

Getting to Smart Growth

**Reinvestment Tools
and Best Practices**

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The mission of the Metropolitan Council is to improve regional competitiveness in the global economy so that this is one of the best places to live, work, raise a family and do business.

The Metropolitan Council is the regional planning and operating organization for the seven-county Twin Cities area. The Council advocates Smart Growth to ensure vital communities and a competitive region. It runs the regional bus system, collects and treats wastewater, manages regional water resources, plans regional parks and administers funds that provide housing opportunities for low- and moderate-income individuals and families.

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Findings on Best Practices

- Successful **partnerships** involve community, business, nonprofit and public participants and permeate every aspect of a reinvestment strategy. Collaborative efforts combine resources and expertise to identify shared goals, express and overcome differences, establish working relationships, and champion strategies to make reinvestment happen.
- Comprehensive strategies **integrate multiple tools** to achieve goals consistent with state, regional and community objectives.
- To support reinvestment, strategies reorient public funding priorities, create **incentives** and use alternative funding sources. Incentives shift public resources to areas with existing infrastructure, structure funding to favor reinvestment and other Smart Growth outcomes, and tie redevelopment to broad policy agendas.
- To create a more hospitable environment for redevelopment, tools, methods and strategies **reduce obstacles** by changing regulations and the development process.
- Redeveloping contaminated sites and assembling urban land often requires public financing and services to **offset competitive disadvantages**. Strategies support brownfield cleanups, reduce redevelopment risks, assemble land for future redevelopment, and add incentives to redevelop.
- To establish or maintain a thriving neighborhood, reinvestment efforts need to **deliver attractive, livable places** that appeal to residents and workers, draw investors, and fit community character and needs. Strategies upgrade the physical infrastructure of older areas, build on existing advantages, encourage good design, and reinvest in ways to improve the quality of life.
- Outcomes provide convincing **models and catalysts** for further reinvestment.

Introduction

Nationwide, communities are rethinking how to balance growth with environmental protection, economic competitiveness and concerns about the quality of life. Rising congestion and the loss of open space increasingly raise questions about the sustainability of historic patterns of spread-out development. Reinvestment strategies offer ways to mitigate negative impacts of growth and make more efficient use of existing resources. As mature cities and newer suburbs age and change, the role of reinvestment matters more and more.

Reinvestment dovetails with many Smart Growth objectives. “At its core, Smart Growth is about ensuring that neighborhoods, towns, and regions accommodate growth in ways that are economically sound, environmentally responsible, and supportive of community livability – growth that enhances the quality of life.” (*Smart Growth Tool Kit*, p. 2)

Reinvestment Benefits and Challenges

Reinvestment can lessen the need for greenfield development by reusing urban land and save money on new infrastructure by increasing use of existing roads and sewers. Other benefits include increasing tax base in areas where public services cost more, countering disinvestment in low-income areas, revitalizing older neighborhoods, improving transportation access, and increasing housing choices.

Obstacles to reinvestment mainly stem from higher costs and risks, poor market perception, complexity and competition for public financing. When total redevelopment costs or land preparation costs alone exceed the market value of a site, the prospects for reinvestment are particularly dim without gap financing or other assistance from the public sector.

Context

Redevelopment takes place within a network of local, state and federal policies and programs. A host of legal, regulatory, financial, land use and fiscal policies influence the ability to reinvest in central cities and older suburbs. For example, highway investments and federal income tax subsidies for homeowners substantially affect development patterns. These public policies have favored suburbs and encouraged spread-out development. (*Urban-Suburban Interdependencies, and Do Federal Funds Better Support Cities or Suburbs? A Spatial Analysis of Federal Spending in the Chicago Metropolis*)

Metropolitan Council Reinvestment Plan

Several groups, including the Metropolitan Council, are investigating how to foster reinvestment in developed areas. Recent property tax reform gives further impetus to consider how to make reinvestment happen with reduced revenues from tax-increment financing (TIF). News of the state budget shortfall adds another dimension to setting priorities and competing for public dollars.

Reinvestment is a central part of the Metropolitan Council’s regional growth strategy, *Blueprint 2030*. The revised *Blueprint*, to be completed by the end of 2002, will stress reinvesting in developed areas, as well as integrating transportation and land uses, protecting the environment, influencing land use patterns to accomplish Smart Growth, and implementing strategies through

partnerships and coordination. (*Framework for the Blueprint 2030*) The Metropolitan Council prepared the report, *Reinvesting in the Region's Future* (publication no. 78-02-005), sponsored by the Minneapolis Foundation, to explore the reasons for supporting reinvestment and to develop goals and plans for facilitating reinvestment throughout the region.

To share ideas and promote discussion contributing to the report, *Reinvesting in the Region's Future*, this paper summarizes research on local reinvestment tools and best practices from around the country. The research is organized into two sections. The first section describes several primary tools available to finance or assist redevelopment in the Twin Cities area. Brief summaries cover a few state and regional tools. The second section focuses on tools, methods and strategies used across the country to foster reinvestment. Information on best practices is presented through a quick overview, specific examples, and selected projects that combine reinvestment strategies.

Selected Local Tools for Reinvestment

Before looking at best practices, this section reviews several primary tools available to finance or assist redevelopment in the Twin Cities. Brief summaries describe state and regional tools and what they do to encourage reinvestment in communities. Tools are organized into three groups: multi-purpose, housing and environmental cleanup. (For sources of information, see page 24.)

Tools focus on reinvestment rather than general economic development geared toward increasing jobs and tax base, but the distinction between the two is not always clear. The reinvestment tools covered are selective rather than exhaustive. A fuller range of reinvestment tools, methods and strategies used across the country appears in the section on best practices.

Multi-Purpose Uses

Livable Communities Demonstration Account (LCDA)

Purpose: Grants create incentives and help fund demonstration projects. Selection criteria support Smart Growth objectives to align regional investments with policies.

The LCDA program funds projects that serve as models to encourage redevelopment and more compact, mixed-use patterns of development. Projects show how to use land and services more efficiently, ensure orderly growth and foster walkable neighborhoods, promote infill development, better connect jobs, housing and transportation, and expand affordable and life-cycle housing choices.

Grants come from the Livable Communities Fund (LCA), established by the Legislature in 1995. The LCDA is one of three LCA programs administered by the Metropolitan Council. Eligibility requires community participation in the Council's housing incentive program.

An advisory committee with broad expertise reviews applications and makes funding recommendations. Funding criteria emphasize Smart Growth goals, such as housing diversity and integration of land uses. Almost half of funded projects are located in the urban core (the central cities, their immediate neighborhoods and along University Avenue). Many projects in mature communities feature infill and redevelopment.

From 1996 through June 2001, the LCDA funded 46 grants in the Twin Cities totaling \$27.8 million. The funds leveraged more than \$693 million in private development and another \$214 million in other public investment.

