



Metropolitan**Planning**Council

# **2019 State Policy Brief**

Prepared for the Incoming 2019 Gubernatorial Administration



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For more than 80 years the Metropolitan Planning Council has worked to create prosperous, equitable and sustainable communities throughout northeastern Illinois by implementing solutions that result in vibrant neighborhoods, quality housing and transportation, a strong economy, well-managed natural assets, and efficient delivery of government services.

The state of Illinois is at a crossroads. In this briefing book prepared for the incoming gubernatorial administration, MPC offers its take on some of the challenges and opportunities facing the state, prioritizing urgently needed policy solutions.

We are committed to the people and state of Illinois, and we look forward to working with our new governor and his administration in the months and years ahead to tackle our toughest challenges and seize our unique opportunities to create a more prosperous, equitable and sustainable Illinois.

Sincerely,



MarySue Barrett  
President, Metropolitan Planning Council

## About The Metropolitan Planning Council

For more than 80 years, MPC has provided sound, urban planning solutions to our region's toughest challenges. Through research, technical assistance, and advocacy, we have been an **independent** and **trusted change agent** to make our region more **equitable, prosperous, sustainable** and **participatory**. We've identified five guiding principles that help shape how we approach our work and ensure we are creating a region that works for everyone.

## Our Approach

**Challenge inequality, drive growth.** Segregation and inequality in the Chicago region are too high. Economic and population growth are too low. There is an inextricable link between these two facts, and we know that real solutions to either must address both.

**Bring the right people together to take on the biggest challenges.** We're known for setting a common table for government, private, philanthropic, and nonprofit organizations—creating collaborations where new ideas can flourish and partnerships deepen.

**Empower local voices.** We work directly with people and organizations in neighborhoods throughout the Chicago region, providing technical support, making connections, figuring out financing. MPC helps write the blueprints for change, and we're there to help when the change starts, too.

**Focus on the building blocks of a strong region.** MPC is a thought leader for the Chicago area, with research, analysis and insight on the infrastructure investments that will form the future of the city and suburbs—transit linked to housing, land use linked to water management.

**Push for efficient, effective government.** Illinois has too many duplicative, sometimes dysfunctional government units, and MPC is a leader, advocate, and ally in tackling our proliferation of governments.

## Our 2018 Agenda

Our 2018 initiatives broadly advances the overarching values of MPC, with each project creating a region that is more:

- **Equitable**, driving policies, investments and ideas that ensure all current and future residents can reach their full potential.
- **Prosperous**, supporting commitments that bring resources, development, and fairly paid and fulfilling jobs to all communities.
- **Sustainable**, ensuring ecological vitality, residents' health and economic stability for the long term.
- **Engaged and Responsible**, strengthening policies that enhance the participation and impact of residents in local and regional decisions, and promoting adaptive, collaborative, just and transparent governance at all levels.

The following pages provide a snapshot of our region as well as 2018 priority projects for MPC. Please review and share with your staff. We look forward to meeting soon and serving as a resource on regional priorities throughout your candidacy.

## Chicago and Our Region at a Glance

### Figures and Trends

#### *Population*

Chicago region: 8.5 million (2016)

Chicago: 2.7 million (2016)

#### *By Age (2016)*

	Chicago	Chicago Region
• 0 to 17 years	21.2%	23.3%
• 18 to 29 years	20.7%	16.5%
• 30 to 39 years	16.8%	14.0%
• 40 to 49 years	12.7%	13.4%
• 50 to 64 years	16.8%	19.4%
• 65 years and over	11.8%	13.4%

#### *By Race (2012-2016)*

• White	32.3%	51.9%
• Black	30.6%	16.9%
• Asian	6.0%	6.7%
• Latino	29.1%	22.5%
• Other	1.9%	1.9%

#### *Employment*

Chicago unemployment: 8.1 percent (2016)

Chicago region unemployment: 6.4 percent (2016)

#### *Household Income*

Chicago: \$50,434 (2016)

Chicago region: \$64,467 (2016)

#### *Poverty*

Chicago: 19.1 percent (2016)

Chicago region: 12.2 percent (2016)

## Equity

### **Cost of Segregation**

Through our Cost of Segregation project, MPC identified key economic impacts of our region's racial and economic segregation: Segregation costs us dearly in lost lives, lost income and lost economic potential.

