

Harvey Developer Panel Report

Regional Transportation Authority
March 2022



INTRODUCTION

Since 1998, the RTA's Community Planning program has provided funding and technical assistance for transit-oriented planning and implementations initiatives with local partners throughout the six-county service area. The goal is to foster the growth of sustainable, equitable, walkable, and transit-friendly communities around transit assets through encouraging transit-supportive land uses and infrastructure. The program aids in local economic development and increasing equitable access to employment centers and amenities to serve the constantly evolving needs of our diverse population.

The Community Planning program continues to be an important tool in the region for implementing transit-oriented development (TOD). Throughout the 23-year history of the program, the RTA has invested over \$22 million in federal, local and RTA funds and collaborated on 219 projects. Collaborating partners include the RTA Service Boards (CTA, Metra, and Pace), all six county governments within the service area, several councils of mayors, and over 175 local governments.

Through its support for transit-oriented planning throughout the region, the Community Planning program builds on the strength of our transit network to promote more sustainable and livable communities that deliver value on our transit investments for both local partners and the Service Boards.



Aerial view of the Pace Harvey Transportation Center and the Harvey Metra Station

TOD DEVELOPER DISCUSSION PANELS

One important element of the Community Planning program is the focus on projects and activities that implement completed planning studies, including Developer Discussion Panels. The RTA partners with the Urban Land Institute (ULI) Chicago, a professional organization of real estate and land use experts, to connect local governments with development professionals to facilitate practical discussions on the market potential of opportunity sites. These half-day events are intended for those municipalities that have completed a TOD plan but need additional assistance in drawing transit-supportive projects to their area. In 2020, the RTA awarded technical assistance to the City of Harvey to update its downtown station area plan, which was completed in 2005. Unlike other Developer Discussion Panels which are conducted after a TOD plan is completed, this Panel was conducted during the plan update process to inform the recommendations of the TOD Plan. The updated Plan addresses population loss, redevelopment opportunities that leverage future improvements at the Pace Transportation Center and Harvey Metra station, and provides new insights to higher density, transit-supportive, quality infill development.

This Developer Discussion Panel was held the morning of September 22, 2021, and included local government staff and elected officials, as well as members of the consultant team who are developing the plan update. The morning was an opportunity to engage with development experts and discuss potential strategies on how to effectively revitalize key parcels of land in the downtown study area. Village officials and the consultant team delivered a presentation to panelists on the existing conditions of the study area, a recently completed market assessment and recent development activities, before taking them on a tour of the study area to see the potential for redevelopment.

City of Harvey

Christopher J. Clark - Mayor

Tim Williams – City Administrator

Robin Streets – Deputy City Administrator

Nicholas Greifer – Director of Economic Development

Urban Land Institute (ULI) and the Regional Transportation Authority (RTA)

Swasti Shah – Director of Community Engagement, ULI

Terri Haymaker – Managing Director, The Planera Group

Michael Horsting – Manager, Local Planning, RTA

Adrian Diaz – Local Planning Intern, RTA

Skidmore Owings & Merrill (SOM)

