

Department of Planning and Development
2023 Budget Statement
Commissioner Maurice D. Cox

Greetings and thank you, Chairwoman Dowell and members of the City Council, for this opportunity to provide a brief overview of the Department of Planning and Development budget request for 2023, along with a recap of recent accomplishments and near-term goals.

As you know, DPD administers the city's economic development, zoning, planning, design, and historic preservation initiatives, as well as numerous inter-agency efforts that support schools, parks, natural resources, arts and culture, public safety, and other quality-of-life amenities that Chicagoans expect and deserve.

I'm joined on the dais by Assistant Commissioner Paul Moody. In the box we have:

- First Deputy Melvin Wesley
- Managing Deputy Commissioner Chip Hastings
- Deputy Commissioner Kathy Dickhut
- Deputy Commissioner Gerardo Garcia
- Recovery Team Director Nina Idemudia
- Deputy Commissioner Jim Harbin
- Zoning Administrator Patrick Murphy
- Deputy Commissioner Cindy Roubik
- General Counsel Kali Plomin
- And Deputy Commissioner Matt Schmitz

The department's \$208.3 million budget request for 2023 supports our collective goals for equitable and resilient neighborhoods that directly address the needs of residents and businesses. The 29% increase from 2022 is the result of new revenues that include \$32 million in Neighborhood Opportunity Fund receipts, a \$26 million State of Illinois grant for the Lilian Marcie Center in Bronzeville, and \$3.5 million in new corporate funding for additional neighborhood planning staff and professional services.

DPD's staff are the most critical component of our community service efforts, and we're in the third year of a comprehensive build-out to make sure our size and scope is commensurate with Chicago's planning and development needs. In 2022, we've hired 23 new employees and promoted existing hires to fill 31 critical vacancies, bringing our total staff to 160 professionals, including members of an Operations Bureau that we share with the Department of Housing. Approximately one third of the new hires are African-American, a third are white, and the remaining third are Hispanic and Asian.

The remainder of my prepared remarks will focus on our priority initiatives involving planning and development strategies, as well as our financial programs. I will try to keep it as brief as possible before moving on to your questions.

I'll start with Mayor Lightfoot's INVEST South/West initiative, which by the end of the year will have generated nearly \$2 billion in public and private investment in the 10 South and West side

community areas. INVEST South/West's most significant development tool to date has been through a Request for Proposals process that has generated more than \$500 million in total project costs. The 13 mixed-use projects are the result of 11 RFPs issued to date, including two responses that were not selected as finalists but are still moving forward with City assistance on nearby land. Collectively, the RFPs represent more than 560 units of new housing, approximately 400,000 square feet of business and community space, and plenty of public open space that will reinforce each site as a neighborhood anchor. The projects will also revitalize the historic presence of multiple designated landmarks, with about half breaking ground this year.

INVEST South/West has informed multiple other RFPs we issued in 2022 for strategic sites and properties based on community needs. They include an RFP for nearly 4 acres of privately owned land known as the Belmont Triangle in Avondale that was subject to a DPD community visioning process. Also, an RFP for a six-acre site within the former Central Manufacturing District in McKinley Park, which includes one of the largest vacant industrial buildings in North America. Mixed-use proposals for both sites are due at the end of next week.

DPD also issued two Requests for Qualifications in 2022 for sites in West Garfield Park and Woodlawn. The sites were selected due to the transitional nature of both locations; their ownership by the City; and the need for a community-based approach that emphasizes development team diversity and high-quality design. The RFQs generated more than 50 responses from developers and architects, which we are short listing to participate in the future development of catalytic, multi-story improvements along Kedzie Avenue and 63rd Street.

We also issued an Invitation for Proposals this fall through the LaSalle Reimagined initiative, which is seeking to revitalize nearly 5 million square feet of vacant space along LaSalle Street in the Loop as mixed-income housing and other supportive uses. The IFP for City support could help create approximately 1,000 units between Washington and Jackson, including a 30% affordability mandate that would result in 300 new units for people making an average of 60% area median income.