Redevelopment Grant

Purpose: Grants help lower the cost of redeveloping blighted commercial, industrial and residential property.

Grants from the Minnesota Department of Trade and Economic Development (DTED) cut the cost of redeveloping sites with a past use and of recycling land for more productive use.

Redevelopment grants pay for up to 50 percent of total costs for land acquisition, demolition, infrastructure improvement, soil stabilization, ponding, environmental infrastructure and related

costs. Funding goes to cities, counties, economic development authorities, housing and redevelopment authorities and port authorities.

Projects receive priority if one or more of the following apply: redevelopment needs coincide with remediation needs; TIF requirements are met and tax increments contribute to the project; redevelopment potential exists within the community; Twin Cities projects are near public transit; and redevelopment across jurisdictions addresses the need for affordable housing, transportation and environmental protection.

The Governor's 2002 capital budget recommends \$10 million for redevelopment grants in Greater Minnesota and an additional \$10 million for the Livable Communities grant program administered by the Metropolitan Council. At least one quarter of grants must fund projects in Greater Minnesota, unless insufficient applications are received.

Tax Abatement

Purpose: Abatement reduces property taxes or lessens tax deferral costs.

Tax abatement either reduces property taxes or defers tax payments and lessens associated interest and penalties. Authorized by the Legislature in 1997, communities, counties and school districts can use tax abatement to support economic development or redevelopment efforts. Benefits are expected to merit the costs of abatement and serve the public interest. Those interests include: increasing or maintaining tax base; providing job opportunities; providing, acquiring or constructing public facilities; redeveloping or renewing blighted areas; supplying access to services; and phasing in large property tax increases.

Jurisdictions have flexibility in structuring abatement and repayment terms. Adopting an abatement agreement involves public notice and hearings. The annual abatement limit is five percent of a jurisdiction's levy or \$100,000, whichever is greater. Recent property tax reform will affect abatement less than tax-increment financing.

Tax abatement made up only 1.9 percent of the total value of statewide business subsidy agreements made during the last five months of 1999, as reported to the Minnesota Department of Trade and Economic Development.

Tax-Increment Financing (TIF)

Purpose: TIF is the main redevelopment-financing tool currently available to help fund redevelopment costs.

Cities, counties, economic development authorities and housing and redevelopment authorities use TIF revenue to clean up brownfields, redevelop blighted areas, assemble land and build affordable housing. The financing method works by diverting property tax increases from development within a TIF district to pay off certain development costs. A designated TIF district "captures" the property tax increases paid by new construction, so the tax increment or captured value no longer goes into the city's general fund and is not shared among other taxing jurisdictions, such as counties and school districts. A number of recent legislative changes restrict the use of TIF districts in Minnesota.

State takeover of K-12 property tax levies and reduced property classification rates will cause major reductions in TIF revenue starting in 2002. Tax capacity for TIF purposes is expected to fall by about 40 percent for new TIF districts. To deal with revenue shortfalls and avoid defaulting on existing obligations, projects that meet specific timelines and conditions are eligible for three deficit-reduction programs.

The seven-county region had 575 TIF districts last year, and they generated \$190.3 million in net tax capacity for taxes payable in 2000. Of the 96 communities in the Twin Cities with captured value in TIF districts, 41 had a TIF net tax capacity of over \$1 million for taxes payable in 2000.

Housing

Local Housing Incentives Account (LHIA)

Purpose: The program supplies incentives to increase life-cycle and affordable housing.

The program is one of three incentive accounts administered by the Metropolitan Council. To be eligible for other Livable Community Fund Accounts, communities must participate in the Council's housing incentive program and agree to pursue affordable housing goals defined in cooperation with the Metropolitan Council. In 2001, 105 communities signed up for the program.

Grants encourage expanding housing opportunities for low- and moderate-income households in the Twin Cities. A broad-based implementation group representing all major providers of housing resources coordinates and streamlines the application and review process. The group created a joint selection process and a single application used to request assistance for developing affordable housing from all funding sources in the region.

Between 1996 and June 2001, 43 grants were awarded in the Twin Cities, totaling \$7.1 million. Funded projects represented \$162 million of investment.

Other Sources of Affordable Housing Assistance

Family Housing Fund

Gap financing for new, rehab and special-needs housing construction, construction financing, infrastructure financing, and homebuyer assistance.

Housing and Redevelopment Authorities

Gap financing for new construction and rehabs, homebuyer assistance, construction financing, and infrastructure funding.

Local Initiatives Support Corporation (LISC)

Gap financing for new and rehab multi-family housing construction, predevelopment loan/grant funding, construction financing, and funding for technical assistance.

Minnesota Housing Finance Agency

Gap funding for new and rehab construction, first-mortgage financing, homebuyer assistance, predevelopment loan/grant funding, construction financing, funding for infrastructure, and funding for technical assistance.

Minnesota Housing Partnership

Predevelopment loan/grant financing, land acquisition financing, funding for planning, and funding for technical assistance.

U.S. Department of Housing and Urban Development (HUD)

Gap financing for new, rehab and special-needs housing construction, first-mortgage financing, homeowner assistance, construction financing, and funding for technical assistance.

Environmental Cleanup

Contamination Cleanup and Investigation Grant Program

Purpose: Grants mitigate the cost of dealing with brownfields and help increase the supply of land ready for redevelopment.

The Minnesota Department of Trade and Economic Development awards grants to investigate contamination, create response action plans or clean up sites with viable and imminent potential for redevelopment.

Grants for cleanup cover up to 75 percent of costs. For testing sites and planning responses to contamination, grants cover either 75 percent of costs or \$50,000, depending on which is the lesser amount. Grants go to cities, counties, economic development authorities, housing and redevelopment authorities and port authorities. All applications in the Twin Cities require participation in the Metropolitan Council's housing incentives account program. Those projects can use tax base revitalization funds toward the 25 percent local match.

Applications for cleanup grants must meet requirements established by the Minnesota Pollution Control Agency. Project selection depends on: potential increase in tax base, job creation, reduction in health and environmental risks, likelihood of funding alternatives, cleanup costs, and local commitment for paying remaining costs.

Program funding totaled \$21.7 million for the biennium. At least one quarter of grants must fund projects in Greater Minnesota, unless insufficient applications are received.

Tax Base Revitalization Account (TBRA)

Purpose: Grants reduce cleanup costs associated with the redevelopment of contaminated urban land. Selection criteria support Smart Growth objectives to align regional investments with policies.

TBRA grants help clean up urban land in preparation for redevelopment. The program is one of three Livable Communities Act incentives and requires participation in the Council's housing incentives program. Grants from the Metropolitan Council go to counties, development authorities and cities in the Twin Cities area.

