



# Chicago Metropolitan Agency for Planning

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## MEMORANDUM

**To:** CMAP Board

**Date:** February 3, 2010

**From:** Ty Warner AICP, Principal Planner

**Re:** *GO TO 2040* Policy Briefing: Land Use and Housing

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Beginning in fall 2009 and continuing through spring 2010, CMAP staff is briefing the Board on key policy areas that are recommended to be among the priorities of *GO TO 2040*. At the February meeting, one of the key policy issues discussed will be land use and housing. It is expected that the *GO TO 2040* plan will recommend that CMAP work closely with local governments to create livable communities. While recognizing that land use will continue to be locally controlled, the plan should call for CMAP to provide assistance to local governments that seek to reinvest in their communities, promote a more compact and mixed-used pattern of development, and increase the range of housing options available to the region's residents.

### *Summary*

When the Illinois Regional Planning Act was adopted in 2005, its primary goal was to better link transportation and land use. The synergistic nature of transportation and land use investments makes for difficulty in looking at these issues separately; transportation investments contribute to land use choices just as choices in land use development help determine transportation investments. In northeastern Illinois, major transportation improvements should be guided by regional priorities. Land use, however, should continue to be decided at the local level, based largely on zoning choices made individually by each of the region's 284 municipalities and seven counties. CMAP must help ensure a positive dynamic that balances the need for local autonomy and regional cooperation.

***Importance of Land Use and Housing***

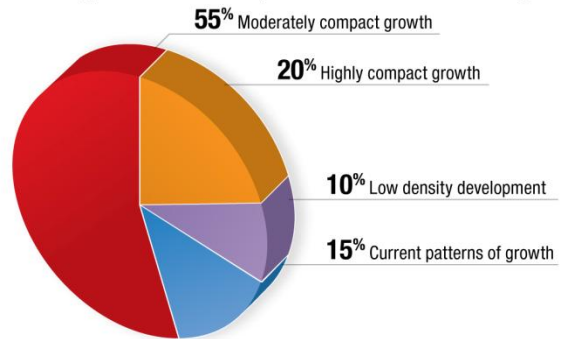
During CMAP’s *GO TO 2040* “Invent the Future” workshops held in the summer of 2009, three-quarters of the participants felt our region needs to increase density in order to meet other regional goals, and most favored modest increases in density. Ninety-two percent of the participants believed new growth should be targeted to community and metropolitan centers overall. Indeed, the MetroQuest tool responses showed that there was no single greater impact on the future regional scenario than changing our overall pattern of development.

Compact land use has important financial benefits to communities and the region as a whole. What is perceived as cheaper “greenfield” development is, in the long run, more costly by many measures. For example, infrastructure costs increase as new roads, sewer, water, and utilities must cross significant distances to accommodate spread-out development. Initial research by CMAP shows that more compact development patterns can significantly reduce the cost of such local infrastructure.

The primary challenge in developing more compactly often has more to do with issues of community fit than with density per se. Although “density” is a somewhat loaded term that many perceive as negative, residents across the region increasingly recognize the benefits of living and working in denser, mixed-use communities, such as those with rail stations that are revitalizing their downtown cores.

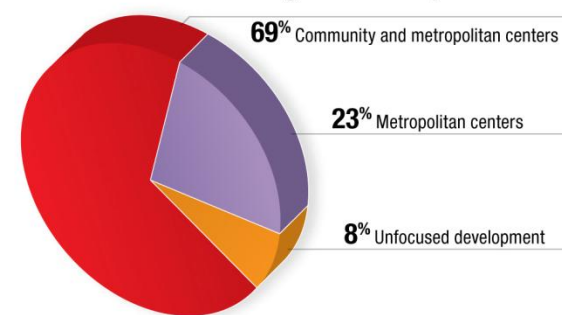
Nevertheless, communities working with developers to build for increased density face a number of significant obstacles. Building and fire codes trigger certain life-safety requirements once development reaches a particular height, adding a potential barrier to developing higher-density units. Often, building codes also impact the cost of housing rehabilitation, inhibiting strategies to preserve housing. Land assembly can be extremely difficult in established downtown areas that have seen decades of fragmented ownership. Public opinions about perceived negative effects of affordable housing and increasing density -- often based on past examples of large blocks of multi-family housing -- can impede efforts to establish a range of housing opportunities in revitalized community cores. Well-intentioned plans and policies that try to mix land uses by incenting ground-level retail in exchange for additional housing units

**What type of new development should we encourage?**



Source: Chicago Metropolitan Agency for Planning

**Where should we encourage new development?**



Source: Chicago Metropolitan Agency for Planning

do not always align with market conditions, creating retail vacancies that can detract from communities. And planning regulations that attempt to address one problem sometimes run up against other well-intentioned policies, such as certain environmental requirements seeming to create obstacles for reinvestment in existing communities.

