

Urban Land

A regional plan for Chicago, the first of its kind in the United States, was released by Chicago architect Daniel H. Burnham on July 4, 1909. Commissioned by the Chicago Commercial Club—a membership organization of civic and business leaders—the plan dealt primarily with public infrastructure such as parks, streets, railroad lines, public buildings, and the like. That same year, the U.S. Supreme Court made it possible for localities to regulate private property development, ruling in *Welch v. Swasey* that communities could limit building heights and vary them according to zone. Laws and ordinances derived from the authority established by this ruling signaled the emergence of zoning as a tool to shape future land development patterns.

Nearly 100 years later, a new regional effort is underway in Chicago. More than 270 mayors, all members of the area's Metropolitan Mayors Caucus (MMC), have voluntarily come together to "promote housing and mixed-use developments that meet community needs while also addressing broader regional sensible growth goals." Last February, MMC members adopted "housing endorsement criteria" and a "housing action agenda," documents asserting the importance of housing as a regional issue and laying out nine action items intended to promote policies and practices that support attainable housing across the metropolitan Chicago area.

A new regional effort underway in Chicago is looking at sensible growth and attainable housing—all in the name of creating a multiplicity of desirable locations.

Sprinkled throughout the endorsement criteria are references to mixed-use developments, infill development, higher densities, and other principles and criteria that suggest the eventual need for modification of local zoning, subdivision, and possibly additional regulations. "The review of local codes is likely to be part of the effort further down the road," comments Robin Snyderman, housing director for the Metropolitan Planning Council (MPC), a Chicago nonprofit organization that supports sensible planning and development policies for the region. MPC developed the endorsement criteria and action agenda jointly with the MMC's Housing Task Force (HTF), and the mayors who make up the leadership team of MMC's HTF are now working in their home jurisdictions to promote the endorsement criteria. "Once the criteria have been adopted," explains Snyderman, "the next step will be for staff within each jurisdiction to review local ordinances to identify barriers to building the range of housing spelled out in the endorsement criteria."

This particular effort in Chicago—by its cooperative, voluntary nature—contrasts with regional approaches to housing that have been put forth elsewhere through legislative or judicial action. For



The Chicago Effort

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example, the New Jersey Supreme Court ruled in 1975 that the township of Mt. Laurel had to assume its regional fair share of housing for low- and moderate-income families, requiring the municipality to revise its zoning ordinance to fulfill this land use obligation. The effort also goes beyond those of individual municipalities that seek to address regulatory barriers without taking a regional approach to the issue. “A similar voluntary, regional approach was employed in Silicon Valley,” points out Snyderman. “The difference,” she adds, “is that the Silicon Valley Manufacturing Group primarily brought business groups together. In Chicago, we have mayors working cooperatively to gain regionwide support for policies and practices that support sensible growth and attainable housing.”

Another element of the Chicago effort that sets it apart is its recognition of the linkages among affordable housing, growth, and broader quality-of-life issues. “The challenge is figuring out how to channel regional growth so that it is rational and sustainable, so that a better quality of life for all results,” says Mark Angelini, a developer with the Chicago-based Shaw Company and a member of MPC’s Housing Committee. As with many other metropolitan areas, the most broadly visible quality-of-life issue in the Chicago area is traffic congestion, a problem that derives from a mismatch between the location of jobs and workforce housing. In fact, evidence of a “jobs/housing mismatch” is what prompted members of the MMC to establish its Housing Task Force in November 2000. According to Snyderman, “A regional market analysis released in 1999 showed that where the job supply was booming, the rental housing stock was shrinking.” MPC presented the report’s findings to the MMC, and the mayors subsequently agreed to establish the HTF to take on housing as a regional issue.

When the MMC was founded in December 1997 by Richard M. Daley, mayor of Chicago, there were two issues the mayors agreed were too difficult to tackle: aviation and housing. Rita Athas, director of regional programs for the city of Chicago, says the mayors first collaborated on less controversial issues like “electricity deregulation and clean air.” When housing came on the agenda, Athas says “the mayors realized it couldn’t be solved community by community but required a similar model of regional cooperation.”

The recognition of affordable or workforce housing as a regional issue is not new. The late 20th-century take on this issue is new, however, representing a convergence of two types of “regionally oriented planning movements of the past decade,” as described by Stephen M. Wheeler in an article in the summer 2002 issue of the *Journal of the American Planning Association*. According to Wheeler, beginning in the 1990s, two types of regionalist planning efforts ran parallel to each other. One focused on physical planning chal-

lenges, such as growth management initiatives, a renewed emphasis on urban design, and a desire to limit sprawl while revitalizing urban centers. The other “called for improved equity within metropolitan regions” and “stressed the economic interdependence of suburbs and central cities, as well as the importance of ‘citistates’ in the new global economy.” By its recognition of the importance of all of these issues, the Chicago effort embodies what Wheeler describes as “key characteristics of an emerging movement.” It also demonstrates Mayor Daley’s political insight in seeking to adopt “mutually supportive policy frameworks” among “different levels of government,” one of the critically important challenges of this emerging movement identified by Wheeler.