The TBRA and the Contaminated Site Cleanup Program run by the Department of Trade and Economic Development (DTED) jointly fund many projects. Both agencies coordinate the application and selection process, and TBRA grants can be used for the local match required by

the DTED program. The Minnesota Pollution Control Agency reviews response action plans in applications and provides other technical assistance.

When reviewing applications, selection criteria emphasize the following objectives: tax base increases; job creation or retention at living wages; compact and efficient development; and innovative partnerships across government, private and nonprofit sectors.

The TBRA awarded 84 grants totaling \$34 million from 1996 through June 2001. Funding supported 711 acres of brownfield redevelopment and a net tax capacity gain of \$22.7 million.

Voluntary Investigation and Cleanup Program (VIC)

Purpose: The VIC program offers technical assistance and liability protection for brownfield investigation and cleanup.

The Minnesota Pollution Control Agency provides technical services for those voluntarily investigating or cleaning up a contaminated property. Assistance includes reviewing work plans, reporting on investigations, and recommending cleanup strategies. (A separate program deals with sites contaminated by petroleum.) The program gives developers guidelines for complying with state Superfund laws, and agency staff reviews cleanup efforts to ensure that they meet Superfund standards. Legal assurances to protect against future liability are a major benefit of the program. Landowners, developers or buyers pay fees to cover the cost of staff assistance.

Minnesota led the nation by linking technical cleanup assistance with liability assurances in the Minnesota Land Recycling Act of 1992. The VIC program won a national innovation award in 1994.

Other Sources of Brownfield Redevelopment Assistance

Minnesota Department of Revenue

Contamination tax: property tax deductions on contaminated property.

Minnesota Environmental Initiative

Resources for redevelopment (R4R): Small grants to nonprofits for environmental investigation.

Minnesota Pollution Control Agency (MPCA)

Drycleaner environmental response and reimbursement account: Reimbursement for cleanup costs at drycleaner sites.

MPCA site assessment program: Environmental assessment of abandoned sites.

Petroleum tank release cleanup account (Petrofund): Reimbursement of cleanup costs at sites contaminated by petroleum; Department of Commerce and MPCA.

Property transfer file evaluation program: Information service on sites with potential environmental liabilities.

Public facilities authority water pollution control revolving fund: Low-interest loans for upgrading and building public systems for drinking water.

Small business environmental improvement loans: Low-interest loans to small businesses to assess contaminated sites or buy equipment to help meet or exceed environmental standards.

U.S Environmental Protection Agency (EPA)

Brownfields tax incentive: Tax credits for clean up of contaminated sites.

EPA redevelopment resources for brownfields: Pilot projects, demonstrations, interagency initiatives and tax incentives.

Additional Sources

Environmental response funds: Funds to counties for buying brownfield sites, protecting buyers from liability, cleaning up land or developing land; Hennepin and Ramsey Counties.

Environmental response fund grants: Emergency grants for assessment and cleanup; Hennepin County.

Public facilities authority drinking water revolving fund: Low-interest loans for upgrading and building public systems for drinking water; Minnesota Department of Health.

Revolving loan funds: Low-interest loans for cleanup of brownfield sites; U.S. EPA and local partners, Roseville and Hennepin County.

Best Practices

This section features tools, methods and strategies used across the country to foster reinvestment, primarily in areas with existing infrastructure. Selective examples highlight models, best practices, and innovations identified by reviewing the national literature, talking with local experts and communicating with staff at the Urban Land Institute.

No single description defines a tool, method or policy as a best practice. In some cases, reinvestment strategies become models after extensive evaluation. Other strategies stand out because outcomes make Smart Growth objectives a reality and results sell well in the private marketplace. Innovative strategies may lack a proven track record, but hold promise because they address critical stumbling blocks hindering reinvestment.

The best practices examined below are intended to stimulate thought and discussion about alternatives. They are not presented as off-the-shelf solutions, because workable strategies depend on local circumstances. Overall, the research on best practices supplies a sample of different approaches rather than in-depth analysis. Examples mainly cover state, regional and local strategies, as well as a few federal programs. Research focuses on recent examples.

Information on best practices is organized into three sections. The first provides a simplified overview of tools, methods and strategies. The second describes them and gives specific examples. The last section summarizes selected projects that combine reinvestment strategies, organized by outcomes.

Overview of Tools, Methods and Strategies

In one way or another, reinvestment tools, methods and strategies either counter disadvantages or build on advantages. Many efforts devise means of getting past obstacles, including higher costs, more complexity, longer development timeframes, unfamiliar markets, contaminated soil from previous land uses, higher risks, financing and regulatory practices geared toward greenfield development, historical disinvestment and examples of unsuccessful urban renewal. Other strategies make use of assets, such as large employers, committed residents, existing infrastructure, a sense of place, unique architecture, and proximity to public transportation, parks and waterfronts. Some reinvestment strategies transform liabilities into competitive advantages.

Before describing selected best practices in more detail, a quick overview lists types of tools, methods and strategies that promote reinvestment. The compilation reflects information from three main sources: *Building Livable Communities: A Policymaker's Guide to Infill Development*, *Strategies for Successful Infill Development*, and *Tools and Techniques: Smart Growth in the Twin Cities*. Six categories group strategies, although several best practices apply to multiple categories. The groupings represent elements that repeatedly surface throughout the national literature on best practices: 1) leadership and partnerships, 2) education and planning, 3) financing and public incentives, 4) regulations, 5) land acquisition and cleanup, and 6) market appeal.

Leadership and Partnerships

- Create broad public-private partnerships of allies
- Communicate with affected groups
- Share expertise and resources
- Involve the community
- Deal with opposition
- Pursue intergovernmental agreements
- Build common vision and decide goals

Education and Planning

- Invite public participation in charrettes
- Make goals explicit in specific site plans, design guidelines or prototypes
- Identify potential redevelopment sites: brownfields and vacant or underused parcels
- Target specific infill, mixed-use and transit-oriented areas for redevelopment
- Encourage joint development
- Analyze assets and liabilities using GIS mapping
- Educate community about growth impacts and infill benefits
- Understand interrelated aspects of redevelopment and stress collaboration

Financing and Public Incentives

- Supply grants and other gap financing to reduce development costs
- Waive development fees and taxes
- Provide low-interest loans, such as revolving loan funds
- Give grants and loans for feasibility assessments
- Seek out patient investors, such as public pension funds and foundations
- Price infrastructure to reflect full costs of development
- Investigate funding from federal programs and alternative sources
- Structure impact fees to favor infill development
- Adopt policies linking public investment to Smart Growth objectives
- Tie funding to preferred development locations
- Reward outcomes that cut costs and lessen environmental impacts

