



Metropolitan Planning Council

Capital Working Group
Illinois General Assembly Senate

May 15, 2020

Dear Senate Capital Working Group,

Thank you for your continued work to respond to the existing public health crisis while planning for the State's future capital needs. Your work under these exceptional circumstances is deeply valued by the residents of Illinois.

The Metropolitan Planning Council, an 85 year-old research and policy nonprofit working to make a better Illinois and Chicago region, asks that you consider the following short-term and long-term capital issues in your discussions. As you will see, these measures promote:

- **Safe, quality housing for low income residents, especially those in communities of color;**
- **Water access and infrastructure upgrades to protect the health of Illinois residents;**
- **Safe, equitable transportation options, including transit, biking, and walking;** and
- **Community development that closes the racial wealth and health gaps.**

Although the need for these solutions is especially pressing in light of the current pandemic, they all have deep roots in longstanding capital challenges, challenges which are experienced very differently across racial and economic lines. Tackling these longstanding issues will move Illinois toward greater prosperity, racial equity, and environmental sustainability.

As important as it is to invest in these particular issues, that investment must be accompanied by **reforms in how we fund capital infrastructure** in the State. Illinois needs:

- **Targeted outreach and technical support for low-income communities.** Low-income communities are often the least able to access existing state programs and funding opportunities, such as the State Revolving Fund programs. These communities often need technical assistance to support application and planning.
- **In the immediate term, prioritization of existing infrastructure.** Fast-tracking maintenance for existing state infrastructure – IHDA housing, State Parks, etc. – and local projects that have received past state support, may be the most expedient way to get people working. It may also prove the most equitable, as well: a call for shovel-ready projects will favor more affluent communities with projects ready to go; maintenance and upgrades, on the other hand allows for a more selective approach that distributes the funds where employment opportunities are most needed.
- **Transparent, equitable project selection criteria.** Developing and implementing transparent, accountable project selection criteria can make

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sure the right projects are getting funded, ensuring the biggest bang for our investment buck.

- **Regional coordination.** Illinois has some 8,000 units of local government, the overwhelming majority of which spend without coordination with other, similar units of government in surrounding areas. Coordination – for purchasing, service sharing, and capital improvement optimization – would allow capital dollars to stretch further.
- **Enhanced capital improvement planning (see attached memo).** A standard practice for most states is development of a multi-year Capital Improvement Plan (CIP). [Forty-two states have a multiyear CIP](#), and Illinois is not one of them. It is time to develop a multiyear spending plan with performance and equity-based project selection criteria.

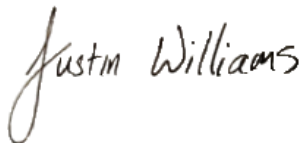
Some of the issues we raise below have existing state legislation or budget asks attached. Others are issues that we want to raise for future legislation. Nevertheless, these are all important capital issues that we wanted to bring to your attention. We would be happy to speak with you in more detail about measures the legislature can take to support these reforms.

Thank you for your attention. We hope to speak with you soon.

Sincerely,



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MPC Recommendations for Illinois Senate Capital Working Group

Safe, Quality, Affordable Housing

- **Emergency rental/mortgage assistance.** Rental assistance is needed to stabilize the entire housing market - to prevent tenant evictions and homeowner foreclosures, to allow landlords to make mortgage payments, to support lenders, etc. This is an immediate need, addressed by HB5574.
- **Property tax incentives for affordable housing development HB5275/SB3529.** HB5275/SB3529 provides tax incentives to create new affordable units, helping to alleviate one of the biggest stressors being experienced right now.
- **Build IL Homes State Tax Credit (HB5554/SB3787).** HB5554/SB3787 provides gap financing for affordable housing construction. This program could generate thousands of new affordable units and billions of dollars in economic activity.
- **Release capital bill dollars dedicated to affordable housing rehab/construction.** Rebuild Illinois dedicated specific dollars to affordable housing rehab and construction, including \$200 million to the Illinois Housing Development Authority and money for specific projects. These funds should be released to support housing development now.

Clean and Accessible Water

(see attached memo, created in collaboration with the Illinois Environmental Council, for more detail)

- **Fund a study of water rates in Illinois at \$318,000/year for two years.** In accordance with Public Act 101-0562, \$318,000 per year should be appropriated for two years to the University of Illinois to complete a study on water rate-setting in Illinois. Funding this study will allow the state to devise data-informed solutions to water rate unaffordability.
- **Require and support lead pipe replacement.** Illinois needs approximately \$8 billion to replace its more than 686,000 lead pipes. This effort would be a generational investment in water-related career opportunities for individuals throughout the state, from general labor to trained engineers and financial specialists.
- **Create a statewide bill payment assistance program for low income ratepayers.** No resident should be without water services. A low-income rate assistance program would help guarantee water access for all.
- **Support ongoing and flexible funding to utilities.** Water utilities are experiencing declines in revenues as a result of the pandemic, and the consequences are not yet known. Utilities may require ongoing assistance to continue operating.
- **Fund the Clean Water Workforce Pipeline Program.** Appropriate DCEO funding to provide training to develop a diverse workforce prepared to take on the infrastructure needs of our state.
- **\$25 million re-appropriation to IEPA for green infrastructure grants.**

Equitable Transportation Options

- **Require IDOT to develop performance based planning criteria for transportation projects (HB5244).** HB5244 would require IDOT to create transparent, equitable criteria for transportation project selection. These measures are especially badly needed in the midst of revenue shortfalls.
- **Change the farebox recovery ratio to enable more flexible transit funding.** State law requires that transit agencies generate 50% of their revenues through fares. This is an impossible burden for transit agencies for the foreseeable future, and has long-term implications for transit funding.
- **Closely monitor and support flexible funding for transit systems.** The economic toll on transit systems is not fully known. Closely monitor transit agency revenue.
- **No funding for controversial transportation projects.** At a time when budgetary constraints are high, projects like the Illiana Tollway, Route 53 extension, and the South Suburban Airport do not qualify as sound uses of taxpayer dollars.

Community Development for Health and Equity

- **Require comprehensive planning statewide.** Each municipality has a different set of values which leads to disjointed plans and programs that do not contribute to equitable growth and transportation policies. Planning that coordinates investments aligned with metrics and values would help make smarter, more equitable decisions.
- **Target broadband and technology access for low-income communities of color.** Low-income communities of color are less likely to have access to broadband and personal computers. This creates educational, professional, and health burdens during the pandemic and beyond. Broadband and hardware should be targeted for low-income communities of color.