While remote work has grown significantly since the COVID-19 pandemic began, most workers continue to work in person at least some of the time. The commute to and from work is not the only type of trip travelers take, nor is it the only type of trip supported by transit. But commute trips are an important element of overall regional travel, and the regional transit system is especially well-suited to serving many of those trips. Together with other trips to school or shopping, workers' timing and mode choices also set many of the major conditions under which any transportation and transit agency needs to operate.

The public sector can encourage the use of transit for these trips through the kinds of direct actions and investments outlined in the prior section. But through their regulatory and spending powers, state and local governments can also reshape the incentives for the private sector decisionmakers who also have a significant role in influencing travel behavior. State and local governments should thus consider adopting requirements and/or incentives that make it more likely for employers to support transit and other non-car travel options.

One model for the state to consider is to require employers to develop **Commute Trip Reduction Programs (CTRPs)**. Through these programs, employers are required to set targets for reductions in commutes by single occupancy vehicle, and to provide sufficient benefits or incentives to their employees so that those targets can be attained.

CTRPs can combine commuter financial incentives, telecommuting, alternative work schedules, vanpooling, parking management, employee outreach, last-mile connections to transit, and

[/]asset_publisher/UIMfSLnFfMB6/content/cmap-s-cohorts-tool-can-help-communities-apply-equity-lens-to-funding-decisions.



other tactics to provide workers with more transportation options and encourage transit ridership. The State and local governments could require large employers to create CTRPs geared towards reducing workers' VMT. Common examples apply to worksites in urbanized areas with some minimum threshold of employees (e.g., 50 or 100).

The most robust CTRP model in the United States exists in the Washington state. Washington adopted the Commute Trip Reduction (CTR) Law in 1991, with additional changes adopted in the CTR Efficiency Act (2006).²⁴ The law requires each county and city with an urban growth area to adopt a CTRP and ordinance with goals and requirements on major employers to reduce single-occupancy trips to their worksites.²⁵ As shown in Figure 7 below, participants in the program are significantly less likely to drive alone to work than both national and state averages.



Figure 7. CTR participants are significantly less likely to drive alone than their peers

Source: WSDOT²⁶

This approach would also build on existing state and local actions. For example, recently signed legislation will require large employers within one mile of transit in the RTA region to



²⁴ "Commute Trip Reduction Law: Update 2021" (Washington Department of Transportation, September 2021), https://wsdot.wa.gov/sites/default/files/2021-11/Commute-Trip-Reduction-Program-Report-Sept2021.pdf.

²⁵ "Transportation Demand Management—Findings." Washington State Legislature. Accessed June 15, 2023. https://app.leg.wa.gov/RCW/default.aspx?cite=70A.15.4000.

²⁶ "Commute Trip Reduction Law: Update 2021."

participate in the federal pre-tax transit benefits program.²⁷ The City of Chicago also recently required new developments above a certain size to create a transportation demand management (TDM) plan, and to set targets for single-occupancy vehicle mode share reduction.²⁸

The state could also consider strategies to **incentivize private employers to provide greater support for transit**. Colorado recently passed legislation that will provide refundable tax credits to employers that offer benefits for non-car travel options, such as transit passes.

Evaluation

Policy

Category	Rating	Rationale
Mobility	Medium/ High	The effectiveness of this program would depend on the scale and enforcement of any new program. At a state or regional level, it could significantly expand access to regional opportunities.
Equity	High	Lower income workers are often transit dependent. Increasing access to jobs through modes other than a car will increase opportunities for those who do not own a private vehicle.
Environment	Medium/ High	Similar to "Mobility", the success of this program would depend on scale. Mode shift toward transit and away from SOV would have significant positive benefits for the environment at scale.
Economy	High	Improving access to jobs through multiple modes of transportation will increase available opportunities for employees and boost employers' access to the talent pool. Easier commutes will also support employee retention.
Regional benefit	Regional	Applicable to the entire RTA region. The greatest benefits may be to areas that currently have difficulty attracting and retaining employees due to transportation challenges.

https://www.chicago.gov/content/dam/city/depts/cdot/CDOTPRC/Guidelines%20 for%20 TDM%20 Requirement%20 V1.1%20 FINAL%20 DRAFT.pdf.



²⁷ "Legislation Expands Transit Benefit Program to Workplaces across the Chicago Region," Regional Transportation Authority, July 28, 2023, https://www.rtachicago.org/blog/2023/07/25/legislation-expands-transit-benefit-program-to-workplaces-across-the-chicago-region.