Regulations

- Revise zoning codes to support mixed-use and transit-oriented development
- Lessen parking requirements for transit-oriented projects
- Allow density bonuses in exchange for amenities
- Create overlay zones to encourage higher densities near transit stations
- Adopt inclusionary zoning to build more affordable housing
- Increase flexibility in zoning codes
- Establish rehabilitation codes
- Develop model codes or parallel codes
- Restrict development to areas within urban growth boundaries
- Adopt transfer of development rights

- Streamline permitting
- Expedite review process and permitting for infill developments
- Use master environmental impact reports

Land Acquisition and Cleanup

- Provide gap financing to cover increased costs of assessment and cleanup
- Clarify liability and risks
- Buy, assemble or exchange land; facilitate future redevelopment with land banking
- Give loans or write down the cost of acquiring land
- Manage liabilities through “prospective purchaser” agreements
- Subsidize environmental insurance
- Supply technical assistance when planning and reviewing cleanups

Market Appeal

- Locate public facilities to attract infill development
- Pay to improve infrastructure
- Encourage joint development of private and community-service buildings
- Use public services to improve or maintain safety and cleanliness
- Work with large employers to improve neighborhood quality of life
- Understand and use competitive advantages, such as underserved urban markets
- Incorporate good design to sell infill projects
- Design projects to fit neighborhood character and needs
- Form business improvement districts (BIDs)
- Market infill projects
- Publicize successful outcomes

Specific Examples: Tools, Methods and Strategies

Descriptions and particular examples of best practices illustrate what different levels of government are doing to encourage reinvestment. The examples feature tools, methods and strategies by category, such as leadership and partnerships.

A number of states, regions and communities apply a comprehensive approach that cuts across categories and employs multiple tools for reinvestment. Maryland, for example, targets state funding to areas with existing or planned infrastructure, supports land preservation with public funds, finances and assists brownfield redevelopment, spends more on public transit to increase ridership, promotes rehabilitation and infill development with Smart Growth codes, directs the majority of school construction expenditures to existing schools, and coordinates policies with a governor’s office on Smart Growth. (*Governors’ Smart Growth Initiatives*, pp. 9-10)

Leadership and Partnerships

Leadership and partnerships are absolutely essential for developing a reinvestment strategy and creating the support needed to implement changes. Successful partnerships involve community, business, nonprofit and public participants and permeate every aspect of reinvestment. Through leadership, communication and action, partners combine resources and expertise to identify

shared goals, express and overcome differences, establish working relationships, and champion strategies to make reinvestment happen.

Envision Utah

A coalition of government, civic, business and environmental leaders initiated Envision Utah to build consensus on how to deal with future growth. The partnership prepared growth scenarios, held over 100 workshops and conducted surveys to demonstrate the impact of different growth patterns and gather public input. As a result, the initiative developed a preferred growth strategy in 1998. The plan calls for accommodating over half of projected housing and jobs in walkable, mixed-use developments. (*Smart Growth: Myth and Fact*, p. 4, and *New Urbanism: Comprehensive Report and Best Practices Guide*, pp. 21-8 and 21-9)

Location Decisions in Atlanta

In Atlanta, Georgia, business decisions work in concert with new state efforts to address traffic congestion and other impacts of growth. BellSouth, the area's second-largest employer, plans to relocate 13,000 suburban workers to locations by rail transit stations. (*Moving Beyond Sprawl: The Challenge for Metropolitan Atlanta*, p. 36)

Partnerships with Universities and Medical Centers

Educational institutions and medical centers are increasingly seen as valuable partners to reinvest in urban neighborhoods. These major employers represent formidable assets unlikely to pick up and move. To protect vast physical infrastructure, attract students or patients, and retain faculty and staff, universities and medical centers have incentives to improve surrounding neighborhoods. Communities, in turn, have an interest in benefiting from the resources of large employers: purchasing power, hiring needs, research and teaching, real estate, tax base, homeownership incentives, and safety and cleanup efforts. A study of Yale University's economic impact on New Haven, Connecticut, underscored the interdependency between the city and the university. Results convinced Yale to invest \$41 million toward neighborhood revitalization projects in New Haven. The University of Pennsylvania, along with its medical center, the largest private employer in Philadelphia, Pennsylvania, has also launched several programs to reinvest in its surrounding neighborhoods. By 1998, Penn's spending in West Philadelphia soared to \$42 million, four times the amount invested in 1993. (*Eds and Meds: Cities' Hidden Assets*, pp. 3-4)

Education and Planning

Education and planning efforts are an extension of leadership and partnering initiatives. Many of them represent more specific ways to educate others about growth and reinvestment and to support reinvestment through policy planning and technical assistance. Such initiatives highlight the need for sharing expertise, communicating the benefits of reinvestment, making redevelopment easier to accomplish and linking redevelopment and related Smart Growth principles to broad-based growth strategies.

Housing Action Coalition in Silicon Valley

Public and private interests formed a Housing Action Coalition in response to a lack of moderately priced housing that contributes to jobs-housing imbalances. The coalition advocates for affordable housing in Silicon Valley and educates public officials and residents about housing issues. A leadership group helps the coalition initiate ways to address the housing shortage and related transportation and environmental problems. To determine which projects to

support, the coalition reviews housing proposals using endorsement criteria based on location, density, affordability, design, size and safety. The coalition backed 71 housing projects approved by mid-2000, representing 24,000 new homes in 16 cities. (*Smart Growth Tool Kit*, pp. 41-42, and pp. 140-141)

North Metro I-35W Corridor Coalition

Seven mature cities in the Twin Cities formed the I-35W Coalition to more effectively plan for community development, growth and diversification. The coalition shares GIS information to coordinate planning strategies. In 1999, the coalition received a grant from the Metropolitan Livable Communities Fund (LCDA) to improve data sets, develop build-out options, and recommend options for transit corridors and strategies for implementation. (*Moving Up, Filtering Down: Metropolitan Housing Dynamics and Public Policy*, p.18, and *Metropolitan Livable Communities Fund, Report to the Minnesota Legislature*, March 2000, p. 3)

One-Stop-Shop Initiative for Brownfields

A number of cities are setting up one-stop-shop pilots to encourage private-sector redevelopment of brownfields and infill sites. One initiative in Emeryville, California, uses GIS capabilities to identify contaminated sites and produce information on ownership history, land use, zoning ordinances, known contamination and financing. The system will recommend tests for soil and groundwater conditions, cleanup standards and cleanup methods and will relate each parcel to city groundwater management programs. Further plans call for issuing permits and liability assurances following a site cleanup. (*Strategies for Promoting Brownfield Reuse in California*, p. 33, and *Strategies for Successful Infill Development*, p. 78)

