



MEMORANDUM

To: CMAP Committees
From: CMAP staff
Date: February 14, 2018
Re: Proposed recommendations for the ON TO 2050 chapter regarding Land Use

This memo contains the proposed recommendations of the ON TO 2050 chapter on Land Use. Since 2016, CMAP staff have conducted extensive research and collaborated with partners to develop ON TO 2050. The recommendations described in this memo were refined through numerous [strategy papers](#) and [snapshots](#), including the [Transit Ridership Growth Study](#) and the [Reinvestment and Infill](#), [Expanding Housing Choice](#), [Lands in Transition](#), and [Tax Policies and Land Use](#) strategy papers. These proposals build on GO TO 2040's focus on reinvestment, supporting transit, and fostering livable communities to explore new policies and strategies and provide implementers with more specific direction. This is the first of a series of memos that will be used to introduce the core concepts of ON TO 2050 and seek feedback from CMAP committees and stakeholders.

ON TO 2050 outline

ON TO 2050 will be conveyed primarily on the web. The structure assumes that readers will not approach the document linearly. The plan will be organized around five topical areas, each containing a set of recommendations that may repeat across chapters, as will some strategies within those recommendations. Each recommendation will describe its support for the three principles of the plan: Inclusive Growth, Resilience, and Prioritized Investment. The following lists the plan sections to provide context for land use chapter:

- Introduction
- Principles to move the region forward
 - State of the region
 - The three principles
- Engagement
- Land Use: *Proposed recommendations provided below*



- Environment
- Economy
- Governance
- Mobility

Proposed land use recommendations

The region's communities, built environment, and quality of life are among its greatest resources. Development patterns evolve over time and shape residents' experiences and businesses' success. ON TO 2050 seeks to build strong communities and even more vibrant places through targeting resources, improving planning, fostering collaboration on fiscal and economic issues, promoting housing choice, and investing in our communities.

ON TO 2050 will continue to emphasize the importance of reinvesting in our existing communities and infrastructure, and offers new direction to advance livable communities in the region. The map below shows development and land protection in the region since 2000; this chapter provides recommendations to improve progress on reinvestment goals. Enhanced planning for economic and real estate markets, collaboration on economic development, and fiscal condition will help the region compete on the national stage. Emphasizing land preservation and reinvestment will conserve our natural assets today and for future generations. Increasing density and growing existing community centers will support desired transit and ease commutes. Careful expansion to preserve key natural and agricultural assets and limit long term costs will promote resilience of the region.

Local initiatives - plans, regulations and policies, tax policies, development initiatives, services, and infrastructure improvements - collectively shape our progress toward regional goals. Some communities have a wealth of expertise and resources for these initiatives, while others struggle to raise revenues and provide basic services. Decisions on development, infrastructure investment, and services are made by a complex network of local, state, and regional governments. ON TO 2050 envisions a comprehensive set of actions by municipalities, CMAP, counties, Councils of Governments, the state, transportation providers, and civic organizations to support local decision-making and continue to foster dynamic and successful communities through 2050.

The three principles of ON TO 2050 are embedded in these recommendations. This chapter outlines recommendations to promote prioritized investment in and careful expansion of our built environment; advance inclusive growth by building places, local revenues, and technical expertise; and improve resilience by preserving high quality places and leveraging data and expertise to plan for market realities, infrastructure needs, and fiscal stability.



Protected and developed lands

*Source: Chicago Metropolitan Agency for Planning Land Use Inventory for 2001/2010, and the National Conservation Easement Database for 2012-15.

