

Disinvestment Layer

Draft

CMAP Land Use Committee
March 21, 2018

- Primarily **non-residential** tracts that exhibit a **historic lack of private and public investment**
- Evidence of disinvestment includes **declines in property values, employment, and population**, as well as **market weakness, low municipal capacity, and low tax base**
- Consequences of disinvestment include a **constrained ability to respond** to changes in market condition

Overview

Relation between EDAs and disinvested areas

- **Economically Disconnected Areas (EDAs):** tracts that have higher-than-regional-average concentrations of low-income AND minority or limited English proficiency populations
 - ➔ Population-based definition
- **Disinvested areas:** tracts with severe and prolonged lack of investment
 - ➔ Non-residential market-based definition
- The solutions for each geography will be unique, but there will also be common solutions that apply to both

- A variety of data sources were considered:
 - CoStar data
 - CRA Lending data
 - Employment estimates
 - Home Mortgage Disclosure Act (HMDA) data
 - Land Use Inventory data
 - Non-residential Market Value data
 - Northeastern Illinois Development Database (NDD) data
 - USPS Vacancy data

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- **The disinvested areas layer utilizes three non-residential, market-based variables at the tract level, selected due to *data availability, years of coverage, and relevance*:**

1. Employment

- 1970, 1980, 1990, 2015
- Analysis of CES and IDES data
- **Percent-change between years (1970 to 1980, 1980 to 1990, and 1990 to 2015)**

2. Levels of Lending to Businesses

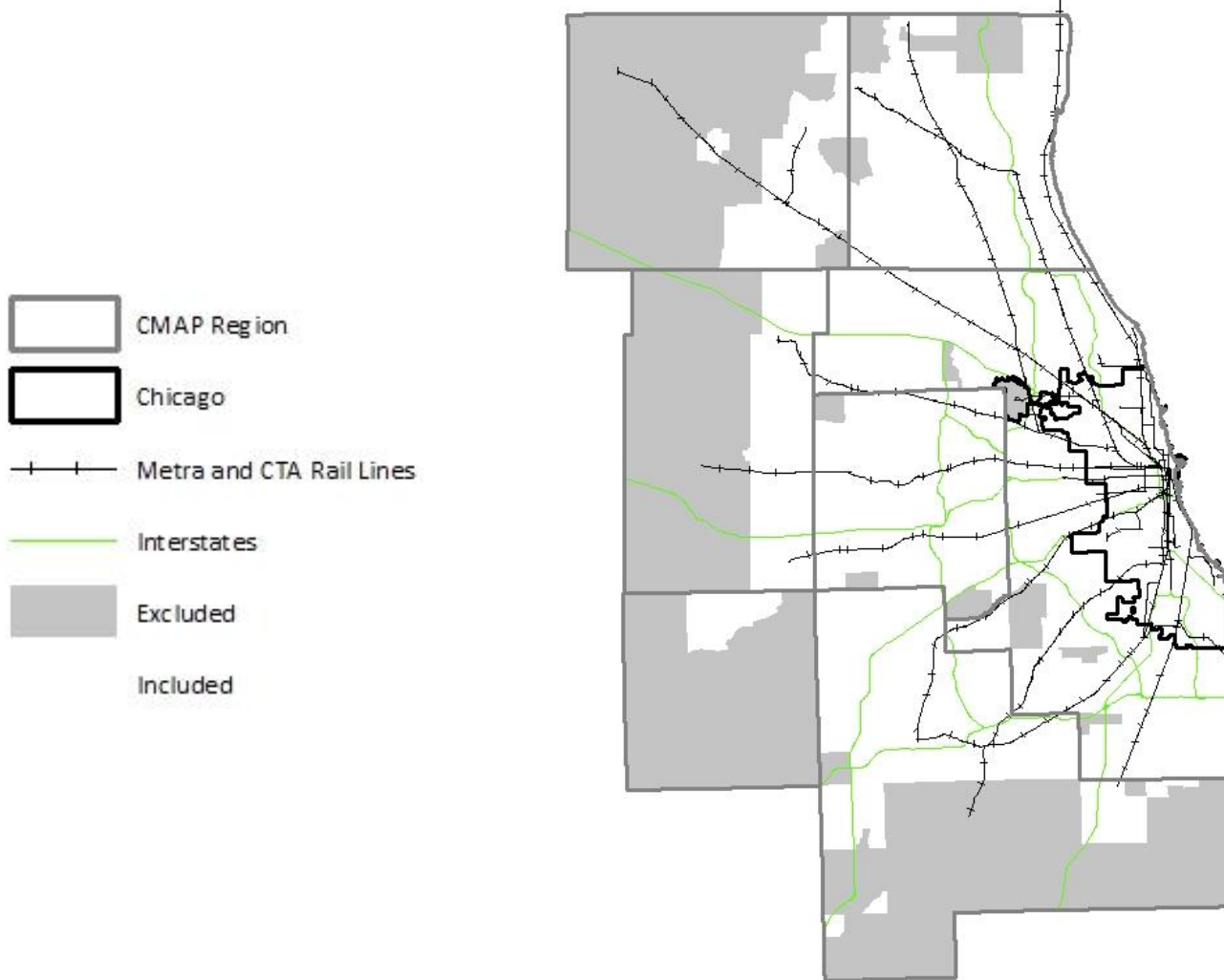
- 2007, 2015
- CRA lending data on small (<\$1 m) loans made to businesses, accessed via the Woodstock Institute
- **Normalized by number of establishments (2015)**