Smart Growth Audit in North Carolina

Early in its Smart Growth strategy, the Charlotte-Mecklenburg region in North Carolina initiated an audit of how well planning pieces fitted together to promote goals. The first step of the independent audit evaluated Smart Growth definitions and Smart Growth principles gleaned from public plans, stakeholders and reviews of local decision making. Audit recommendations called for: streamlining codes and review processes; establishing means of implementing a transit and land use plan stressing centers and corridors; planning for future needs; creating a more complete database and system of tracking development; analyzing fiscal impacts of plans and policies; and developing a unified strategy for open space and parks. A second phase of the Smart Growth initiative formed a citizen task force to review audit results, help planning staff identify priorities and build consensus. (*Smart Growth Tool Kit*, pp. 28-29)

Financing and Public Incentives

Financing is frequently cited as the toughest challenge facing redevelopment because many private investment practices do not fit projects with mixed uses, unfamiliar markets, longer timelines, and higher risks. To support reinvestment, strategies reorient public funding priorities, create incentives or supplement private financing. Examples shift public resources to areas with existing infrastructure, tap into foundations and alternative funding sources, structure funding sources to favor reinvestment and other Smart Growth outcomes, and tie redevelopment to broad policy agendas.

Financing for Sustainable Communities in California

Public pension funds and tax credits significantly support infill development and related Smart Growth outcomes in California. Pension funds from the state's public retirement system for

employees (CalPERS) and teachers (CalSTRS) recently committed new capital investments totaling \$1 billion for urban infill developments. The California Tax Credit Allocation Committee also adopted new criteria linking funding priorities to sustainable growth. State and federal tax credits write down the cost of constructing and rehabilitating affordable housing. Under the scoring system, applications for housing projects receive higher points for locating near transit, recreational amenities and grocery stores. Apartment developments for families get points if residents can walk to a public school. The committee allocates \$450 million a year in tax credits. Over a three-year period, California will redirect \$7 billion in public funds to reinvest in communities and reward sustainable growth. (*New Community Design to the Rescue*, p. 67)

Location Efficient Mortgages

Fannie Mae sponsored an innovative way of rewarding those who buy homes near public transit. The pilot program started in Chicago. When evaluating a mortgage application, participating lenders factor in the cost savings from living by transit and let buyers borrow more money, up to \$54,000. Mortgages are geared toward low- to middle-income households choosing to live in urban neighborhoods, first-time buyers and those who use transit. Location-efficient mortgages encourage public transit ridership, lessen environmental impacts and direct capital to more compact, efficient locations. (Location Efficient Mortgage, www.locationefficiency.com, and Location Efficient Mortgages, www.sprawlwatch.org)

Maryland Incentives to Encourage Smart Growth

Maryland adopted several programs in 1997 to support revitalization of developed areas, protect open space and discourage spread-out development. A key part of Maryland's legislative package limits most state funding on infrastructure, housing, economic development and other programs to priority funding areas with existing or planned infrastructure. Priority funding areas define locations where state and local governments want to target efforts to encourage economic development and growth. Essentially, the initiative uses the state budget as an incentive tool to influence growth. Although the policy does not control where private investment goes, it may present a more feasible alternative to contentious and politically difficult state policies, such as growth boundaries to restrain sprawl in Portland, Oregon. ("What is Maryland's Smart Growth Program?," www.op.statemd.us, and *Moving Up, Filtering Down: Metropolitan Housing Dynamics, Public Policy*, p. 20)

Regional Transportation Authority in Atlanta, Georgia

After Atlanta failed to meet air-quality standards and the federal government withheld funds for highway construction, the state created the Georgia Regional Transportation Authority (GRTA). The authority uses regulations and incentives to reduce severe traffic congestion and direct new development. Board members have the power to issue \$1 billion in revenue bonds, and with the backing of the general assembly, an equivalent amount in general obligation bonds. GRTA has veto power over major road projects and development projects proposed in the region. (*Smart Growth Tool Kit*, pp. 14-16)

Smart Growth Incentives in Austin, Texas

Austin uses a Smart Growth Matrix, an innovative ranking system, to analyze development proposals within a desired development zone and allocate public incentives to help offset the higher costs of urban development. Planners assign points to proposed projects within the zone based on location, integration of land uses, proximity to transit, pedestrian orientation, design quality and other characteristics. Projects with certain point levels qualify for public incentives. The range of incentives includes waiving a share of development fees, covering utility charges

and paying for infrastructure. Incentives to build affordable housing extend beyond the desired development zone. (*New Urbanism: Comprehensive Report and Best Practices Guide*, pp. 8-9, and “Smart Growth Initiative,” www.ci.austin.tx.us)

Transportation Funding from TEA-21

The federal Transportation Equity Act for the 21st Century, better known as TEA-21, serves as a prototype of how to allocate funds by applying Smart Growth principles. Funding criteria reward connections between land use and transportation, integration of transportation modes and environmental protection. In the Bay Area of California, a Livable Communities Grant Program supports smaller-scale transportation projects, such as walkable, transit-oriented developments and streetscape improvements with \$9 million in annual grants from TEA-21 funding. The Metropolitan Council allocates \$150 to \$160 million of TEA-21 funds every other year to state, regional and local transportation projects reviewed by the Transportation Advisory Board. A separate set-aside fund supports lifecycle and affordable housing in the Twin Cities. (*Smart Growth Tool Kit*, p. 39, and *Blueprint Discussion Paper – Alignment Policy*, pp. 4-5)

Regulations

State and local entities can revamp regulations and the development process to foster an environment more hospitable to redevelopment. That means removing barriers to infill and mixed-use development, clarifying goals, rewarding Smart Growth objectives, and reducing uncertainty. Tools and strategies include developing renovation codes and model codes for infill and transit-oriented developments, making the review and permitting process faster and easier, developing prototypes, requiring the inclusion of affordable housing, and increasing flexibility.

Inclusionary Zoning in Montgomery County, Maryland

Montgomery County uses its inclusionary zoning ordinance, the nation’s most successful example, as an effective implementation tool for producing affordable housing distributed throughout the jurisdiction. For developments with at least 50 units, the ordinance requires developers to set aside a portion of rental or owner-occupied units as affordable housing. In exchange, the developer receives a density bonus of up to 22 percent. The program produced almost 11,000 affordable housing units in the 25 years since enacting the ordinance, about half of the county’s new affordable housing. Several challenges affect the county’s ability to sustain past effectiveness, however. For example, the program lost many affordable units as price regulations expired. Establishing affordable housing in new infill developments may necessitate modifying the ordinance to reflect changing patterns of development. (*Expanding Affordable Housing Through Inclusionary Zoning*, pp. 2, 5, 13, 18 and 27)

Model Codes for Infill and Smart Growth Development in Maryland

In 2000, Maryland’s General Assembly directed the state planning department to create model land-use codes and guidelines for infill development and Smart Growth development. Although local governments are not required to use the model codes, forthcoming incentives many tie code use to state money. (*New Urbanism: Comprehensive Report & Best Practices Guide*, p. 21-4)

