

NJ TRANSIT Transit-Oriented Development Policy Statement

April 2024

Purpose

Transit-Oriented Development (TOD) is walkable, mixed-use development centered around and integrated with transit facilities, such as bus stops, bus terminals, and rail or light rail stations, which creates an environment that encourages increased transit ridership. In this way, TOD furthers NJ TRANSIT's mission to move New Jersey and the region by providing safe, reliable and affordable public transportation that connects people to their everyday lives, one trip at a time.

NJ TRANSIT seeks opportunities to promote TOD at and proximate to its transportation facilities because of its well documented potential to:

- **Increase transit ridership** while reducing reliance on personal automotive vehicles;
- **Expand equitable and inclusive access** to local and regional opportunities and resources;
- **Increase affordable housing and diversify housing types** close to transit;
- **Promote regional economic growth** by concentrating people, jobs, and opportunities near transit;
- **Promote a more sustainable future** through reduced greenhouse gas emissions, sustainable design, and efficient land use;
- **Increase transportation resiliency** with expanded travel options, including public transit and non-automotive modes of transportation; and
- **Directly benefit communities near the stations** by:
 - Creating places that offer easy, non-automotive access to daily destinations;
 - Increasing housing options near transit;
 - Expanding viable, appealing transportation choices, including biking, walking, and rolling;
 - Creating value around stations;
 - Revitalizing business districts;
 - Increasing access to jobs;
 - Facilitating growth that optimizes use of existing infrastructure;
 - Reducing the number of parking spaces required for each use;
 - Reducing the length of trips between destinations, including those still taken by personal automotive vehicle;
 - Reducing traffic crashes;
 - Improving heart health and other public health metrics; and

- Building connected communities by bringing people, activities, buildings, and open spaces together.

Vision Statement

NJ TRANSIT will leverage its services, assets, staff, and stakeholder partnerships to foster the development of vibrant communities that encourage increased use of transit and non-automotive modes of transportation to access goods, services, resources, and opportunities; expand equitable access to housing and jobs; and, bolster state and regional sustainability and climate-change resilience.

Goals and Objectives

NJ TRANSIT's TOD programs, investments, and initiatives are intended to achieve the following goals and objectives within a half-mile (or ten-minute walk) of NJ TRANSIT rail and light rail stations, and bus stations and stops on high-frequency routes (12-minute headways during peak periods in urban counties, and 22-minutes in suburban and rural counties).

1. **Ridership** – Increase ridership on NJ TRANSIT services.
 - a. Increase ridership that is balanced to align with available and projected capacity.
 - b. Increase ridership outside of traditional commuter patterns and within New Jersey.
2. **Complete Communities** – Promote development of communities in which people of all ages and abilities can easily access work, shopping, healthcare, education, and leisure – the things they need and want to do – with reduced reliance on a personal automotive vehicle.
 - a. Include uses that expand residents' access to daily goods and services within the station area community.
 - b. Scale development to meet transit-supportive residential and commercial densities, consistent with station area typologies defined in the [Transit Friendly Planning: A Guide for New Jersey Communities](#) ("Transit Friendly Planning Guide").
 - c. Design local streets and other paths so that people feel safe and comfortable accessing destinations via non-automotive modes of transportation, to ensure that the mix of uses and density translate into accessibility and walkability.
3. **Transportation Choice** – Expand access to and viability of transit and alternative, non-automotive modes of transportation.
 - a. Leverage land use and urban design to encourage non-automotive modes of transportation.
 - b. Create a network of streets and other paths that offer access routes to transit and to other destinations that are safe, complete, direct, varied, redundant, ADA-compliant, and well-appointed for all users and all modes of transportation.
4. **Equity and Affordability** – Expand access to local, regional, and state opportunities and resources.
 - a. Spur investment near transit in disinvested communities.
 - b. Increase access to affordable housing, jobs, community amenities such as day care, grocery stores, healthcare options, and related resources and opportunities for vulnerable and underserved populations.