²⁸ "Guidelines for Travel Demand Study and Management Plans" (Chicago Department of Transportation, June 16, 2023),

Process

Category	Rating	Rationale
Administrative feasibility	Low	Requires standing up a new administrative structure.
Political feasibility	Low/ Medium	The difficulty would depend on the degree of requirements in the program – an incentive-based program would likely face less opposition.
Timing	Near/ Medium	Full implementation of a CTRP requirement would take several years; a tax credit program could be established within 12 months.
State span of control	Medium	The state has the power to establish and require the creation of a CTRP or similar program, and has previously done so (e.g., the Illinois Commute Options program). Similarly, the state has full control over its tax credits and other spending programs. However, effectiveness would rely on actions by private entities.

Net cost / investment

The primary cost to the public sector of a CTRP or similar program would be in the staffing and administration necessary to monitor compliance. However, a Colorado-style tax credit program would entail ongoing revenue loss; this would be partially but not fully offset by additional fare revenue due to increased transit ridership.

Leverage development impact fees to support transit

In some jurisdictions of northeast Illinois, property developers are subject to "impact fees" as a condition of completing a development. These fees are a way to alleviate the cost of infrastructure and upkeep associated with new development that would otherwise be imposed on the local government's infrastructure and services. These impact fees are normally one-time payments to the local government and are usually determined based on the size of the proposed development. However, based on existing requirements, impact fees cannot be used to support many kinds of transit investments.

The state should expand the eligible uses for impact fees in the highway code to include transit infrastructure. The state and local governments should also consider how impact fees might vary based on the existing development context surrounding a proposed development. For example, in Kane County, developers pay a lower impact fee if their development follows "smart growth" principles. A developer can get up to a 10 percent reduction for supporting alternative transportation for employees and customers. This includes locating near Pace or



Metra services, along a transit supportive corridor, or near regional bike and pedestrian trails if providing connecting infrastructure.²⁹

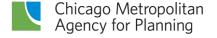
Expanding the allowable uses to include transit infrastructure would allow communities to work with regional transit providers to invest in the quality of their transit service and rider experience. Capital investments in signal priority, queue jumps, enhanced shelters with real time information, and ADA compliance support reliable and accessible transit service.

Evaluation

Policy

Category	Rating	Rationale
Mobility	Medium	Impact fees could support the enhancement of transit infrastructure. Depending on the capital investments this could improve access and on-time performance of transit.
Equity	High	Using impact fees to enhance transit infrastructure benefits populations that are often lower-income and transit dependent.
Environment	Medium	Environmental impact depends on the fee structure and what infrastructure projects are funded with the fees.
Economy	Medium	If paired with investments to increase the accessibility of a given development, impact fees should have a modest positive effect on overall economic opportunities.
Regional benefit	Regional	This tool would be available to communities throughout the region.

^{2027%20}CRIP,%20Ordinance,%20and%20Fee%20Schedule/Ordinance%20Adopted%2012.2022.pdf.



²⁹ "AMENDING ORDINANCE NO. 22-27 KANE COUNTY ROAD IMPROVEMENT IMPACT FEE ORDINANCE" (2022), http://kdot.countyofkane.org/Impact%20Fees/2022-

Process

Category	Rating	Rationale
Administrative feasibility	Medium	Additional administration is required for impact fee calculation and collection.
Political feasibility	Medium/ High	Kane County, IL has implemented impact fees to fund road improvements with consideration for transit supportiveness. The addition of transit infrastructure as an eligible expense is aligned with this approach. However, existing beneficiaries of impact fee revenue may have concerns.
Timing	Medium	Implementation would be up to each community. Technical assistance can be provided to promote adoption of impact fees.
State span of control	High	The state can modify the highway code to include transit infrastructure as an eligible expense for impact fees.

Net cost / investment

This program would generate new revenues to support regional transit, either by allowing a new use of existing funds or by increasing available revenues from increased or new impact fees. Any discounts to account for transit-supportiveness could be offset by other changes to impact fee levels. The costs of administration should be subtracted from revenues before any additional funds are leveraged to support transportation investments.

Streamline processes for transit-supportive developments

One of the most important factors in the success of a development project is the development review process. In some cases, these processes are straightforward. For example, if a development is allowed under existing zoning policies (often referred to by the term "as of right"), a developer may be able to proceed relatively quickly.

However, developers can also face what can be a lengthy and time-consuming process, particularly if a project would not be allowed under existing zoning rules or regulations. This is especially true for many kinds of transit-supportive projects, such as those with increased density or limited parking, which are often not allowed under existing zoning codes.



To increase the number and speed of transit-supportive development projects in the region, local communities should consider how they can create a more streamlined review and approval process for transit-supportive developments near existing transit nodes. Streamlining the approval process should accelerate development timelines and reduces costs, enabling greater levels of development, including developments that can appeal to residents and businesses at varying levels of income and affordability.