Rehabilitation Code in New Jersey

New Jersey led all other states by adopting the first separate building code for rehabilitating older buildings. The code encourages adaptive reuse because certain features of older buildings are held to a different standard rather than automatically replaced. By setting reasonable standards and making costs more predictable, the code helped attract more developers to urban

locations. One year following the code change, spending to repair existing buildings in the state's largest five communities rose 60 percent. As a result, New Jersey received the Innovations in American Government Award in 1999. (*New Urbanism: Comprehensive Report & Best Practices Guide*, p. 21-26, and *New Community Design to the Rescue*, p. 56)

Streamlined Regulations in Boulder, Colorado

Boulder, Colorado, overhauled development regulations and created prototype designs in the mid-1990s to help encourage infill redevelopment and counter a reputation for making the development process lengthy and difficult. Prototypes reduced uncertainty and conveyed the city's design and planning goals. After the restructuring, mixed-use projects were approved in as little as five weeks compared with an average of over three years previously. (*Strategies for Successful Infill Development*, p. 72)

Urban and Architectural Codes for Seaside, Florida

Duany Plater-Zyberk & Company (DPZ) pioneered codes used to control the building process. The Seaside code created by DPZ lays out specific agreements about what to build and how to build it, unlike ordinances that legally prescribe what not to do. In recognition of changing uses, the Seaside code focuses on building types rather than current uses. Concise language and simple drawings characterize the code and remove uncertainty over expected results. An architectural code works to specify building materials and form without inhibiting creativity. (*New Urbanism: Comprehensive Report & Best Practices Guide*, pp. 10-13 to 10-15)

Land Acquisition and Cleanup

Brownfields and insufficient land ready for development greatly influence the viability of urban reinvestment projects. Redevelopment of contaminated sites often necessitates public financing and services to cope with higher costs and higher risks from exposure to liability. In a recent report on brownfield initiatives across the country, most states offer voluntary cleanup programs, and other public assistance commonly includes grants and revolving loan funds. (*Brownfields "State of the States"*) Many communities also help developers acquire and assemble land to offset higher land costs, limited land supply, difficult and complex processes of acquiring land, and land speculation. (*Urban Infill Housing: Myth and Fact*, p. 8) Examples describe a few tools that supply public spending to help finance cleanups, reduce redevelopment risks, add incentives to redevelop, and assemble land for future redevelopment.

Clean Michigan Initiative and Additional Incentives

A recent study of brownfield redevelopment programs ranked Michigan first in the nation. Michigan offers a multitude of financing programs and several new incentives targeted to brownfields. In 1998, state voters approved a \$675 million bond issue to fund the Clean Michigan Initiative, created to revitalize communities, preserve open space and reduce sprawl. The package included \$255 million for cleaning up brownfields; \$60 million for cleaning up sites with acute hazards; \$20 million in grants for cleaning up brownfield sites with redevelopment potential; and another \$50 million in grants to redevelop brownfields by waterfronts. More recently, the state enacted a brownfield property tax credit. For properties within a rehabilitation district designated by a community, up to 100 percent of property taxes within the district can be abated for as long as 12 years. (*Brownfields "State of the States,"* p. 40, and Michigan's Brownfields Program: An Overview, p. 3)

Environmental Insurance Fund in Massachusetts

An environmental insurance fund in Massachusetts subsidizes private insurance premiums to lessen risks associated with brownfield cleanup and redevelopment. To set up the program, the state contributed \$15 million to a Brownfield Redevelopment Access to Capital Fund and then negotiated two policies provided by a private insurance company. One insurance policy covers unanticipated costs encountered during an approved cleanup, third-party liability and disruptions from other environmental problems. Another policy protects lenders from defaults on loans for cleanup and redevelopment. The state pays up to half of insurance premiums. The subsidy lasts up to five years for the environmental policy and up to 10 years for the lender policy.

(*Brownfields “State of the States,”* p. 39)

Land Banking in Cleveland

A long-term effort to regenerate an inner-city commercial and industrial center in Cleveland employed land banking as a core tactic to build a competitive market. Land assembly took place in three stages as methods evolved in response to difficulties, partnerships expanded and public leadership changed. The current land banking initiative, Midtown Cleveland, is a nonprofit development corporation created by business leaders. Its land banking strategy adapted to limited use of eminent domain by the city and available federal loans instead of grants. To improve policies supporting inner-city competitiveness, a case study of MidTown Cleveland recommended several strategies for land banking. They include: understanding the need for long-term land assembly; implementing an effective funding system requiring significant public subsidies; designating a central authority to finance, own and operate a land banking program; empowering a land bank to use eminent domain; consolidating environmental regulations and increasing funding for remediation of brownfields; and treating inner-city land as public infrastructure. (*A Private Sector Model for Rebuilding Inner-City Competitiveness: Lessons from MidTown Cleveland*, pp. 2, 15-16, 24, and 41-42)

Urban Cleanup Loan Program in California

To help pay for site assessments and cleanups, a California initiative passed last fall funded two low-interest loan programs with \$52 million. The first program supplies an applicant with a maximum of \$100,000 to assess underused urban properties for “preliminary endangerment.” If assessment determines a site is not economically feasible, 75 percent of the repayment is waived. The second program pays for additional site investigation and cleanup, up to \$2.5 million per project. (*Brownfields, “State of the States,”* p. 8)

Market Appeal

To establish or maintain a thriving neighborhood, reinvestment efforts need to deliver places where people want to live and work, places where investors will commit financing and places where outcomes fit community character and needs. Creating an appealing market can present a daunting task for mature areas with a history of disinvestment, poor schools or concerns about safety. Examples show how to improve the physical infrastructure of older areas targeted for reinvestment, partner with large employers to increase neighborhood vitality, locate state buildings to attract private investment and demonstrate Smart Growth, encourage good design and reward high-quality products, and reinvest in existing schools.