5. **Sustainability** – Increase environmental sustainability and resiliency in station area communities.
 - a. Prioritize compact, dense community design that reduces auto dependency.
 - b. Use sustainable and climate resilient design, building practices, and materials in development projects, including the buildings, infrastructure, and landscaping.

6. **Value Capture** – Create and capture value on and around NJ TRANSIT stations.
 - a. Increase revenue from recurring fees such as ground lease payments and other project payments, and decrease operating and capital expenses where possible.
 - b. Increase revenue from episodic payments such as predevelopment fees, land sales, and shares of capital event transactions.

7. **Community Engagement** – Align with community goals.
 - a. Directly engage with local communities in furtherance of prospective projects.
 - b. Build on relevant recent community engagement efforts, where possible, to inform and help shape discrete initiatives.
 - c. Identify and leverage existing community assets, anchor institutions, emerging technologies and practices for meaningful and inclusive community engagement.
 - d. Ensure outreach across the community that is representative of the diversity of project stakeholders, make materials available in English and other prominent languages in the community, and hold outreach events in accessible locations.

8. **Economy** – Strengthen local and regional economies.
 - a. Direct investment to assist in revitalization of station area communities, emphasizing a regenerative economy.
 - b. Increase residents’ access to opportunities (jobs, education, business ownership, homeownership).
 - c. Increase businesses’ access to labor and consumer markets.
 - d. Promote use of local developers, Disadvantaged Business Enterprises, and unions, when not otherwise required.

Implementation Actions

NJ TRANSIT will put this policy into action via the following implementation steps:

Internal Actions

1. Develop a five-year TOD work plan that identifies staffing, funding, policy, and project priorities (as outlined in Internal Action #3 below).
2. Define TOD performance measures for assessing TOD program success and informing future program actions.
3. Develop a system to prioritize TOD real estate development, taking into consideration:
 - a. Market forces and development feasibility;
 - b. Communities that have adopted plans and ordinances that allow for transit-supportive land uses, consistent with NJ TRANSIT’s [Transit Friendly Planning Guide](#);

- c. Communities that have implemented complete street improvements on adjacent and connecting streets;
- d. Equitable distribution of resources;
- e. Statewide affordable housing needs;
- f. Physical/geographic constraints, including environmental elements and climate risks;
- g. NJ TRANSIT land ownership or controlling interest; and
- h. Profile of transit service, including but not limited to frequency, span, and ridership operations and market analysis that considers:
 - i. Existing level of service—whether it is sufficient to achieve the goals and objectives, particularly with regard to increasing off peak and reverse peak utilization, or whether new service would need to be added;
 - ii. Existing utilization of services / trips that will be generated by the TOD;
 - iii. Projected change in ridership demand, to identify which existing trips / services will absorb the expected growth;
 - iv. Potential for additional capacity or service with existing fleet and network; and
 - v. Timing of future capacity enhancements to fleet and network.
- 4. Coordinate land use and transportation planning and development to encourage capacity-balancing growth, particularly through increased reverse commute, off-peak, weekend, and non-work-based ridership.
- 5. Create ridership, housing, and job targets for the generic place types (described in the [Transit Friendly Planning Guide](#); place types include urban center, urban neighborhood, town center, suburban place, and rural place and relate to density around rail, light rail, and bus facilities) across the system.
- 6. Identify opportunities for strategic land acquisition or joint ventures to facilitate more and better TOD on and surrounding NJ TRANSIT property.
- 7. Maintain an Access Alternatives model to help evaluate development scenarios.
- 8. Establish a community engagement plan as a component of each TOD project, recognizing that the level of engagement will vary depending on how recent community engagement occurred for a plan that included NJ TRANSIT land.
- 9. Revisit the Transit-Oriented Development Policy every five (5) years.

Collaborative Actions

- 10. Formulate a NJ TRANSIT Equitable TOD Policy with input from internal and external stakeholders.
- 11. Continue to assist and inform municipal efforts to create station area plans and land use policies that align with NJ TRANSIT's [Transit Friendly Planning Guide](#) and TOD policy.