Chris Hall – Urban Strategy Leader

Daweed Scully – Associate Director

Valerie Kretchmer – President, Kretchmer Associates

Developer Panel

Edgar Flagg – Regional Director of Real Estate, Mercy Housing

Bill Will – Principal, KMW Communities

David Block – Director of Development, Evergreen Real Estate Group

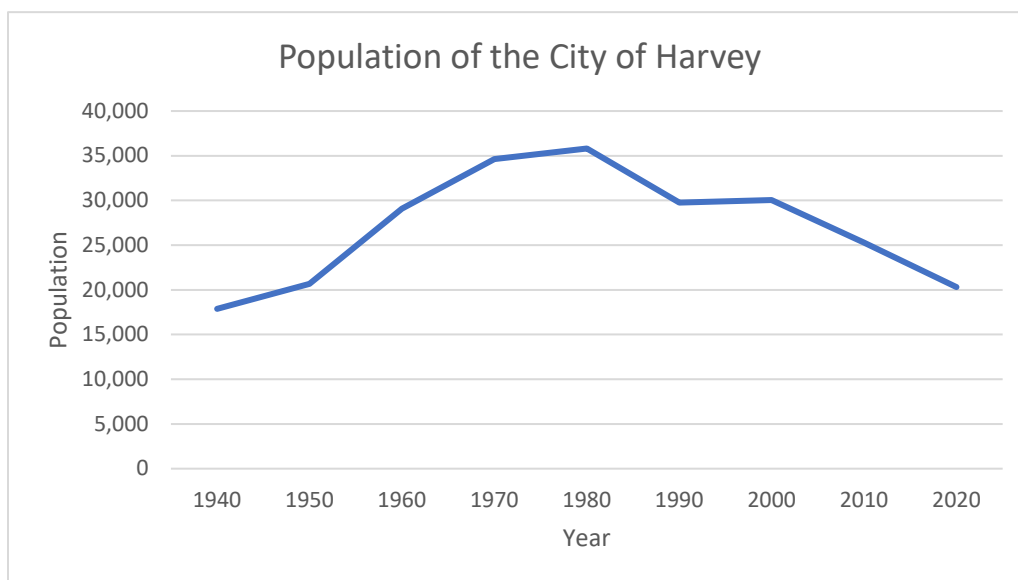


Developer Discussion Panel in Harvey on September 21, 2021

BACKGROUND

Demographics

Harvey is a community of roughly 20,000 residents located in southern Cook County, 19 miles south of Downtown Chicago. Harvey is an older inner-ring suburb largely composed of single-family dwellings and a large railyard at the south of the community. The population of Harvey is predominantly Black, composing 66.4 percent of the community's population. Per the results of the 2020 Census, the population is continuing its trend of long-term decline, having dropped significantly from its peak of almost 36,000 recorded in the 1980 census. pedestrian-friendly, but maintain an auto-oriented appearance, due to the prevalence of curb-cuts, surface parking lots, and some drive-thru businesses.