Boston Main Streets

A nationally recognized model for urban reinvestment, Boston Main Streets is a public-private effort to revitalize neighborhood commercial districts. The National Trust for Historic

Preservation developed the Main Streets program to provide technical assistance, information and other resources. Across the country, the program works with more than 1,200 communities to improve the physical appearance of commercial centers and market commercial districts, form partnerships, and strengthen economic competitiveness. Boston Main Streets, the country's first citywide program, involves 21 neighborhood business districts. (City of Boston, www.cityofboston.gov, and National Main Street Center, www.mainst.org)

Competitive Advantages in Inner Cities

Over the course of studying 12 inner-city economies, the Initiative for a Competitive Inner City identified four main advantages for businesses located in inner cities. The apparent or less obvious advantages included strategic locations, purchasing power from underserved markets, growth opportunities from employers connected to core business clusters, and a large pool of potential workers. Those resources help offset competitive disadvantages encountered in urban areas. The Initiative for a Competitive Inner City was established by Michael Porter, an expert on industry clusters and competitive advantages for businesses. (*Benchmarking Federal Spending and Guidelines for Action*, p. iii)

Livability Awards in Oregon

The governor of Oregon presents Livability Awards each year to recognize projects that exemplify high-quality developments supportive of Smart Growth goals. The following criteria apply to awards: mixed uses stimulate economic vitality; designs create a safe, convenient environment for pedestrians and transit users and provide easy access to jobs, housing, services and transit; developments satisfy environmental concerns and use green building techniques; projects balance jobs and affordable housing, create gathering places and draw on local qualities; and development designs create a sense of place. (*New Community Design to the Rescue*, p. 62)

Revitalization Alliance in Hartford, Connecticut

Trinity College and neighborhood institutions formed an unprecedented alliance in 1996 to revitalize a blighted 15-block area between the college and several hospitals. The alliance planned an \$175 million initiative to improve or increase safety, educational opportunities, infrastructure, housing stock, home ownership and economic opportunity. Community institutions and organizations with a stake in the neighborhood pooled diverse resources from federal funds, Fannie Mae, the Community Reinvestment Act, local health centers, a magnet school and Trinity College. In 1997, Trinity College and the Southside Institutions Neighborhood Alliance (SINA), representing partners from Hartford Hospital, Connecticut Children's Medical Center, Connecticut Public TV and Radio, and the Institute of Living, began construction on a 16-acre Learning Corridor. Several foundations, the city and the state also supported the initiative. Trinity College received a \$5.1 million grant from the W.K. Kellogg Foundation in national recognition of the college-community revitalization partnership. The comprehensive collaboration sharply contrasts with old models of urban renewal. (*Urban Land*, January 1997, and Trinity/SINA Neighborhood Initiative, www.trincoll.edu)

Smart Growth Initiatives and School Construction Spending in Maryland

When Maryland adopted its Smart Growth Initiatives, the state also dramatically shifted budget priorities from building new schools to renovating, rehabilitating and expanding existing facilities. A key part of the initiatives limits most state funding to priority funding areas, but exempts K-12 public schools. (State spending on higher education facilities is restricted to priority funding areas.) To address public K-12 schools, the state switched the funding advantage to existing communities, although new schools are still being constructed. Before the governor's

policy change, about 75 percent of total school construction money went toward building new facilities, favoring developing suburbs. By 2000, the state redirected more than 85 percent of all school construction spending to rehabilitation and renovation. In addition, the state supplied more money for existing schools by changing the list of improvements eligible for state school construction dollars. Finally, the state substantially increased total spending on the school construction program since 1987. (Maryland Planning Department)

State Agency Locations in California

During the fall of 2001, the governor of California signed an executive order affecting one of the biggest real estate players, state agencies. California owns about 12 million square feet of space across the state and leases another 16 million square feet. The action supports efforts to revive and preserve urban cores by directing state agencies to consider locating offices in the downtown area. In addition, the order seeks to ensure that building features and locations meet Smart Growth objectives, such as connecting jobs to transit and affordable housing, protecting the environment and encouraging mixed uses. (“California Adopts Growth Legislation,” www.nga.org)

Specific Examples: Projects

Some best practices are best understood by examining redevelopment projects. Doing so emphasizes actual outcomes and the interplay between strategies. Projects are grouped by the following Smart Growth outcomes: affordable and mixed-income housing; brownfield redevelopment and environmental protection; infill and adaptive reuse; mixed use; and open space integration.

Projects stress model partnerships, creative solutions to complex problems, community involvement and integrated approaches to redevelopment. Successful outcomes depend on making the most of locational advantages, pairing redevelopment with good design, and satisfying residents, investors, and community goals. Housing and transportation are often pivotal elements, and individual projects serve to catalyze further reinvestment.

Adaptive Reuse and Brownfield Redevelopment: Implementing Smart Growth Program – Can Company, Baltimore, Maryland

Redevelopment of an industrial site dating back to 1895 depended on new state initiatives, complex financing, historic preservation, parking solutions and crucial community involvement. After encountering contamination at the Can Company site, the developer became the first in the state to complete cleanup and receive limited protection from liability through a voluntary cleanup program. The city supplied 10 years of property tax abatement for historic rehabilitation, qualifying the site for other state funds and historic tax credits. The mixed-use development provided 140,000 square feet of office space, more than 60,000 square feet of retail space and about 300 parking spaces. To address the need for parking, the developer converted two floors of an existing building into a parking garage used by workers during the day and retail shoppers during the evening. Community involvement greatly facilitated rapid development to secure an anchor tenant. Reusing historic structures and working with residents dealt with community concerns expressed by rejection of previous proposals to clear the site. The project established a job, retail and entertainment hub in an older neighborhood and greatly invigorated nearby housing demand and reinvestment. (*Smart Growth Tool Kit*, pp. 65-68)

Affordable Housing: Replacing Unsuccessful Public Housing with a Neighborhood – Park DuValle, Louisville, Kentucky

In the early 1990s, the federal government began demolishing public housing and building replacement housing in mixed-use, walkable neighborhoods such as Park DuValle. The project was one of 220 funded by the federal housing program, Hope VI, from 1993 to 1998. The Park DuValle project razed over 1,000 units of public housing in a low-income neighborhood, reestablished connecting streets, extended open spaces and added a small mixed-use town center. Public housing blended with subsidized homes and market-rate housing in a mix of housing types, all designed to fit local preferences and meet similar standards of quality. Federal funding paired with new-urbanism features transformed a blighted area into a diverse neighborhood. The project received an urban design award from the American Institute of Architects. A year and a half after opening and halfway to completion, housing demand remained high for the first major development seen in the west side of the city in at least 50 years. (*New Urbanism: Comprehensive Report & Best Practices Guide*, pp. 3-5 to 3-6, and *New Community Design to the Rescue*, p. 24)

Affordable Housing and Infill Development: Using University Land for Infill Housing – Trinity Heights, Durham, North Carolina

Duke University partnered with new-urbanist developers to build 24 single-family houses and 15 townhouses for faculty and staff. The university owned the land next to its East Campus in a historic neighborhood with vacant lots and a long-standing absence of new investment. University land was used as collateral to secure financing. The developer saved money by using existing streets and spent more money than usual on design and architecture. Selecting a builder proved difficult, but lower land costs helped offset disagreements over expenses. An architect designed every home instead of reproducing one model. Trinity Heights received a local historic preservation award; all units sold at considerably higher prices than expected; and the project delivered a 42 percent rate of return. (*New Urbanism: Comprehensive Report & Best Practices Guide*, pp. 14-7 and 14-8)

