

The City of Chicago’s proposed 2015 TOD ordinance

Estimated impacts on development area and economic benefits

July 2015

Proposed ordinance summary

The proposed 2015 City of Chicago Transit-Oriented Development (TOD) ordinance would expand the applicability of the ordinance passed in 2013 to one quarter-mile from rail station entrances or one half-mile when properties are located along a street designated as pedestrian-oriented by the City of Chicago (a P street). It would eliminate parking requirements for all uses, including housing and provide a boost in density for projects locating a significant share of affordable housing on site. The ordinance would adjust the development review process to allow Administrative Adjustment for projects, rather than a more complicated and time-consuming zoning map amendment.

The Metropolitan Planning Council (MPC) has conducted an initial estimate of the impacts of the ordinance on areas available for development (pages 1 to 5) and evaluated potential economic benefits (pages 6 to 9).

Land impacts

The ordinance suggests that it would more than double the parcel area that would qualify as-of-right for density increases and parking minimum reductions, and it would increase by more than tenfold the area qualifying for parking minimum reductions.

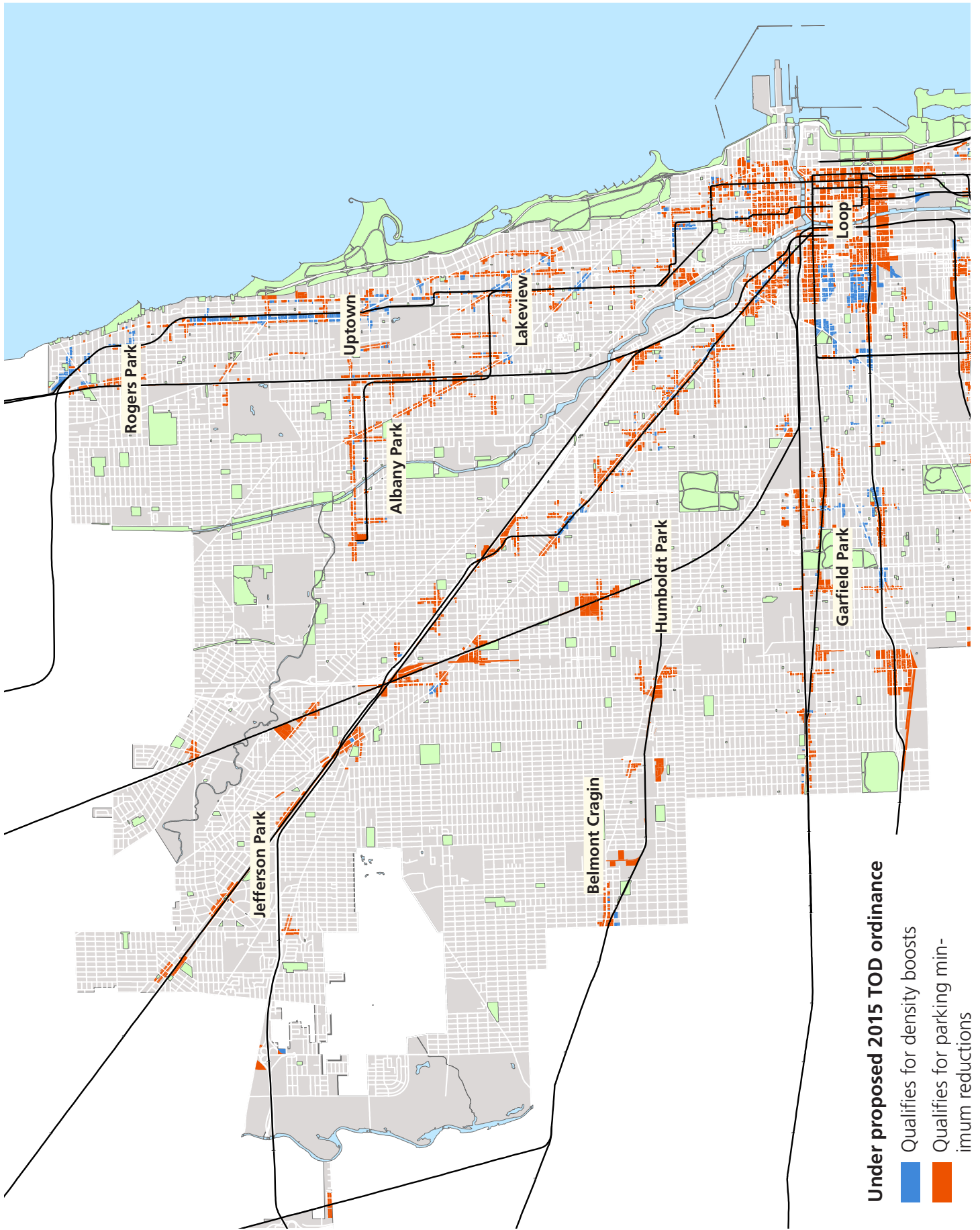
The impacts on density increases would be most applicable to neighborhoods with a significant number of sites zoned for mixed-use developments with floor area ratios of 3 (B-3; C-3; D-3), since those are the areas that qualify for density boosts. The Near West Side would account by far for the largest upzone through this proposal, accounting for about one-fifth of land affected. Other areas with significantly impacted areas are Uptown, Edgewater, Grand Boulevard, Rogers Park, Lakeview, Woodlawn and the Near South Side.

