

Pilsen Neighborhood Chicago, Illinois

June 24–29, 2018



Pilsen Neighborhood Chicago, Illinois

Harnessing Community Energy, Arts, and Culture
in a Mexican American Community

June 24–29, 2018

About the Urban Land Institute

THE URBAN LAND INSTITUTE is a global, member-driven organization comprising more than 42,000 real estate and urban development professionals dedicated to advancing the Institute's mission of providing leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.

ULI's interdisciplinary membership represents all aspects of the industry, including developers, property owners, investors, architects, urban planners, public officials, real estate brokers, appraisers, attorneys, engineers, financiers, and academics. Established in 1936, the Institute has a presence in the Americas, Europe, and the Asia Pacific region, with members in 80 countries.

ULI's extraordinary impact on land use decision making is based on its members' sharing expertise on a variety of

factors affecting the built environment, including urbanization, demographic and population changes, new economic drivers, technology advancements, and environmental concerns.

Peer-to-peer learning is achieved through the knowledge shared by members at thousands of convenings each year that reinforce ULI's position as a global authority on land use and real estate. In 2017 alone, more than 1,900 events were held in about 290 cities around the world.

Drawing on the work of its members, the Institute recognizes and shares best practices in urban design and development for the benefit of communities around the globe.

More information is available at uli.org. Follow ULI on Twitter, Facebook, LinkedIn, and Instagram.

© 2018 by the Urban Land Institute
2001 L Street, NW
Suite 200
Washington, DC 20036-4948

All rights reserved. Reproduction or use of the whole or any part of the contents of this publication without written permission of the copyright holder is prohibited.

About ULI Advisory Services

THE GOAL OF THE ULI ADVISORY SERVICES program is to bring the finest expertise in the real estate field to bear on complex land use planning and development projects, programs, and policies. Since 1947, this program has assembled more than 700 ULI-member teams to help sponsors find creative, practical solutions for issues such as downtown redevelopment, land management strategies, evaluation of development potential, growth management, community revitalization, brownfield redevelopment, military base reuse, provision of low-cost and affordable housing, and asset management strategies, among other matters. A wide variety of public, private, and nonprofit organizations have contracted for ULI's advisory services.

Each panel team is composed of highly qualified professionals who volunteer their time to ULI. They are chosen for their knowledge of the panel topic and are screened to ensure their objectivity. ULI's interdisciplinary panel teams provide a holistic look at development problems. A respected ULI member who has previous panel experience chairs each panel.

The agenda for a five-day panel assignment is intensive. It includes an in-depth briefing day composed of a tour of the site and meetings with sponsor representatives, a day of hour-long interviews of typically 50 to 100 key community representatives, and two days of formulating recommendations. Long nights of discussion precede the panel's conclusions. On the final day on site, the panel makes an oral presentation of its findings and conclusions to the sponsor. A written report is prepared and published.

Because the sponsoring entities are responsible for significant preparation before the panel's visit, including sending extensive briefing materials to each member and arranging for the panel to meet with key local community members and stakeholders in the project under consideration, participants in ULI's five-day panel assignments are able to make

accurate assessments of a sponsor's issues and to provide recommendations in a compressed amount of time.

A major strength of the program is ULI's unique ability to draw on the knowledge and expertise of its members, including land developers and owners, public officials, academics, representatives of financial institutions, and others. In fulfillment of the mission of the Urban Land Institute, this Advisory Services panel report is intended to provide objective advice that will promote the responsible use of land to enhance the environment.

ULI Program Staff

Paul Bernard
Executive Vice President, Advisory Services

Thomas W. Eittler
Senior Vice President, Advisory Services

Beth Silverman
Vice President, Advisory Services

Paul Angelone
Director, Advisory Services

Cali Slepín
Associate, Advisory Services

James A. Mulligan
Senior Editor

Laura Glassman, Publications Professionals LLC
Manuscript Editor

Brandon Weil
Art Director

Anne Morgan
Lead Graphic Designer

Deanna Pineda, Muse Advertising Design
Graphic Designer

Craig Chapman
Senior Director, Publishing Operations

Acknowledgments

THE PANEL ACKNOWLEDGES AND THANKS the more than 50 individuals who were interviewed throughout the week. Representing the business community, community activists, city agencies, faith-based communities, and residents, these stakeholders provided valuable insights into people's hopes, dreams, and goals for the future of Pilsen as a place to live, work, and play.

On behalf of the Urban Land Institute, the panel would like to thank its sponsors, especially Alderman Daniel "Danny" Solis and the staff from the many agencies of the city of Chicago. The panel also thanks the members and staff of ULI Chicago.

Contents

ULI Panel and Project Staff.....	6
Foreword: The Panel's Assignment.....	7
Observations for the Community.....	10
Market Opportunities.....	11
Vision and Principles.....	18
Development Options.....	23
Planning and Design.....	26
Harnessing Community Power.....	38
Conclusion.....	42
About the Panel.....	43

ULI Panel and Project Staff

Panel Chair

Tony M. Salazar
President, West Coast Division
McCormack Baron Salazar
Los Angeles, California

Panel Members

Neil Albert
Chief Executive Officer
Downtown DC BID
Washington, D.C.

Amanprit Arnold
Content Manager
Urban Land Institute
London, United Kingdom

Pam Askew
Senior Vice President
WC Smith
Washington, D.C.

Rogelio A. Flores
Lead Planner, Infrastructure, Facilities and
Capital Planning Unit
District of Columbia Office of Planning
Washington, D.C.

Kimberley Player
Director of Research
Equilibrium
Portland, Oregon

Alexandra Ramirez Stege
Executive Assistant
The Nature Conservancy
Madison, Wisconsin

Reemberto Rodriguez
Regional Director
Silver Spring Regional Area
Silver Spring, Maryland

ULI Project Staff

Tom Eitler
Senior Vice President, Advisory Services

Carly Bushong
Director, Meetings and Events

Karen Shi
Summer Intern, Advisory Services



The ULI panel.