**Source: National Land Cover Dataset for 2001-11 and the Northeastern Illinois Development Database.

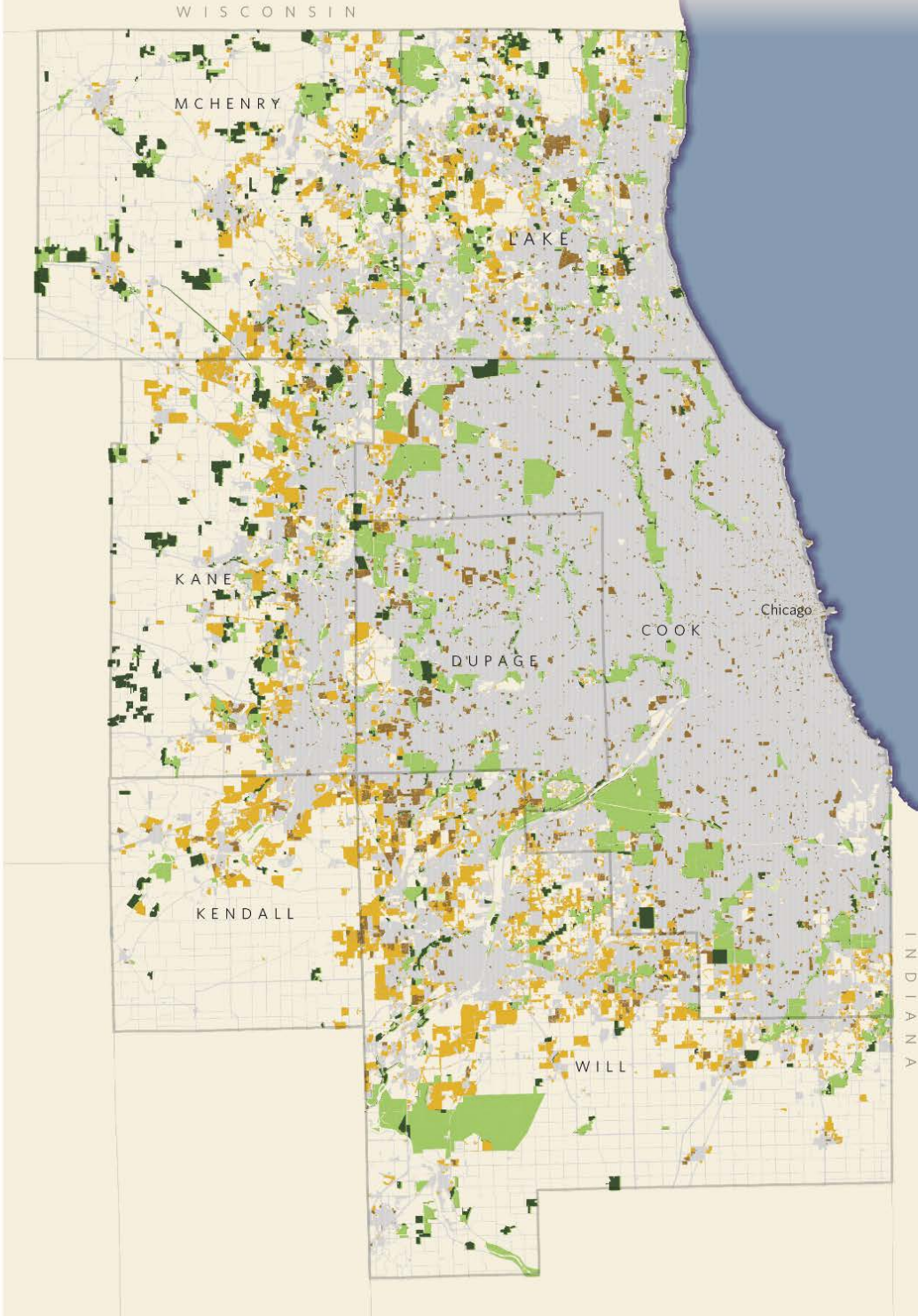
***Includes developments where up to 1/3 of the development footprint took place on agricultural or natural areas. The ON TO 2050 planning process will continue to explore and refine methodologies for characterizing development.

Protected lands*

- Previously protected land
- Newly protected land since 2001

Developed lands**

- Newly developed on agricultural or natural land since 2001
- Newly developed on previously developed land since 2001***
- Previously developed land
- County boundaries



Focus investment and assistance in Targeted Reinvestment Areas

Reinvestment in already developed parts of the region takes advantage of existing infrastructure investments, promotes easy access to jobs, services, and other resources, and improves quality of life. Yet, in recent years, reinvestment has occurred to a lesser degree than expansion. Planning for redevelopment can be difficult and costs can be prohibitively high. Issues such as high land and demolition costs, persistent flooding, environmental contamination, or concerns about changing community character can arise. CMAP should collaboratively develop a program that encourages municipalities to designate targeted areas for infill, infrastructure, housing options, and other types of assistance and funding. These areas can promote collaborative investment by CMAP and others, leveraging resources to overcome the costly and complex problems that can occur in reinvestment. Over time, linking partner efforts to these prioritized geographies can bring together the full array of resources needed to build vibrant main streets and transit station areas, support thriving economic centers, and change the trajectory of disinvested areas.

The following outlines strategies and associated action steps to implement this recommendation.

