Metropolitan**Planning**Council

Goal-Driven, Right-Sized, and Coordinated: Federal Investment Reform for the 21st Century

A MOMENT OF OPPORTUNITY

Record unemployment, devastating numbers of home foreclosures, dangerously outdated infrastructure, and global climate change – each one is a crisis in and of itself, yet none of these problems developed in a vacuum. In the midst of our worst economic crisis in 70 years – as local communities struggle to keep people employed and in their homes, and businesses thriving – the United States has the greatest opportunity in a generation to rechart its course, by rethinking federal investment policies to more efficiently and effectively address these interconnected problems.

Decisions are made every day, at each level of government, to keep the economy going, and growing, and help people live healthy, productive and prosperous lives. Unfortunately, decision makers are hamstrung by outdated and misguided policies developed over decades. Created with the best of intentions, many policies guiding local policymakers have become obsolete, or worse, obstructive.

Recognizing our country's current challenges did not crop up overnight, and there are no quick fixes, the Obama administration already has demonstrated a fundamental understanding of the need for innovation, as well as the value of learning from local policymakers about their efforts to overcome entrenched structures of federal mis-investment. This is reflected in the creation of the first-ever Office of Urban Policy, which will work to coordinate federal investment, such as the *Sustainable Communities initiative* of the U.S. Depts. of Housing and Urban Development (HUD) and Transportation (DOT). The new administration's focus on local ingenuity is further demonstrated by the proposed 2010 HUD Budget, which sets aside one percent of the entire budget for *Transformation Initiatives* that include program evaluation and demonstration grants. An earlier example is the Bush-era *Workforce Innovation in Regional Economic Development Initiative*, which continues to enable flexible, goal-driven, cooperative, regional workforce solutions.

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In metropolitan Chicago, as in other regions throughout the country, there are communities and local agencies that already have conceived of creative new ways to meet their housing, transportation, environmental, and economic development needs. These initiatives are succeeding despite the inertia of traditional investment mechanisms. Some have developed out of necessity, as Band-aids to fix problems that would not have existed if federal resources had supported comprehensive community planning and priorities. Others have been borne out of resourcefulness, by communities looking to make the most out of limited funds.

Locally proven models must inform a new framework for federal investment. It should reward innovation and collaboration, and direct resources where they will have the greatest benefit – not based on politically contrived formulas, but measured against objective, quantifiable priorities and project selection criteria. In other words, the investment the federal government makes should put us on a clear path to a more socially equitable, environmentally sustainable, and economically viable nation.

With the Obama administration opening the door to a renaissance in federal investment policy, a number of civic partners, in the Chicago region and nationwide, are developing and advocating for specific policy recommendations that seek to inform and reform federal investment strategies. These partners are gathering examples of activities currently underway in local communities to illustrate the kind of innovation and ingenuity that should be represented in a new federal investment framework, which should have the following core characteristics:

- Federal investment dollars at all levels (federal, state, regional, and local) promote the **three principles** of economic viability, social equity, and environmental sustainability.
- Those principles **translate into priorities** that could be objectively measured and pursued through a variety of means.
- The above priorities mirror the **criteria** by which public investments are selected.

Key partners in the Chicago region and elsewhere are engaged in a multi-faceted effort to identify, promote and implement recommended federal investment reform.

The partners will continue to develop and promote new initiatives that demonstrate the benefits of a new federal investment framework locally, statewide, regionally, and federally, and build broad support for those innovations. These partners will offer their assistance to apply the tenets of this framework to reform currently failing or underperforming federal programs.

THE CASE FOR REFORM

To bring to life the enormous potential of federal investment reform, this paper offers five case studies that exemplify this framework in action. A new federal framework must ensure investment is:

- **Goal-driven:** Investment should be based on desired policy outcomes, not specific means or pet projects. The best investment – be it roadway or railway, treatment plant or wetland – should be determined and funded according to the project's quantifiable benefits when compared to other spending priorities.

- **Right-sized:** Solutions should be planned and implemented at the scale of the problem**.** Traditionally, most federal money has gone to states and then individual municipalities, creating costly local competition for resources that does not reflect the interjurisdictional and regional nature of our most pressing policy issues. Federal investment should spur shared solutions to shared problems, with the flexibility to scale investment up or down as necessary.

- **Coordinated:** Complex, multi-issue problems require integrated solutions. For example, "best practices" in housing solutions are linked to transportation, workforce development, and energy efficiency. However, federal funding tends to be issue-specific and complicates private sector involvement. The models described below break out of these "silos" wherever possible.