Community Areas that would not be significantly impacted by this upzone include the Loop, Beverly, North Lawndale, Humboldt Park, Avondale, Jefferson Park, North Center, Albany Park and Englewood.

The impacts on parking minimum increases would be most applicable to the areas near the city center, including the Loop, Near West Side and Near North Side, which together would account for a quarter of all the area affected by the minimums decreases. But many other neighborhoods also would benefit.

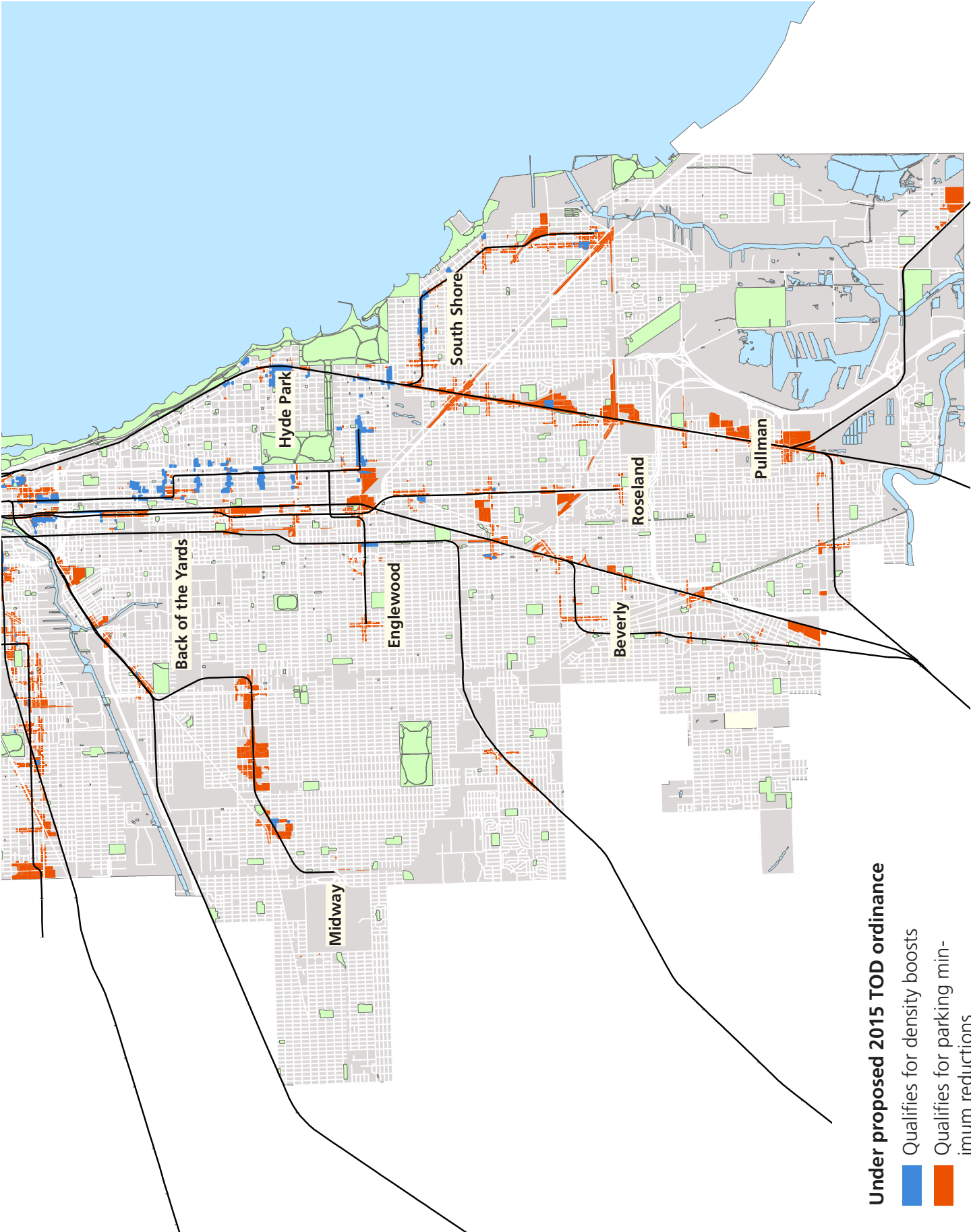
Comparison of impacts: 2013 TOD ordinance vs. 2015 proposal