Develop a locally-driven program to identify Targeted Reinvestment Areas and focus agency and partner resources in those areas

- CMAP should work with partners, including IHDA, IDOT, County governments, financial institutions, CDFIs, regional land banks, stormwater management agencies, and philanthropic, nonprofit, and civic organizations, to specify criteria for designating mixed-use centers (including transit station areas), disinvested areas, and employment and industrial centers as TRAs.
- CMAP and partners should adopt and integrate policies and programs within their respective organizations to direct technical assistance and funding toward areas designated as TRAs.
- Following the establishment of CMAP's TRA program, municipalities should identify areas within their boundaries that fit TRA criteria, and propose these areas to CMAP to be included within the program.
- CMAP should review proposals for TRAs, and confirm those that align with the definition of the program. Infrastructure investment through CMAQ, TAP, and STP and technical assistance through LTA should be directed toward designated TRAs.

Direct technical assistance to communities in transition

- CMAP should target technical assistance resources to communities in transition through LTA and similar programs.



- *CMAP and partners* should research best practices and target technical assistance to areas experiencing rapid new development to preserve affordability, quality of life, and community character.

Target preservation and stewardship efforts to key conservation and agricultural areas

Conserving the region's highest quality natural resources and agricultural areas complements directing resources to specific types of reinvestment areas. While preservation decisions are often driven in part by opportunity, strategic frameworks like the ON TO 2050 conservation areas layer can help maximize the benefits of land protection by coordinating different actors across jurisdictional boundaries. These efforts can occur anywhere in the region, but are particularly urgent at its developing edge. *Note that an expanded version of this recommendation will also appear in the Environment Chapter.*

Support development of compact, walkable communities

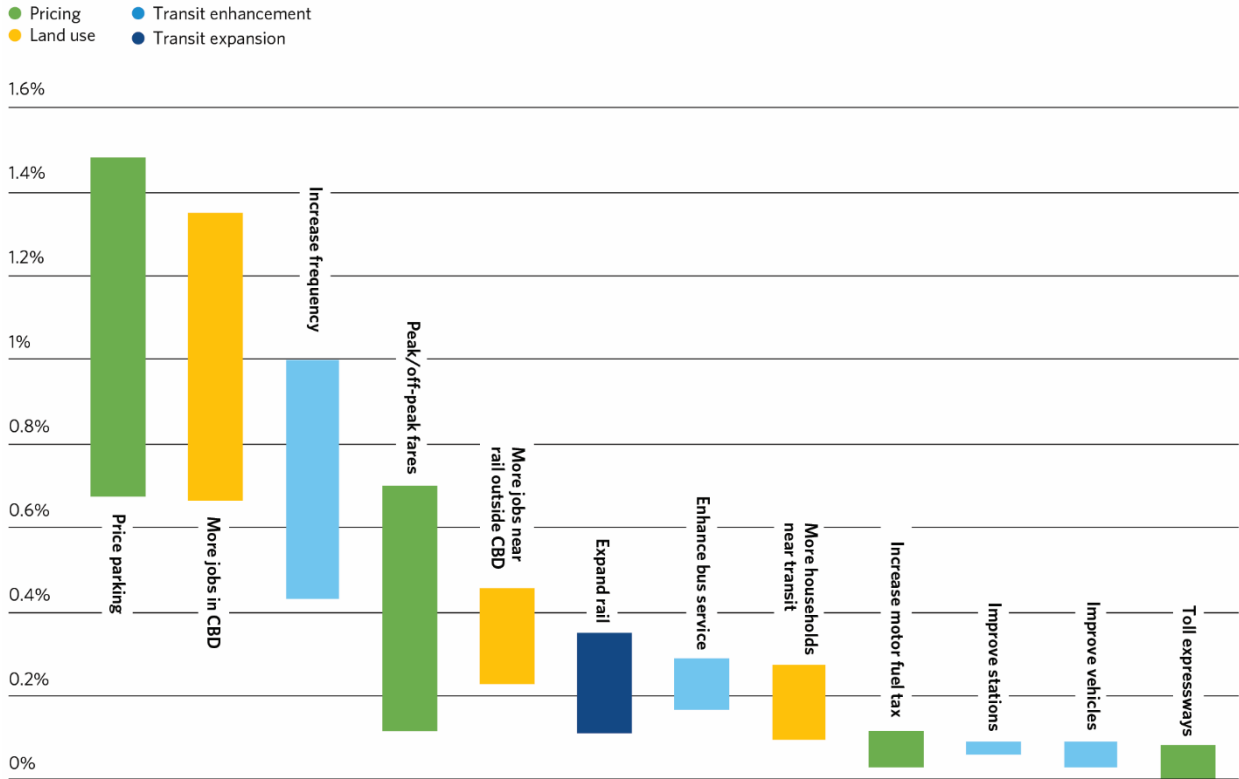
Reinvestment must occur in a manner that supports a strong quality of life. Promoting compact, walkable communities can further easy access to day to day services, amenities like parks, as well as jobs. These areas can also become high quality community centers, supplemented by placemaking efforts that activate public and private spaces. The region's and nation's residents are seeking walkable places at higher rates, and this trend may continue as the population ages and young families seek homes that provide some urban amenities. While many residents will continue to choose single family homes, an increasing number are choosing townhomes, condos, or apartments with access to services, transit, and vibrant community nodes.¹ As shown in the graphic below, housing and employment densities in station areas are intrinsically related to transit ridership. To fully support transit and meet the growing desire for fast, frequent, reliable transit within both highly urbanized areas and more suburban parts of the region, stakeholders must implement policies to create transit-supportive densities in areas where strong transit is desired. *The Mobility Chapter will also include this recommendation.*

