

**Department of Planning and Development**  
2021 Budget Statement  
Commissioner Maurice D. Cox

Thank you, Chairman Dowell and members of the City Council, for the opportunity to provide a brief overview of the Department of Planning and Development (DPD) budget request for 2021 along with a recap of recent accomplishments and near-terms goals.

Our \$97.17 million budget request is part of a comprehensive approach to neighborhood improvements that are directly responding to the planning and development needs across the entire city.

When I started as commissioner last year, one of my first tasks was to reorganize the department to reflect the city's scale and diversity, and to reassert our commitment to the revitalization of the South and West sides. This endeavor has resulted in the hire of eight new planners to supplement our shift to regional planning teams, as well as 10 other new hires focused on making Chicago a better place to live and raise families. Sixty-five percent of our new hires are Black or Hispanic, and they're equally split between men and women.

Nowhere is the department's focus on equity and diversity more obvious than our INVEST South/West initiative, which is revitalizing 12 commercial corridors in 10 South and West side neighborhoods. We've held more than 70 virtual roundtables with neighborhood stakeholders to date to make sure the shape and form of new improvements are truly reflective of local priorities. We also established partnerships with LISC and Main Streets America to help with implementation, best practices, and corridor management.

In August and September, DPD issued the first set of Requests for Proposals to redevelop a trio of critical INVEST South/West sites in Auburn Gresham, Austin, and Englewood with pedestrian-oriented, mixed-use projects that address local needs. Each RFP includes renderings of potential design scenarios, as well as a pre-qualified list of design teams that are available to help selected developers recruit emerging and minority- and women-owned architecture firms. We expect to issue three similar RFPs for other South and West side neighborhoods by year's end, and six more in the first two quarters of 2021. These projects, upon approval by City Council, will serve as neighborhood anchors and the foundations of future growth.

Note that our 2021 budget request includes approximately \$21 million in new Neighborhood Opportunity Bonus system allocations, which are generated by voluntary zoning fees paid by downtown construction projects. These funds are explicitly intended to support South, Southwest and West Side commercial corridors, along with local infrastructure and designated landmarks.

Eighty percent of bonus revenues are allocated for the Neighborhood Opportunity Fund (NOF) program, which has made grants up to \$250,000 available to local businesses through two 2020 "small" grant application rounds. The first round generated 325 applications, producing 32 finalists that are moving forward with projects collectively valued at \$12.6 million, with more than half located in INVEST South/West neighborhoods. DPD also awarded three NOF "large" projects on the South and Southwest sides with \$5.75 million in assistance, pending City Council approval. Since it launched three years ago, NOF has committed \$57 million to more than 220 businesses.

In terms of the Neighborhood Bonus system itself, 15 downtown projects approved by Plan Commission through October 2020 are committing approximately \$50 million to the fund. The biggest commitment this year comes from the mixed-use Tribune Tower East project at 421 N. Michigan Ave., which is contributing \$15 million toward the second tallest building in Chicago.

Thanks to your support, NOF program enhancements now enable 100 percent of a project's total costs to be funded through the program; provide expedited access to grant funds for approved projects; offer

technical services for construction, lending and design issues; and utilize an online application portal that helps entrepreneurs assess the readiness of their proposals.

In addition to our economic development mission, DPD conducted numerous planning and zoning initiatives throughout 2020 that will carry into 2021 and beyond. For example, new Plan Commission procedures are improving transparency and providing additional public comment opportunities for projects seeking zoning approval. The City also updated the payment process for PD fees. Under the new fee structure, half of the fee is due at the time a PD application is filed, half is due at the time of Part II review. Previously, all PD fees were due at the time of Part II review.

Our largest PD moving forward involves the 52-acre redevelopment proposal for the former Michael Reese Hospital site in Bronzeville, which is expected to finalize its zoning entitlements by the end of the year. Planned for City-owned land, the \$3.5 billion, multi-phase project by a team of local developers is expected to create 8.2 million square feet of commercial, institutional and mixed-income housing and more than 4,000 permanent and temporary jobs. Sale terms, zoning entitlements and City assistance remain subject to review and approval procedures by City Council and other entities.

Another major South Side planning framework that moved forward this year involved Woodlawn. In response to local concerns about the impact of the Obama Presidential Center on neighborhood affordability, DPD consolidated a dozen neighborhood plans from the previous two decades to formalize local goals and maximize resources on behalf of existing Woodlawn stakeholders. Planning priorities include enhanced retail along 63<sup>rd</sup> Street, improved public spaces, redevelopment of City-owned land for community-based needs, and more support and incentives for local businesses.

Our largest business incentive tool continues to be Tax Increment Financing (TIF) program. In 2020, 80% of TIF allocation were directed towards fully public uses and affordable housing. The balance, 20.3% was for economic development. By year's end, the TIF team will have negotiated four TIF redevelopment deals that will provide \$6.64 million to support the Ramova Theater in Bridgeport, \$3.3 million for a mixed-use storage facility in Portage Park, \$2.1 million for a rehabilitated commercial structure in Auburn Gresham, and \$8 million for a new health clinic in Woodlawn. Also, more than 60 businesses citywide have to date used more than \$4 million in TIF-funded SBIF grants for workplace improvements. TIF was also used to support five affordable housing projects closed by the Department of Housing to date in 2021 with up to \$41 million in funding.

Additional on-the-ground economic development efforts in 2021 will include ongoing support for 52 Special Service Areas citywide through \$29.2 million in funding. A \$55 million New Markets Tax Credit allocation from the U.S. Department of the Treasury will also help support projects that are not financeable through traditional or market rate sources. We will also continue our partnerships with the Mayor's Office and local agencies to support businesses impacted by COVID and civil unrest.

I'll close with one our most ambitious efforts that kicked off this summer: the "We Will" citywide plan. DPD is leading multiple public and private-sector partners to create the first citywide plan for Chicago in more than 50 years. The We Will initiative will address multiple equity, diversity and resiliency issues that have impeded the city's success in recent decades. A series of focus groups were convened starting this fall to refine the plan's major themes. Starting in 2021, the City and its partners expect to lead a robust three-year community engagement effort to develop a series of strategies and action plans that will be coalesced into a collective roadmap for the city's future in 2023.

Thanks to each member of this body. I look forward to ongoing productive partnerships that will keep Chicago moving forward.

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