	2013 TOD ordinance	2015 TOD ordinance proposal	Change
Qualifies for density boosts and parking minimum reductions	13 million sq. ft. of parcel area	31 million sq. ft.	+138%
Qualifies for parking minimum reductions only	86 million sq. ft.	957 million sq. ft.	+1,013%



Under proposed 2015 TOD ordinance

- Qualifies for density boosts
- Qualifies for parking minimum reductions



Under proposed 2015 TOD ordinance

- Qualifies for density boosts
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Impacts on affected parcels by Community Area

Community Area	Qualifies for density boosts		Qualifies for parking minimum reductions		Community Area (sq. mi.)
	sq. mi.	standard lots	sq. mi.	standard lots	
ALBANY PARK	0.01	48	0.06	546	1.9
ARCHER HEIGHTS	-	-	0.03	283	2.0
ARMOUR SQUARE	0.02	162	0.09	820	1.0
ASHBURN	-	-	0.05	486	4.8
AUBURN GRESHAM	0.00	24	0.13	1,141	3.8
AUSTIN	0.01	98	0.34	3,032	7.1
AVALON PARK	-	-	0.04	399	1.2
AVONDALE	0.00	14	0.09	801	2.0
BELMONT CRAGIN	-	-	0.05	414	3.9
BEVERLY	-	-	0.05	462	3.2
BRIDGEPORT	0.00	1	0.10	891	2.1
BRIGHTON PARK	-	-	0.15	1,326	2.7
BURNSIDE	-	-	0.17	1,491	0.6
CALUMET HEIGHTS	-	-	0.09	799	1.8
CHATHAM	0.01	112	0.25	2,202	3.0
CHICAGO LAWN	-	-	-	-	3.5
CLEARING	-	-	0.00	8	2.6
DOUGLAS	0.04	356	0.01	68	1.7
DUNNING	-	-	-	-	3.7
EAST GARFIELD PARK	0.04	389	0.15	1,323	1.9
EAST SIDE	-	-	-	-	3.0
EDGEWATER	0.07	652	0.09	789	1.8
EDISON PARK	-	-	0.03	293	1.1
ENGLEWOOD	0.01	87	0.09	847	3.1
FOREST GLEN	-	-	0.05	411	3.2
FULLER PARK	-	-	0.14	1,234	0.7
GAGE PARK	-	-	0.15	1,312	2.2
GARFIELD RIDGE	-	-	0.00	6	4.2
GRAND BOULEVARD	0.06	543	0.06	509	1.7
GREATER GRAND CROSSING	0.01	120	0.41	3,674	3.5
HEGEWISCH	-	-	0.11	951	5.3
HERMOSA	-	-	0.05	466	1.2
HUMBOLDT PARK	0.00	13	0.03	301	3.6
HYDE PARK	0.04	327	0.03	275	1.6
IRVING PARK	0.00	17	0.16	1,413	3.2
JEFFERSON PARK	0.00	33	0.13	1,141	2.3
KENWOOD	0.01	95	0.00	28	1.0
LAKEVIEW	0.05	476	0.22	1,955	3.1
LINCOLN PARK	0.02	211	0.09	796	3.2