¹ Urban Land Institute, "[America in 2015: A ULI Survey of Views on Housing, Transportation, and Community](#)," 2015. And, National Association of Realtors, "[Demand for Walkable Communities](#)," March 2017.



Gain in mode share at low and high levels of strategy implementation, 2015

Source: CMAP Transit Ridership Growth Study.



The following outlines strategies and associated action steps to implement this recommendation.

Design streets, curb space, and sidewalks to support emerging transportation needs and walkable communities

Improve safety for all users in downtowns and main streets

Actively manage parking

- *Municipalities* should reduce or eliminate minimum parking requirements, or set maximum parking limitations in some locations.
- *Municipalities* should price on-street parking to manage demand in dense areas.
- CMAP should prioritize parking studies in the LTA program.
- CMAP and Metra should analyze parking utilization and supply at adjacent transit stations to evaluate the potential for alternative land uses and parking allotments to support TOD.



Plan for transit-supportive land uses

- *Municipalities* should update plans, zoning codes, and development regulations to require greater densities and mixed uses near transit stations with a preference toward employment rich land uses.
- *Municipalities* should prioritize capital projects that enhance pedestrian and bicycle access to transit stations.
- *CMAQ and partners* should prioritize limited federal funding sources such as CMAQ, TAP, and STP toward jurisdictions that actively plan for densities to support transit service.

Implement best practices in placemaking

Plan for future density when approving near term infrastructure and development proposals

- *Municipalities* should require potential for conversion of parking facilities to other uses
- *Municipalities* should structure street, pedestrian, and bike networks to support future density where desired
- *Municipalities* should align zoning and building regulations to support long term density goals in walkable areas
- *Municipalities* should evaluate development proposals for fit with long term density goals in walkable areas

Incorporate market and fiscal feasibility into planning and development processes

Many of the region’s communities actively plan for reinvestment or new development of varied types, such as commercial corridors, residential areas, or industrial centers. These plans do not always align with market feasibility or assess the public revenues necessary to provide supportive services and infrastructure in the long term.² Cumulatively, this lack of planning can limit communities’ ability to implement local and regional goals. Planning for market feasibility makes economic sense, but requires more robust planning processes and cooperation with adjacent communities. Pairing market feasibility with fiscal outcomes can help communities prioritize their development choices and build more resilient communities over time.

² Chicago Metropolitan Agency for Planning, “[Fiscal and Economic Impact Analysis of Local Development Decisions](#),” 2014.



The following outlines strategies and associated action steps to implement this recommendation.

Strengthen local and regional market feasibility in local planning efforts

- *Municipalities* should incorporate market analysis into all planning processes, but particularly comprehensive, strategic, and subarea plans, as well as provision of economic development incentives.
- *Municipalities* should plan for markets that cross community boundaries, including partnering with jurisdictions within the same markets when developing economic development and land use plans.
- *Municipalities* should implement best practices for subregional economic development to better support markets-driven development, reduce costs, and implement local and regional goals.
- *CMAP* and partners such as ULI should provide educational materials and training about market-feasible planning and development to municipalities.
- *CMAP* should provide subject-matter expertise and technical assistance to communities that are collaborating to plan for subregional and regional markets.

Municipalities should incorporate long-term infrastructure maintenance into development and expansion decisions

- *Municipalities* should prioritize infrastructure needs of the whole community through a capital improvement plan, including an assessment of the costs generated by existing and planned developments.
- *Municipalities* should develop transportation, water infrastructure, and other asset management systems to fully implement performance-driven investment practices and make the best use of the region's limited resources.
- *CMAP and partners* should develop materials and trainings to help municipalities understand how their land use choices affect local revenues.
- To overcome a lack of data and technical capacity to implement asset management,
- *CMAP and partners* should assist with transportation data collection and asset management pilot projects, eventually expanding to a region-wide program.
- *CMAP* should research best practices and leverage its growing resources on age and condition of the region's infrastructure to develop methods for municipalities to assess mid and long term impacts of major or cumulative development processes.