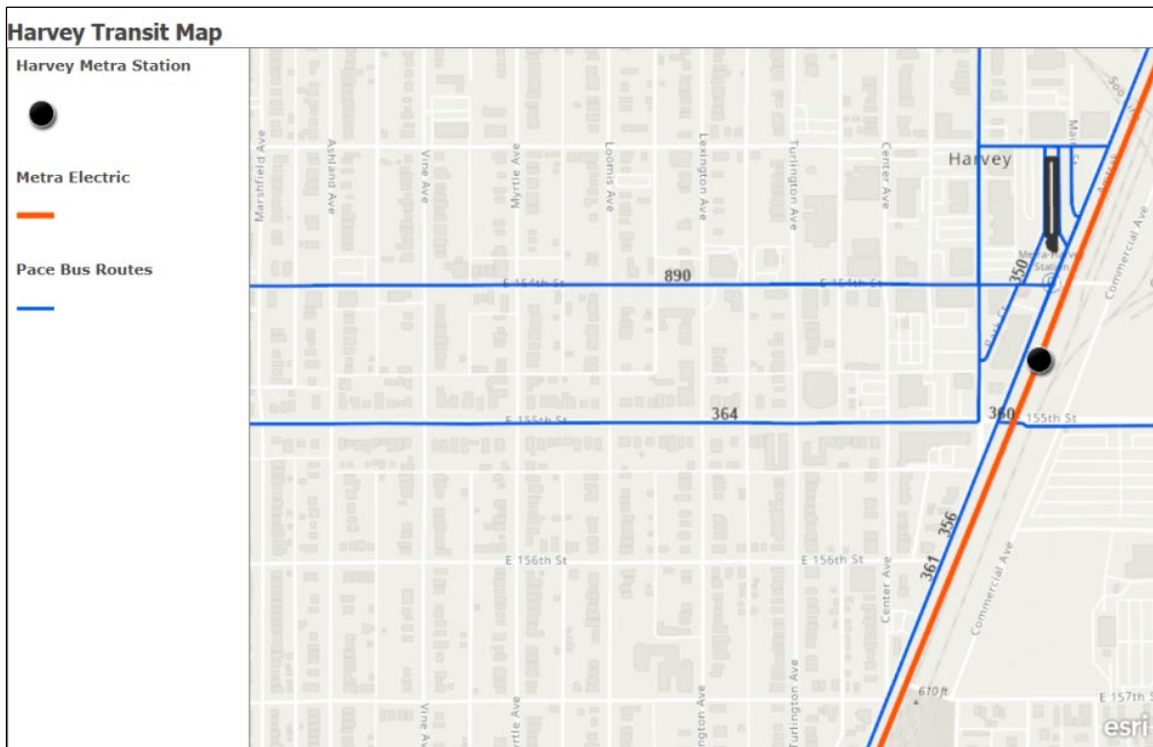
Data from the U.S. Census, 2020

The median age of residents is 35.2, similar to that of Cook County (36.8) and the region (37.5). Median household income for the residents of Harvey is \$30,306, significantly lower than the average for Cook County (\$64,660) and the region (\$73,572). The median age for the housing stock is 62 years in both Harvey and Cook County. Only 4.1 percent of the housing stock in Harvey was constructed after 2000, in comparison to 9.6 percent in Cook County. The proportion of vacant housing units is higher in Harvey at 24.9 percent than in Cook County (10.1

percent), and the region (8.4 percent). The proportion of owner-occupied housing units is lower in Harvey (53.3), than in Cook County (56.0), and the region (63.9). In summary, the population decline, residents' lower income, the slower growth in the housing stock, and the prevalence of vacant units indicate that the demand for new market-rate housing has been weak in recent decades.

Current Transit Service

Downtown Harvey is well-served by transit. The Metra Electric mainline provides service at the Harvey Metra station and one of Pace’s largest transit hubs is located adjacent to the Harvey station, connecting 3,000 riders each day to 10 bus lines. Metra Electric ridership has been declining for nearly two decades, dropping from almost 1,200 riders daily in 2002 to 500 in 2018. Ridership of Pace Bus lines serving Harvey have been declining for years, even before the Covid-19 Pandemic, with ridership on most lines peaking between 2013-2014.



Graphic of Harvey Transit Map

The Harvey Transportation Center is served by a variety of Pace Bus Services that operate on half-hour intervals or better and connect Harvey to Southland destinations including Calumet City, Orland Park, and the CTA's 95th/Dan Ryan Red Line station. These routes are 352 Halsted, 349 Southwestern, 364-159th Street, 350, and 356. Pace routes 354 and 348 operate on an hourly basis and connect Harvey to additional nearby communities. Pace also provides three limited stop services to support commuters working at warehouse facilities, including Routes 890, 361, and 360.

Future Transit Service

Pace Suburban Bus and the Chicago Transit Authority are collaborating to improve bus service on the South Halsted Street Corridor. The project, called [Pulse Halsted Line](#), will positively impact the 13,000 transit customers who utilize the corridor daily. The project will span from the CTA Red Line station at 79th Street to the Harvey Transportation Center. Enhancements to the corridor include dedicated bus-only lanes, queue jumps, and traffic signal optimization at key intersections, and transit prioritization. The project will also include updated bus stations with enhanced passenger amenities, including a new station proposed for 124th Street. The goal is to speed transit travel time and make using transit more attractive to area residents. Currently, this project is under environmental review. The project is expected to begin construction in 2022, and open in 2023.

In January 2021, Cook County launched the [Fair Transit South Cook Pilot](#) which reduces fares by 50 percent on the Metra Electric line and Rock Island Line, and also boosts service frequency on Pace Route 352. This pilot will benefit transit riders in South Chicago, South Cook County and Northern Will County and will continue until 2023. The goal of the pilot is to increase service and lower commuting costs for residents of the pilot area and to attract new riders who historically have not been able to pay the higher fares charged by Metra.

Pace Suburban Bus is exploring its expressway-based commuter service concurrent with the Illinois Tollway's initiative to reconstruct 22 miles of the I-294 Tri-State Tollway from Balmoral Avenue to 95th Street. Pace partnered with the RTA to study what transportation markets could support new transit service through the corridor, with many viable service concepts begin or end in Harvey at the Transportation Center. Service concepts will be finalized in 2021 after which Pace will explore implementation of one or more new services.