Brownfield Redevelopment: Leveraging Government Funding and Collaboration – Washington's Landing, Pittsburgh, Pennsylvania

A former industrial site near downtown became a mixed-use community because federal, state and local entities collaborated to clean up the 42-acre island and invest in infrastructure, public facilities and recreational amenities. A number of state agencies contributed nearly \$11 million to leverage \$100 million in public-private investment. The community included 100 homes at a density of over seven units per residential acre, several offices, light manufacturing buildings and a restaurant. A state agency also located within the development. Open space and a converted railroad bridge provided recreational opportunities and pedestrian access to the downtown. (*New Community Design to the Rescue*, p. 27)

Brownfield Redevelopment: Building Attractive, Affordable Housing – Pearl Court Apartments, Portland, Oregon

The Pearl Court project exemplifies how affordable housing can deliver attractively designed results despite complexities. The brownfield redevelopment cleaned up part of a large contaminated site, incorporated environmentally sustainable elements, met city goals of building high-density housing with limited parking, and avoided large public subsidies. After a fast-track cleanup, the project became the first low-income housing tax credit development to receive liability protection from the state. A local utility supplied expertise on environmentally sustainable practices, and the private developer used recycled materials and installed an

innovative system to handle water runoff. Public and private efforts worked in concert to apply a long-term vision for reusing the former railroad yard, blend funding sources and share expertise. Proximity to transit allowed the developer to build only 18 parking spaces for 199 units. The project required a relatively low investment of public money per unit, just one-third of the typical loan for public housing. Amenities and high-quality design produced a new model of affordable housing with the highest density in the neighborhood. (*Smart Growth Tool Kit*, pp. 70-73)

*Infill and Adaptive Reuse: Redeveloping Underused Land by Transit –
The Crossings, Mountain View, CA*

In a 17-acre neighborhood designed by Calthorpe Associates, a failed shopping center supplied an infill site to support transit ridership, and a newly relocated Caltrain commuter station supplied the transportation access to support infill development. At 20 units per acre, the project provided diverse types of market-rate housing at relatively affordable prices. Walkable streets, open space and proximity to a supermarket and school also increased market appeal. Changes in city zoning and building requirements facilitated the transit-oriented development. The project was occupied before the train station opened. (*Strategies for Successful Infill Development*, p.50, and *New Community Design to the Rescue*, p. 86)

*Infill Development: Finding Patient Investors to Help Revitalize Downtown –
Alvarado, Albuquerque, New Mexico*

To revitalize downtown, two patient investors joined a developer to finance a six-block redevelopment. A foundation acted as a mid-term investor to help make the project viable. The development employed a rare financing technique that divides up the debt according to different levels of risk with short-term to long-term timelines for investment returns. The largest foundation in the state supported Smart Growth efforts and provided \$6 million in equity as a patient investor. With these funds, the developer and the foundation established a historic improvement district. The city took the role of a long-term investor by supplying \$12 million in land, future parking facilities, infrastructure and tax abatement. A downtown revitalization plan supported additional investments. The innovative arrangement will reuse an old surface parking lot in an area known for high vacancy rates and a dearth of private building over 15-plus years. (*Financing Progressive Development*, pp. 11-12, and *New Community Design to the Rescue*, p. 59)

*Infill Housing near Transit: Linking Market Appeal to Public Infrastructure –
Courthouse Hill, Arlington, Virginia*

Locating one block away from a subway station became a huge marketing advantage for an infill housing development. Public transit offered an alternative to congested roads in the D.C. area, and residents could walk to existing stores, offices and entertainment. Good design connected the 69 townhouses and 133 condominiums to surroundings. Public infrastructure and other urban amenities made the infill housing development attractive to developers and residents. (*Urban Infill Housing: Myth and Fact*, p. 16)

*Mixed Use: Bringing Higher Densities and Mixed Uses to a Suburban Community –
Addison Circle, Addison, Texas*

Located about 20 miles from downtown Dallas, Addison Circle fits a higher-density, mixed-use neighborhood within an 80-percent developed, traditional suburb. The need for a mixed-use, higher density project emerged in a community comprehensive plan and gained momentum following a visioning process spearheaded by citizens. Proximity to jobs, retail, entertainment and transit made the site a good prospect for a new development that connects residential units to

office and commercial space with a traffic circle and green space. The community partnered with the landowner to build a mixed-used town center using design and development standards later incorporated into an urban district code. To assure high-quality and long-lasting results, such as small parks, attractive public spaces and walkable streets, the city decided to invest \$9.5 million in infrastructure improvements. The development provides diverse types of housing with monthly rents ranging from \$645 to \$4,000. Of eight planned phases, completion of the third phase will add 2,000 residents choosing to live where the density exceeds 30 units per residential acre. (*New Community Design to the Rescue*, p. 28, and *Smart Growth Tool Kit*, pp. 78-81)

Mixed Use and Adaptive Reuse: Matching Mixed Uses with Financing Partnerships – Denver Dry Goods Building, Denver, Colorado

While renovating a former department store, a developer packaged the project to draw on 23 different financing sources, and the city supplied public financing to catalyze downtown revitalization. Earlier proposals failed to finance or lease the entire the 350,000 square foot building, so reconstruction and reuse happened piece by piece to make management and financing easier. The project developer mixed affordable housing, market-rate housing, offices and retail to access a broad array of financing. Sources included pension funds, tax increment bonds, state bond issues, HUD urban development action grants, historic-preservation tax credits, low-income housing tax credits, loans and equity from nonprofits and public agencies, and equity from the developer. The city covered half of the purchase price after buying the building during a real estate slump. Through a public-private partnership, the developer gained strong tenant demand from building reuse, and the city spurred eight other downtown historic renovation projects and six other residential projects. (*Smart Growth Tool Kit*, pp. 49-51, and *Urban Infill Housing: Myth and Fact*, p. 10)

Open Space Integration: Overcoming Opposition and Creating Successful Models – Downtown Park, Bellevue, Washington

Developing a 20-acre park in downtown Bellevue led to the creation of a model private-public partnership, fostered political support for a network of new parks, and promoted higher-density residential development in the neighborhood. Siting and financing the park, however, involved overcoming strong community opposition. After the city acquired the land, voters turned down the first bond issue to develop the park. In response, a nonprofit corporation formed by civic and business leaders leased the site, marketed the park, generated money through fund raising, and built support for approving later bond issues. The city partnered with the nonprofit to sponsor a design competition and implement plans. By spurring demand for new condos and other housing, the park proved to be an effective tool for realizing city goals. Successful results triggered the acquisition and development of more parks in Bellevue. (*Smart Growth Tool Kit*, pp. 53-55)

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