Foreword: The Panel's Assignment

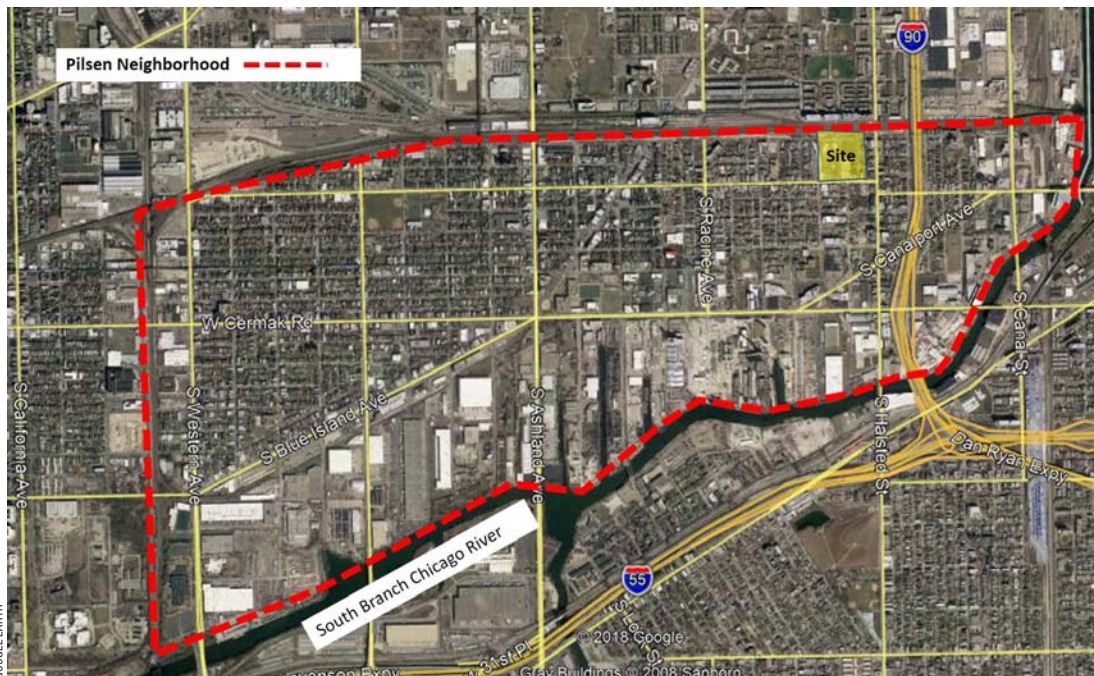
THE PILSEN NEIGHBORHOOD is located southwest of Chicago's Loop in the city's Lower West Side. Culture thrives in the Pilsen neighborhood. Bold murals, street vendors, a mix of old and new ethnic restaurants, and unique retail shops define this decidedly Mexican American quarter. Thanks to this diversity, one finds offbeat vintage shops, independent coffee houses, and quaint cafés alongside *bodegas*, *panaderías*, and restaurants serving authentic Mexican cuisine. The artful vibe continues in storefront galleries and studios, as well as in the colorful collections of the National Museum of Mexican Art, a highly regarded cultural institution. The neighborhood pulses with a youthful spirit and is ever evolving.

For more than 150 years, Pilsen has been a port of entry for immigrants. Early on it saw waves of Eastern Europeans, which later shifted and became predominantly Latino. Now blended in the close-knit Mexican American community



Regional map.

are creative types and students. Adding to the multicultural mosaic is the neighboring area Heart of Chicago, anchored by several old-school Italian restaurants. Whether one is on 18th Street or Oakley Avenue, the strong cultural heritage and rich working-class legacy are the backbone of Chicago's Lower West Side neighborhoods.



The Pilsen neighborhood is bounded on the north by University Village and on the south by the South Branch of the Chicago River. The subject site is shaded in yellow in the northeast of Pilsen.



The Pilsen community is a predominantly Latino neighborhood that is a multicultural mosaic of residential and commercial uses located south and west of downtown Chicago.

The Challenge

Like other ethnic neighborhoods in urban America, Pilsen needs new investment but is also struggling with the effects and the perceived impact of gentrification and displacement.

The rapid movement back to cities is occurring in every metropolitan area across this nation. It is bringing a new generation of people interested in experiencing urban life to neighborhoods previously neglected and forgotten—neighborhoods that for generations have been occupied by varying ethnic groups with low-to-moderate incomes. Despite the odds, families living in these areas created a sense of community and hope for their children's future. Even after decades of isolation these communities continued to thrive. One older resident of the Pilsen neighborhood put it best: "In my lifetime, I have been segregated and isolated in this low-income community. I was redlined and couldn't get a loan to either buy or fix up my house, but I struggled through and raised my family. Now I'm being priced out of my neighborhood because someone with more money has decided they now like the community we built for ourselves."

Recently, the Property Markets Group (PMG) revealed plans to develop 500 apartments on a vacant 7.85-acre site previously owned by the Jesuits. The developer wants to build a mix of one-, two-, and three-bedroom units along with ground-floor retail at the site. This proposal brought a string of protests and actions by the neighborhood and concern by the city. The Urban Land Institute was asked to convene an Advisory Services panel to bring

in a group of outside experts who could provide strategic advice on how to proceed.