Pace Harvey Transportation Center at Park Ave. and 154th St.

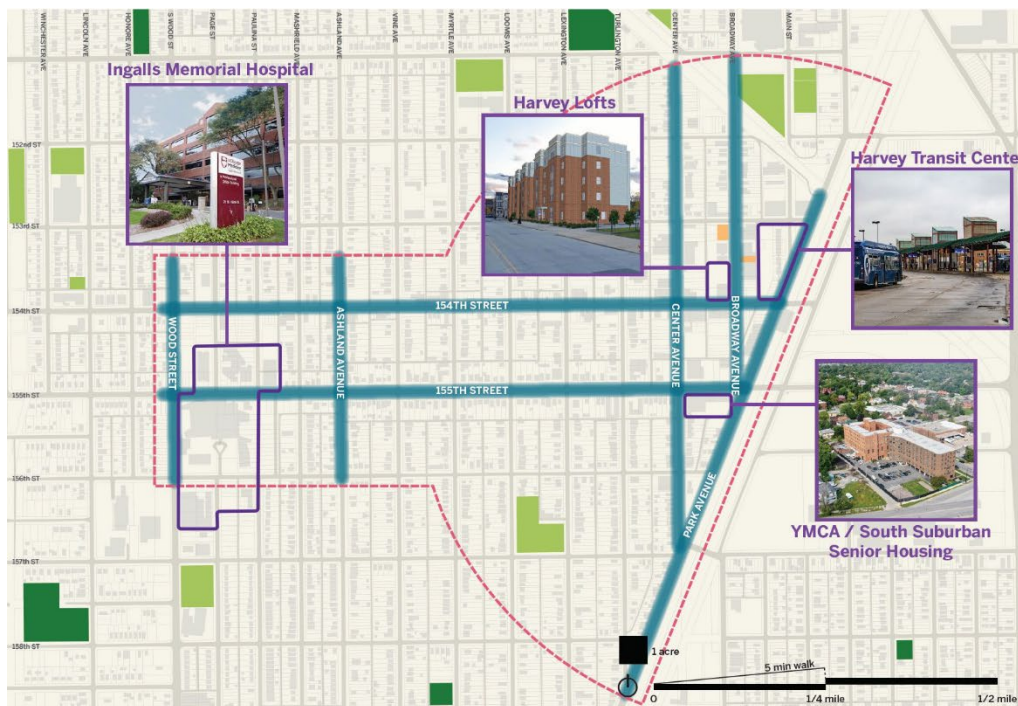
Current Planning Initiatives and Projects

A number of recent initiatives and development projects in the downtown area have renewed development interest in the City of Harvey and can serve as a catalyst for additional growth over the up-coming years. In January 2021, the city council approved the creation its first residential tax increment financing (TIF) District, covering much of the Downtown area, properties adjacent to 154th Street, and the University of Chicago - Ingalls Memorial Hospital, allowing for potential economic growth in downtown Harvey and points west.

The YMCA building on the southwest corner of Broadway Ave and E 155th Street was acquired by the Preservation of Affordable Housing (POAH) in 2019. POAH is a non-profit organization that manages, creates, and restores affordable housing. Existing leases at the facility will be honored as POAH plans to secure financing in the coming years to complete capital improvements that will extend the life of the building and enhance residents' comfort and experience.

The Harvey Lofts is a recently approved transit-oriented development project located next to the Harvey Municipal Building and within walking distance of the downtown Metra Station and Harvey Transportation Center. The project will be five stories and include 51 high-quality affordable housing units complete with modern amenities. The project will also include a fitness and community room.

The 20-year-old Pace Transportation Center in Harvey is Pace Bus’s busiest transit hub in the South Suburbs and is currently in need of repair. The Transportation Center is adjacent to a Metra station, where Metra will spend four million dollars of CMAQ funding to improve the station. Metra and Pace are partnering to improve and redesign the two stations to facilitate more direct transfers between both services. The reconstruction of the Transportation Center will support the implementation of the future rapid transit service on the Pulse Halsted Line and the I-294 Tri-State Express bus service. Improvements will include new pavement, lighting, platforms, shelters, and other amenities including restrooms.