Community Area	Qualifies for density boosts		Qualifies for parking minimum reductions		Community Area (sq. mi.)
	sq. mi.	standard lots	sq. mi.	standard lots	
LINCOLN SQUARE	0.01	88	0.10	870	2.6
LOGAN SQUARE	0.03	227	0.22	1,934	3.6
LOOP	-	-	1.25	11,157	1.6
LOWER WEST SIDE	0.00	44	0.20	1,764	3.0
MCKINLEY PARK	0.00	2	0.06	516	1.4
MONTCLARE	0.00	15	0.04	388	1.0
MORGAN PARK	-	-	0.11	963	3.3
MOUNT GREENWOOD	-	-	-	-	2.7
NEAR NORTH SIDE	0.04	343	0.50	4,435	2.8
NEAR SOUTH SIDE	0.05	473	0.13	1,166	1.8
NEAR WEST SIDE	0.21	1,884	0.55	4,873	5.6
NEW CITY	-	-	0.06	543	4.9
NORTH CENTER	0.00	25	0.10	892	2.0
NORTH LAWNSDALE	0.00	3	0.23	2,067	3.2
NORTH PARK	-	-	-	-	2.5
NORWOOD PARK	0.00	41	0.07	583	4.4
OAKLAND	-	-	-	-	0.6
O'HARE	-	-	0.09	807	13.5
PORTAGE PARK	0.01	54	0.08	705	3.9
PULLMAN	-	-	0.21	1,830	2.2
RIVERDALE	-	-	0.12	1,042	3.6
ROGERS PARK	0.06	533	0.08	743	1.8
ROSELAND	-	-	0.10	936	4.8
SOUTH CHICAGO	0.01	88	0.22	1,972	3.3
SOUTH DEERING	-	-	0.00	9	10.8
SOUTH LAWNSDALE	0.00	25	0.11	973	4.6
SOUTH SHORE	0.04	313	0.11	992	2.9
UPTOWN	0.08	726	0.12	1,047	2.3
WASHINGTON HEIGHTS	0.00	3	0.12	1,047	2.8
WASHINGTON PARK	0.01	120	0.04	346	1.5
WEST ELSDON	0.01	61	0.06	546	1.2
WEST ENGLEWOOD	-	-	0.04	315	3.2
WEST GARFIELD PARK	0.01	133	0.05	452	1.3
WEST LAWN	-	-	0.00	19	3.0
WEST PULLMAN	-	-	0.10	897	3.6
WEST RIDGE	-	-	0.01	64	3.5
WEST TOWN	0.04	340	0.27	2,447	4.6
WOODLAWN	0.05	474	0.02	159	2.1
CITYWIDE	1.10	9,782	9.24	82,393	218.8

Economic impacts

New transit-oriented development has the potential to improve the economic and social health of neighborhoods around our city by bringing new residents, retail sales and tax revenues into communities and by increasing options for existing residents.

Pages 8 and 9 provide neighborhood-by-neighborhood estimates showing the economic impacts of a typical mixed-use apartment building with 100 housing units and 5,000 sq. ft. of retail space. The overall impact is positive for communities across the city.