12. Use and share NJ TRANSIT's [Transit Friendly Planning Guide](#), [Transit Friendly Checklist](#), and [What's Your Place Type Quiz](#) with developers, municipalities, and local officials to facilitate optimal TOD.
13. Strengthen relationships with public agencies, municipalities, other railroads, developers, landowners, community-based organizations, finance entities, etc., to facilitate and influence desirable forms of TOD, and to ensure that TOD supports local plans, initiatives, and sustainable growth objectives, as well as other railroads' rights and initiatives.
14. Guide and facilitate meaningful community engagement to ensure TOD is informed by community values, priorities, preferences, and concerns.

Supporting Policies

The following policies relate to TOD projects located wholly or partially on property NJ TRANSIT owns or controls. Some policies, such as compliance with FTA guidelines, always apply as a matter of course, because they stem from laws or regulations with no room for flexibility. In other cases, policies are based on best practices or laws which allow for some flexibility; in these cases, if the project is only partially located on NJ TRANSIT property, or on property on which NJ TRANSIT has a controlling interest in but does not own, NJ TRANSIT will still aim to advance the goals of the TOD Policy Statement, but recognizes that it does not have the same standing as it does when the project is located entirely on NJ TRANSIT-owned property.

NJ TRANSIT's Real Estate Team works closely with the Transit Friendly Planning Program and local communities to encourage application of TOD principles more broadly around station areas. [NJT 2030: A 10-Year Strategic Plan](#) articulates five primary goals, including "Promote a more sustainable future for our planet." As detailed in the plan, expanded partnerships for and implementation of TOD is central to achieving this goal. Implementation of TOD is also key to achieving two additional goals: "Power a stronger and fairer New Jersey for all communities," and "Build an accountable, innovative and inclusive organization that delivers for New Jersey."

Community Design

1. **Transit Friendly Planning** – To make the most of limited, valuable sites next to transit stations, NJ TRANSIT requires developers of TOD projects on NJ TRANSIT property to follow transit-friendly planning principles for design and development, access, circulation, parking, and non-automotive modes of transportation, as detailed in the [Transit Friendly Planning Guide](#).
2. **Affordable Housing** – NJ TRANSIT abides by the New Jersey Fair Housing Act (N.J.S.A. 52:27D-329.9(b) and requires 20% of newly built residential units in TOD projects facilitated by NJ TRANSIT to be reserved for low- and moderate-income families, as those terms are defined in Section 4 of P.L. 1985 c.222 (C.52:27D-304), including units with varied bedroom counts (consistent with the Uniform Housing Affordability Controls). Affordable units should be dispersed throughout the development project.

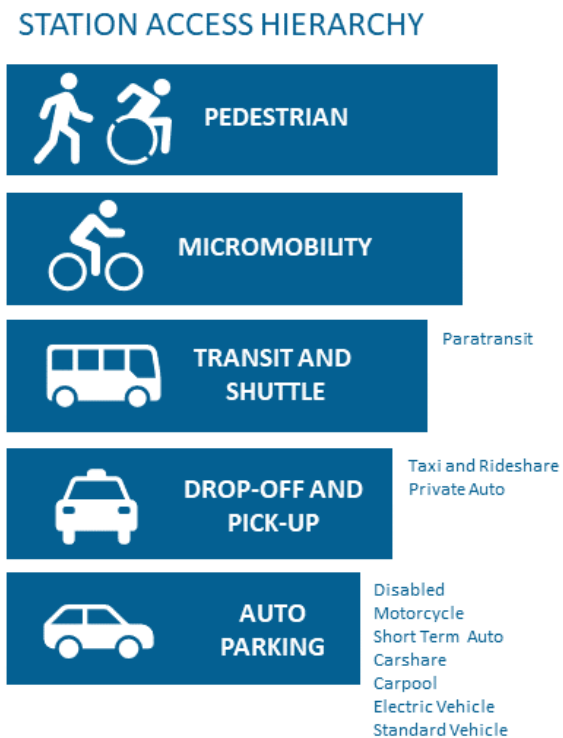
If NJ TRANSIT does not own the entire development site, the required number of affordable units will be 20% of the units attributed to its portion of the development site.