Illustrative case studies, like those in this paper, demonstrate the kinds of opportunities federal investment should encourage and replicate, but too often misses out on. There is an historic opening in 2009 for public and private sector partners at the local and national level to define a new framework for federal investment informed by these innovative models, supplemented by research, critical analysis, and public input. Goal-driven, right-sized, coordinated innovation in a shared pursuit of economic viability, social equity, and environmental sustainability is the only ticket to true, lasting recovery.

MODELS FOR REFORM

The disconnects and inefficiencies in federal investment often are mirrored by states and local units of government – they match federal funds, use similar definitions and goals, and funnel funding through issue-specific agencies. States are too often restricted by these issue-specific, formulaic mandates, and attempt to achieve fairness by spreading resources far and wide, but fail to account for actual need or the cost versus benefits of these investments.

Meanwhile, mayors and municipal leaders need to keep their communities functioning, often without sufficient resources. The state and federal support they do receive is indispensable, but frequently comes with strings attached that are not flexible enough to truly address the root causes of the challenges they face. The result is counterproductive competition, instead of cooperation, between municipalities.

The current federal administration has had to act quickly and decisively to confront an historic economic crisis that touches virtually every aspect of American life. It is forced to do so within the constraints of a massive bureaucracy. Certain programs within the American Recovery and Reinvestment Act (ARRA) have built-in flexibility, making them prime candidates to lead the way on the new federal investment framework espoused here. Other ARRA initiatives do not reflect the same spirit of innovation, and should not be saved for the long-term. The task of economic recovery was too large, and the timeframe too short, for comprehensive reform. Concurrent with ARRA, however, several efforts have taken advantage of new federal receptivity to local innovation by working across municipal borders, issue areas, and programs to maximize the impact on communities and the lives of their residents.

Case Study: Neighborhood Stabilization Program

The current housing crisis has been marked by unprecedented rates of foreclosures across the United States. Few communities have escaped unscathed. In November 2008, the federal government responded by creating the Neighborhood Stabilization Program (NSP), which provides funding to address the problem of foreclosed, abandoned, vacant, and blighted properties. While foreclosures occur within defined municipal borders, their impacts on housing and labor markets do not. The initial round of federal NSP funding offered no explicit incentive for interjurisdictional cooperation to address shared foreclosure issues; nonetheless, one cluster of communities in southern Cook County, Ill., voluntarily opted to do just that.

Even before the current housing crisis, foreclosures have been all too common in southern Cook County, an area of the Chicago region hobbled by industrial decline. Despite that, Chicago's southern suburbs have been an incubator for new leaders and partnerships seeking to reverse that downward trend. Since late 2008, the Metropolitan Planning Council (MPC) and Metropolitan Mayors Caucus have worked with the South Suburban Mayors and Managers Association to formalize an 18-community steering committee that is piloting a coordinated, interjurisdictional response and joint applications for NSP and other resources. The amount of NSP funding available to southern Cook County pales in comparison to the scope of the problem; making a significant impact hinges on cross-border, goal-driven use of NSP funding.

Within the South Suburban NSP partnership, project selection criteria will target limited resources to neighborhoods close to transit and near areas with existing economic development activity, to improve access to opportunity for residents and leverage the impact of initial investments. The municipal collaboration creates economies of scale through bulk acquisition of foreclosed properties and creation of a centralized contact *point for developers, federal and state governments, and employers interested in local housing options for their employees. Collaboration also reduces needless replication of municipal staff and outside consultants.*

To break out of funding silos, the 18 municipalities involved in the collaborative NSP effort are linking housing, job creation, energy conservation, and transit expansion. Many of the housing activities proposed in the joint NSP application will build upon a complementary effort by the Regional Transportation Authority (RTA) to further transit-oriented development in southern Cook County and to create needed retail and job opportunities. The same communities are pursuing other streams of federal, state and private funding – for weatherization and energy efficiency – for integration into their NSP activities. This funding will help redevelop distressed properties in an energy-efficient way, concentrate investment, and connect new renters and homebuyers to transit opportunities. Such integration across typically disparate programs is the type of fresh – and green – approach that will lead to significant improvements in such priorities as reduction of vehicle miles travelled, greenhouse gas emissions, and transportation costs per household.

