The Issue: Inefficient, Uncoordinated Development

With suburban poverty rates at an all-time high, the region is experiencing significant community development challenges – including mounting home foreclosures, vacant properties, and economic and traffic gridlock. Meanwhile public sector resources are in short supply at every level of government. Even if all of the region’s communities had the staff capacity, political will, and expertise to individually develop, implement and monitor sound strategies and policies, housing, commercial development, and infrastructure issues do not adhere to municipal borders. Yet federal funding formulas and local policies tend to deal with these matters on a town-by-town basis, far too often leading to inefficient and ineffective development, missed opportunities to leverage adjacent public and private investment, squandered resources, and isolated neighborhoods that continue to struggle. In metropolitan Chicago’s 280-plus communities, there is a critical need to lower costs, increase capacity, and improve the results of local planning and development efforts.

The Solution: Interjurisdictional Collaboration

One promising example: The Metropolitan Planning Council (MPC), Metropolitan Mayors Caucus (MMC), and Chicago Metropolitan Agency for Planning (CMAP) are helping several clusters of Chicago suburbs pilot an innovative approach to housing and community development. By forging public-private partnerships, these municipal leaders are developing and implementing more efficient and effective housing and community development strategies.

It is not new for municipalities to cooperate to achieve efficiencies; for instance, neighboring communities often contract with the same water provider or garbage collector to secure a lower cost. However, interjurisdictional collaboration for housing and community development is relatively untested – and metropolitan Chicago has become a national proving ground for this approach. Since 2009, 22 suburbs in South Cook County and five communities in West Cook County have been working together to advance jointly adopted redevelopment strategies, while a newer cluster of five northwest suburbs formalized their partnership in 2011 and a northern collaboration was among the first to demonstrate the potential of joint investment. (See map on the reverse side.)

More than $650,000 in philanthropic funding over nearly four years has enabled each collaborative to hire a housing coordinator, who advances a shared housing and community development strategy and assists participating communities in securing capital resources to tackle issues that, due to capacity challenges, have received little attention in recent years. Each coordinator is guided by expert staff from member communities, and local elected officials or appointed representatives from the municipalities vote on key decisions. Each collaborative’s goals and activities are tailored to the needs of the participating towns.

Collaboration Pays

For more detail, see “Achievements: Housing” on the reverse side.

$650,000
Initial philanthropic investment

$35 million
Funding subsequently attracted

50:1
Return on philanthropic investment

$5.5 million
Private capital attracted

> 200
Foreclosed homes to be redeveloped

> 40
Blighted properties to be demolished for re-use
Benefits

Increase staff capacity: Gain a dedicated, shared staff person with expertise on complex development issues.

Right-size your planning: Many issues do not adhere to municipal borders and can be more effectively and efficiently addressed in collaboration.

Leverage investments and private sector partnerships: A single point of entry makes it easier for developers, banks, employers and funders to work with municipalities. Coordination also sends a signal to the private sector that the area is a smart place to invest.

Achievements: Housing

Since 2009, the south and west collaboratives have attracted nearly $35 million in capital to the member communities, more than a 50:1 return on the philanthropic investment. Most of this funding supports foreclosure response strategies including the planned redevelopment of more than 200 properties and demolition of 40 blighted properties in targeted areas. Public investment includes highly competitive Sustainable Communities Challenge Grants from the U.S. Dept. of Housing and Urban Development, which are seeding two transit-oriented development (TOD) funds and a land bank. These new tools will allow the collaboratives to align investments seamlessly with the private sector.

CMAP has developed a Housing Investment Tool that helps towns prioritize developments for funding, advancing regional objectives in a noncompetitive, strategic manner. In addition, the groundbreaking Homes for a Changing Region planning process provides collaboratives with a long-term roadmap for addressing current and future residents’ housing needs.