- *COGs and CMAP* should develop trainings to assist all of the region’s municipalities in implementing and improving asset management systems over the long term.

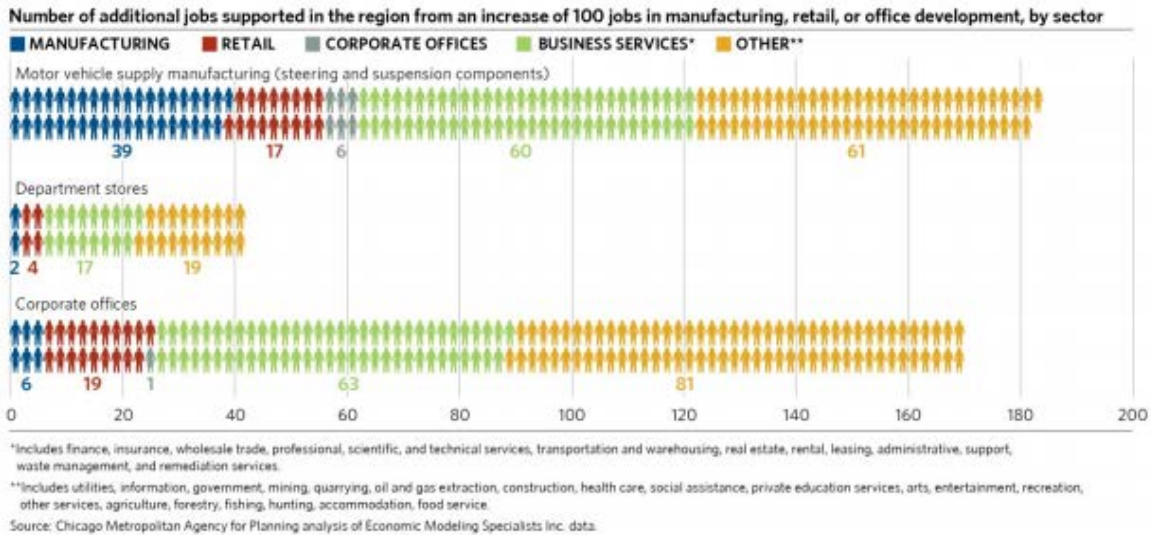
Municipalities should implement best fiscal practices in development approvals

- *Partners such as ULI, GFOA, and others* should provide assistance to local jurisdictions in assessing the short and long term fiscal impacts of development.
- *Municipalities* should employ development-specific revenues to reduce public costs of new development.
- *Municipalities* should perform fiscal impact analysis to properly employ development-specific revenues and associated agreements.
- *Municipalities* should review their development ordinances to ensure that road, water, and other infrastructure requirements are appropriately scaled to support development and optimize long term costs and needs.
- *CMAP, ULI, and the MMC* should collaborate to provide materials on best practices in fiscal impact assessment and assessing costs in development approval processes.

Align local economic development planning with regional goals

ON TO 2050 encourages all of the region’s communities to make efficient use of limited fiscal resources by supporting industries that connect us to the global economy as well as to improve intraregional cooperation. Through their role in planning for and regulating local development, municipalities support small pieces of regional markets for retail, office, industrial, and other development types, many of which house the industries that connect regional industries to the global economy. The graphic below illustrates the economic impact of typical employment types found within retail, office, and industrial development. These cumulative local decisions can have broad impacts on infrastructure needs, commute patterns, goods movement, and overall regional economic success. Cooperation across communities on economic development and market-driven planning can improve outcomes at the local and regional scales. *The Economy Chapter will also include this chapter.*





The following outlines strategies and associated action steps to implement this recommendation.

Proactively coordinate economic development efforts

- *CMAP and partners* like ULI and CRGC should research case studies and best practices for subregional coordination of economic development, including non-compete agreements, joint economic development initiatives, infrastructure and service sharing to support development, tax base sharing, boundary agreements, and other initiatives.
- *Municipalities and counties* should implement best practices for subregional economic development to reduce costs as well as implement local and regional goals.
- *CMAP and partners* should assist municipal coalitions in planning for local economic development, focusing on sub-regions that have common planning needs and goals for business attraction, human capital, freight movement, and similar issues with strong relevance to the region’s economy.
- *CMAP* should assist municipalities in planning and investing in multijurisdictional transportation investments that support economic productivity.
- *CMAP, MPC, counties, and COGs* should facilitate new partnerships between municipalities and develop materials illustrating the benefits of coordinating on shared economic development priorities.