To ensure work like this collaborative NSP effort can both be implemented locally and replicated at other scales, MPC is engaging federal and state leaders to explicitly encourage flexible, cooperative solutions in the allocation of investment dollars. MPC and its local partners have worked with the transition teams of both President Barack Obama and Illinois Gov. Pat Quinn to urge policy shifts to support such cutting-edge efforts. As a result of the introduction to some of the creative collaboration happening on the ground in the Chicago region, HUD has added provisions to the second round of NSP funding, due later in 2009, to fund and reward collaboration between local communities.

The majority of federal investment is directed toward states and municipalities, despite the regional nature of many policy challenges. Regions are comprised of overlapping jurisdictions, and defined by intertwined systems such as housing and labor markets, transportation networks, and watersheds. Yet, regions are rarely recognized when federal funds are distributed and there are few incentives for state or municipal leaders to respond to regional issues with regional strategies. This creates scattered, point-by-point – and thus ineffective – solutions to systemic problems. Metropolitan Planning Organizations have focused almost exclusively on transportation issues, so that broader regional concerns of equity, sustainability, and viability are rarely addressed in connected and comprehensive ways. More efficient investment in metropolitan regions will produce substantial, tangible benefits as a result of their dense concentration of population, labor, wealth, and innovation.

However, not all regional systems are metropolitan. Water, workforce, transportation, and wildlife systems often encompass even broader swaths of land than metropolitan areas. A new framework for federal investment should encourage and facilitate solutions matched to the scale of the problem. This will require built-in flexibility so federal dollars targeted at specific policy priorities can be accessed and leveraged by states, regions and municipalities to respond effectively and efficiently to both place-based and geographically intertwined challenges.

Case Study: A Statewide Framework for Regional Water Supply Planning

Population growth and climate change put more stress on our water supplies every day, making coordinated planning imperative if we hope to sustain economic growth, ecological integrity, and quality of life. Northeastern Illinois alone is expected to add 3 million people over the next 40 years. Similar population growth is projected statewide. Despite popular belief, our water sources are limited. Northeastern Illinois uses close to its entire Lake Michigan diversion, the deep bedrock aquifer is severely depleted, and many of the region's rivers flow at the minimum threshold needed to protect water quality. Planning for and management of water supplies must recognize the natural flow of water defies political boundaries. Rivers run across borders, subsurface aquifers *lay below multiple communities, and rain falls where it will. Conserving water and protecting watersheds requires tools and incentives for regional planning and interjurisdictional coordination.*

For several years, MPC and Openlands have been building a statewide model for regional water supply planning in Illinois that would link water investments to established goals, plans, and project-selection criteria. A 2005 executive order established two pilot regional planning groups – one in northeastern Illinois facilitated by the Chicago Metropolitan Agency for Planning, and one in east central Illinois in the area served by the Mahomet Aquifer – but did not identify any ways in which state policies would encourage local adoption of regional strategies.

Any type of regional planning is more contextually nuanced than a broad state plan, and because the regional water supply planning process is participatory, local units of government would be able to develop consensus on preferred strategies for managing supply and demand. A state water resources board would identify overarching priorities for Illinois water management – reduction of per capita consumption, reduction of unaccounted water loss, and adoption of conservation pricing – and ensure federal and state funding programs reward local units of government that help implement regional strategies and cooperate with neighboring jurisdictions.

This promising model, however, would require significant shifts in federal funding strategies. The federal government currently invests approximately $6 billion a year in the water infrastructure of our nation's cities and towns, largely for the purpose of meeting Clean Water Act regulations and treating wastewater. Water conservation, demand management, efficiency upgrades, and green infrastructure are not currently addressed by federal priorities. Such projects struggle to be competitive in the current allocation processes for federal funding.

Additionally, the systems that treat drinking water and wastewater are typically built and managed by individual municipalities. As a result, federal and state funds go to municipalities without any incentive for cooperation. However, because water supplies from aquifers and rivers cross municipal borders, protecting them inherently requires interjurisdictional planning and funding with the built-in flexibility to respond to problems at the most efficient scale possible.

The American Recovery and Reinvestment Act set aside 20 percent of water infrastructure dollars for "green" projects, but without specific measurable goals or criteria for selecting the most innovative, effective projects. ARRA language cites the possibility to 'intermunicipal' projects, but does not suggest any means by which states could or should prioritize cooperative projects. The federal government must make an ongoing commitment to water supply solutions, and Illinois should mirror that action by dedicating revenue to fund new water infrastructure and programmatic expenses that will ensure safe, sustainable water supplies. Municipalities that pursue federal priorities and cooperate across borders should receive funding preference over those that do not.