**Lost Income:** Incomes for African Americans in the Chicago region would rise by an average of \$2,982 per person per year—or an overall increase of \$4.4 billion in additional income in our region—if we reduced the levels of economic and African American-white segregation to the national median.

**Lost Lives:** The Chicago region's homicide rate would drop by 30 percent—the equivalent of saving 229 lives in the city of Chicago in 2016—if we reduced the level of segregation between African Americans and whites to the national median.

**Lost potential:** 83,000 more people in the Chicago region would have bachelor's degrees if we reduced the level of segregation between African Americans and whites to the national median.

The report produced from this research has struck a chord. Shared by almost 300 media outlets thus far (including Forbes, The Economist, Chicago Tribune and NPR), a diverse group of stakeholders are entering the conversation, actively discussing and developing remedies to one of the most pressing issues of our time.

MPC has now pivoted into the next phase of this work, seeking answers to our second question: Given its negative impact on issues of equity, what can we do to change patterns of racial and economic segregation? We anticipate releasing recommendations in early 2018, and moving into implementation phase to realize concrete policy changes and local groups to implement community-level solutions to challenge segregation and advance equity.

These policies will define our future city, county and regional advocacy agenda.

### **Re-Entry Housing**

Tens of thousands of individuals return to their communities from Illinois Department of Corrections facilities and local jails each year. A lack of stable housing makes it difficult for these individuals to hold steady employment, continue their education, access mental health or substance abuse treatment, and become contributing members of their communities.

In fact, in 2015, MPC found that if Illinois expanded its Permanent Supportive Housing (PSH) program for the formerly incarcerated, the State could save between \$15,000 to \$20,000 per inmate and that Cook County could save a little under \$10,000 per inmate. Total potential savings, assuming as many as 11,000 who could benefit, could exceed \$135 million per year. A 2017 report estimated that the unmet need for PSH in Illinois was 23,052 units, including 7,934 PSH units needed by the state's adult re-entry population, a population that represented 16% of the 49,590 people in prison or jail in Illinois. The

Working Group recommended that a separate study of this population be conducted to more accurately determine the need, barriers, and cost savings.

With funding from the Chicago Community Trust, MPC and the Illinois Justice Project (ILJP) are developing a specific, action-oriented proposal to upgrade the state's strategy for re-entry housing so that they adopt a more effective strategy related to re-entry housing and creating housing for justice-involved people.

### ***Housing and Community Solutions***

MPC builds on our strong track record of housing and community development leadership through targeted research, stakeholder outreach and technical assistance around the emerging policy innovations detailed below.

The ramifications of the foreclosure crisis, declining public resources and rising poverty across metropolitan Chicago require creative tools for stabilizing and improving communities. Communities must deploy smart strategies to attract quality developers and property managers and ensure rental homes—whether new or rehabilitated—are a community asset that meet the needs of individuals and working families. Communities are increasingly looking to strategies to cultivate and create amenities that meet their needs, while ensuring that residents aren't displaced as a result of new development and investments. MPC's key housing policy goals are as follows:

- Create new affordable housing opportunities and market opportunities for a range of incomes, across a range of neighborhoods.
- Protect low-income renters and homeowners from displacement.
- Foster community ownership of homes, land and resources to facilitate wealth creation and to catalyze investment.

## Environment and Sustainability

### ***Invasive Species***

Stories about the movement of aquatic invasive species between the Upper Mississippi Basin and the Great Lakes Basin have been in the news for almost 10 years, most notably Asian Carp. There is great concern that if Asian Carp migrate up through the Chicago Area Waterways System and enter Lake Michigan, they would disrupt the Great Lakes ecosystem. The Corps of Engineers has developed a plan to address one component of an overall strategy to address invasive species challenges – controls at the Brandon Road lock and dam.

MPC supports the Corps plan for Brandon Road acknowledging this is one component of a total invasive species control solution. The Corps and other stakeholders need to continue efforts to plan two-way controls and address a range of species, including ways to improve freight movement.