Education will be fundamental to the success of the MMC’s efforts, maintains Athas. “With the mayors caucus, we started off with bus tours. We took mayors and developers to see ‘good housing’ sites like North Town Village,” an award-winning, mixed-income community in Chicago. Both Athas and Snyderman emphasize the same theme: the need to create an environment in which elected officials have the support they need to drive the process. According to Snyderman, the housing endorsement criteria create a positive vision of what housing can be, answering the question: “What kind of housing can people support?” Perhaps more important, she adds, “they provide a vocabulary for the discussion of such housing.” Angelini agrees, noting that he applauds the introduction of a “good, active dialogue about the things that can contribute to cost escalation in housing.” Though many municipal leaders understand the issues, Angelini explains that “the challenge is to get into the debate in a meaningful way.” Athas says she views the endorsement criteria as helpful to mayors, too, pointing out that “when city councils vote on the endorsement criteria, MMC and MPC will have people in the audience who support the criteria, including members of the business community.”

Chicago’s business community has in fact demonstrated support of the criteria and is involved in an initiative complementary to the MMC/MPC effort. The Chicago Commercial Club—the same organization that sponsored the Burnham plan nearly 100 years ago—undertook the “metropolis project” in 1996. The goal of the project was to “ensure the preeminence of the Chicago metropolitan region in the 21st century,” recognizing that “there are numerous issues vital to [the region’s] social and economic well-being [that] must be addressed regionally,” including “unlimited, low-density sprawl; concentration of poor minorities; the spatial mismatch between jobs, affordable housing, and transportation; and disparate degrees of access to quality education.”

From this project, a new organization was launched: Chicago Metropolis 2020, which is governed by an executive council and



benefits from the input of a number of senior executives who volunteer a substantial portion of their time to provide leadership on core issues. King Harris, a local business leader and MPC board member, is the senior executive charged with examining affordable housing from a regional perspective. This past July, Chicago Metropolitan 2020 released its “Workforce Housing Action Agenda,” which identifies a number of trends that bode poorly for the region’s housing situation and spells out local, regional, state, federal, and private sector actions that should be undertaken to alleviate the “shortage of affordable housing in the region.”

Gaining local support for innovative housing may be less difficult when elected officials and business leaders are aligned in support of a regional housing agenda. Still, local opposition to “attainable workforce housing” will be in evidence, especially as individual jurisdictions work to modify ordinances to facilitate the construction of multifamily housing or single-family housing on smaller lot sizes and as density is increased. The mayors who make up the MMC Housing Task Force maintain there are different approaches that can be used.

According to Rita Mullins, HTF cochair and the mayor of Palatine, public education is key. “We need to have developers as well as transportation and business leaders in the room,” she suggests, adding that “design is important, location is important, and, for rental housing especially, management is important.” Ila Bauer, mayor of Round Lake Park, cites education as essential, too. “For the first time, people are taking a look at this issue—people of stature in the community, such as business, civic, and other leaders,” she points out. “They need to see what works in a few communities, then learn how to apply what they’ve learned.”

HTF cochair Zenovia Evans, mayor of Riverdale—which, among jurisdictions represented by mayors serving on the HTF leadership team, has the greatest percentage of families living in poverty and the greatest mean travel time to work—emphasizes that by “working together, the jobs/housing imbalance can be addressed.” Mayor Evans, who has shared the endorsement criteria with Riverdale’s council, planning staff, and public housing agency, cites the need for economic development as well, to “attract moderate- and upper-income housing” to Riverdale. In Oak Park, a jurisdiction that is well served by public transit, has very little available land, and has an aging stock of housing, the challenge is to preserve existing units,

“because these units tend to be more affordable than new construction,” says Joanne Trapani, president of Oak Park.

Echoing a theme presented in the Chicago Metropolitan 2020 report, several mayors offered their thoughts on what the state of Illinois or the federal government could do to support their efforts at the local level. Nancy Canafax, mayor of Wilmette, cited a need for “tax benefits or some sort of incentive for developers,” a theme that was repeated by Mayor Arlene Mulder of Arlington Heights. “We face two challenges,” explains Mulder, “getting developers to build the housing and getting the neighbors to agree to it. If we ask either one to bear the costs of new development, it’s a deal killer. We need creative financing.”