In a 21st Century federal framework, local governments would improve their standing for federal and state funding allocations by creating local comprehensive plans that pursue shared priorities, participating in interjurisdictional partnerships to resolve sub-regional issues, and implementing strategies from comprehensive regional plans. Local governments would be motivated to participate more actively in regional planning because they would shape the process and benefit from the results. Pressing regional priorities, from conserving shared water resources to training qualified workers to meet the needs of emerging economic sectors, would be championed by local leaders. Regional plans would guide and reward, but not dictate, investment by constituent communities.

Case Study: WIRED

Federal investment in workforce development has been driven largely through state and local mechanisms. The main federal legislation funding workforce and training programs, the Workforce Investment Act of 1998 (WIA), directs governors to appoint a State Workforce Investment Board and develop a State Workforce Investment Plan. Each state, in turn, designates local Workforce Investment Boards, through which the majority of the funding reaches program participants. This has, despite its intentions, led to fragmented approaches to workforce development that are rarely responsive to either employer or worker needs in the regional marketplace.

The goals of WIA have tended to focus almost entirely on training workers for employment, which is noble but insufficient. Many programs churn out graduates for jobs that do not exist, while emerging or constantly evolving industries, such as green jobs or advanced machine operation, face constant shortages of qualified workers. Workforce programs should meet the needs of workers, employers, and regional economies. Workers require career training and adult education, but also greater connections between job opportunities, housing, and transportation. Employers need programs that keep speed with changes in technology, and regional economies need adaptable workforces to meet the ebb and flow of the market.

One effort to address workforce skills from a more regional and outcome-oriented perspective is the Workforce Innovation in Regional Economic Development (WIRED) Initiative. Since February 2006, U.S. Dept. of Labor has issued WIRED grants to 39 regions across the country, with each of the first 13 regions receiving a $15 million award over a three-year period and each of the subsequent 26 regions receiving a $5 million award over a three-year period. These regions included both major metropolitan areas, *such as Los Angeles and Philadelphia (the Chicago region has not received one), and less densely populated regions, such as eastern Montana and coastal Maine. Recognizing that workers travel across geopolitical boundaries to pursue work and learning, and that business development assets are not confined to cities, counties, or states, WIRED emphasizes collaboration across borders and sectors.*

WIRED grants have funded regional partnerships that respond more effectively to emerging industries and technologies to address challenges not confined to local areas or single jurisdictions. For example, the California Innovation Corridor stretches from Oakland to the Mexico border and contains dozens of jurisdictions, but is unified in its commitment to support the aerospace industry. WIRED grants are helping to address the changing nature of the industrial base in Michigan, impacting 24 counties and the majority of the state's population. Decline of the textile, tobacco and furniture industries, and potential of the healthcare, transportation, logistics, and creative industries are being addressed in the Piedmont Triad region of North Carolina – an area that includes 12 counties and five workforce investment boards.

While the results of WIRED vary between programs, it is a good example of the federal government adopting broad goals and then granting regions the flexibility to determine their own course. The same approach should be implemented more broadly – to benefit growing sectors the Chicago regional economy and beyond – but also integrated with housing and transportation investments that will benefit both employee and employer.

The existing structure for most federal investment remains flawed. Solutions are not easily planned at the scale of the problem. Projects are not selected based on their quantifiable benefits. Historic, artificial divisions between policy issues such as housing, transportation and environment continue to dictate and restrict action at the state and local levels. These systemic disconnections pervade even the relationships between seemingly natural partners – such as public housing authorities and the residents and communities they serve.

Case Study: Public Housing Authority Coordination and Housing Choice Vouchers

Low-income workers throughout the nation struggle to find quality affordable homes close to secure, decent-paying jobs. For those using rent subsidies, the ability to move closer to a good job has historically been challenged by HUD policies that limit the ability of Public Housing Authorities (PHAs) to work beyond their own jurisdictions, collaborate regionally, and ensure that government support goes with residents as they seek better employment opportunities.

Housing Choice Vouchers (HCVs) are an increasingly powerful tool for the Chicago region's 14 PHAs to advance the housing component of comprehensive plans, as well as address the mismatch between people's earnings and local housing costs. HCVs are designed to be portable, supporting households in moving to higher job growth areas near good jobs, transit and schools. Such "mobility moves" to opportunity areas are allowable within one PHA jurisdiction and across borders, but are often complicated by outdated and cumbersome policies.

