

# When Transportation Decisions Shape Housing

## Developer Insights on Delivering Housing in Connected Communities January 2026

### Introduction

In response to housing shortages as well as growing consumer preferences for walkable living, cities across the country have been reworking land development codes in recent years to facilitate the development of more compact, walkable communities.<sup>1</sup> This code reform often seeks to rewrite zoning regulations that contribute to sprawling development patterns, increase density allowances in key locations, and remove unnecessary red tape from development processes. All of this is in pursuit of facilitating more housing development in targeted, amenity-rich locations to help drive down costs for residents. With sharply rising rents, efforts to increase the combined affordability of housing and transportation are more important than ever.<sup>2</sup>

Beyond affordability goals, the housing market is also pushing to respond to general consumer demand for walkable lifestyles. A 2023 National Association of Realtors survey showed that 90% of Gen Z and Millennial respondents (and 77% of all respondents across generations) are willing to spend more to live in a walkable community with proximity to parks, shops, and restaurants.<sup>3</sup> To support walkable communities, transportation policies need to incentivize and invest in systems that facilitate mobility outside of a car, and land use policies need to allow denser development in those places.

Housing developers interact with local zoning codes on a daily basis and are central stakeholders in shaping the built environment. To shed light on how transportation investments and policies interact with housing projects, we conducted interviews with four developers in Minnesota, Michigan, and Washington DC, including two for-profit and two nonprofit developers. Our research and interviews offer the following recommendations for policymakers:

### Key findings

- **Developers represent an underutilized but highly motivated partner for delivering public benefits, even beyond formal project requirements.** City officials should outline processes and cost sharing frameworks for how developers can support voluntary improvements, such as curbside electric vehicle (EV) charging or installation of bikeshare stations. Developers and cities alike should approach the permitting process with a collaborative mindset, recognizing where they have shared goals and how they can creatively work together to deliver projects in a streamlined way. This could also involve cities allocating special funds to support cost sharing with developers for ad-hoc improvements, using resources more efficiently to expedite project delivery.
- **Cities should remove (rather than reduce) minimum parking requirements to achieve the full scale of impact of this policy reform.** Removing minimum parking requirements directly boosts the feasibility of both market rate and affordable housing projects, particularly in areas ripe for urban infill development, without necessarily resulting in “zero-parking” developments. While *reducing* minimum parking requirements may sound more appealing to some policymakers, this approach loses the benefit of simplified and streamlined processes, which our interviews highlighted as a major value add.

- **By making plans for future transportation improvements readily accessible to both zoning officials and housing developers, cities can help create more opportunities to “dig once” and deliver projects more efficiently.** With early and proactive communication between public and private sector partners, new transportation amenities can be delivered at a quicker pace and for a lower total cost compared to the standard process through a “dig-once” framework that coordinates improvements to be constructed simultaneously. Digging once uses resources efficiently and benefits property owners, community members, and cities by saving money and reducing disruptions from construction. Cities can lead the way by ensuring that officials tasked with zoning and permit review have easy access to the most up-to-date transportation plans that they can cross-reference during the review process to identify opportunities for collaboration with developers.
- **Better alignment between housing, zoning, and transportation policymakers can help ensure public funds are directed to maximize impact, minimize redundancy, and boost affordability.** A patchwork of public programs, including financial subsidies from different levels of government, supports affordable housing development, but local zoning officials do not always have full insight into this system. As a result, development regulations may unintentionally dilute the impact of public funds intended to support affordable housing. Stronger cross-sector coordination between policymakers can help local officials more accurately understand where public dollars are invested. Additionally, given the low-income housing tax credit (LIHTC) program’s emphasis on transit-rich locations, local or state-led transportation plans should proactively consider where new affordable housing is slated to be built and work to direct resources to projects that will provide affordable mobility choices for residents at those sites.

## With proactive communication, clear processes, and dedicated matching funds, developers can be strong partners in implementing public sector goals

Real estate developers can be strong partners in implementing public sector goals, including goals for the transportation system. In crafting development policies and procedures, public officials should consider developers that are willing to collaborate with cities through their projects in mutually beneficial ways that go beyond minimum requirements. Cities can tap into this willingness by creating clear avenues and streamlined processes, as well as matching funds, to increase the capital available for public realm enhancements that support walkability and other transportation goals.