This baseline analysis is predicated on approval of a revised TOD ordinance, but *does not include parcels that might receive a zoning change*; it only estimates impacts based on available parcels covered by the ordinance as-of-right.

Key findings suggest that the ordinance could produce the following benefits over 20 years:

- About 60,000 to 70,000 new housing units located within a half-mile of the city of Chicago's rail stations, housing more than 110,000 people. This represents a 50 percent increase in construction compared with existing zoning, which would limit development to about 40,000 units.
- About \$450 million in additional annual local retail sales, resulting from additional people living and working in new developments.
- About \$195 million in total new annual revenues from property, sales and transfer taxes, with \$50 million of that going to the City of Chicago, \$15 million to regional transit providers, about \$60 million to Chicago Public Schools and the remainder going to other city services.
- Around 1,300 affordable housing units located on site as part of new developments and about \$150 million deposited over the period into the City's Affordable Housing Opportunity Fund through in-lieu fees related to the Affordable Requirements Ordinance (ARO).

Estimates of economic impacts from projects that could be developed under 2015 ordinance, at conclusion of 20-year development period (between now and 2035).

	Annual local retail sales	Annualized tax revenues	Residents	Housing units
Development on parcels that qualify for density boosts and parking minimum reductions	~\$170 million	~\$70 million	~45,000	~25,000
Development on parcels that qualify for parking minimum reductions only	~\$280 million	~\$125 million	~70,000	~40,000
Total	~\$450 million	~\$195 million	~115,000	~65,000

For comparison, over the past 10 years, the city of Chicago has averaged 6,204 new housing units per year, according to the U.S. Census Bureau, of which 4,870 were in multi-family buildings with five or more units. Regionally, the same figures were 20,824 and 7,134 units, respectively. Over a 20-year period, then, the new production provided by this ordinance could account for about 15 percent of the expected regional total.

Estimates of annualized revenues from property, sales and transfer taxes derived directly from residents and workers in projects that could be developed under 2015 ordinance, at conclusion of 20-year development period.

	Annualized tax revenues	Increase over annualized revenues if projects were developed under existing zoning
City of Chicago	~\$50 million	+\$20 million
Chicago Transit Authority, Metra, Pace and Regional Transportation Authority	~\$15 million	+\$5 million
Cook County	~\$15 million	+\$5 million
State of Illinois	~\$30 million	+\$10 million
Metropolitan Water Reclamation District	~\$5 million	+\$2 million
Chicago Public Library	~\$2 million	+\$1 million
Chicago Public Schools	~\$60 million	+\$20 million
City Colleges of Chicago	~\$3 million	+\$1 million
Park District of Chicago	~\$5 million	+\$2 million
Forest Preserve of Cook County	~\$1 million	+\$0.5 million

Methodology

These estimates were produced by identifying parcels that would become newly available for development under a revision of the TOD ordinance, both in terms of allowed increases in density and reductions in required parking. These parcels were divided by Community Area (see pages 4 to 5).

Each Community Area was assigned a density level corresponding to that neighborhood’s attributes; it might be possible to build a 100-unit building on a 12,500 sq. ft. parcel (four standard lots) downtown, but in areas further away and without much neighborhood density, the same project could require a 31,250 sq. ft. parcel (10 standard lots). This informed how much could be built in each area. To determine buildable potential, existing zoning is assumed to limit lots to about 18 housing units per 10,000 sq. ft. parcel because of density limitations and parking requirements. This number is increased to 25 units if the parking minimum requirements are eliminated and 33 units if density increases are provided.

In addition, each Community Area was assigned a development potential level corresponding to current market demand; for example, it was assumed that new development is much more likely to occur in some neighborhoods where market demand is stronger (where 20 percent of affected parcels with a density increase and 5 percent of those with a parking requirement reduction would be redeveloped over 20 years) than it is in others where market demand is weaker (5 and 1 percent, respectively).

Finally, based on current use of the ARO, it was assumed that about half of the projects would take advantage of in-lieu payments for their affordable housing requirements, that a quarter would choose to place half of the units on site and that a quarter would place all on site.