HCVs pay the difference between 30 percent of an eligible households' income and the local Fair Market Rent, which is good for low-income workers trying to afford homes in employment centers. Unfortunately, there are rarely affordable homes in these areas, and there are many policy barriers preventing communities and PHAs from working together to meet affordable housing needs in job-rich markets. There are no federal incentives to encourage the collaboration necessary between

PHAs and policymakers, or even among PHAs within the same region, to utilize HCVs to encourage residents to locate near available jobs and convenient transit. As a result, HCVs are used as the exception, rather than as the norm.

Providing local leadership to address these obstacles, MPC and several PHAs in the Chicago region have organized and piloted two initiatives – one with the State of Illinois and the other with HUD – to encourage the regional collaboration necessary to support HCV families in their efforts to find affordable housing in quality neighborhoods.

One pilot, the Regional Housing Initiative (RHI), has created a new supply side tool to increase the housing options in opportunity areas affordable to people on the HCV waiting list. It has forged needed alliances between local mayors and created financial incentives for private developers. Funded by a simple conversion of tenant-based HCVs to project-based funding, RHI provides operating subsidies to developers and owners of quality rental housing and is advancing local efforts to integrate housing, job and transportation investments. To date, participating PHAs have awarded more than 200 RHI vouchers to 15 viable developments, supporting a total of 707 new homes, largely in mixed-income communities.

The other initiative, the Portability Pilot, tackled issues related to the transferability of tenant-based vouchers for households interested in moving from one PHA jurisdiction to another to access better jobs, transit, and schools. It was inspired by research that showed local PHAs spend over $1 million annually helping households move between each other's jurisdictions, a frustrating and costly process with limited success. For the pilot, a third-party, mission-based housing and mobility counselor administered moves with better outcomes – for the families and PHAs alike – at a lower cost. The Portability Pilot has helped 300 families move *to job centers, with a higher rate of moves and lower administrative cost, than the standard program.*

HCVs capture the integrated, regional nature of housing, transportation, and employment systems. Just as transit and workforce investments should be rewarded for responding to the density and affordability of the local housing stock, housing programs should be evaluated and prioritized based on their connection to good jobs, transit and schools. PHA coordination has come a long way, allowing for programming that more effectively responds to the regional scale of housing and job markets. However, funding for HCVs is still allocated with little regard for how well they enable low-income workers to move to job-rich communities. HUD and state housing agencies must encourage PHAS to work with local policy makers. Performance criteria and incentives will ensure that HCVs are used to advance measurable priorities – such as reducing household transportation costs – as effectively as possible.

The ramifications of uncoordinated, fragmented federal investment, mirrored by state and local action, have been felt most deeply in Chicago's isolated, impoverished public housing system for decades. Federal housing investment, with complementary efforts in transportation, workforce development, human services, and recreation, can create vibrant mixed-income communities woven into the urban fabric. The seeds of successful communities have been planted by the Chicago Housing Authority's Plan for Transformation. Now, coordinated federal, state and local investment is needed to provide connections to transit, jobs and recreation.

Case Study: Reconnecting Neighborhoods

In the late 1990s, the federal government attempted to salvage public housing by pumping millions of dollars into the Chicago Housing Authority's Plan for Transformation and other similar redevelopment efforts across the nation. The initial purpose of the Plan was to create new mixed-income communities to rescue nearly 25,000 public housing *families from deteriorated, unsafe high-rises. This infusion of funds from HUD was necessary to building the new physical structure of public housing, but did not fund the interconnected needs of a truly successful community, particularly access to retail, jobs, open space, and public transportation.*

In Chicago, many local, state, foundation, and private partnerships have been formed to supplement federal dollars for community investments, including establishing new charter schools and parks. However, integrating transportation around the sites has been an uphill battle, largely because the federal resources that support housing and transportation are so uncoordinated. Reconnecting Neighborhoods, a collaborative effort between the City of Chicago, RTA, MPC, and the consulting firm HNTB, is recommending specific investments to increase transit access, allow for multiple modes of transit, and improve the retail environment around three Plan for Transformation mixed-income communities. This type of post-development coordination, goal-setting, and investment should not have been necessary, but was made so by the disjointedness of federal funding policies.