Current Development Projects and Initiatives in Harvey

Investment in Progress

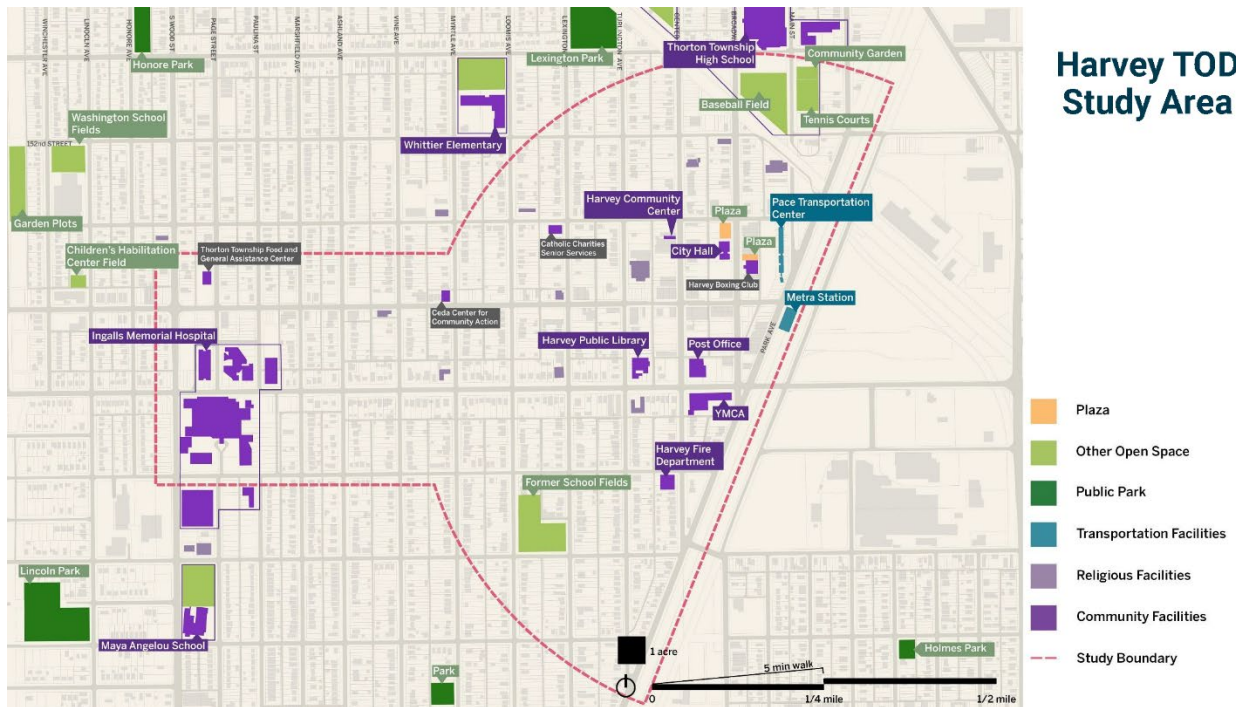
**Housing
Transit
Streets
Institutions
Technology**

Study Area

The study area includes downtown Harvey, the Metra Harvey station, the Pace Transportation Center and points west along E 154th and 155th Streets. The area includes walkable streets lined with charming historic buildings and is characterized by a mixture of land uses. Much of

the land is currently vacant or underutilized, with 25 percent of the housing stock sitting vacant. Several issues affect the prospect of redevelopment without significant City incentives, including Harvey having the highest property tax burden in the region, a declining and aging population, and a lack of retail and office demand.

Despite this, the city offers many strengths to would-be residents and developers. Strengths include affordable housing, anchoring institutions like the University of Chicago-Ingalls Memorial Hospital and Thornton High School, walkable neighborhoods, and great transportation options connecting Harvey with the City of Chicago and points throughout the region. Harvey can meet strong subregional demands for rental housing. A recently completed market assessment estimates that there is enough demand in the area for 350-500 senior units, 1300-1600 units for family housing, and 250-400 units for workforce housing.