Case Study: Streamlining transit-supportive development in Massachusetts

In 2022, Massachusetts adopted new policies to streamline transit-supportive development in communities served by the Massachusetts Bay Transportation Authority (MBTA) mass transit system. These "MBTA communities" are required to have at least one zoning district in proximity to transit in which a set amount of multi-family housing is permitted by right. These policies apply to more than 170 Massachusetts municipalities, with a goal of encouraging TOD as a strategy for supporting affordability, improving access to jobs, increasing transit ridership, and advancing sustainability.³⁰

Communities could build on recent successful efforts elsewhere in the region. For example, in 2012 the City of Blue Island created a new zoning district for a designated TOD area. This district created a streamlined approval process and clear timelines for reviews. The streamlined process works as an incentive to developers to meet the existing regulations to avoid costly hearings and approvals processes. This new district empowered city staff to approve certain projects based on zoning regulations.³¹

Evaluation

Policy

Category	Rating	Rationale
Mobility	Medium	Policy does not explicitly create more or improve transit. The policy does place more riders within the walkshed of transit. This will increase ridership, as convenience is one of the most important factors for people to choose transit
<u>A</u> TA Equity	Medium/ High (varies)	At scale, this strategy could increase the availability and affordability of housing and opportunities in proximity to transit. However, specific impacts would vary based on the number of communities that pursue these practices.

³⁰ "Multi-Family Zoning Requirement for MBTA Communities," Mass.gov, accessed August 1, 2023, https://www.mass.gov/info-details/multi-family-zoning-requirement-for-mbta-communities.

³¹ Regional Transit Authority. "Streamlining the Entitlement Process for Transit-Oriented Development: Setting Ideas Into Motion." RTA. Accessed June 15, 2023. https://www.rtachicago.org/uploads/files/general/Drupal-Old/documents/plansandprograms/landusetod/Streamlining_The_Entitlement_Process_Best_Practices_Report.pdf.



Environment	Medium	Impacts would vary based on the scale of the program, but should have positive impacts due to enabling more regional residents to live and work in proximity to transit.
Economy	Medium	Impacts would vary based on the scale of the program, but should have positive impacts due to enabling more regional residents to live and work in proximity to transit.
Regional benefit	Regional	These changes could support new transit-supportive developments in communities throughout the region.

Process

Category	Rating	Rationale
Administrative feasibility	High	Can be integrated into existing state and local permitting processes. Removes administrative requirements for the kinds of developments specified in the program
Political feasibility	Low/ Medium	Existing efforts in municipalities like Blue Island demonstrate that reforms are feasible. However, there are likely to be concerns from some communities about the impacts of these changes on their existing built environment.
Timing	Medium/ Long	Could be achieved incrementally; development impacts would lag changes to development review policies.
State span of control	Low/ Medium	This recommendation relates to local reforms. The state could play a role in supporting local action.

Net cost / investment

These changes would require staff time to consider and implement new policies. However, there should not be significant additional ongoing costs related to these policies; streamlined processes, additional development, and increased transit ridership should lead to a net influx of revenues.



Principle: Consider the land use and development impacts of potential new revenue sources for transit

In addition to these targeted land use and development recommendations, the state should consider the wider effects of related PART revenue recommendations on land use and development decisions.

For example, the complementary PART memo on road system revenues notes that increased parking taxes could help to fund transit needs. This revenue source would have both direct and indirect effects on regional land use, development, and travel decisions.

CMAP research has found that increasing the price of parking is one of the most effective strategies to increase transit ridership.³² Chicago, Cook County, and the state currently assess a tax on commercial parking, but revenue from those taxes does not support regional transit. An increased tax on parking, either on the users of paid commercial parking or assessed on parking lot owners,³³ could have significant positive impacts on the transit system. Depending on the structure, an increased parking tax could also encourage parking lot owners to consider alternative (and more economically productive) uses of land currently dedicated to parking.

Parking taxes are just one example of revenues with these "co-benefits" for transportation and land use. Other strategies, such as tolling, congestion pricing, and increases to vehicle-related fees, could similarly encourage greater alignment between land use, development, and the viability of regional transit. And while there are many factors that will influence potential state and local action to secure the revenue necessary to support transit, the complementary transportation effects of those revenues should be an importance consideration, particularly as the state considers what a sustainable, long-term solution to both transit and broader transportation system revenue concerns.

³³ For example, cities like Montreal, Canada and Nottingham, UK impose a per-space excise tax on non-residential parking spaces.