Reconnecting Neighborhoods has identified four interconnected goals:

- *Equity: Ensuring residents of mixed-income communities, particularly those with low and moderate incomes, have access to adequate retail and job opportunities, and safe and reliable public transportation.*
- *Affordable housing: Maximizing the significant investment in the Plan for Transformation with the creation of 'complete' communities that reduce the cost of both housing and transportation for residents.*
- *Greenhouse gas reduction: Providing alternative transportation choices to residents in neighborhoods that are conveniently located near Chicago's Central Business District.*
- *Transportation cost and vehicle miles traveled reductions: Creating low-cost transportation options that provide an alternative to driving and its related costs.*

Developing new retail options, train stations to serve the growing neighborhoods, a streetcar line, and better pedestrian and bicycle amenities are just some of the recommendations resulting from the two-year Reconnecting Neighborhoods study.

Reconnecting Neighborhoods was guided by an Intergovernmental Advisory Committee comprised of local and state officials in the fields of planning, transportation infrastructure, public-private finance, economic development, and affordable and public housing, as well as elected officials, developers, and private sector, and community stakeholders. Breaking down disciplinary and issue silos from the start of the project has been key to vetting recommendations and identifying resources necessary to implement them. Yet, without these same connections occurring at the federal level, through program coordination and funding incentives, many of the recommendations may be stalled.

To ensure federal investments have the intended effect of providing quality public housing in thriving, economically strong, mixed-income communities – which should have been HUD's driving purpose a decade ago – all federal agencies that impact community development should align resources and maximize the return on their investments to promote healthy and sustainable communities. A new, goal-driven framework for federal investment would minimize the need for projects such as Reconnecting Neighborhoods to rectify the problem of "siloed" issue-specific funding.

SOLUTIONS AT ALL LEVELS

Reforming the federal government's investment framework is a huge undertaking, and will require input and participation from the U.S. Congress, state and local governments, as well as the civic and private sectors. It also will require patience, flexibility, and openness to a new way of doing business. However, if the work to craft this new framework is done publicly, with accountability and transparency, the ultimate benefits will be a magnet for participation.

As the Obama administration and so many state, regional and local leaders understand, the federal government needs a smart, efficient structure for investment that encourages comprehensive, outcome-oriented community planning, rewards collaboration and innovation, and measures investment against objective, cost-benefit criteria. The basis for a new framework should be the fundamental and interconnected principles of economic viability, social equity, and environmental sustainability. While this paper focuses on investments in housing, transportation, the environment, and workforce development, a goal-driven investment strategy can be applied to most federal programs.

The three principles of viability, equity, and sustainability would inform specific, measurable priorities for public investment. These priorities might include: reductions in per capita vehicle miles traveled, carbon emissions, and fresh water consumption; or increased GDP, density of housing and jobs within a tight radius of transit, and education attainment levels. They also should be the criteria by which projects and programs are selected for investment.

Within a new framework for federal investment, it is important to target reforms at every level of government, while simultaneously recognizing that each state, region and municipality is best equipped to determine its own best course for pursuing shared priorities. The case studies here illustrate how the Chicago region is already breaking down silos, fostering interjurisdictional partnerships, and targeting measurable priorities. However, this is happening despite the majority of federal policies, not because of them. The federal government should prescribe these goals and provide lower levels of government with the flexibility and incentives to ensure goal-driven, right-sized, coordinated investment.

Generating the greatest return on federal investment starts with comprehensive, collaborative planning. By doing so in the greater Chicago area and throughout the country, necessary investments will be made in the many regional systems that have long suffered from neglect. A new federal framework would encourage states, regional groups, and municipalities to cooperate in planning efficient, coordinated solutions at the appropriate scale. Municipalities and local decisions would in no way be constrained by this new framework. However, communities that pursue federal goals, partner with neighbors on shared priorities, and break free from the silo mentality, would benefit greatly from it. Federal investment policies should reward innovative communities, rather than mandate action through outdated standards, definitions and procedures.

TAKING THE NEXT STEPS

Federal investment should prioritize goal-oriented, right-sized, and coordinated solutions to our shared problems. The Obama administration has started building momentum toward this new way of investing, and regions like metropolitan Chicago must be ready to be a laboratory for change. Critical analysis of the benefits of this approach, paired with strategic policy reforms, underscored by evidence from local success stories, will blaze the trail for a new federal investment framework that supports sustainable, equitable, competitive communities for the 21st Century.

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