Map of Study Area

Recommendations

Several overarching recommendations for maximizing development potential emerged during the panel’s discussion. Downtown Harvey benefits from being in a highly accessible and visible area near mass transit facilities, major anchor institutions, and accessibility to employment centers. There are, however, additional opportunities to fully capitalize on the City’s potential development sites and excellent assets.

1. **Continue Government Investment** - To make Harvey a more attractive destination and place to live, the City of Harvey needs to continue investing significant amounts of resources into the community. Areas to target investment include improving civic assets, public infrastructure, and providing incentives to new developments to ensure that they are economical to develop.

2. **Increase Visibility to Developers** - Advertising that Harvey is a reliable partner and ready for business can attract interest from developers. Several strategies can be used to achieve this goal.
 - a. Establish and market a “Developer Toolbox,” a centralized information source of all the resources the City has to offer. This Toolbox can help establish Harvey’s reputation as an easy to work with and customer-service-oriented community. Resources in a Developer Toolbox could include:
 - i. Reasons investing in Harvey makes sense.
 - ii. Information on available and developable land in the study area, TIF funding, ongoing public infrastructure improvements, and other potential funding sources is available through state or federal entities.
 - iii. Assign a “Navigator,” or a person that can serve as a coordinator between different agencies and departments to ensure that a development project can be successful.
 - iv. Information on an abatement program to use in case there are ground issues at potential development sites that need remediation.
 - b. Establish a pool of prequalified development teams by issuing a Request for Qualifications (RFQ). This can allow the city to build up a list of qualified developers suited to Harvey's needs while avoiding the Request for Proposals (RFPs) process. RFPs can be costly for developers to respond to and may drive some away. Instead, invite developers individually and tour them around available parcels, discuss the vision of how Harvey wants to develop and the resources the City has at its disposal to make that vision into a reality.
 - c. Begin preparing the City for sought-after development by adjusting zoning in the downtown area to streamline the development review process and create opportunities to develop as of right. Adjustments to the zoning code can include increasing the number of allowable units, reducing setbacks, and decreasing the amount of required parking. Also preparing design guidelines can inform developers what appearance the buildings should conform to.



Snapshots of the Harvey Central Business District



- 3. Better Understand the Market** - The City must develop effective strategies to attract desired development and better understand the market(s) they wish to attract.
 - a. Conduct a careful analysis of who is using the transit services, their origins, and destinations, and how much time they spend waiting at the Harvey Transportation Center during a transfer. Understanding the amount of time people are waiting can inform the City what types of commercial and retail opportunities may best exist in close proximity to the Harvey Transportation Center and the Metra station.
 - b. Understand how investments can have unintended consequences. Examining potential developments through the lens of who is benefitting and who is harmed is key to making an informed decision on whether a project should be approved.

- 4. Build on the Strengths of the City's partnership with the University of Chicago – Ingalls Memorial Hospital** - The hospital is a large area employer that is invested in the success of the community. Continued cultivation of this relationship is critical to anchoring the Downtown area and its future revitalization. The City should continue working with Hospital staff and build on the Hospital's vision of healthcare, office needs, housing for employees, nearby retail services and transportation options that align with their shifts. This would also encourage wages earned by employees at the hospital to remain within the community.