Sue Klinkhammer, mayor of St. Charles—one of the first towns in the state to pass a budget providing matching grants for employer contributions to employer-assisted housing program accounts—sees a need for the private sector to “step up to the plate, as they have in St. Charles.” Citing the high cost of land in the built-up community of St. Charles, Klinkhammer suggests that the state or federal government could provide “assistance to help offset land costs for workforce housing. The regional transportation authority,” Klinkhammer adds, “has cut back service to St. Charles,

limiting the ability of workers living in Elgin and Aurora [neighboring communities] to get to jobs at our regional mall. Support for coordinated planning is needed.”

Klinkhammer’s comments are echoed by Mary White Vasys, a Chicago-based consultant with a background in community banking and real estate finance. “When state budgets are tight, there is a tendency to focus on basic services—and planning becomes a luxury.” Vasys suggests that this is short-term thinking, and that the state or federal government should “provide incentives to engage in good planning, as well as resources to support it.”

Mayor Bauer cites a need for incentives, as well. Agreeing in part with Mel Martinez, secretary of the U.S. Department of Housing and Urban Development, who wrote in a June 21, 2002, letter to the editor of the *Boston Globe* that “exclusionary zoning, costly building fees, and regulatory barriers can drive up housing costs and drive out affordable housing,” Bauer identifies local regulation as part of the problem, but adds that states and the federal government need to be part of the solution. “NIMBYism is a very real problem,” Bauer observes, “and incentives such as assigning prior-

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“The state could provide some uniformity in occupancy and building codes,” according to Trapani. “When the building code in one jurisdiction calls for a minimum of 2,600 square feet per unit of rental housing, that’s in effect exclusionary zoning.” Trapani also suggests a model state rehabilitation code and stronger code enforcement to eliminate disincentives in current codes that “discourage basic housing improvements by legitimate contractors, sometimes resulting in substandard, uninspected work.”

Mayor Evans of Riverdale asserts that the state and federal government “are creating welfare communities through grants,” explaining that it might make more sense to “leave property taxes in the community for a set period of time rather than taking the funding in taxes and forcing communities to then apply for grant funding” to support housing and economic development activities. In fact, several mayors and a few others cited the state’s overreliance on property taxes for school funding, in particular, as an impediment to regional planning for workforce housing. Mayor Mullins suggests establishing a link between the number of “attainable units developed in a community and a state or federal contribution to the local school fund.” Such a contribution, she says, might “help to offset the added burden on the schools and could be limited to two years or so, before local property taxes kick in again to cover costs.” For communities like Riverdale, where home values are relatively low, the tax structure hurts schools, contributing to a situation in which moderate- and upper-income households with school-age children choose to live elsewhere. “Sixty percent of our property taxes go toward schools,” says Mayor Evans, “and we still have schools facing closure.”

Describing a dynamic that contributes to the further deterioration of schools in and around Round Lake Park—as well as to traffic congestion—Mayor Bauer explains that business executives “tend to live in the wealthier communities along the lakefront and to build commercial facilities that are conveniently located for their own purposes.” The lack of a commercial tax base in communities further removed from the lakefront, such as Round Lake Park, she says, “means that our households have to commute a long way to work,” and the lack of commercial and economic development “makes it difficult for us to attract higher-income households,” meaning that for their funding, schools depend on taxes applied to relatively

lower-value residential properties. “It’s a vicious cycle,” maintains Bauer, adding, “this regional approach is long overdue. We just cannot live in a vacuum anymore.”

Given the importance of preservation in her community, Trapani focuses on the negative impact of successful tax appeals on some properties and their surrounding neighborhoods. “If the owner of a vacant, deteriorating multifamily property has done nothing to preserve or rehabilitate the property, then he or she should not be allowed to go to the board of tax appeals with a request for a lower property tax rate based on the reduced economic value of the property.” She emphasizes that the state “should not allow this course of action, and incentives in the federal tax code that cause some partnerships to pursue it should be remedied.”

Angelini cites the tax structure as one impediment to the type of rational, sustainable development that he thinks is essential to the MMC’s regional effort. “The property tax differential between Cook and Will counties, for example, is significant—and it hurts Cook County,” he says, explaining that the commercial property tax structure keeps commercial and office development out of the

older Cook County suburbs, making it harder for them to attract jobs, commercial services, and, by extension, working families, while the residential tax can contribute to a situation in which real estate taxes are greater than the operating expenses for rental development, and the market becomes skewed toward high-rent, luxury products.

Citing the essential nature of “location, location, location” to real estate development, Angelini suggests that a comprehensive look at how the state funds education is important to lower-income communities that want to attract moderate- and upper-income households. Fellow MPC Housing Committee member Vasys agrees. “Commercial and economic development usually follows residential.” She adds, “If the schools are struggling, the residential base tends not to expand, and without a residential base, businesses focus in on the lack of a workforce—and locate elsewhere.” According to Angelini, “The market is very much driven by families wanting that quarter-acre lot. Due to the overreliance on the property tax to fund schools, many communities with developable land feel that this type of residential development is the best way to maximize real estate tax revenues, which ultimately contributes to sprawl in some areas and disinvestment in others. We need to make sure that as the market evolves, rational land use governs.”