3. Non-residential Market Value

- 2010, 2015
- County Assessor data
- **Normalized “per capita” (2015 population + employment)**

Geography

Tracts included in the analysis



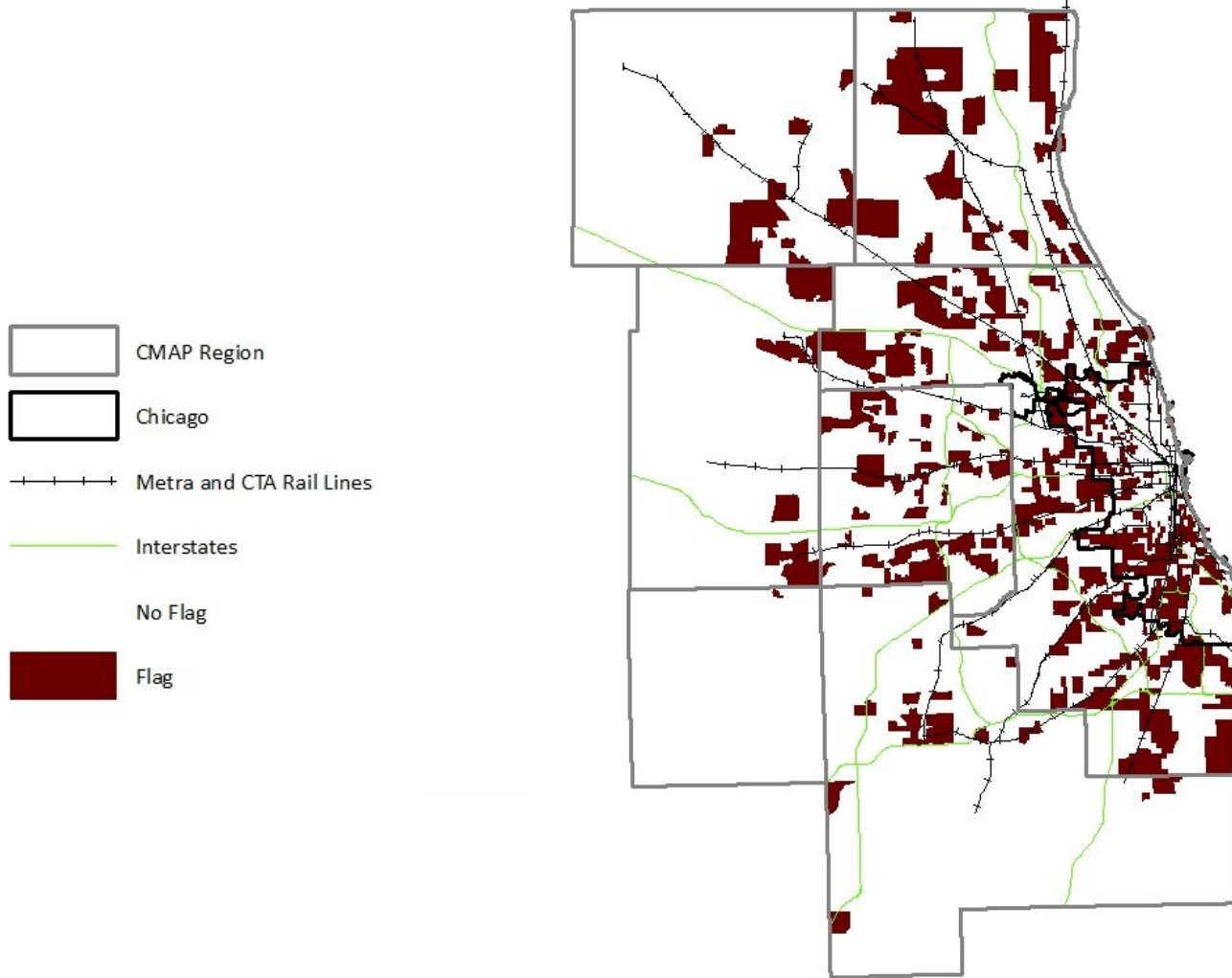
We used **infill-supportiveness** (CMAP’s “Infill and TOD” snapshot) as a proxy for development and only included partially- or maximum-infill-supportive tracts