Provide incentives based on alignment with local and regional goals, anticipated program outcomes, and trade-offs

- *Local governments* should establish criteria for economic development incentives, including requiring fit with locally established goals and regional economic benefit. Policies should ensure that incentives are provided only if desired outcomes are met and minimize provision of incentives solely for fiscal gain.
- *Local governments* should proactively establish economic development agreements with neighboring communities to reduce intraregional competition via incentives, and reduce public costs.
- *The State and local jurisdictions* should enhance data on tax credits and incentives provided at all levels of government and consistently evaluate the expenditures and outcomes of incentive programs such as sales tax rebates, EDGE, TIF, property tax abatements, Enterprise Zones, and others.
- *The State* should incorporate regional priorities into its strategic economic development planning and align assistance and incentive provision with those priorities.
- *CMAP and partners* such as the ULI and MPC should provide best practices and model economic incentive policies for communities.

Prioritize building economic development expertise of municipal staff and officials

- *CMAP and partners* such as ULI should provide tools to help municipalities effectively use incentives, taking into account the full public costs of related public services, initial infrastructure improvements, and future infrastructure maintenance.
- *CMAP and partners* should provide guidance to local partners on best practices for zoning, development regulation, market analysis, tax incentives, and transportation funding that support economic productivity and reduce market barriers.
- *CMAP and partners* should establish regular trainings, networking events, and other resources to promote best practices on joint economic development initiatives, economic development planning, incentive policies, market analysis, business attraction and retention, and other economic development topics.
- *CMAP and MMC* should explore partnerships like the Southern Illinois University-Edwardsville team that leads the Illinois Basic Economic Development Course to create course offerings specifically tailored to staff and elected officials.³

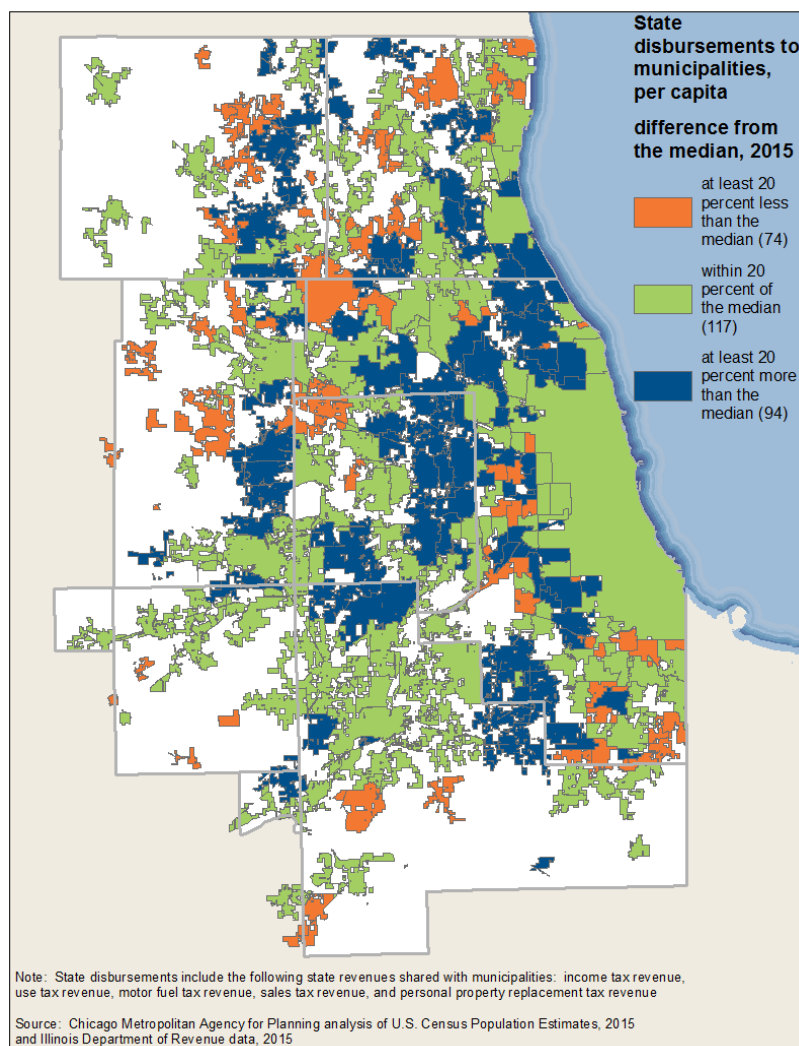
³ Southern Illinois University-Edwardsville, "Illinois Basic Economic Development Course," <http://www.bedcillinois.com/about-us.html>.