The city of Chicago and Alderman Danny Solis of the 25th Ward acted as the sponsors for this panel. The panel's basic assignment was to answer the following questions:

- How can new development on the site address the community's goals for affordable housing while meeting private development interests?
- What amenities and design features should be incorporated in the new development to maintain and enhance the neighborhood's unique character, and how can we provide public open space and easy public access to the proposed El Paseo Trail?
- How can commercial uses within the new development best serve the neighborhood, and what opportunities exist to lease commercial space to local businesses and/or provide employment opportunities to area residents?

The Panel's Key Recommendations

To harness the power of the community to bring about the recommended vision, principles, and guidelines for development at the proposed site, the panel suggests the following:

- Encourage development of mixed-income housing on the site.
- Use existing and new resources to invest in the community and the development site, such as tax credits, land banking, secondary mortgages for homeowners, and sharing in net income of property.

- Reinvest revenues from the development site into Pilsen to create more affordable housing units and support open and recreational spaces.
- Urge the city of Chicago to invest resources, including zoning changes, into the development site to maximize the number of affordable dwelling units.
- Support off-site development of some affordable dwelling units.
- Encourage the community to recognize the difficulty of attaining the additional 11 percent affordable dwelling units on site without substantial subsidy, in lieu payment, or other negotiated push for more realistic affordable and workforce housing goals.
- Design for multiple uses and users.
- Create a space for civic gatherings, cultural expression, festivals, and events that celebrate and exhibit Pilsen's culture and history. Create a new gateway to Pilsen that anchors and highlights El Paseo Trail and the 18th Street retail corridor.
- Promote accessibility, walkability, sustainability, and resilience.
- Encourage community-driven placemaking, enhancing local assets and completing the local urban fabric. Encourage the developer of the site to work with the community on planning and design, especially for the civic space.
- Ensure the products and services offered within the new development are in line with community needs so commercial uses best serve the community. Moreover, some of the commercial space needs to be affordable to local merchants and entrepreneurs who will commit to local employment opportunities and living wages.

- Consider niche neighborhood- and destination-serving retail and commercial businesses, including Latino-focused specialty stores oriented to both the local population and destination shoppers.

The remainder of this report outlines the panel's observations and provides recommendations to the neighborhood and the city on these questions.

Observations for the Community

EVEN IN A CITY THAT IS BOOMING, improved land economics does not lift all boats. We all need to figure out ways cities can prosper without displacing people who live in these working-class ethnic neighborhoods. Great cities accommodate people who contribute to growth and prosperity regardless of the work they do or the amount of money they make.

The panel finds the Pilsen neighborhood to be a unique, dynamic ethnic community. It needs to be celebrated, preserved, and protected. And it is a neighborhood that does not turn its back on progress. On the contrary, it welcomes new investment and new residents. As a result, the panel believes that any new development needs to be fully integrated into the area, so it strengthens and enhances the physical and social fabric of the community.

Any new development must also ask how to actively involve residents, identifying the needs of the community, keeping the workforce in the neighborhood, and reducing upward pressure on the economics of residents that could force them to move out or travel long distances until they find affordability.

The issue before the panel is how this city and its unique neighborhoods grow and evolve while retaining people of all walks of life and incomes. How can this be done together rather than by replacing one group of people with another because an area is now viewed as developable, marketable, hip, or trendy?

The ULI panel has been asked to look at this site, which is emblematic of these issues confronting urban ethnic neighborhoods. The panel interviewed more than 50 stakeholders, who include landowners, residents, and merchants as well as the developer, to formulate some guiding principles for the vision of the site. The panel's rec-

ommendations reflect its thoughts on how to best preserve Pilsen while welcoming new investment and new residents.

In the panel's opinion, government's involvement in a transitioning neighborhood does not end when private investment occurs. Rather, government investment must continue to assist existing low-income residents with housing opportunities.

The panel challenges everyone to get out of their own bubble. Challenge each other's position and arrive at a new paradigm for taking Pilsen forward so it benefits everyone.

Market Opportunities

AS PART OF THIS ASSIGNMENT, the panel listened to the commentary of the key Pilsen stakeholders it interviewed. The panel also listened to what the market was saying. The land economics for the Chicago market told a story about where Pilsen and other Chicago neighborhoods have been and where they are going. An important axiom of the ULI Advisory Services panel process is that before recommendations are rendered, the panel must understand socioeconomic trends facing a community.

The panel focused its market opportunities analysis on the residential, retail, and neighborhood-serving commercial markets, because they are considered to be the uses best suited to addressing the Pilsen community's needs, plus meeting private developer interests. The panel's analysis cites several existing reports; additional research was limited to a neighborhood tour and subject site visit, stakeholder interviews, and desktop research.

Recommendations for a more in-depth market study include discussions with local area realtors and tenants, use of additional third-party data sources, and a review of comparables and case studies. Data challenges include the lack of up-to-date statistics reflecting Pilsen-specific trends. In addition, ethnically concentrated neighborhoods such as Pilsen typically house extensive informal economic and dwelling networks whose activity is not typically reflected in standard data sources such as the U.S. Census Bureau and American Community Survey (ACS).

Although the panel understands its scope as focused on community-service uses, the location and size of the study site could potentially attract other types of development, including the following:

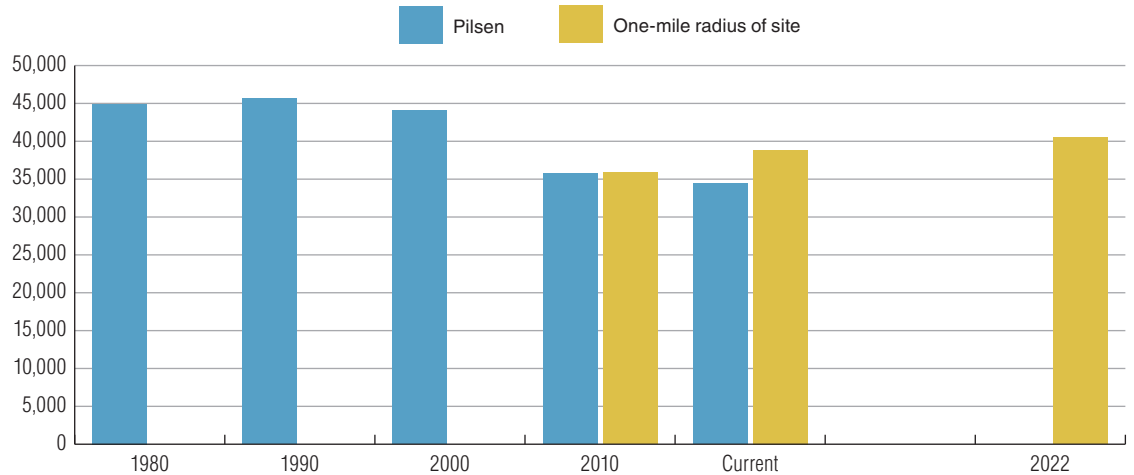
- Expansion of the area's educational facilities, such as Rush University Medical Center and the University of Illinois at Chicago (UIC);
- Infill logistics, such as multistory warehouses and infill service centers;
- Student housing;
- Senior housing;
- Multigenerational housing development, ranging from entry-level for-sale homes to facilities for seniors;
- A cultural facility such as relocation of the National Museum of Mexican Art; and
- An urban greenhouse or vertical farming operation.

Demographic Overview

The UIC Great Cities Institute's 2017 *Pilsen Quality-of-Life Plan (Pilsen Plan)* points to a decrease in Pilsen's population over time, from 35,800 in 2010 to 34,400 in 2015. Since 2000, the number of residents has decreased by more than 20 percent. In contrast and according to ESRI's Business Analyst data, the population surrounding the study site has increased significantly since 2010, by 8.4 percent within a 1.0-mile radius and by nearly 10 percent within a 1.5-mile radius. This growth can be attributed to strong population growth in areas immediately adjacent to Pilsen, including University Village to the north and the area to the east.

According to the *Pilsen Plan*, average household size decreased significantly between 2000 and 2015, with family households falling from 73 percent of the total to 56 percent. According to ESRI, average household size within a 1.0-mile radius has remained relatively unchanged, at 2.5 persons, since 2010 and is forecast to remain so through 2022. Again, this forecast highlights a substantially different demographic—one comprising smaller households than those seen in Pilsen—to the immediate north and

Population Growth in Pilsen and the Surrounding Area



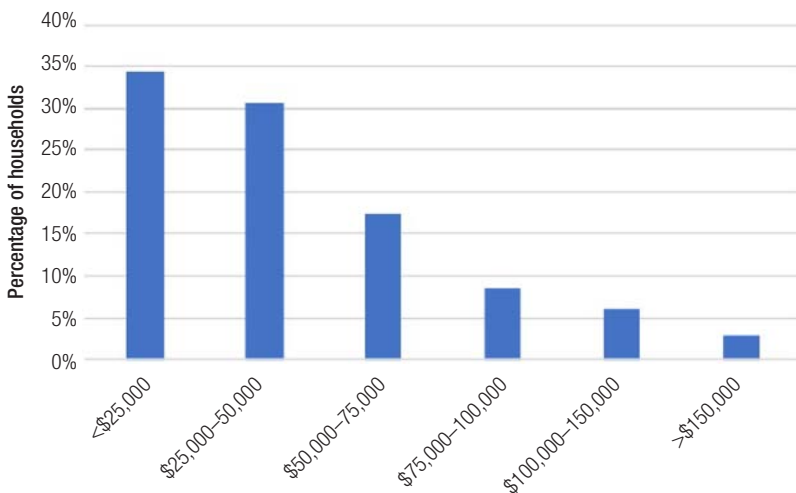
Source: 2017 Pilsen Quality-of-Life Plan.

east of the study site. In contrast, the average household size in Central and West Pilsen averages from 3.0 to 4.0 persons per household.

Ethnically, Pilsen remains strongly Latino, with 80 percent of the population identifying as such, according to the *Pilsen Plan*. However, both this study and the UIC Voorhees Center's 2016 report *The Trajectory and Impact of Ongoing Gentrification in Pilsen* highlight a decrease in the Latino

population and a corresponding increase in the neighborhood's white population. In contrast, ESRI 1.0-mile and 1.5-mile radius data show a consistent increase in the Hispanic population, one that is forecast to continue through 2022. The panel believes this finding indicates both the movement of a predominantly Latino population to lower-cost areas to the west of Pilsen and the moves of increasingly affluent Latinos to newer residential product in adjacent neighborhoods. Not surprisingly, the 1.0- and 1.5-mile radii surrounding the site include a much smaller Hispanic resident base, whereas the percentage of white residents in these geographies is 36 percent and 44 percent of the total population, respectively.

Pilsen Household Income Cohorts, 2011–2015



Sources: ACS Five-Year Estimates, 2011–2015, from 2017 Pilsen Quality-of-Life Plan.

According to the *Pilsen Plan*, the neighborhood's median household incomes have decreased, with the 2015 figure of \$35,100 falling \$3,500 below that recorded in 2000. The majority of Pilsen households (65 percent) earn less than \$50,000 annually, the high end of this range equating to 60 percent of Chicago's metro area median income (AMI) of about \$82,000. Another 26 percent earn 60 to 120 percent of the Chicago metro AMI; only a small balance of households earn above this range. While incomes in Pilsen have decreased, incomes within a 1.0- and 1.5-mile radius of the site have increased, and both are expected to see strong growth of 7.0 percent and 18

percent, respectively, by 2022. This forecast reflects an increasingly affluent demographic in neighborhoods to the north and east.