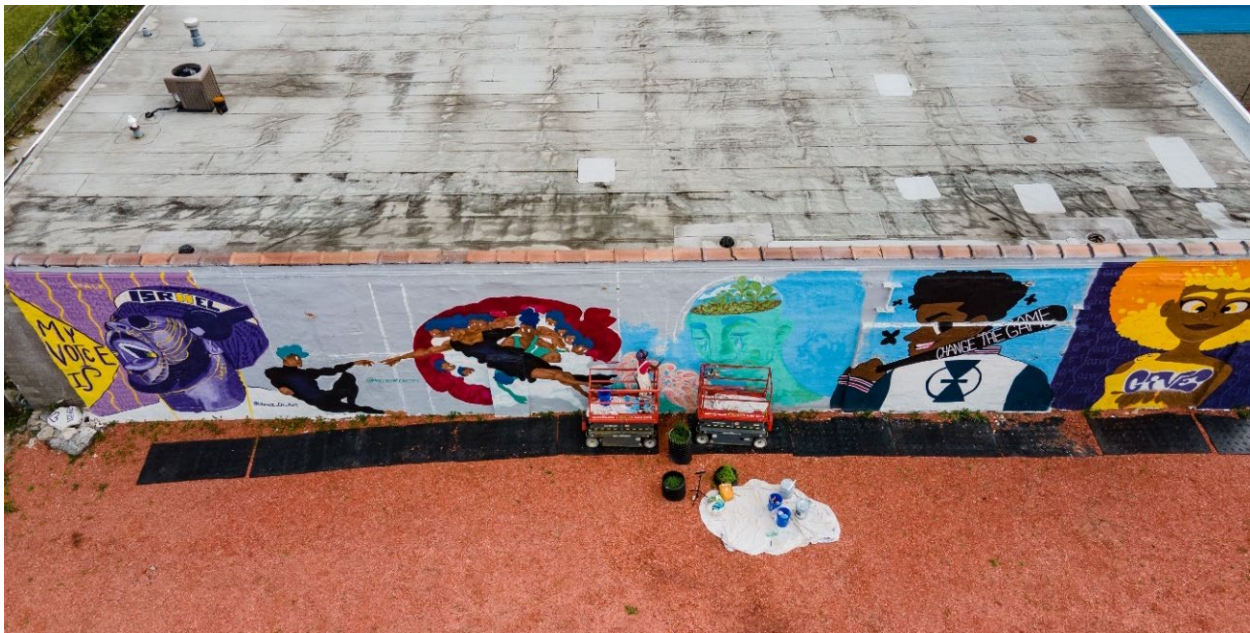
Aerial View of Harvey

- 5. Address Obsolete Housing** - Although the average age of housing in Harvey is similar in age to the average age for Cook County, years of disinvestment have rendered much of the housing obsolete. While the cost-of-living is an advantage for Harvey, prospective residents can find themselves living near a house that has been sitting vacant and abandoned for years that may depress the value of their investment. Explore grant and funding programs that will encourage property owners to make repairs for housing stock that can be saved. Continue the removal of obsolete housing that cannot be rehabilitated can help protect the value of residents' greatest investment, their homes.



A selection of homes in Harvey, some facing disrepair

- 6. Develop a Retail Strategy** - Currently, the City does not have a large retail base and is reliant upon property taxes to fund City operations. Developing a retail strategy can allow the City to diversify revenue streams and reduce its over-reliance on property taxes.
- a. Consider various ways to incentivize the development of retail such as New Market Tax credits, creating an opportunity zone, and identifying potential federal and state resources.
 - b. Focus on small-scale retail opportunities such as pop-ups, micro-retail, farmers markets, or something similar. Find downtown spaces that are flexible and easy to activate. While these retail ventures may not always be profitable for the City, they can help build a brand for the City of Harvey. The experience and information gathered at these events can also help the City determine what type of retail there is demand for and can be promoted.
 - i. Explore these small-scale retail outlets to serve the pockets of various ethnic groups that have settled in Harvey and may have niche demands.
 - ii. Many residents have an entrepreneurial spirit and are operating home-based businesses, such as catering and sewing, etc. Explore mechanisms to help them step out of the informal economy through these small-scale retail strategies.



Harvey World Wall 15331 Broadway Ave, a public street art initiative directly across the street from City Hall

CONCLUSION

Although the City of Harvey has faced its fair share of challenges, it maintains many of the assets that were key to its past successes. Harvey is a commuter hub in the south suburbs with easy access to Chicago and other communities throughout the region. The potential exists for an increase in area commuters as transportation projects are completed in the future. The City also maintains a walkable downtown with blocks that are still relatively intact, having many structures with great architectural character, charm, and history that would be difficult to recreate, a rarity in the south suburbs. Harvey also remains home to several strong institutions such as the University of Chicago-Ingalls Memorial Hospital and Thornton High School. Capitalizing on these assets and continuing investments and growth in downtown will ensure its past successes will continue into the future.



**Regional
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