Agenda Item No. 5.0

Chicago Metropolitan Agency for Planning

233 South Wacker Drive
Suite 800
Chicago, Illinois 60606

312 454 0400
www.cmap.illinois.gov

MEMORANDUM

To: CMAP Committees

From: CMAP Staff

Date: March 7, 2018

Re: Outline of the proposed recommendations of the ON TO 2050 land use element

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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 approach to land use

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. Local initiatives - plans, regulations and policies, tax policies, developments, services, and infrastructure improvements - collectively shape our progress toward regional goals. Some jurisdictions 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 following outlines the initial recommendations and strategies proposed for ON TO 2050 in the land use element. Associated actions are also listed ***under the first recommendation only****, as an example of the full detail that will be incorporated into ON TO 2050. Stakeholder feedback will inform revisions in preparation for the June release of the draft plan for public comment.*

Directed investments to encourage sustainable development patterns

From 2000-15, the region expanded its developed footprint by nearly 12 percent, an area equal in size to the city of Chicago. Over the same time period, employment remained flat, population increased by 4.6 percent, and many opportunities for infill development remained untapped. The region, its local governments, and civic community can face the growing challenge of limited fiscal resources by directing assistance to promote regional and local goals.[1] Reinvesting in areas with existing services and infrastructure has broad regional benefits. Local governments and transportation providers incur fewer infrastructure and service costs. Businesses often have access to a larger pool of potential customers and workers. Residents can reach a broader set of options for work, recreation, and services via transit, car, or bike. Focused reinvestment efforts can also help communities overcome the often costly problems of reinvestment, supporting their central importance in guiding local development.

[1] Chicago Metropolitan Agency for Planning, "Infill and TOD: Exploring regional development", 2017. http://www.cmap.illinois.gov/documents/10180/0/Infill+and+TOD+Snapshot+Report.pdf/4273b7d1-0a16-4c2f-a93e-dce1c2a472fd

At the same time, the region will continue to expand. Development on agricultural, natural, and other open lands at the fringes of the region can be important to achieving community goals, but may also result in decreased market viability for agricultural uses, consumption and degradation of natural assets, and increased costs associated with constructing and maintaining new infrastructure and services. Expanding with an intent to preserve our most valuable natural and agricultural resources as well as reduce the long term cost of infrastructure and services can promote local and regional resilience.

Focus resources in Targeted Reinvestment Areas

Summary: 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 to implement this recommendation. The first strategy provides an example of "actions" that will be pursued to implement the strategy.

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

Target preservation and stewardship efforts to key conservation and agricultural areas

Summary: 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. When expansion occurs, communities can use strategies to preserve sensitive lands while facilitating growth and planning for long term fiscal sustainability. *Note that an expanded version of this recommendation will also appear in the Environment Chapter.*

Reinvestment to build vibrant, well-resourced communities

The region is aging and becoming more diverse, businesses are choosing to locate in different types of places, and more residents want to live near urban amenities. Strong, livable places offer housing, transportation, employment, and amenity options to meet these changing needs. While their character varies according to local goals, vibrant destinations and communities attract activity and investment. Strategies to shape these communities build on each other, and also contribute to regional resilience. For example, compact development patterns support cost-effective transit service, and they also facilitate walking and biking; transit and non-motorized options, in turn, improve mobility and public health and also reduce greenhouse gas emissions; these prioritized investments reduce infrastructure costs and promote fiscal sustainability. .

Some parts of the region have been left behind not only by recent changes in demand, but by historic market and civic investment. These communities still have many assets and their residents are community and human capital resources. Promoting vibrant communities will require investing not only in places that are already centers of activity, but also in those that are rich with potential, but suffer from long term disinvestment. Fostering strong places and communities throughout the region provides many opportunities for a strong quality of life and improves the economic potential of the region and its residents and businesses.

Support development of compact, walkable communities

Summary: 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. 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. T*he Mobility Chapter will also include the strategies of this recommendation.*

The following outlines strategies 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

Pursue community greening

Actively manage parking

Plan for transit-supportive land uses

Implement best practices in placemaking

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

Pursue new investment and assistance solutions for disinvested areas

Summary: 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 to implement this recommendation.

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

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

Build capacity for disinvested areas to compete for infrastructure investments

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

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

Summary: 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 to implement this recommendation.

Create and disseminate best practices on community acceptance 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

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

Continue improving the efficiency and effectiveness of housing subsidy programs

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

Addressing the complex interaction of development, the economy, and fiscal issues

Through their role in planning for and regulating local development, local governments support small pieces of regional markets for commercial and industrial development types, many of which house industries that make up the region's economic base. Municipalities prioritize certain types of economic development for many reasons, from meeting local employment goals, to quality of life concerns, to the potential for fiscal benefit. Because the current tax system's local fiscal benefit stems mainly from retail development, municipalities have few revenue options to support industrial or office centers, which can have regional economic benefit. In addition, some communities use incentives to attract businesses that meet important local goals, but those incentives may also simply move businesses between local jurisdictions. These cumulative local decisions have broad impacts on regional mobility, fiscal sustainability, and overall regional economic success.

The interaction of local and regional markets and tax policy can make it difficult for some communities to succeed. Businesses often collocate in areas with access to transportation and a strong workforce, but communities nearby may provide supportive transportation and infrastructure with limited potential for fiscal benefit. Other communities can become mired in a cyclical mismatch between revenues and costs, leading to high tax rates and an inability to attract new investment. As a result, some local governments 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.

ON TO 2050 encourages support for industries that connect the region to the global economy, increased local cooperation on economic development, and changed tax policies to support more development types and provide local governments with more paths to success. These strategies can also reduce competition and overbuilding of some development types, lowering costs and improving fiscal outcomes for the region.

Incorporate market and fiscal feasibility into planning and development processes

Summary: 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. 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. Fiscal feasibility becomes particularly important for communities at the developing edge of the region, who must balance growth goals with near and long term costs to maintain proposed infrastructure. Pairing market feasibility with fiscal outcomes can help communities prioritize their development choices and build more resilient communities over time.

The following outlines strategies to implement this recommendation.

Strengthen local and regional market feasibility in local planning efforts

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

Municipalities and counties should implement best fiscal practices in development approvals

Align local economic development planning with regional goals

Summary: 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 to implement this recommendation.

Proactively coordinate economic development efforts

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

Prioritize building economic development expertise of municipal staff and officials

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

Summary: 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 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

Local governments should implement user fees

ACTION REQUESTED: Discussion

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