According to the *Pilsen Plan*, Pilsen has far lower homeownership rates than the city of Chicago as a whole, with only 27 percent of all households owning, compared with 44 percent at a metro level. Although some inaccuracies in the ACS data are likely as a result of numerous small (less than ten-unit) multifamily properties being occupied by both renters and the property owner, clearly a relatively small percentage of Pilsen residents own or have prospects of owning their own home. This homeownership rate is identical to that within a 1.0-mile radius of the study site, highlighting the dominance of multifamily rental product in neighborhoods bordering Pilsen. From an affordability perspective, Pilsen's median income would dictate rents of about \$890 per month and home prices of \$150,000 to avoid cost-burdening a household earning 100 percent of Pilsen's \$36,000 AMI with housing costs in excess of 30 percent of their income.

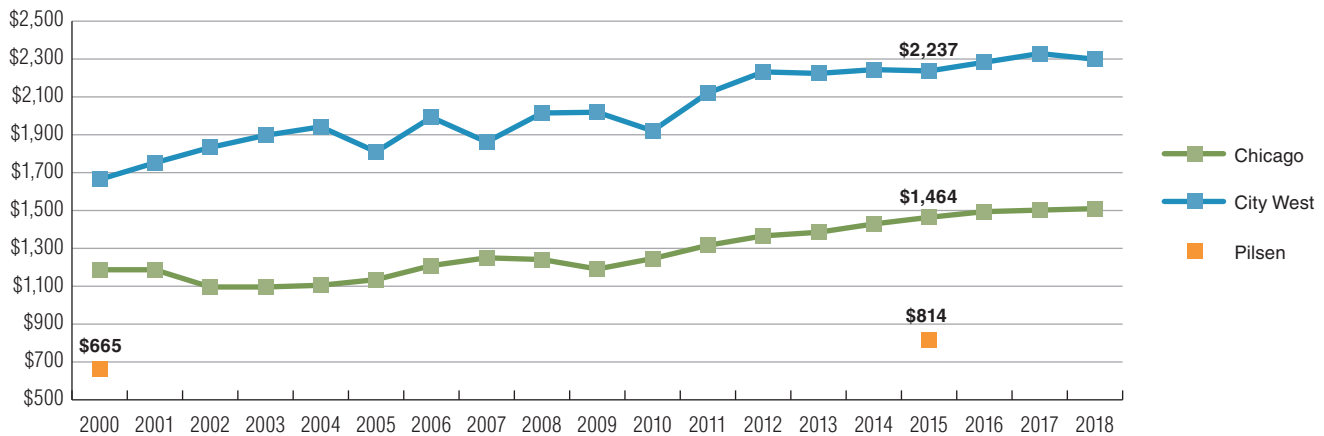
Multifamily Rental Market

As is the case in many major U.S. metropolitan areas, Chicago's multifamily market is softening as an oversupply of Class A product is putting upward pressure on vacancies.

CBRE is forecasting an increase in the metro's vacancy rate from 5.4 percent at year-end 2017 to 5.8 percent by year-end 2018; however, strong net absorption will prevent any significant spikes in availability, and CBRE anticipates the vacancy rate will remain near this level through its five-year forecast period. The influx of urban projects is having the most significant impact on infill markets, such as the Loop, where a vacancy rate of 8.1 percent and continued construction activity have translated to reductions in effective rents. Nearly half of all available units in the Loop offered concessions during the first quarter of 2018, and year-over-year rent growth in core areas remains flat. Metrowide rents average about \$1,500 per month but are not forecast to see a return to annual growth in excess of 2.0 percent until 2022.

Pilsen falls within CBRE's City West submarket, which also includes a number of substantially different West Side neighborhoods. City West is Chicago's largest and most expensive apartment submarket, with rents averaging nearly \$2,300 per unit. Submarket trends mirror those metrowide, with a 5.9 percent vacancy rate and flattening rent growth. Forecast annual deliveries totaling 2,200 and 1,200 units in 2018 and 2019, respectively, compare with an annual average of 700 units per year and are expected to result in modest declines in rents through 2021.

Chicago Multifamily Rent Growth



Sources: CBRE Economic Advisors; 2017 Pilsen Quality-of-Life Plan.

Pilsen is not representative of the broader City West submarket; its multifamily inventory consists of dated, small properties, many of which have significant capital expenditure requirements. More than half the housing stock within a 0.5-mile radius of the study site was built before 1939. Average rents fall well below the submarket and metro average, at \$814 per unit, according to the *Pilsen Plan*. This figure represented a 22 percent increase from 2000, one on par with that experienced by the metro as a whole and below that seen in the City West submarket (34 percent) during the same time frame.

Based on a sample of online listings (Craigslist and Zillow), current Pilsen rents range from \$1,000 to \$1,400 per month for rehabilitated one-bedroom units. Larger two- and three-bedroom properties are asking \$1,500 to \$2,500 per month with newer product at the upper end of this range. For example, three- and four-bedroom units at newly built 1338 W. Cullerton Street are renting for \$2,500 and \$3,000 per month. The ULI panel heard that rents for newly constructed properties were approaching \$2.00 per square foot per month, and one local housing expert suggested rents could reach \$2.50 per square foot per month within the next one to two years. This level would justify new market-rate construction but also signifies rents considerably in excess of what existing local residents are able to afford.

Pilsen has historically seen very limited new multifamily development outside of tax-credit-financed affordable housing projects. This situation reflects a lack of developable land as well as stringent affordable housing requirements. One exception is the 99-unit Woodworking Lofts development at 1432 W. 21st Street. This project was approved in 2016, contingent on 10 percent of its units being affordable and a one-acre land donation to Benito Juarez Community High School. One of the project's two-bedroom market-rate apartments is currently renting for \$1,900 per month. Aside from several 100 percent affordable, tax-credit-financed housing projects proposed by the nonprofit Resurrection Project, no market-rate residential projects besides the subject site are pending.