Develop tax policies that support successful communities and regionally beneficial land uses

The region requires a tax system that provides ample opportunity for municipalities to raise revenues that support their plans, goals, and desired development patterns. The current tax system can provide the most local fiscal benefit for retail development and leave municipalities with few options to support regionally beneficial land uses like industrial or office centers. Tax policies also have a broad impact on the ability of local jurisdictions to provide services and keep infrastructure in a state of good repair. At a minimum, local governments may struggle to maintain infrastructure in a state of good repair, provide desired services, or ensure that staff and elected officials have the training and resources to be effective and innovative.

Municipalities with a long history of disinvestment often have a severe mismatch between local revenues and potential tax base, creating prohibitively high tax rates and furthering the cycle of disinvestment. Taken together, these policies can circumscribe the ability of communities to plan for or implement reinvestment, economic activity, and a strong quality of life. *The Governance chapter will also include this recommendation.*



The following outlines strategies and associated action steps to implement this recommendation.

Develop new infrastructure funding solutions to support the multijurisdictional nature of development and supportive transportation networks

Reform tax policies to sustain economically beneficial land uses and local costs for supportive infrastructure

- *The state legislature* should expand the sales tax base in a manner that helps communities create a more balanced land use mix, improves horizontal equity, minimizes economic distortions, and mitigates the cascading nature of sales taxes.
- *Cook County* should phase out the property tax classification system to reduce the higher tax burden on commercial and industrial property taxpayers relative to residential properties
- *The state* should reform state revenue sharing disbursement criteria to reduce wide divergences across municipalities and allow municipalities to support their desired land use mix
- *CMAP* should coordinate with partners to promote tax policy changes to support better land use outcomes, and should include public education as well as legislative outreach.
- *The State* should engage in fiscally sustainable practices in order to ensure a stable business climate and guarantee the reliability of state support to the region, including for local governments, transit agencies, and not-for-profit service providers

Municipalities should implement user fees

- *Municipalities* should develop stormwater utility fees to assess the true cost of stormwater infrastructure and improve flood control infrastructure
- *Municipalities* should implement user fees to fund transportation infrastructure improvements, such as local motor fuel taxes or fees to address freight needs
- *Municipalities* should assess infrastructure costs and adjust development, parking, water, sewer, and other fees and taxes to cover the cost of current services and long term replacement
- *Communities* that face significant affordability barriers to full cost pricing of water and other utilities should consider consolidating services with a neighboring community to reduce overall costs and provide options for low income residents.



Match regional and local housing supply with the type of housing that residents want

By 2050, all residents in our region should have housing choice, defined as the ability to find a quality affordable home that fits each household's preferences, including proximity to jobs, transportation, and other amenities, throughout all stages of life. To reach that vision, stakeholders throughout the region will need to take steps to address barriers that prevent the market from meeting the demand of current and future residents. A disconnect between the housing residents want and what is built undermines the region's growth prospects. Housing choice will help make our housing stock resilient in the face of changing residential demand.

The following outlines strategies and associated action steps to implement this recommendation.

Create and disseminate best practices on community acceptance efforts

- *Religious organizations, social service providers, and concerned residents* throughout the region should organize local grassroots organizations that galvanize support for the development of a broader range of housing types.
- *CMAP and partners* should monitor the success of these nascent community acceptance efforts and share lessons learned as those in other parts of the region embark on their own efforts.

Plan for future housing needs and align with zoning, entitlement processes, building codes and inspections to promote development of a greater range of housing types

- *Municipalities* should plan for future housing needs, and in doing so, considering how demographics and consumer preferences may lead to a greater range of housing types.
- *Municipalities* with an established vision for future housing should change local zoning, entitlement, and building code content and processes to promote that vision.
- *CMAP, the Metropolitan Mayors Caucus, and the Metropolitan Planning Council* should investigate common local building code amendments, as well as code enforcement processes, that are barriers to the development of a range of housing types.
- *CMAP* should help communities create local housing plans and align those plans with zoning, entitlement, and building code content and processes, *in partnership with the Metropolitan Mayors Caucus (MMC) and the Metropolitan Planning Council (MPC).*

Plan for housing types that support aging in community for the region's growing senior population



- *Municipalities* should plan for and permit housing types that support aging in community for the region's growing senior population, such as mixed use housing, transit-oriented housing, accessory dwelling units, and multi-generational housing.
- *Municipalities* should implement local programming to help seniors age in place, such as handyman programs and home safety assessments.
- *CMAP*, through the LTA program, should continue to support municipal planning needs for the region's growing senior population

Continue improving the efficiency and effectiveness of housing subsidy programs

- *Housing program operators* should continue improving their administrative efficiency to make scarce funds go farther, including exploring opportunities to partner in meeting various administrative requirements, such as the development of consolidated plans, fair housing plans, and funding applications.
- *Housing program operators* should coordinate funding priorities and selection criteria, such as the definition of "opportunity areas," to reduce duplication, simplify the application process, and better align funding decisions.
- *CMAP* should continue to provide technical assistance to such organizations in improving administrative efficiency as well as encouraging coordination with other funds to improve effectiveness.