As you know, commercial corridors are the lifeblood of Chicago's neighborhood economies and we are squarely focused on reimagining and investing in them based on local priorities. Currently on the North Side, the Western Avenue and Clark Street studies are engaging stakeholders to develop land use recommendations and strategies that will make the corridors more walkable, safer and convenient for nearby residents and businesses. We're also starting studies for portions of 95th Street on the Far South side and Archer Avenue on the Southwest Side, along with a study for the Ford City Mall complex to better position it as an economic anchor for the entire region.

In addition to commercial corridors, we're working to transform several of the city's railroad right-of-ways into neighborhood assets, including the Altheim greenway in North Lawndale, the Kenwood Embankment in Kenwood, and the Englewood Trail in Englewood, which received a \$20 million federal grant this September for construction. We're also working on a framework plan for the existing Major Taylor Trail on the Far South Side to enhance portions of its route as pedestrian-oriented, community focalpoints.

DPD's efforts to maximize Chicago's underutilized land also includes the 10,000 vacant lots in the City's inventory that will be subject to new land sale procedures in a few short weeks. We're

working closely with AIS, DOH, and the Mayor's Office to establish market values, relevant property records, and a new website that will substantially reduce the time and effort it takes to buy City land. Many of you have provided input about this effort and we look forward to helping your constituents literally take greater ownership of their communities starting this fall.

At this point I'll address DPD's economic development programs and our support of the mayor's Chicago Recovery Plan, which is leveraging once-in-a-generation federal assistance to catalyze a sustainable economic recovery from the COVID-19 pandemic. Funding for the plan includes proceeds from the American Rescue Plan Act, which DPD is allocating with local sources toward community development, small businesses and climate investments.

For example, the Corridor Ambassador program is providing on-the-street support for shoppers and businesses in 12 targeted retail districts across the city, including Back of the Yards, Uptown, and Roseland. The service providers are receiving about a half million dollars each, primarily to cover ambassador wages and related costs.

Another example is the Public Outdoor Plaza initiative that's helping community-based organizations create 12 public plazas for passive neighborhood uses. Through approximately \$500,000 in Chicago Recovery Plan assistance, we've had three plazas open to date in Chatham and West Garfield Park, with a third location opening tomorrow in Uptown. Two more will open this fall and the remainder early next year.

In terms of small business support, to date in 2022, more than 100 stores, service providers, restaurants and other entities have been approved for \$82 million in grant funding for investments totaling more than \$235 million. Staff are working with each and every finalist to ensure their projects are completed in a timely manner and that the funding is distributed exclusively for eligible costs. Approximately 600 applications received during the third of three, 2022 application rounds are currently under review, with finalists to be announced this fall.

I want to note that DPD's financial incentives are now being administered through a universal application process that guides applicants to programs that are most suitable for their needs, such as the Neighborhood Opportunity Fund or Tax Increment Financing.

The Neighborhood Opportunity Fund receives revenues from the Neighborhood Opportunity Bonus system for downtown construction projects. So far in 2022, new downtown projects have committed nearly \$16 million to the system, which will be distributed as grants for small business projects on the West, Southwest, and South sides; landmark preservation projects citywide; and public infrastructure projects downtown.

Tax Increment Financing of course remains a critical tool to support public facilities, affordable housing and economic development projects in designated TIF districts. By the end of the year, we'll have requested City Council support for more than 80 schools, parks and transit projects that will utilize up to \$1.1 billion in TIF, including \$950 million for the proposed Red Line Extension on the Far South Side. We're also working on 27 affordable housing and business-oriented redevelopment agreements involving about \$126 million in TIF for eligible costs, either in support of the Chicago Recovery Plan, INVEST South/West, or other neighborhood strategy.

I'll conclude my remarks with We Will Chicago, the City's first- citywide planning process in more than 50 years; also the first-ever City plan to address the decades-long inequities that have created so many of Chicago's current issues. The draft framework was published in July after two years of research and meetings involving hundreds of resident volunteers, community-based organizations and City staff. The framework's 40 goals and 150 objectives are currently being discussed at dozens of in-person events taking place into the fall, as well as through other activities involving online surveys, direct mailings, and meetings by request. The public input will be reflected in a final document this winter, when it will be presented for approval by the Chicago Plan Commission. Our 2023 budget includes an additional staff position and \$1.5 million in funding to support implementation efforts in subsequent months.

In closing, on behalf of the entire department, I'd like to thank you for your time and consideration. We look forward to achieving our collective goals for local neighborhoods. Thank you.

###