³² "Transit Ridership Growth Study" (Chicago Metropolitan Agency for Planning, 2017), https://www.cmap.illinois.gov/documents/10180/0/Transit+Ridership+Growth+Study_final.pdf.

Long-term considerations: Strengthening the connection between transit and land use

In the absence of a stronger alignment between transit and land use, the region's transit system will continue to face challenges to its effectiveness, efficiency, and financial viability. If adopted, the strategies, recommendations, and principles outlined above would make significant progress toward strengthening those connections. In the longer term, these changes could be reinforced by additional strategies to reshape the decision environment for both transit and land use.

The following strategies provide examples of these kinds of approaches, but are not meant to be exhaustive. CMAP and regional partners should continue to study and refine these potential approaches, including through the agency's ongoing work to prepare for the development of the next regional comprehensive plan.

Strengthening transit's role in development

Development decisions matter a great deal to the success of transit systems. However, while transit agencies do commonly own at least some commercial real estate (e.g., concession space within transit stations), real estate development is typically not a core function of most transit agencies in the U.S. Indeed, transit agencies are often only consulted about the impacts of a development after it is completed – leaving them in the difficult position of providing service to a development that may (or may not) have been built with the success of transit in mind.

Transit could play a greater role in these discussions and decisions. Regional transit providers could engage in multiple stages throughout the development process, including financing development, engaging in development policy and review, or even acting as a developer. The state and regional public agencies should assess how regional transit providers could assume more active roles in advancing transit-supportive projects in region.

Case Study: Agency-Led Planning & Development Management

Metropolitan Atlanta Regional Transportation Authority (MARTA)

In addition to its transit functions, MARTA operates an Office of Transit Oriented Development & Real Estate. This office performs standard real estate functions (e.g., property acquisition, disposition) to manage the agency's own transit facilities, but it also manages TOD initiatives along its corridors. These TOD initiatives include site selection, marketing, proposal issuance and review, deal structuring/negotiation, and development oversight. MARTA often plays an important role in establishing site control around its station areas by collaborating



with the City of Atlanta, Atlanta Housing, the Metro Atlanta Land Bank, and private/non-profit partners like Invest Atlanta and the Atlanta Beltline.³⁴

Leveraging increased property values to support transit investments

In addition to the beneficial effects of new transit-supportive developments, these kinds of strategies can also yield additional revenue to invest in transit.

The state has already recognized the fact that high-quality public transit increases nearby property values through its adoption of the "Transit TIF" program.³⁵ Through this program, regional transit providers have been permitted to create new tax increment financing districts in support of specified transit projects. The relationship between quality transit service and surrounding land values makes enhanced transit service a logical eligible expense for TIF-generated dollars. The state could consider building upon this program for other transit investments, such as those necessary to advance the complementary recommendations on Metra's evolution to regional rail.

Addressing the broader development environment

Beyond these transit-specific considerations, the state, regional partners, and CMAP should continue to assess how the regulatory and policy environment impacts regional development decisions. Such assessments should be informed by ongoing research and work in northeastern Illinois as well as other regions and states, which have explored changes to parking minimums (e.g., California³⁶), the allowance of accessory dwelling units (e.g., Chicago³⁷), and adjustments to zoning and density in proximity to transit (e.g., Massachusetts³⁸).

Through the next regional planning process, northeastern Illinois stakeholders could also explore how planning efforts at the regional, sub-regional, and local level could be better aligned. If successful, this alignment could enable localities to identify context-appropriate

³⁷ "Additional Dwelling Units (ADU) Ordinance," City of Chicago, accessed August 1, 2023, https://www.chicago.gov/city/en/depts/doh/provdrs/homeowners/svcs/adu-ordinance.html. ³⁸ "Multi-Family Zoning Requirement for MBTA Communities."



³⁴ "MARTA CELEBRATES COMPLETION OF EDGEWOOD/CANDLER PARK TRANSIT-ORIENTED DEVELOPMENT," MARTA, September 30, 2022, https://www.itsmarta.com/marta-celebrates-TOD-completion.aspx.

³⁵ "Legislation Creates an Innovative Mechanism to Fund Major Transit Infrastructure," Chicago Metropolitan Agency for Planning, 2016, https://www.cmap.illinois.gov/updates/all/-

[/]asset_publisher/UIMfSLnFfMB6/content/legislation-creates-an-innovative-mechanism-to-fund-major-transit-infrastructure.

³⁶ Andrew Khouri, "California to Ban Parking Minimums near Transit," *Los Angeles Times*, September 23, 2022, https://www.latimes.com/california/story/2022-09-23/newsom-bill-banning-parking-requirement-transit-housing-climate-change.

strategies to achieve regional goals, including how best to support regional transit with complementary land use and development decisions.