Impacts from a typical 100-unit building near transit with 5,000 sq. ft. of retail

Community Area	Retail sales from residents and workers (1 year)	10 year property tax revenues	10 year sales tax revenues (from residents and workers)	10 year transfer tax revenues	Residents	Annual transit rides
ALBANY PARK	\$527,800	\$1,491,500	\$315,200	\$285,000	232	70,800
ARCHER HEIGHTS	\$461,700	\$1,010,100	\$280,100	\$202,800	244	35,800
ARMOUR SQUARE	\$435,500	\$843,800	\$392,800	\$199,100	190	21,000
ASHBURN	\$607,800	\$736,700	\$362,600	\$125,400	229	22,900
AUBURN GRESHAM	\$415,600	\$530,800	\$250,200	\$162,500	210	54,100
AUSTIN	\$440,800	\$934,800	\$263,100	\$88,400	211	25,900
AVALON PARK	\$484,600	\$722,700	\$292,300	\$101,800	179	48,000
AVONDALE	\$479,000	\$1,551,800	\$289,300	\$293,000	218	57,900
BELMONT CRAGIN	\$444,600	\$1,372,200	\$271,000	\$193,100	240	30,400
BEVERLY	\$693,900	\$696,800	\$420,500	\$72,200	181	28,700
BRIDGEPORT	\$488,500	\$934,800	\$294,300	\$279,500	193	34,100
BRIGHTON PARK	\$452,000	\$805,200	\$268,900	\$114,600	258	42,800
BURNSIDE	\$439,600	\$705,000	\$258,900	\$74,100	207	52,400
CALUMET HEIGHTS	\$580,600	\$824,000	\$347,900	\$54,700	215	46,900
CHATHAM	\$420,500	\$665,500	\$252,700	\$66,600	187	46,100
CHICAGO LAWN	\$434,300	\$666,500	\$259,800	\$84,100	233	15,800
CLEARING	\$538,900	\$735,400	\$321,100	\$197,100	198	12,600
DOUGLAS	\$459,800	\$844,100	\$272,900	\$88,400	162	40,600
DUNNING	\$566,100	\$1,404,600	\$335,500	\$313,700	196	23,200
EAST GARFIELD PARK	\$422,100	\$983,200	\$250,100	\$79,000	225	45,800
EAST SIDE	\$465,100	\$735,400	\$281,900	\$69,300	244	46,000
EDGEWATER	\$505,900	\$1,415,500	\$303,600	\$596,500	161	60,300
EDISON PARK	\$684,400	\$1,699,500	\$414,000	\$374,600	171	24,700
ENGLEWOOD	\$377,200	\$411,100	\$227,400	\$144,400	218	54,100
FOREST GLEN	\$757,700	\$1,766,600	\$456,200	\$358,800	181	27,500
FULLER PARK	\$308,000	\$646,400	\$209,200	\$129,500	178	33,600
GAGE PARK	\$458,600	\$784,800	\$272,300	\$91,100	267	39,900
GARFIELD RIDGE	\$588,600	\$953,200	\$352,200	\$189,000	200	23,200
GRAND BOULEVARD	\$448,400	\$647,100	\$273,000	\$177,600	187	48,800
GREATER GRAND CROSSING	\$418,300	\$570,700	\$251,500	\$100,800	200	62,600
HEGEWISCH	\$505,100	\$782,400	\$303,100	\$64,800	224	74,100
HERMOSA	\$432,900	\$1,332,600	\$264,800	\$185,400	240	52,300
HUMBOLDT PARK	\$415,800	\$1,146,500	\$250,300	\$114,000	228	39,200
HYDE PARK	\$586,000	\$621,800	\$359,200	\$154,600	161	40,400
IRVING PARK	\$594,200	\$1,508,500	\$355,300	\$307,300	205	38,700
JEFFERSON PARK	\$587,600	\$1,632,000	\$351,700	\$317,800	194	24,400
KENWOOD	\$576,200	\$719,700	\$345,600	\$184,500	167	50,000
LAKEVIEW	\$697,700	\$1,972,500	\$422,600	\$1,122,300	160	57,000
LINCOLN PARK	\$855,700	\$2,230,300	\$869,900	\$1,191,200	158	30,200