Cody Fischer of Footprint Development, a Minneapolis-based for-profit developer, exemplifies this type of developer.<sup>4</sup> Fischer described how he is willing to support improvements like curbside EV charging stations, bike infrastructure, or street trees within the public right of way through his projects, but noted that existing development regulations governing small to midsize housing developments don’t create an avenue for developers to help deliver amenities like these.

*I welcome the opportunity to [make additional transportation improvements], but the opportunity from the public sector isn’t provided. Even if it was, if I had to foot the whole bill, it wouldn’t be viable given the size of my projects ... generally speaking it’s not a priority for City Hall to make an avenue for property owners to do these things on smaller projects. – Cody Fischer*

While it makes sense that improvements like these wouldn’t be *required* for small-scale projects, without a process for how these developers can contribute to the public realm (in a way that also

benefits their projects), cities can miss opportunities to incrementally and efficiently deliver new multimodal transportation infrastructure. Documenting easy-to-navigate processes and facilitating conversations about cost sharing with property owners who might be willing to go beyond minimum requirements is a low-effort strategy that cities can deploy to capitalize on opportunities to deliver more sustainable transportation improvements. For their part, developers can also help create a pathway for these improvements by approaching cities early in the development process with specific proposals for installation of new amenities.

Building new housing and improving transportation facilities both involve labor-intensive construction, so taking a “dig-once” approach to coordinating projects means that improvements to the public realm can be delivered more quickly and often at a lower cost. For both nonprofit and for-profit developers, the development process involves negotiations that may or may not be formally captured but are instrumental in bringing new transportation improvements to areas where they can have a meaningful impact.

Strong communication can also make transportation improvements easier and quicker to deliver by distributing costs. Tom Edmiston with Capital Area Housing Partnership, an affordable housing developer in Lansing, Michigan, described how the local public transit authority, the Capital Area Transportation Authority (CATA), proactively reached out to his team during the design phase of a recent project.<sup>5</sup> CATA asked how they could help, and together with the developer team decided that installing bus shelters at existing stops along the site’s perimeter would be a feasible improvement that would benefit future residents. Edmiston’s group paid for the design work, site plan adjustments like relocating irrigation, and installation of the concrete pads needed to support the shelters. CATA then purchased and installed the shelters, so the costs of making the improvement were distributed across the two teams. Had CATA needed to make the shelter upgrades on its own, procurement timelines and budget limitations may have pushed this improvement to a later date.

*There’s a dire need for affordable housing, so it’s always good to have strong collaboration between partners to identify parcels that are ripe for development and find the resources to make them work for housing. – Tom Edmiston*

Similarly, Danny Ross of True Ground Housing Partners, a nonprofit developer in the DC metro region, commented on his team’s history of proactive collaboration with Capital Bikeshare.<sup>6</sup> When designing a new project, the development team will typically approach Capital Bikeshare and share site location details. As Ross noted, Capital Bikeshare will then study the site and get back to the developer if they see it as a good opportunity for installing a new bikeshare station. When the site makes sense for the bikeshare network, the two groups work together to establish a memorandum of understanding to formalize the partnership. Capital Bikeshare benefits from getting permission to install a station on private land in a desirable location, and the developer in return may negotiate discounted bikeshare passes or other benefits for tenants, creating a win-win for all parties.

## **Simplified permitting processes have an outsized impact on expediting project delivery, especially for infill developments**

Our conversations also revealed how streamlined, simple regulatory processes can expedite project delivery for developers while also helping cities meet policy goals. Simplified processes are especially important for facilitating infill development and redevelopment. On these infill projects, which are characterized by development in areas that are already largely built out, the existing built environment presents more site-specific constraints for the typical project.

Thomas Hertzog of Good Neighbor Homes, another for-profit developer from Minneapolis, described the impact of the city's 2040 comprehensive plan in this light, applauding how it has streamlined development projects by reducing how much time developers and city staff spend engaging in back-and-forth negotiations for different project sites with unique challenges.<sup>7</sup>

*Overall the Minneapolis 2040 plan really simplified the process and made it more reliable. That is such a big factor in the pursuit of a project—can I get this approved? The time to get this approved? How easy is it to figure out what can be built there? The reliability of approvals is really so valuable. — Thomas Hertzog*

Through Minneapolis' 2040 comprehensive plan, city policy was especially impactful in simplifying development processes for infill housing in convenient locations close to daily amenities. The plan's emphasis on upzoning land along transit corridors has also been instrumental in "making the math work" for multifamily projects, as Hertzog described, since higher density developments can better offset building and land acquisition costs.