Considering income levels in the Pilsen community, meeting local demand will entail construction of both affordable and workforce housing. The former should be oriented to households earning less than 60 percent of the Chicago AMI (and therefore would be eligible for federal tax credits) while the latter should not cost-burden households earning 60 to 120 percent of Chicago AMI. This goal would dictate rents of about \$1,600 to \$2,000 per month. Workforce housing is increasingly being seen as a critical piece of a community's housing stock, addressing a "missing middle" need to house residents who may not be eligible for housing subsidies but who still struggle to afford rents in areas that have seen rapidly escalating costs. Considering the growth of an increasingly affluent population around Pilsen's borders, demand will also exist for market-rate housing.

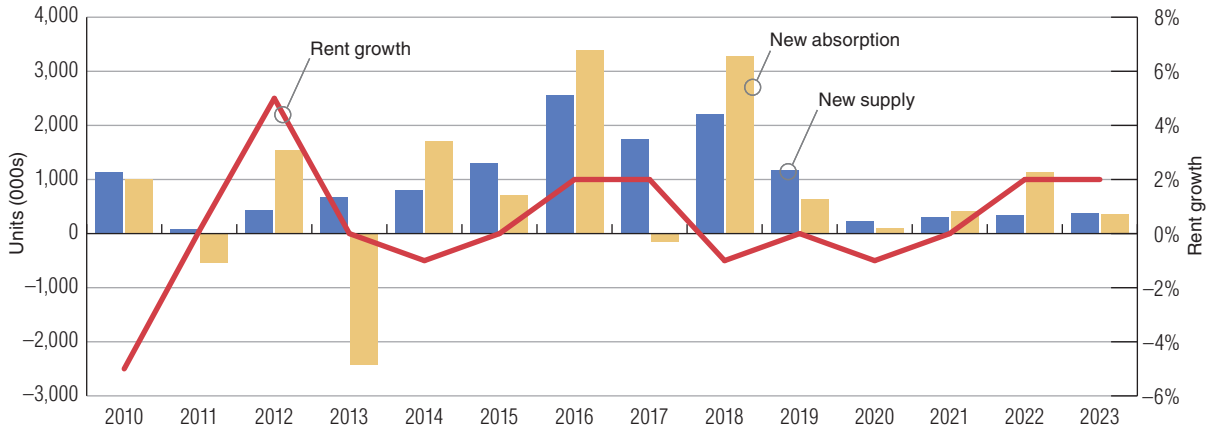
For-Sale Housing Market

According to the *Pilsen Plan*, Pilsen's median home values have increased significantly; however, growth from 2000 through the ACS 2011–2015 figure has been a relatively modest 12 percent. The \$198,000 median value reported in the *Pilsen Plan* is below the Chicago metro median of \$227,300 (per Zillow). Although reflective of Pilsen's predominantly very old stock, the plan's figure understates current pricing, particularly for new product. In one extreme example, a newly constructed 3,200-square-foot home in East Pilsen is selling for \$830,000, or in excess of \$250 per square foot.

Other City West submarkets have seen far more dramatic increases than Pilsen since 2000. Examples include the Near West Side (159 percent), Logan Square (156 percent), and Lincoln Square (122 percent). Even Humboldt and Garfield Parks have seen a more than 60 percent increase in home values since 2000, according to DePaul University's Institute for Housing Studies. Looking forward, the metro as a whole is expected to see further upward pressure on pricing, with Zillow anticipating an overall rise in values of 4.5 percent by June 2019.

Even at current prices, homeownership options are clearly limited for Pilsen residents who do not already own. A lack

Multifamily Market Trends: City West Submarket



Source: 2017 Pilsen Quality-of-Life Plan.

of new development opportunities may temper appreciation compared with other West Side submarkets.

Retail and Commercial Markets

Pilsen's retail and commercial markets comprise a dynamic and eclectic assortment of mainly small-scale, local, ethnically focused specialty shops, restaurants, and bars, located mostly along 18th Street. Historically a local Latino shopping district, a second "destination" customer base has emerged, as outside residents are drawn to a growing number of trendy evening venues.

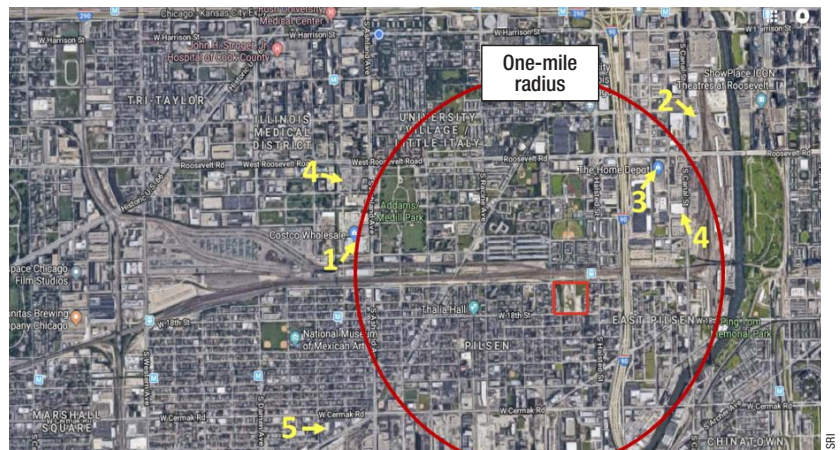
In general, Pilsen's retail and commercial inventory is old, small, and, in many cases, in need of significant capital investment. Despite a busy feel, numerous storefronts on 18th Street are vacant, some reportedly for many years. Even so, local sources claim the vacancy rate is considerably below that in other South Side Chicago submarkets. Rents on 18th Street averaging \$2,000 to \$2,500 per month are reportedly above levels considered affordable by many local businesses.