In 2017 MPC coordinated a project to help inform future decision-making about invasive control measures. With funding from the Joyce Foundation, MPC contracted with the Anderson Economic Group to evaluate the economic benefits or consequences of carrying out control projects. The AEG analysis examined the economic impacts of three control scenarios. Some significant findings emerged from this work, including:

- The net economic benefits for the Chicago region from infrastructure investments would range from \$387 million for a single control point at Brandon Road to up to \$10.4 billion for solutions with multiple control points. The investments would result in between 450 and 2,300 jobs annually.
- Boating and fishing and related industries are the primary sectors most likely to be affected if Asian Carp were to become established in the CAWS and Lake Michigan. Recreational boating is an important economic sector in the region; spending supports over 3,700 employees and \$130 million annually in earnings.

### ***Water Supply***

In Northeastern Illinois, our proximity to a Great Lake means we generally enjoy ample water. But that good fortune has lulled us into complacency, and our drinking water systems have been neglected. At stake is: Our public health and safety, including contamination and service disruptions due to crumbling infrastructure and aging water treatment systems. Our ability to attract jobs and drive regional economic growth—since every company needs water. Vital, yet fragile, ecosystems. Municipalities and their residents, who find themselves hard-pressed to pay the escalating costs of collecting, treating and delivering drinking water. And, yes, some groundwater sources may be unusable in less than 15–20 years.

MPC has a 10-point action agenda to help ensure water in the region is plentiful and safe. MPC is soon releasing a 1-2-3 Guide on drinking water systems to help make local officials better equipped for making important decisions about water supply systems.

## **Stormwater**

Rain seems like a free resource, but often it becomes a costly nuisance for communities and property owners when it overflows sewers, floods streets and ruins basements. A study from the Center for Neighborhood Technology found that insurance claims paid out for flood-related damages during a five-year period amounted to more than \$773 million. More frequent and intense storms due to climate change will only exacerbate problems. Funding and financing stormwater infrastructure projects and operations is a continuing challenge. There is a growing need to ensure adequate and reliable funding streams are available to reduce increasing street flooding, basement back-ups, and stormwater-related pollution.

To better manage large volumes of rain, the Chicago region needs to repair outdated grey infrastructure, build new systems where appropriate and integrate approaches to “green” infrastructure—such as rain barrels, rain gardens, green roofs, and permeable paving—into building and property management practices. MPC and CMAP have advocated for the formation of stormwater utilities and stormwater fee systems. With a stormwater fee system, a user fee is assessed to property owners, and the revenues from the stormwater charges go into a discrete fund that may only be used for stormwater projects and services. A stormwater fee is similar to fees charged by municipalities for other public services.

## **Transportation and Prosperity**

### ***Sustainable Funding***

Northeast Illinois has one of the most extensive transportation networks in the country. Our public transit system has the second highest ridership in the nation, and Illinois has third largest interstate highway mileage in the country. Transportation has always been at the center of our region’s competitive advantage, yet we have systematically failed to invest in our most important asset.

Our current source of funding (gas tax) has lost 40 percent of its buying power since it was last updated in 1991. At current funding levels, the system will continue to degrade. MPC has identified an annual shortfall of \$4.3 billion needed to bring our statewide transportation system into a state of good repair and provide modest improvements. Much of this need is in Northeast Illinois. Historically, Illinois has provided state funding via capital bills with no schedule and unpredictable outcomes. We need reliable, regular investments to sustain our critical transportation infrastructure.

MPC is working with a group of advocates and transportation stakeholders (Transportation for Illinois Coalition) during 2018 to educate state legislators on the significant need for transportation investment. The coalition will develop alternatives and work with legislators to select a preferred funding package for introduction in 2019 to close the gap and stop the system’s deterioration. The selected funding scenario may include traditional sources of revenue like an increase to the gas tax, but also innovative approaches that are new to the state, and that recognize the shifts the transportation sector is and will be experiencing .

### ***Economic Benefits of Transit***

Public transit is the lifeblood of our region, with more than 2 million trips taken each weekday. However, the public and decision makers take the system for granted. All too often, transit is viewed as a subsidy, in contrast to roads, which are often framed as an investment that generates economic development. In reality the opposite is true.