In the DC metro region, Ross echoed this sentiment. Speaking about a multifamily housing development in Arlington, Virginia, he described an opportunity for process reform that would boost affordable housing production. In Arlington, instead of upzoning location-efficient parcels across the board, the county created a process where additional density allowances can be granted in exchange for specific site improvements. Regulatory frameworks like this that offer incentives in exchange for other investments are popular tools for cities, but to maximize their impact these regulations should take into consideration whether a development includes affordable housing supported with public subsidies. Creating an avenue for subsidized housing developments to benefit from more by-right approvals can streamline project delivery and create space for more informal conversations between cities and developers about flexible ways to coordinate housing and transportation investments on specific sites.

## **Location matters, and mobility choice makes a location more desirable for both market rate and affordable developments**

Our interviews also highlighted how developers think strategically about the location of their projects. In Minneapolis, Fischer described a recent 23-unit project he completed that is within walking distance of Central Avenue, a state route managed by the Minnesota Department of Transportation (MnDOT). MnDOT is currently working on a project to install bus rapid transit (BRT) service on Central Avenue, as well as complementary upgrades to promote safe bike and pedestrian travel.<sup>8</sup> Retrofitting this auto-oriented corridor for different kinds of mobility shows how transportation and land use investments can work hand in hand, since many of the residents in Fischer's development live car-free.

*Where I build my buildings has the largest impact on people's emissions ... I have two projects on Central Avenue on the way and one already built, and [MnDOT's] investments on that corridor are enhancing them. — Cody Fischer*

For affordable housing, our interviews highlighted how existing program frameworks from state-administered LIHTC programs make affordable housing project managers look for sites in walkable communities, on transit lines, and close to daily amenities, because projects get points on their LIHTC applications for these features.

*If you're doing a 9% LIHTC project, you'll want to be on or close to transit. For competitive tax credits, you have to be ... we're absolutely competing with market rate developers for land, and construction costs are high, capital costs are*

*high. For deals around Metro sites, you have to push for density to get a return. – Danny Ross*

Edmiston, the nonprofit developer in Lansing, also described the challenges that affordable developers confront when finding project sites. Since LIHTC credits are allocated through a competitive process, affordable housing developers are incentivized to build in transit-rich areas that are well-connected by multimodal transportation options, but these sites can be hard to secure.

*A lot of the best sites have been taken, and NIMBYism [“not-in-my-backyard” sentiment] can be a hurdle ... It’s great when you can find a site for affordable housing development that has a lot of destinations within walking distance. If a site is walkable, we’ll go full bore to get what we can. – Tom Edmiston*

Innovative collaborations, like a recent project in Lansing to build affordable housing next to the downtown bus transit center, are good examples of how local policymakers can work across sectors to maximize impact in the most accessible locations.<sup>9</sup> For this project, Edmiston described how the Lansing Housing Commission secured competitive 9% tax credits from the Michigan State Housing Development Authority to build affordable housing on an underutilized site across from a transit hub. This project was pursued in close collaboration with CATA, which is simultaneously working on the redevelopment of an underutilized parking lot on the same block for administrative offices, homeless support services, and other amenities.<sup>10</sup> By aligning Housing Commission and transit agency-led projects on the same block, local leaders in Lansing are demonstrating how synchronized planning and development can advance both mobility and housing affordability goals.

## Removing minimum parking requirements for new developments is a win-win

For many housing developers, regulatory frameworks around parking requirements have arguably the biggest impact on project feasibility. In Minneapolis, where the local development code fully removed minimum parking requirements for new developments, insights from our interviews demonstrate the spectrum of how this policy translates to implementation.

*What I build, which is squarely in the 20-40 unit range of midsize buildings, is only possible because of policy change that happened in Minneapolis ... the most consequential piece of which was the elimination of parking requirements citywide. That provision has unlocked my ability to do projects. – Cody Fischer*

Removing minimum parking requirements has created an avenue for developers to deliver a type of housing that was previously not possible to build, spurring construction of new housing for residents that want to live a car-light lifestyle but still reside in a more traditional neighborhood setting. One of Fischer’s newest mid-size buildings, which was able to be built because of this change, provides no onsite parking. Only about 60% of the building’s residents own a car, and according to Fischer they’ve reported no issues with finding street parking in the neighborhood.

As the other Minneapolis-based developer, Hertzog, described, this policy change has allowed each developer to consider the needs and financial context of their unique projects and choose an appropriate amount of onsite parking to include. For a recent luxury condo development, he opted to build two parking spaces per unit, with each space including access to EV charging stations. This was above and beyond minimum requirements, but Hertzog saw it as the right fit for the project’s demographic, and the flexibility of the local code allowed him to deliver this amenity.