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Home Rents Out of Reach

Across the country, a person working full time would have to earn an average of \$14.66 an hour—almost three times the federal minimum wage of \$5.15—to afford to rent a modest two-bedroom home, according to a report released last September by the National Low Income Housing Coalition (NLIHC).

Each year with the release of its report, “Out of Reach,” the Washington, D.C.–based group calculates the “housing wage”: the amount a full-time worker must earn to afford a two-bedroom rental home at the fair-market rent while paying no more than 30 percent of his or her income in rent—for every state, region, and county. For the fourth year in a row, there is no area of the country where a full-time job at the prevailing minimum wage provides enough income to allow a one-earner household to afford to rent a two-bedroom home at the region’s fair-market rent. While the inflation rate for 2001 was 1.6 percent, the national housing wage increased by

5 percent between 2001 and 2002. With the exception of Puerto Rico, there is nowhere in the United States where a person earning the minimum wage could afford to rent even a one-bedroom apartment.

“We look forward to the day when we can report that the housing wage is decreasing and the gap between rents and incomes is narrowing. Unfortunately for the millions of low-wage people in America, 2002 was not that year,” notes NLIHC president Sheila Crowley. According to the U.S. Bureau of Labor Statistics, 2.24 million Americans earned the federal minimum wage, or less, in 2001. More than 60 percent of minimum-wage workers are family heads, or their spouses. Many millions more earn their state’s slightly higher minimum wage or otherwise earn a wage that is well below the housing wage for their region.

“The gap between housing costs and income that makes rents so out of reach for families also adversely affects all aspects of family life, from affording basic necessities, to achievement in school, to

success in the workplace,” Crowley says. “For things to improve, the federal government must reestablish itself as a leader in solving this problem.”—**Kim Schaffer**, communications director of the National Low Income Housing Coalition, Washington, D.C.

The least affordable metropolitan statistical areas (MSAs) and their housing wages are:

1. San Francisco, California	\$37.31
2. San Jose, California	\$33.85
3. Stamford/Norwalk, Connecticut	\$27.62
4. Oakland, California	\$26.42
5. Boston, Massachusetts/New Hampshire	\$25.83
6. Santa Cruz-Watsonville, California	\$24.96
7. Nassau/Suffolk, New York	\$24.52
8. Westchester County, New York	\$23.88
9. Orange County, California	\$22.21
10. Santa Rosa, California	\$21.65

The complete report, including data for every jurisdiction in the country, is available at www.nlihc.org.

Angelini sounds a theme that is woven throughout Wheeler’s article, mentioned earlier. The economic growth of the 1990s led to a postmodern metropolitan region that is “enormous in physical extent, increasingly polycentric, fragmented politically, and often highly diverse demographically—a veritable mosaic in terms of both physical form and social structure.” To the extent that the MMC is tackling jurisdictional fragmentation as it addresses housing affordability regionwide, it is driving at the heart of the problem—the “vacuum” described by Mayor Bauer. Angelini says he would like some day to see localities “cede some decision making to regional bodies, collapsing some development reviews rather than running them parallel.” As far as the state or federal government, “they could provide technical assistance to help localities think this through,” he notes, adding, “anything that reduces redundancy in the process or clarifies how communities make decisions is helpful. We need to be able to create a multiplicity of desirable locations, and that’s what this regional approach is all about,” says Angelini.

In essence, the work of the Metropolitan Mayors Caucus and its Housing Task Force amounts to an effort to remove the blindfold, revealing the proverbial elephant. Where one jurisdiction feels traffic congestion and another feels disinvestment and blight, the housing endorsement criteria provide a vocabulary for talking about the whole pachyderm, drawing attention from each part to the whole.

By using the criteria to push a process that leads directly into a discussion of obstacles to the creation of “desirable locations”—from local regulations to the state’s property tax structure—the MMC/MPC effort ensures that the elephant in the corner will not be ignored. Nor does it appear that those involved in the effort desire anything other than to address the tough challenges head on. Where the Burnham plan focused on the desirability of regional planning for the sake of beauty, the MMC/MPC effort focuses on the necessity of such planning for the sake of sustainable, rational, equitable development. To the credit of those who spearheaded this effort—Mayor Daley, MMC Housing Task Force cochairs Mayor Evans of Riverdale and Mayor Mullins of Palatine, Robin Snyderman of the Metropolitan Planning Council, members of the business community, and the other mayors serving on MMC’s Housing Task Force—the desirability of such an outcome has been acknowledged broadly and widely. As discussion is resolved into action across the more than 270 jurisdictions making up the Metropolitan Mayors Caucus, the Chicago effort could provide a new model for regionalist planning at the start of the 21st century. ■

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