A critical message is communicating how much the greater Chicago region benefits from these investments. CTA, Metra, and Pace are workhorses of the Chicago region's economy. Employers and employees alike rely on them. They attract tourism and promote spending. They are sustainable, cost effective and reduce auto traffic, as well as providing mobility and access to opportunity for those who struggle to make ends meet. Without transit, our roads would be impossibly congested and our environment would suffer. To make the case for both maintaining our current system and new investments, we have to make a compelling case for the benefits of transit.

Historically, the civic and business communities have been instrumental in helping the public understand the economic benefits of transit. MPC is prepared to step into that role, and will conduct new research to show how this is the opportune moment to make substantial investments in Northeast Illinois's transit system.

### ***Paratransit***

Paratransit is an unfunded Federal mandate to provide complementary transit service to people with disabilities who live close to fixed-route service like bus or rail. It is a lifeline for those who depend on it to get around, enabling the disabled to access family and friends, employment, and medical services.

Unfortunately, most paratransit in the US suffers from both poor service and high operating costs. Northeast Illinois is no exception. Pace, our regional provider, spends nearly as much on paratransit as it does on all suburban bus service, and yet failed to arrive on time for a staggering 38% of rides in a recent survey. By comparison, CTA experiences an on-time arrival rate of around 90%. Meanwhile, paratransit costs continue to grow, as does the region's disabled population.

There are many innovative strategies using emerging technologies being deployed throughout the nation to provide a higher level of service at a lower cost. MPC will engage with Pace and the disability community to perform a comprehensive study of the region's paratransit system and make recommendations.

## **Engaged and Responsible**

### ***Local Government Capacity***

Many of the individual municipal units of government MPC works with – or would like to work with – to advance our policy goals simply lack the capacity to be effective partners. That often stems from a lack of tax revenue, insufficient staffing, outdated technology, misaligned priorities, or an inability to provide critical services at the most efficient geographic scale.

The results are varied, but almost uniformly negative. The communities that would benefit most from working with their neighbors do not have the time or skillset to establish those partnerships. Government services that require "thinking beyond the border," such as stormwater management or economic development, instead get fragmented and inefficient. Some of the communities in our region with the lowest incomes, property values and retail activity pay the most in taxes to pay for the multiple layers of government they support.

MPC and the Chicago Metropolitan Agency for Planning recently released a strategy paper on how to bolster municipal capacity in the region. It includes recommendations for federal and state

support for service consolidation studies, incentives to be offered for interjurisdictional collaboration and more focused efforts to train local elected officials on best practices in governance. MPC's motivation is to adapt government to the conditions of today and tomorrow in order to deliver high quality services and infrastructure efficiently and well.

### ***Modernizing Government for Effective, Efficient Outcomes***

The sheer number of government units in Illinois causes inefficient allocation of tax dollars, decreased quality of services, redundancy, and dampening of democratic processes. Many of the issues MPC works on—water management, transportation systems, a healthy climate for economic development, housing affordability—are stymied by “over-governance.”

The vast majority of Illinois 7,000-8,000 units of government have a single purpose – lighting, sanitation, cemeteries – in a time where counties and municipalities often perform the same functions at a larger, more efficient scale. Many of these governments hail from a more rural past; most pre-date the automobile, essentially all of them pre-date the Internet. Technology and society of changed, but the way in which we govern services has not caught up.

But there are many institutional barriers to modernizing government in Illinois. It is overly onerous for citizens to introduce ballot referenda on consolidation or elimination of obsolete units. We lack consistent standards of efficiency, and even common data platforms, to know whether one unit is utilizing tax revenues and the public trust well or not. These are solvable issues, but require a focus on one of Illinois' seemingly most intractable problems.

In collaboration with many partners from both sides of the aisle, the Transform Illinois coalition has been chipping away at both the belief that these are unsolvable problems, and the problems themselves. Working with partners such as DuPage, McHenry and Winnebago counties, the League of Women Voters, Civic Federation, Ill. Chamber of Commerce and more, we have spurred the passage of several pieces of legislation to enable citizens and elected officials to do something about the inertia of over-governance.