Recent ESRI data support the 2013 city study cited in the 2017 "Pilsen and Little Village Action Plan," which indicates that within these immediate neighborhoods, pent-up demand exists for additional retail, most notably general

merchandise stores. However, extending the radius of a retail gap analysis to 1.5 miles from the subject site captures a number of existing shopping centers and grocery stores:

- Costco: 1.5 miles to the northeast of the subject site;
- Southgate Market in University Village: 1.2 miles north-east of the subject site and home to a Whole Foods, PetSmart, Marshalls, and LA Fitness;
- Joffco Square: 0.9 mile to the northeast and home to a Best Buy and Home Depot;
- Jewel Osco: 1.0 mile northeast of the subject site; and
- Aldi: 1.5 miles southwest of the subject site.

Several large shopping opportunities exist within a 1.5-mile radius of the subject site, including (1) Costco; (2) Southgate Market (Whole Foods, PetSmart, Marshalls, LA Fitness, Michaels, World Market, DSW); (3) Joffco Square (Best Buy, Bed Bath & Beyond, JoAnn); (4) Jewel Osco (two locations); and (5) Aldi.



Including these areas, limited demand for additional traditional shopping center and restaurant space exists, and the results of a leakage analysis reverse to point to excess capacity. Even so, the panel believes that several niche retail or commercial opportunities remain in Pilsen that are more focused on the local population and neighborhood role as a destination provider of specialty Latino goods. These include a Mexican-type mercado space; neighborhood-serving office for professionals in the legal, health care, and financial fields; and incubator space for entrepreneurs. “Affordable retail” space is also in demand; that is, space available to local specialty goods vendors at (potentially subsidized) rents below those currently being charged on 18th Street.

Conclusions

A strong perception exists that housing affordability in Pilsen has reached crisis levels, in part because income growth has not kept pace with rising rents. Although rents have risen at more or less the same pace as those metro-wide, new Class A supply has not been the driver. Instead, limited supply and increasing demand from new residents drawn to Pilsen’s unique character and relatively still-low costs are pushing housing costs higher.

As evidenced in the encroachment of a different demographic and housing stock on the Pilsen neighborhood, the panel believes that unchecked private market forces will continue to pressure the area for its desirable infill location and character. Chicago has seen several examples of similarly attractive ethnic areas drastically altered by growth, for example Little Italy and Greektown. Despite a short-term market softening, the panel expects strong mid- to long-term housing growth forecasts for both the metro and City West submarkets to have the same effect on Pilsen, should the status quo remain in place. In particular, the current disparity in rents and home prices between Pilsen and other close-in submarkets highlights the potential for significantly more extreme rent and pricing increases in the former. Based on the Pilsen community’s housing

needs, as well as peaking Class A conditions in the broader market, the ULI panel believes robust potential exists for additional affordable and workforce housing, targeting households earning less than 120 percent of Chicago AMI. Market-rate units will serve a smaller percentage of local residents but are likely to attract new ones from other geographic areas. Although demand for traditional retail space is limited, given existing, proximate shopping hubs, a need exists for additional neighborhood-serving retail and commercial space, particularly at affordable rents.

Maintaining Pilsen’s character and existing resident base will require both public and private subsidies, likely in several forms, including the provision of below-market housing units and discounted land, as well as potentially below-market retail and commercial rents. However, such subsidies will benefit not only the Pilsen community but also private sector interests, as follows:

- *For developers:* Incorporating a mix of income levels into projects creates resiliency, particularly at this stage of a peaking Class A multifamily market cycle. The less volatile nature of robust low- and middle-income demand, which has not been addressed by a glut of new Class A product, will result in stable cash flows and superior long-term risk-adjusted returns. Mixed-income housing has been proven to have no adverse effects on achievable rents for market-rate units or on land values (both on site and surrounding). Affordable retail space will serve to activate the project, generate community goodwill through local hiring, increase attractiveness to residential tenants, and incentivize both locals and destination shoppers to spend more in the Pilsen neighborhood.
- *For the community:* Having a mix of affordability within a single development increases social equity and allows all residents to access similar amenities and opportunities. Affordable retail and commercial space will not only foster local employment opportunities but also provide increased incentive to local residents to shop and conduct business within Pilsen.

Overall, clear shifts in demographic preferences, particularly (but not limited to) the millennial and generation Z cohorts, highlight a desire for more unique, authentic living experiences rather than cookie-cutter environments. Therefore, the panel believes that maintaining diversity within both a resident and retail or commercial tenant base will increase and sustain the value of the Pilsen neighborhood as a whole.

Vision and Principles

ACCESS TO AFFORDABLE HOUSING and business opportunities within their neighborhood is a pressing social need for the citizens of Pilsen and those with lower and middle incomes. Although longstanding local Pilsen residents (whether young, old, or single, families, or retirees) welcome new investment for increasing economic opportunity, a growing concern exists that the neighborhood is being exposed to market forces and faces rapid gentrification. As the country and cities continue to grapple with a housing crisis for lower- and middle-income renters, the public and private sectors and community-based institutions should play an ever-greater role in ensuring that existing affordable properties remain available to the many who need them while doing what they can to produce new units where possible. All stakeholders (public, private, and community) should collectively explore possible financing vehicles and opportunities and how to access available funds to deliver affordable housing and inclusive business opportunities within Pilsen and on site.

The Pilsen Neighborhood

These principles should be considered for any new or reuse development proposal in Pilsen. These principles were derived from both the panelists' experiences in other locations around the world and, more important, from the individual neighborhood stakeholder interviews that provided valuable observations and insights into the community.