If NJ TRANSIT does not own the development site but has a controlling interest in it, NJ TRANSIT will still aim to advance the affordable housing goals of this Policy Statement, while recognizing that it does not have the same standing as it does when the project is located on NJ TRANSIT-owned property. Moreover, there may be similarly compelling benefits that mitigate the decision to forego prioritization of affordable housing goals to realize other beneficial objectives on these particular sites.

In addition, NJ TRANSIT encourages developers and municipalities to diversify housing stock (for example, by introducing “missing middle” housing, accessory dwelling units, and affordable for sale homes where possible) to provide options for people with different needs, and to pursue other ways to lessen the burden of housing costs on low and moderate-income families, older adults, and individuals with specialized housing needs.

- Parking & Transportation Demand Management (“TDM”)** – TOD enables people to access more of the things they need and want to do without relying on a car, which in turn reduces relative parking demand (as land uses in TOD settings require less parking than the same uses in non-TOD settings). Therefore, on a case-by-case basis, NJ TRANSIT will consider reducing the amount of commuter parking at stations adjacent to NJ TRANSIT TOD projects, based on analysis and coordination with NJ TRANSIT planning and operating groups, the developer, and host jurisdiction. In addition, NJ TRANSIT requires the developer to submit a plan for and institute transportation and parking demand management strategies, including limited vehicle parking, unbundling of parking from commercial and residential uses, and shared parking among uses, and encourages the host jurisdiction to pursue the same in the surrounding community. NJ TRANSIT requires its development partners to submit annual TDM compliance reports and property lessees to administer annual travel behavior surveys designed by NJ TRANSIT in coordination with local Transportation Management Associations. NJ TRANSIT requires development partners to comply with state law regarding the provision of electric vehicle charging infrastructure.

- Station Access** – Consistent with NJT2030’s goal of promoting a more sustainable future for our planet, NJ TRANSIT requires TOD projects to prioritize the most sustainable and economical access modes, as depicted in the Station Access Hierarchy diagram (right),



with a focus on modes that produce the lowest greenhouse gas and pollutant emissions per trip and generate the most riders with the least amount of land. In addition, NJ TRANSIT requires TOD projects to ensure safe access to stations, stops, and surrounding communities for all users, include ample, safe bicycle storage, and provide for siting and maintenance of bus shelters.

5. **Sustainability** – Consistent with NJT2030’s goal of promoting a more sustainable future for our planet and the [NJ TRANSIT Sustainability Plan](#), NJ TRANSIT requires developers to demonstrate application of best practices with respect to incorporating environmentally sustainable design, sustainable building and construction practices, renewable energy, and green infrastructure into TOD projects, taking into consideration factors such as impervious surface, stormwater management, flood proofing, shade, heat island cooling strategies, energy efficiency, and durability of building materials.
6. **Public Improvements** – On NJ TRANSIT-owned land, NJ TRANSIT aims to improve the quality and function of the public realm through TOD, so the network of streets, sidewalks, plazas, parks, and storefronts create vibrancy, visual interest, ease of access, and a great place to visit or travel through, thus improving the access to and appeal of the transit facility.
7. **Station Buildings** – TOD projects that include station upgrades must adhere to NJ TRANSIT’s guidelines and standards for work at station buildings, including but not limited to ADA and historic preservation compliance. Station rehabilitations are a component of NJT2030’s goal of delivering a high-quality experience for our customers, with their entire journey in mind.
8. **Signs and Wayfinding** – TOD projects must adhere to NJ TRANSIT’s signage standards. In addition, NJ TRANSIT requires developers to include clear signage and wayfinding as part of TOD projects to help all users get to and from the station, and to consult Section 2.4 in the [Transit Friendly Planning Guide](#) for additional guidance.