CMAP should evaluate which federal statutes and regulations negatively affect development of diverse housing choices

Pursue new investment and assistance solutions for disinvested areas

Some parts of the region have been left behind by growth over the last several decades, and have often lost substantial population, jobs, businesses, and resources. Promoting growth in these areas will require collaborative and comprehensive investment at all levels of government and civic organizations. Targeted infrastructure investment is just the first step to foster growth. Weak markets and negative perceptions limit development in these areas, thus growth will build on careful analysis of potential. High tax rates may limit market-driven development, and reconsidering tax policies to support disinvested areas may be required. Coordinating on economic development can help foster new jobs within formerly struggling areas. Providing new housing options can promote affordability. The region must also identify new solutions and leverage additional resources to build up disinvested areas and create progress on inclusive growth.

Disinvested areas fully encompass the economically disconnected areas – with high concentrations of low income, minority, and limited English proficiency residents - defined



within ON TO 2050, supplementing this geography by identifying adjacent commercial and industrial areas that have experienced a loss of economic activity over a sustained period of time. These solutions to promote new market-driven investment and vital places differ from those targeted to promote economic opportunity for residents of EDAs. ON TO 2050 also identifies strategies to build the assets and capacity of the region's under-resourced municipalities and communities. These combined individual, built environment, and community-driven solutions are required to comprehensively promote inclusive growth.

The following outlines strategies and associated action steps to implement this recommendation.

Identify and target appropriate resources and solutions to promote reinvestment in declining or disinvested areas

- *CMAP* should inventory available regulatory and fiscal incentives to provide information to local decision-makers.
- *CMAP* should research the tools used throughout the nation to identify regulatory, incentive, partnership, or other types of strategies that would be beneficial to weak market areas in northeastern Illinois.
- *Regional land banks* should work with *CMAP* and other partners to strategically promote investment in disinvested areas.
- *CMAP and partners* should align road, stormwater, transit, and similar infrastructure investment to address the unique needs of disinvested areas.
- *CMAP and partners* should collaborate on technical assistance, funding, and other initiatives to provide a comprehensive set of solutions to catalyze growth in low market areas.

Target assistance to disinvested areas experiencing rapid new development to preserve affordability, quality of life, and community character

- *CMAP and partners* should identify disinvested areas experiencing rapid new development pressures.
- *CMAP and partners* should offer planning assistance to disinvested areas experiencing rapid new development.
- *CMAP and partners* should identify and implement policies and regulatory strategies to preserve affordability, quality of life, and community character



Build capacity for disinvested areas to compete for infrastructure investments

- *Transportation funders* should develop creative approaches to removing the financial barriers that prevent disinvested areas from accessing some transportation funding programs.
- *IDOT* should explore expanding its transportation development credit program to apply to Federal aid projects and direct funding assistance to preliminary engineering for priority projects in disinvested areas.
- *MWRD* should continue offering matching funds to disinvested areas to support floodplain buyouts.
- *MWRD* should explore prioritized stormwater management planning assistance to identify future capital projects in disinvested areas.
- *County stormwater agencies* should explore opportunities to create programs that provide matching funds and planning assistance for capital needs in disinvested areas.
- *Municipalities* with disinvested areas should work with financial institutions to apply for low cost loans for broadband, sewer, and other infrastructure that qualifies under the Community Reinvestment Act.

Build municipal, non-profit, and private sector capacity in disinvested areas

- *CMAP and partners like the Federal Reserve Bank of Chicago* should work to bring banks and lending institutions together with municipalities to ensure that weak market communities have access to capital and financial services that support economic development.
- *Municipalities* should build relationships with financial institutions to access the resources they provide under the Community Reinvestment Act.
- *Municipalities* should build their expertise on available capital and financial resources, develop a plan to attract those resources, assist businesses and residents in applying for these resources.
- *CDCs, non-profit housing developers, and larger municipalities* should seek progressively employ and cultivate smaller scale, minority and women-owned businesses to build their capacity.
- *Foundations and advocacy groups* should continue to explore grants and other funding opportunities to help small-scale developers bridge funding gaps.



- *CMAP and partners* should target technical assistance, trainings, and other assistance to municipalities in low income or low market areas.

RECOMMENDED ACTION: Discussion