*Removing parking minimums has not meant that no parking was provided, but it is amazing that each building and its target demographic can choose how much parking they provide. For ultraluxury projects, that demographic already has vehicles and wants parking ... I'm providing two spots per unit, with one level 1 and one level 2 charger, because I want people to feel comfortable driving EVs and it's easier to install chargers upfront instead of retrofitting for them later. Overall, the biggest win is the flexibility. – Thomas Hertzog*

Affordable housing developers also place a big value on the removal of minimum parking requirements, which they highlight as a key policy mechanism to support the production of a greater number of affordable units. Recent research has estimated an expense of \$8,000 to build each surface parking space and \$26,000 for each garage parking space.<sup>11</sup> With such high costs, meeting parking requirements can quickly eat into tight project budgets and reduce the number of affordable units that can be delivered on a site.

Eliminating minimum parking requirements is also a more efficient policy than merely reducing them. In Lansing, Edmiston described a project where the zoning department granted flexibility to reduce the required onsite parking by half. However, even with the reduction, the site typically only sees the parking lot about half full. Had there been no minimums at all, Edmiston estimates that his team would have opted to build 20–25 fewer spots. For the surface parking used on this project, using the estimates described above, this could have translated to around \$200,000 in cost savings.

*With low-income housing we have an interesting opportunity ... the zoning doesn't require any parking, but we know that people may still depend on their cars, so we couldn't do a zero-parking project and we wouldn't be able to find an investor to support that. But we are trying to make it as car-free as possible. Every time we park more cars, it's fewer units we can provide. – Danny Ross*

When local codes fully eliminate minimum parking requirements, developers are empowered to find the most creative ways to meet their residents' mobility needs while still maximizing the utility of available land, especially for infill sites. For example, Ross, the developer in the DC region, described how his group provides an array of resident services across its properties, including a shuttle service for a senior living residence. Since the group is already equipped to operate shuttle services, they are exploring purchasing a bus for an upcoming project in Maryland to connect future residents to nearby public parking rather than building a costly parking deck on site. This solution is less expensive for the developer team, but it also ensures that more land on the site is available for affordable housing. In both the for-profit and affordable housing markets, removing parking minimums lets each project determine parking needs on a case-by-case basis, and the flexibility translates into cost savings.

## **Targeted development waivers and process reform for affordable housing can help stretch limited public dollars**

Whether through incentive programs, formula grants, or other avenues, public funds support both the housing and transportation sectors. But without strong coordination on the public sector side, regulators may miss opportunities to maximize the impact of these public investments.

Describing a recent project in Arlington, Virginia, nonprofit developer Ross explained how local regulations required his team to install a bike lane on the site, which ended up involving a full reconstruction to realign the street, turning into a costly six-figure improvement. This requirement was

triggered because of the project's size, but since the regulatory framework didn't make exceptions for affordable housing, the outcome ultimately involved a portion of public funding set aside for affordable housing being used to improve a public streetscape. In Ross' view, the local public works department may have been more equipped to finance and deliver this improvement more expeditiously.

*If there are state resources that can deliver the extra work that we are asked to do, that is a win-win because now we have a funding source that can cover something that is otherwise taking away from affordable housing. If the state could carve out some grant funds for transportation projects tied to affordable housing, it would help tremendously. – Danny Ross*

When local land use regulations treat nonprofit affordable housing developers the same as for-profit developers, making the same requirements for each, the result can be a situation where public funds are effectively just shifted between projects instead of being strategically coordinated. This creates a dynamic of “robbing Peter to pay Paul” and dilutes the impact of funds earmarked for specific purposes like affordable housing.

Policies like the landmark Affordability Unlocked program from Austin, Texas, offer a blueprint for how regulators can approach waiving targeted portions of the development code for projects that deliver units below market rate.<sup>12</sup> This program, which offers extensive waivers and modifications of some development regulations (including a full waiver of minimum parking requirements) in exchange for setting aside at least 50% of a development's total units as affordable, has been instrumental in accelerating the delivery of affordable units in the city: from around 900 annually before the legislation passed to more than 1,500 annually in each year since.<sup>13</sup>

As Ross suggests, another potential solution to this issue would be to create a dedicated public fund for transportation improvements connected to affordable housing developments, which could be administered at the state level. With such a fund, residents in affordable units would still benefit from these transportation investments, but nonprofit developers wouldn't be on the hook to pay for them using public funds allocated for affordable housing.

