

A New Norm for Chicago's Neighborhood Economic Vitality

Over the next three years, Mayor Rahm Emanuel will implement a new norm in Chicago's neighborhood economic development where our most thriving areas will help our underserved neighborhoods and communities. It will leverage every tool available to drive investment and opportunity to neighborhoods struggling with high unemployment and crime.

This new approach will expand initiatives that are working and make bold new reforms that will accelerate job and economic growth while creating more resources for underserved areas. In the coming months, the Emanuel Administration will unveil and implement initiatives to strengthen the link between City procurements and neighborhood jobs and build a bridge between thriving and underserved communities.

The first major new initiative under this strategy – to be introduced in an ordinance to the City Council this Spring – will be reforms to the zoning code that will accelerate growth in the downtown and in economically vibrant neighborhoods while generating new revenue for investment in underserved neighborhoods. Under these new reforms, the City expects to generate tens of millions of dollars over the next few years to support neighborhood economic growth.

These reforms will take effect immediately upon passage of the ordinance and will include:

- ▶ **A New Neighborhood Opportunity Bonus.** Downtown developments will be able to pay for a Neighborhood Opportunity Bonus in exchange for the ability to build denser projects. The revenue from obtaining these bonuses will be invested in a new Neighborhood Growth Fund that will support jobs and development that benefit underserved neighborhoods.
- ▶ **Eliminating Bonuses and Loopholes that Do Not Support Neighborhood Growth.** The proposal will also eliminate outdated bonuses and close loopholes in the current downtown bonus system that provide limited public benefit. Currently, the City provides additional density to developments for including features like winter gardens, underground parking garages and outdoor plazas. The Mayor's proposal will ensure that density bonuses are provided to benefit objectives like growth and job creation in underserved neighborhoods.
- ▶ **Establishing a Neighborhood Growth Fund.** Revenue generated by the economic opportunity bonus will be invested into a fund that can only be used to support business development and job growth in neighborhoods grappling with poverty, high unemployment, and other indicators of underinvestment by the private market. For example, the Fund could support projects like reviving a commercial retail corridor or bringing a new grocery store to a food desert. Similar to the affordable housing process, the City Council will approve projects. Additionally, the City will engage residents and community, nonprofit, and for profit stakeholders in an open process for development proposals. A publicly accessible report on the Neighborhood Growth Fund will be provided to the City Council on an annual basis and the City will post information on all projects supported by the fund.
- ▶ **Expanding Access to Downtown Zoning and Bonuses.** According to a 2013 Crain's analysis of Census data, Chicago has the fastest growing urban center in the country. The Mayor's reforms will help accelerate this growth by allowing for additional development in areas adjacent to zoning districts currently designated as "downtown." Developers can take advantage of this incentive by working with their aldermen and the Department of Planning and Development through the existing rezoning process. Revenue from this incentive will be deposited in the Neighborhood Growth Fund.