- **Focus the analysis on primarily nonresidential tracts with a history of commercial activity**
- **Identify areas with severe and persistent disinvestment:**
 - **Severe**: Low values in the variable’s distribution
 - **Persistent**: Low values in the variable’s distribution *across several years or year ranges*

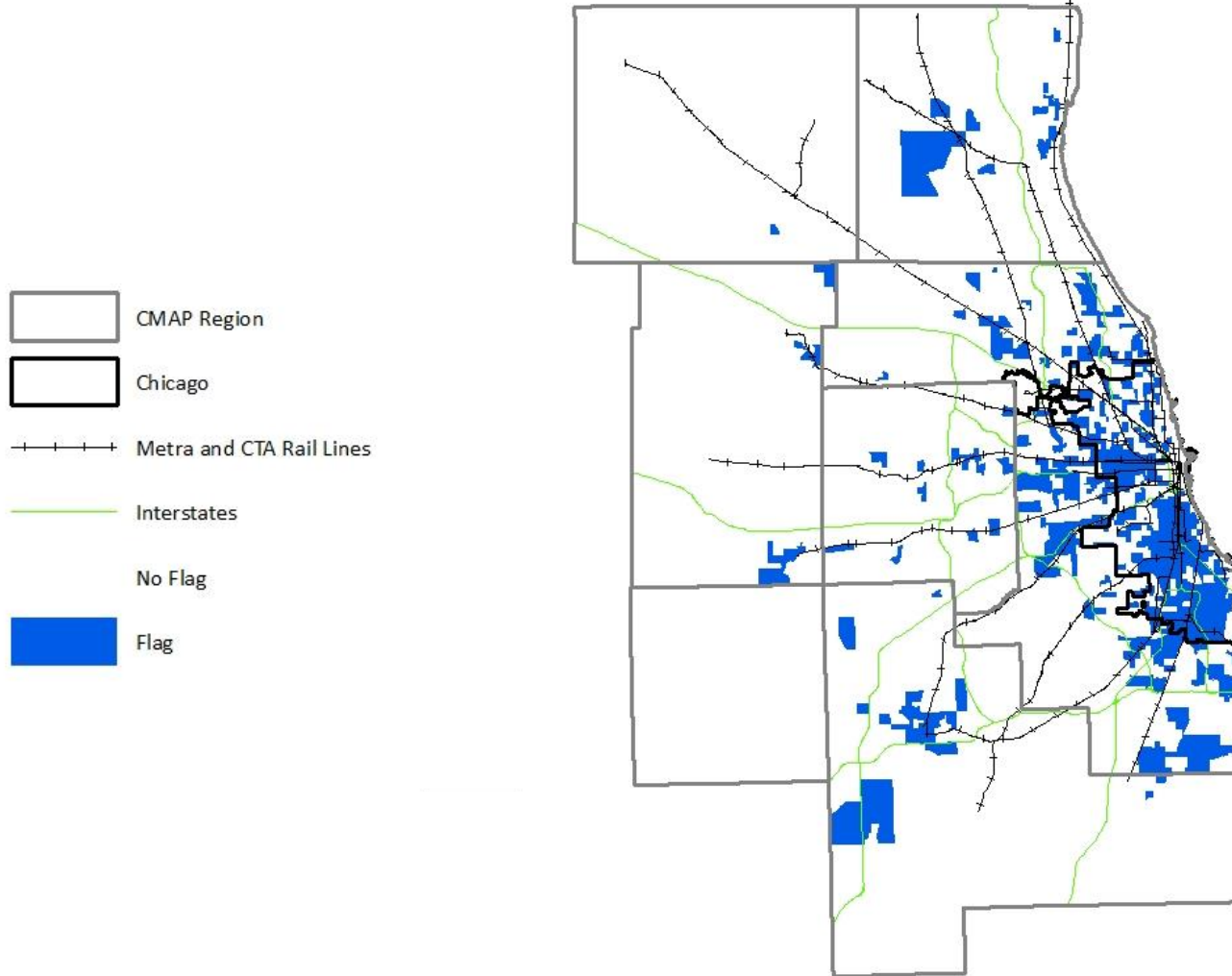
Geography

Tracts with low nonresidential market value



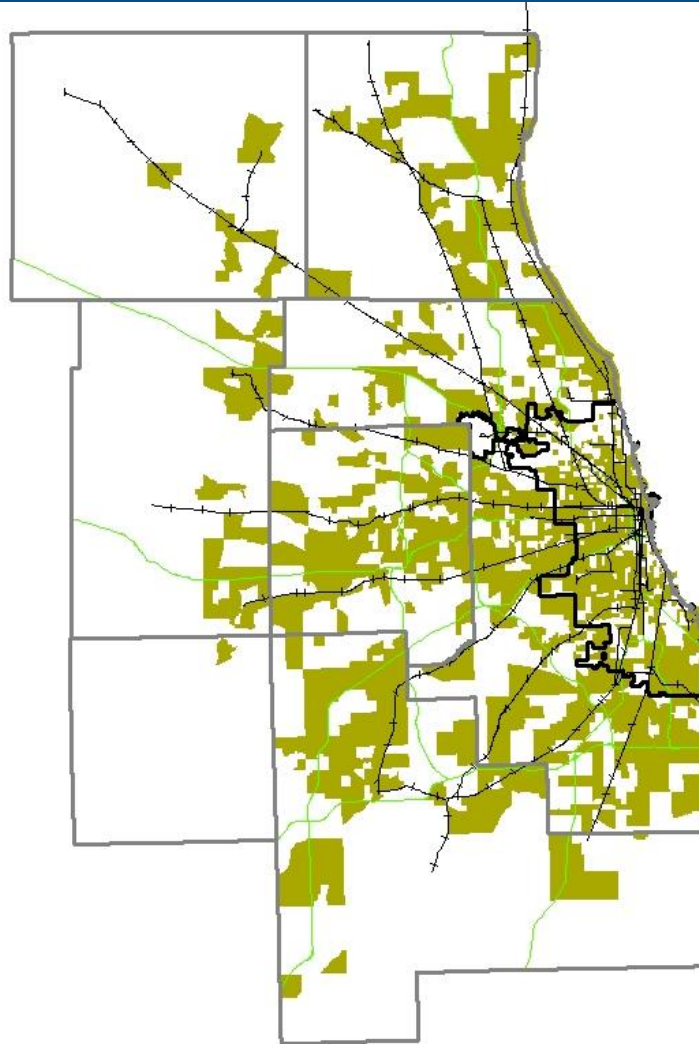
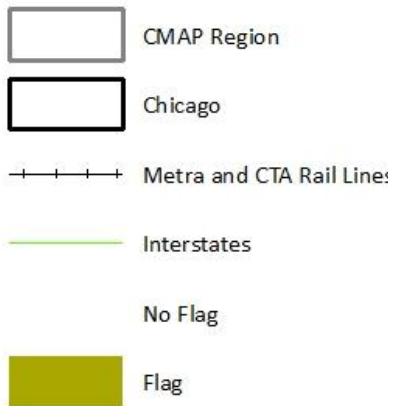
Geography