Community Area	Retail sales from residents and workers (1 year)	10 year property tax revenues	10 year sales tax revenues (from residents and workers)	10 year transfer tax revenues	Residents	Annual transit rides
LINCOLN SQUARE	\$645,300	\$1,630,300	\$382,900	\$658,300	172	54,000
LOGAN SQUARE	\$621,300	\$1,759,800	\$369,900	\$571,500	193	43,200
LOOP	\$750,800	\$2,027,800	\$742,400	\$589,900	152	35,600
LOWER WEST SIDE	\$448,000	\$982,500	\$410,800	\$301,500	215	39,600
MCKINLEY PARK	\$434,600	\$908,900	\$265,700	\$245,200	223	46,200
MONTCLARE	\$490,900	\$1,136,600	\$295,600	\$282,800	199	21,300
MORGAN PARK	\$563,000	\$6,682,000	\$333,900	\$61,900	194	25,400
MOUNT GREENWOOD	<i>No development areas within a half-mile of rail transit stations.</i>					
NEAR NORTH SIDE	851,200	2,255,200	865,500	1,208,500	148	33,700
NEAR SOUTH SIDE	668,400	1,517,800	662,900	496,100	158	32,400
NEAR WEST SIDE	653,500	1,336,000	643,000	612,400	173	34,700
NEW CITY	427,700	685,900	256,400	145,900	254	43,400
NORTH CENTER	781,500	1,792,900	480,600	1,003,700	167	40,900
NORTH LAWNDALE	417,800	936,200	247,900	49,800	239	33,200
NORTH PARK	605,200	1,542,600	361,200	387,800	192	17,900
NORWOOD PARK	598,900	1,584,600	366,400	330,700	189	16,100
OAKLAND	426,200	791,300	255,600	185,900	182	40,700
O'HARE	<i>Unconventional development area limits analysis.</i>					
PORTAGE PARK	538,700	1,478,500	321,000	267,900	199	28,700
PULLMAN	461,500	722,400	273,800	70,900	197	42,500
RIVERDALE	293,700	718,000	200,900	61,700	225	38,900
ROGERS PARK	463,900	1,184,700	281,300	354,200	185	46,800
ROSELAND	471,600	673,600	279,000	53,100	220	32,000
SOUTH CHICAGO	425,800	592,500	255,400	85,300	207	53,200
SOUTH DEERING	418,700	659,300	251,700	62,800	237	40,200
SOUTH LAWNDALE	442,300	1,019,300	260,300	67,900	258	29,200
SOUTH SHORE	404,900	535,200	244,600	76,800	176	50,900
UPTOWN	530,600	1,552,500	316,700	713,800	160	50,200
WASHINGTON HEIGHTS	438,900	557,700	267,900	83,500	208	41,700
WASHINGTON PARK	397,000	632,700	237,400	66,600	207	72,100
WEST ELSDON	468,800	929,700	283,800	219,000	257	28,500
WEST ENGLEWOOD	404,900	430,200	241,400	139,100	250	56,000
WEST GARFIELD PARK	392,200	853,700	235,000	64,100	245	75,400
WEST LAWN	482,500	842,700	291,100	172,500	227	9,800
WEST PULLMAN	432,200	577,200	264,400	44,900	259	47,400
WEST RIDGE	544,100	1,155,400	323,900	343,100	222	42,700
WEST TOWN	666,000	1,800,700	65,500	754,100	184	40,900
WOODLAWN	419,300	532,500	252,100	83,700	188	25,200

For more information

Metropolitan Planning Council
140 S. Dearborn, Ste. 1400
Chicago, Ill. 60603

@metroplanners
metroplanning.org/growchicago

Project Manager Yonah Freemark
yfreemark@metroplanning.org
312 863 6021