## Conclusion

Through our interviews, developers highlighted ways that local policy frameworks can support the production of housing that delivers more units in walkable, connected communities that facilitate car-light living. As housing shortages continue to strain affordability in many markets and as car ownership is increasingly expensive, alignment of housing development with multimodal transportation investments is more crucial than ever. Our findings show that stronger collaboration and cost sharing between cities and developers, targeted regulatory reform like the elimination of minimum parking requirements, and better cross-systems policy and investment coordination between public sector stakeholders can facilitate more housing development while also delivering impactful transportation improvements in an efficient way.

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<sup>1</sup> Wamsley, Laurel. 2024. “The Hottest Trend in U.S. Cities? Changing Zoning Rules to Allow More Housing.” *National Public Radio (NPR)*. [www.opb.org/article/2024/02/17/the-hottest-trend-in-u-s-cities-changing-zoning-rules-to-allow-more-housing/](https://www.opb.org/article/2024/02/17/the-hottest-trend-in-u-s-cities-changing-zoning-rules-to-allow-more-housing/).

<sup>2</sup> Zillow Research. 2025. "Rental Market Report April 2025." [www.zillow.com/research/april-2025-rent-report-35152/](https://www.zillow.com/research/april-2025-rent-report-35152/).

<sup>3</sup> National Association of Realtors. 2023. "NAR Community and Transportation Preferences Surveys." [www.nar.realtor/reports/nar-community-and-transportation-preferences-surveys](https://www.nar.realtor/reports/nar-community-and-transportation-preferences-surveys).

<sup>4</sup> Cody Fischer, owner, Footprint Development, personal communication with the author, August 2025.

<sup>5</sup> Tom Edmiston, director of real estate development, Capital Area Housing Partners, personal communication with the author, September 2025.

<sup>6</sup> Danny Ross, senior project manager, True Ground Housing Partners, personal communication with the author, October 2025.

<sup>7</sup> Thomas Hertzog, principal, Good Neighbor Homes, personal communication with the author, September 2025.

<sup>8</sup> Minnesota Department of Transportation. 2025. "Central Avenue Northeast" project homepage.

[www.dot.state.mn.us/metro/projects/centralavempls-columbiahgts/index.html](https://www.dot.state.mn.us/metro/projects/centralavempls-columbiahgts/index.html).

<sup>9</sup> 517 Business Magazine. 2025. "Lansing Housing Commission Breaks Ground on First New Developments in over 20 Years." [517mag.com/lansing-housing-commission-breaks-ground-on-first-new-developments-in-over-20-years/](https://517mag.com/lansing-housing-commission-breaks-ground-on-first-new-developments-in-over-20-years/).

<sup>10</sup> Heywood, Todd. 2023. "Mixed-Income Apartment Complex Slated for Lansing's Grand Avenue." *Lansing City Pulse*. [www.lansingcitypulse.com/stories/mixed-income-apartment-complex-slated-for-lansings-grand-avenue,66735](https://www.lansingcitypulse.com/stories/mixed-income-apartment-complex-slated-for-lansings-grand-avenue,66735).

<sup>11</sup> Litman, Todd. 2024. "Comprehensive Parking Supply, Cost and Price Analysis." *Transportation Research Procedia* 82 (2025): 1700–1716. See Table 4 on page 1706.

[www.sciencedirect.com/science/article/pii/S2352146524004496](https://www.sciencedirect.com/science/article/pii/S2352146524004496).

<sup>12</sup> Treskon, Mark, Jorge González-Hermoso, Noah McDaniel, and Dennis Su. 2023. "Local and State Policies to Improve Access to Affordable Housing." Washington, DC: Urban Institute.

[www.urban.org/research/publication/local-and-state-policies-improve-access-affordable-housing](https://www.urban.org/research/publication/local-and-state-policies-improve-access-affordable-housing).

<sup>13</sup> McGlinchy, Audrey. 2023. "Austin Policy Lets Builders Forgo Red Tape. The Result? More Affordable Housing, Less Public Input." *KUT News*. [www.kut.org/austin/2023-09-25/austin-policy-lets-builders-forgo-red-tape-the-result-more-affordable-housing-less-public-input](https://www.kut.org/austin/2023-09-25/austin-policy-lets-builders-forgo-red-tape-the-result-more-affordable-housing-less-public-input).