Tracts with negative change in employment and no population growth



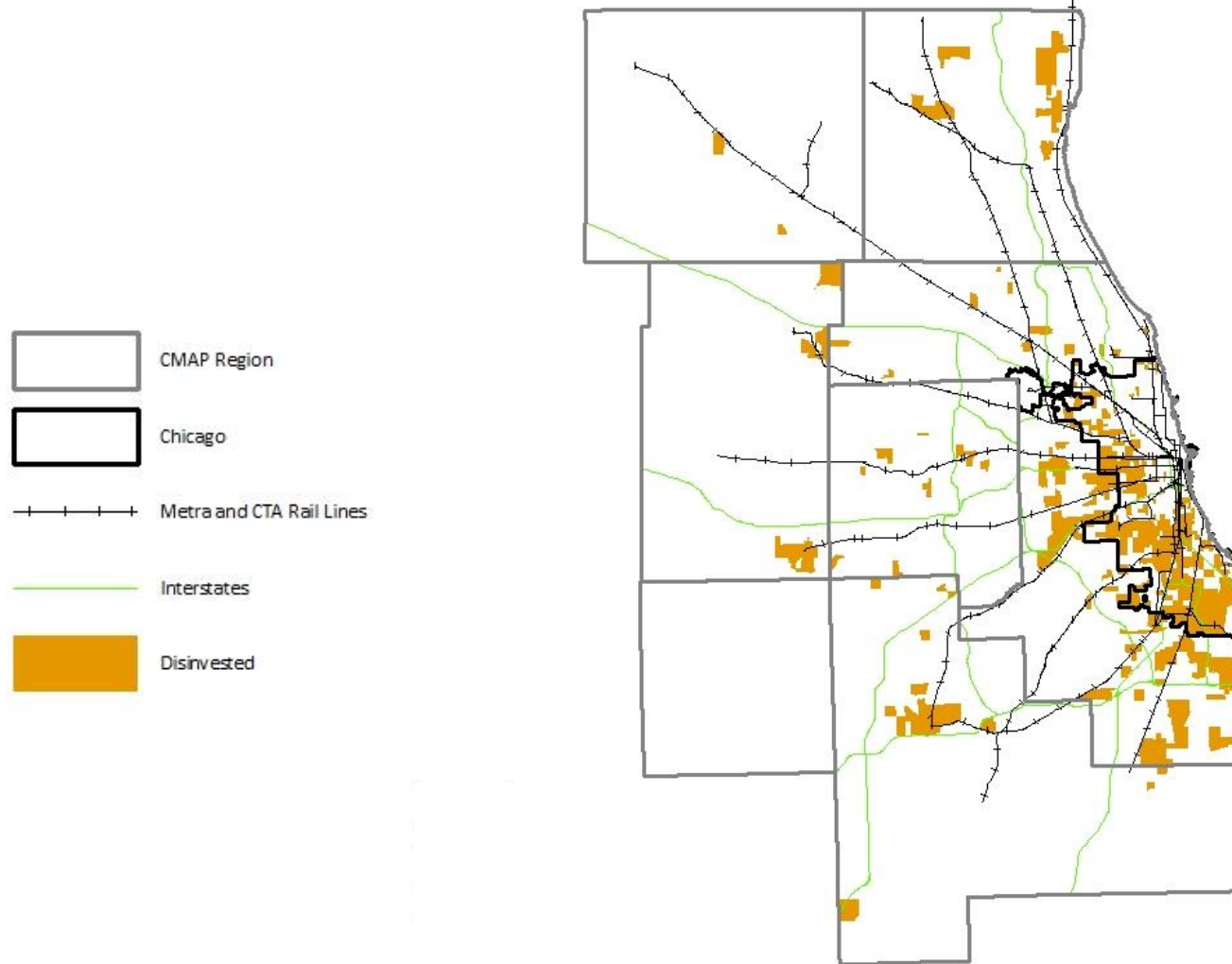
Geography

Tracts with low levels of lending



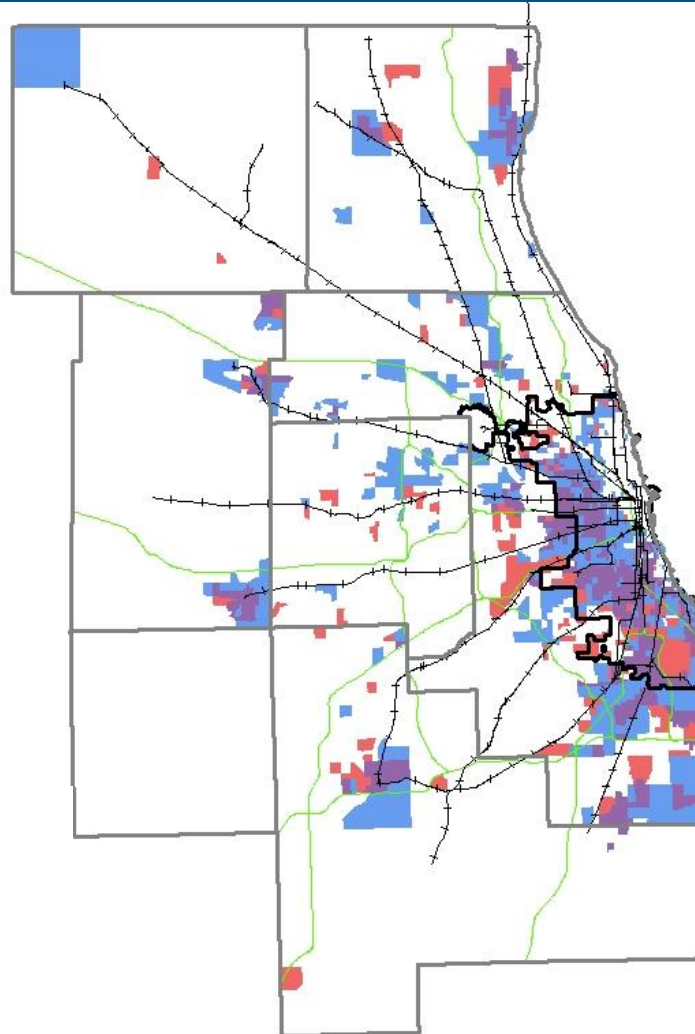
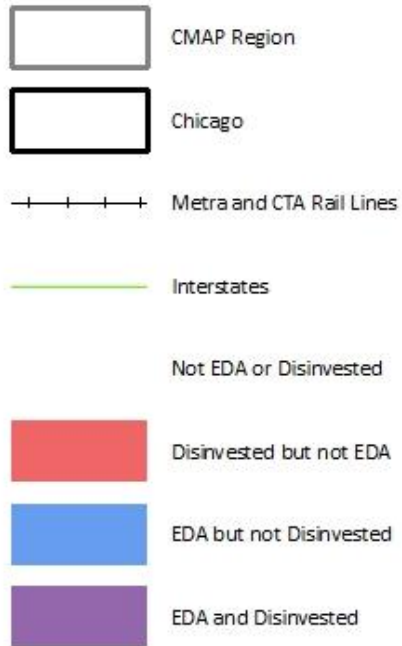
Geography

Disinvested areas layer



Geography

Disinvested areas layer with EDAs



Disinvested areas are **less populous** than EDAs, but **both lost population from 1970 to 2015** while the region grew overall.

Disinvested areas **have lost significant amounts of employment** while the region grew overall.

EDAs and disinvested areas report outcomes that are often worse than the outcomes of the rest of the region and the region as a whole.

The differences are most pronounced in terms of **nonresidential market values** and **employment levels**.

- **Two of the ON TO 2050 recommendations are targeted toward disinvested areas:**
 - *Promote reinvestment in disinvested areas*
 - *Focus investment and assistance in Targeted Reinvestment Areas (including economic centers; mixed-use downtowns, main streets, and transit station areas; and disinvested areas)*
- These recommendations are part of a larger set of recommendations **to promote inclusive growth**

ON TO 2050

Comments or questions?

Thank you!

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