In short, there is wide agreement that the region should alter the trend of land use development and housing over the past 50 years. But because that less-compact development resulted from various factors that remain in place, significant impediments must be addressed to encourage compact growth.

### *Recommended Direction for GO TO 2040*

As described in the preferred Regional Scenario, *GO TO 2040's* approach to these subjects is to “support the efforts of local governments to improve livability within their communities and to encourage a future pattern of more compact, mixed-use development that focuses growth where infrastructure already exists,” and to seek “an adequate and regionally balanced supply of affordable housing.”

Recognizing that in Illinois land use control is vested in municipalities and counties *GO TO 2040* respects local authority in any recommendations related to land use. Therefore, CMAP's work in the area of land use and housing must be **highly collaborative**, including partnerships with local governments and the development community, among others. An important aspect of CMAP's approach should be the **provision of incentives**, particularly in terms of transportation infrastructure investments. Another key direction should include **building local technical capacity** in communities, in terms of both planning and adopting the regulatory mechanisms needed to implement plans. Also, the goal of *GO TO 2040* should not be to increase density for its own sake, but rather with the overall intent of creating a prosperous, sustainable region.

This memo does not cover a number of other key *GO TO 2040* recommendations that affect land use and housing, as they are the subject of separate Board briefings. The plan's approach to tax policy, public transit, coordinated investment, and several other key recommendations have land use implications, which are described in the briefing memos on these subjects.

### *Potential recommendations*

#### Recommendation Area #1: Build Local Technical Capacity

As a regional planning agency, CMAP can help promote development changes on the local level by promoting the use of model ordinances, providing technical assistance to communities, and facilitating networks among communities that have done exemplary work.

CMAP has a variety of methods and tools that can be used for technical assistance to communities. The Centers Toolkit, the Return on Investment tool, and the MetroQuest software used during the Invent the Future workshops can all be relevant for communities at different stages in their planning processes. Beyond these specific tools, CMAP should also help local

governments explore innovative regulatory mechanisms such as the SmartCode and form-based coding, which may be more appropriate to mixing land use and preserving affordability than conventional zoning. Such innovative local land use controls hold much promise, as they help to focus development discussions on how appropriate context, form, and even aesthetic concerns can counteract the negative perceptions about density, affordability, and compactness. They are also relatively untested in Illinois, however, and there is a clear regional role in assisting interested local governments to examine the positives and negatives of these innovative regulations. Also, CMAP should help communities with forecasting and visualizing the long-term, actual effects of current ordinances that may unintentionally be stymieing desired development goals (with affordability and mixed-use being primary examples).

As noted above, technical assistance should go beyond initial planning to cover the regulatory mechanisms of development. Seventy-eight percent of CMAP's municipalities have adopted comprehensive plans; of these, 61% have been adopted or updated within the past 10 years. Even though many of these comprehensive plans contain well-conceived development goals that are entirely consistent with *GO TO 2040*'s direction, zoning ordinances in the region are largely antiquated, hobbled by years of "band-aid" modifications that often have resulted in internal inconsistency. Although zoning ordinances constitute the legal tool by which a local government can carry out the comprehensive plan, these ordinances commonly have not been updated to reflect and carry out the exemplary policies a community may have adopted in its comprehensive plan. Many times, such incongruence in zoning regulations prevents a suitable mix of housing types or limits opportunities for mixed-use development, for example. To actually implement the comprehensive plans of the region's local governments, fundamental regulating mechanisms need to be in sync with their current development goals.

In its approach to housing, *GO TO 2040* should recognize that local governments will take varying approaches to address the overall goal of a regionally balanced supply of housing. Similarly, there are a variety of housing policy options that work best when targeted to specific situations at the local level, rather than broadly applied. For example, housing preservation, inclusionary zoning, or removal of regulatory barriers are solutions that may be applied in different parts of the region, and CMAP should work with interested communities to identify and implement appropriate housing policies.

CMAP should target its technical assistance to communities seeking to implement particular provisions of *GO TO 2040* rather than seeking planning assistance generally. This would help CMAP channel its technical assistance resources more efficiently by focusing assistance proactively. For example, communities who form intergovernmental partnerships to undertake projects could receive particular priority, or those who incorporate affordable housing considerations into Transit Oriented Development (TOD) studies.