Project Planning & Coordination

9. **Capital Projects** – NJ TRANSIT seeks to leverage TOD projects to support necessary capital improvements to NJ TRANSIT infrastructure, as identified in [NJ TRANSIT: A 5-Year Capital Plan](#).
10. **Working in the Right-of-Way** – NJ TRANSIT requires developers and their teams to adhere to its guidelines and standards for working within or in the vicinity of NJ TRANSIT’s Right-of-Way.
11. **Compliance with FTA Guidelines** – NJ TRANSIT adheres to Title VI Civil Rights and Environmental Justice requirements, as well as FTA requirements for continuing control, originally authorized purpose, fair share of revenue, and fair share of costs when pursuing TOD projects on property subject to federal interest. In addition, and where appropriate, NJ TRANSIT will seek FTA concurrence on Joint Development projects as soon as reasonable, and in accordance with Joint Development Circular C 7050.1B and other applicable guidelines.
12. **Coordination with Local Jurisdictions** – NJ TRANSIT aims to work with municipalities that encourage TOD with supportive zoning and development regulations, complete streets

ordinances and implementation plans, and related policies and practices that serve to promote smart growth concentrated at transit. In addition, where feasible, NJ TRANSIT aims to further local community and economic development goals through TOD implementation.

13. **System Expansion** – NJ TRANSIT will take into account TOD potential, value creation opportunities, and the broader existing and potential land use of the relevant land area in system expansion planning and major investments, such as service extensions and new stations, to ensure that public investment in transit is justified by supportive development patterns and land use controls.
14. **Equity** – NJ TRANSIT will create a TOD equity policy with input from internal and external stakeholders.
15. **Maintenance and Operations** – Prior to concept planning, NJ TRANSIT will provide clear guidance to developers regarding maintenance and operations access and staging areas. NJ TRANSIT will work with developers and project partners toward mutually agreeable mitigation of any impacts, achievement of efficiencies, where possible, and delineation of future responsibilities.

Financial Considerations

16. **Revenue Generation and Diversification** – NJ TRANSIT will increase its non-farebox revenue sources through strategic use of real property in which NJ TRANSIT holds a property interest.
17. **Deal Structure** – NJ TRANSIT prefers to structure the proposed transactions as unsubordinated ground leases. However, NJ TRANSIT will consider alternative structures, such as lease-purchases and sales, if a compelling case can be made for deviating from the norm, such as when alternative approaches are necessary or preferred in order to achieve specific development objectives, other strategies would generate greater financial return or other benefits for NJ TRANSIT, or retaining ownership is impractical.
18. **Revenue Reinvestment** – NJ TRANSIT commits to reinvest a percentage of revenue generated by a TOD project into the development station area to support future public improvements that improve multimodal connectivity, help pay for ongoing maintenance of public improvements, hold in reserve for future maintenance and capital upkeep, or targeted service enhancements to address increased demand at the station.
19. **Financing Mechanisms** – NJ TRANSIT will consider using a variety of financing mechanisms, such as special assessment districts, improvement districts, lease credits or enhanced use lease structures, and partnership with other state agencies, to facilitate TOD.

Business Considerations

20. **Prevailing Wage** – NJ TRANSIT requires developers to pay prevailing wage rates for the construction of the proposed development of the site and publicly funded improvements in the Redevelopment Area, in accordance with the New Jersey Prevailing Wage Act N.J.S.A. 34:11-

56.25. In addition, NJ TRANSIT may require project labor agreements for publicly funded improvements for projects in which NJ TRANSIT is the majority landowner, consistent with N.J.S.A. 52:38-1-7.

21. **Disadvantaged Business Enterprises (“DBE”)** – NJ TRANSIT aims to foster business opportunities for DBEs through its TOD program. Therefore, NJ TRANSIT will host structured networking events for developers, consultants, and contractors as part of TOD project initiatives, and consider DBE participation in its technical evaluation of proposals. On a project by project basis, prospective development partners will be required to meet or exceed DBE participation rates established by NJ TRANSIT as part of solicitations, or, include a target DBE participation rate in discrete project proposals and meet the target.