#### Recommendation Area #2: Provide Funding and Financial Incentives

While many communities have adopted recent comprehensive plans that address issues of livability, there are many others whose plans are outdated (39 percent are more than 10 years old), have been made irrelevant through zoning decisions (which often reflects a disconnect

between the adopted plan and the realities of community development issues), or simply have never had a comprehensive plan (22 percent of municipalities). These communities need the resources to have current and relevant comprehensive plans, and the best mechanism for helping to fund these efforts has been provided through the adoption of the Local Planning Technical Assistance Act. CMAP should continue to push for the act to be funded.

But while funding for planning is helpful, funding for implementation is even more critical. Recognizing the interplay between infrastructure investments and land use, CMAP should use transportation funding strategically to support projects that help to implement *GO TO 2040*. Two examples from other regions, the Atlanta Regional Commission's Livable Communities Initiative and the Bay Area Metropolitan Transportation Commission's Transportation for Livable Communities program, use a combination of state and federal funds for this purpose. The Board briefing on coordinated investment, scheduled for March, will provide more detail about targeting investments.

*GO TO 2040* should also highlight the strong link between land use planning and transit. As noted in the recommendation on transit that the Board discussed in December, *GO TO 2040* should recommend that transit expansion be accompanied by land use planning that seeks to create a transit-friendly environment, with investments in sidewalks, bus shelters, and other infrastructure. Transit decision makers should consider prioritizing investments in places where supportive land use planning is occurring.

Implementation of plans can also take forms beyond capital investment. Many local planning studies are currently funded through RTA's Community and Subregional Planning programs. CMAP continues to work with RTA in refining and enhancing its planning assistance programs, but minimal funding is available for actual implementation of these plans. *GO TO 2040* should recommend using IDOT's Statewide Planning and Research funds (the source for Illinois Tomorrow grants) as a potential resource, coordinating planning funds from multiple sources, and focusing on the implementation stages of plans funded through these programs. For example, many plans recommend changes to zoning ordinances or parking regulations, but there is rarely funding available for the "next steps" necessary to see those plans realized. Further, *GO TO 2040* should recommend prioritizing awards of planning grants based on the degree to which each grant application can increase collaboration among neighboring communities, encompass related topics such as affordable housing and energy, or increase livability in other ways. Federal Unified Work Program (UWP) funds could also be used to leverage the RTA and IDOT programs described above and contribute to plan implementation activities, supplementing what would otherwise be available.

Finally, with *GO TO 2040*, CMAP should begin preparing the region to compete for funds from the federal *Sustainable Communities Initiative* and to assist its communities in obtaining Community Planning Challenge Grants, a potentially significant funding program that regions will have a strong role in implementing. The principles of the HUD-DOT-EPA Interagency Partnership for Sustainable Communities are closely aligned with *GO TO 2040*: (1) increased transportation choices, (2) increased equitable, affordable housing opportunities, (3) increased

economic competitiveness, (4) support for existing communities, (5) leveraging of federal investment, and (6) value of communities and neighborhoods. CMAP should encourage the federal government to apply these principles broadly across its funding programs.

Recommendation Area #3: Continue to Build Partnerships

CMAP should continue working closely with its partners, especially RTA, to promote TOD opportunities that focus efforts to increase density around nodes where the synergy between retail, housing, and transit can minimize the costs and maximize the benefits of infrastructure. RTA has established a Regional TOD Working Group for this purpose and has worked closely with CMAP in refining RTA's Community and Subregional Planning programs to fund station area studies and planning efforts that support TOD development.

Intergovernmental cooperation has tended to be viewed largely in terms of neighboring communities. Another approach is to bring together communities from across the region that face similar challenges, fostering networked collaboration to share ideas and strategies. (One example would be the region's older, urban river cities, and another would be communities that have only recently been incorporated.) Communities can also be brought together effectively around specific issues of concern, as was the case with the South Cook Housing Collaborative.

*GO TO 2040's* approach to land use and housing should also include a strong role for counties. With their important geographic status that complements the region's and the municipalities' perspectives, counties can affect alternative local land use development strategies in municipalities more directly than CMAP can on its own. Many counties are already moving significantly from a role of simply regulating "leftover" land in unincorporated areas to a more proactive approach of helping to coordinate local municipal land use choices on the Subregional level. CMAP should continue working closely with counties to support these efforts, begin interacting with county agencies to use the framework of regional plan objectives, and solicit county partnership in assessing progress toward implementation of *GO TO 2040*.

**ACTION REQUESTED: Discussion.**

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