Welcome and Attract New Private and Public Investment for Mixed Affordable Housing

Clearly a desire exists to develop the vacant site for use, but concern exists about lack of affordable housing and fear of displacing existing Pilsen residents. Pilsen remains attractive as a neighborhood with characteristics that cannot be found elsewhere; but if existing and new residents

on low and middle incomes are not considered, the charm and authenticity of Pilsen may well be lost. Low-income residents need to be protected and displacement reduced.

The community welcomes the flow of new capital investment as long as it provides some affordable housing, targeted at a range of households, from single to multi-generational families. Thus the panel believes that private investment coming into the community should have an affordability component. Any revenue generated from this private development should be reinvested in the neighborhood as a community. These funding sources will

- Deliver stand-alone affordable housing;
- Help affordable homeownership; and
- Support existing residents to retain homeownership and maintain property.

Support Existing Residents through Allocation of Public Investment and Philanthropic Funding

Currently, private investment on the site largely caters for those with incomes that are beyond reach to those who already live in Pilsen. More private investment needs to go into affordable housing. However, it should be appreciated that to make the math work, a private developer needs to be able to build financially viable mixed-use residential and commercial development.

To support this development, public investment or subsidy or a variety of other strategies should be considered to accommodate the financial viability of including a number of affordable units on site. Additional funding sources can be unlocked through private philanthropic capital, which helps individuals and families afford housing.

The housing section in the draft "Pilsen and Little Village Action Plan" and the 2017 *Pilsen Quality-of-Life Plan*

should not be ignored but should be carefully considered in reviewing future developments for Pilsen. However, it also needs to be communicated that negotiation opportunities exist if a community benefit is delivered—and future proposals and suggestions need to be clearly articulated and widely shared for broader feedback and consensus. The city must take some accountability in the negotiation process, which will ensure that any decision making is done fairly.

Invest in an Inclusive and Transparent Planning Process and a Community-Driven Dialogue

Wide-ranging partnership arrangements are often able to achieve outcomes that would not otherwise be possible. The existing institutional setup, at both the neighborhood and city levels, for mixed-use development in Pilsen creates challenges for all stakeholders involved to arrive at a common agreement. The solution, in the view of the panelists, is to invest in an inclusive and transparent planning process. A community-driven dialogue is encouraged and should be maintained because this will continue to allow residents to voice their concerns and future aspirations for Pilsen's development.

The panel believes the developer should maintain ongoing communication with all residents about proposed development through regularly scheduled meetings and workshops. By working closely with residents, the developer accommodates feedback in plans where it is financially feasible to do so. Revised plans should be communicated directly with the neighborhood at large and not through indirect local institutional setups.

Investment in collaborative planning in a transparent way will pay dividends and will ensure that any development or change in the neighborhood is good for Pilsen.

Respect and Enhance Pilsen's Cultural Heritage and Identity

A strong sense of Mexican heritage and cultural identity is deeply embedded into Pilsen that should not be ignored. It is an asset with value of its own. The development and surrounding areas should build on Pilsen's Mexican heritage in an authentic way.

To embrace the neighborhood's characteristic landscape and ensure social integration, use artistic engagement as a way of preserving cultural heritage in Pilsen. The neighborhood's artistic and architectural style should be reflected on site. Pilsen's cultural ambience and democratic urban spaces should be felt throughout the site, ranging from El Paseo Trail to artists' murals on building walls, from artistic institutions and museums to locally influenced restaurants and retail. The openness of a plaza should encourage cultural celebrations and street festivals.

Pilsen could leverage positive economic change through the site: the mixed-use development could offer affordable commercial rent to empower local business owners and create local employment opportunities.

Leverage Underused Parking Lots

Encourage government and community not to be confined by this development. Rethink the use of space adjacent to the site. Adjacent vacant and underused parcels could be incorporated seamlessly into the development. The west side of the site could serve other uses such as art spaces, and the east side of the site should be developed like the rest of the houses on Newberry Avenue across the street.

The PMG Site and Adjacent Parcels

The panel sees the Pilsen development site as a transformative redevelopment effort that critically affects not only the vacant site but also the surrounding Pilsen community. For those reasons the panel believes the design, construction, and management of the site should be thoughtful



A view of the subject site from 18th Street.

and intentional in meeting community needs as well as economically feasible. As a starting point, a design phase to revise the current design documents should allow community input through a community engagement process.

Building Massing

The highest density of the building structures should be along 16th Street, and the height should consider the surrounding community on the other side of the train tracks. The building structures along the 18th Street side of the site should have lower density—three or four floors with ground-floor retail—that reflects the building massing along 18th Street. If homeownership opportunities are being considered as well as large family-size units, those buildings should be located along Newberry Avenue, which already has single-family homes.

Density and Green Space

The panel recommends a public community park along the future El Paseo Trail. In addition, the panel recommends that no physical structures block access to this public green space from the trail. Note, however, that the larger the green space, the less economically feasible affordable units become. Several options should be considered, and all options should be shared with the community so all stakeholders understand that the tradeoff of providing more green space may decrease affordable housing opportunities.

Building Design

The panel recommends incorporating ethnic elements in design, colors, and materials of the buildings and public space. Community murals should be used throughout and should be visible not only in private space but also in public space. The art should be created by local artists.

Affordable Housing Requirements for Pilsen

As noted in the accompanying box, Chicago's Affordable Requirements Ordinance calls for 10 percent affordable units for any new development of more than ten units. The Pilsen neighborhood has guidelines that call for an additional 11 percent affordable units above the ARO's 10 percent requirement. The neighborhood guidelines suggest

Chicago Affordable Requirements Ordinance

The city of Chicago's Affordable Requirements Ordinance (ARO) requires residential developments that receive city financial assistance or involve city-owned land to provide a percentage of units at affordable prices. The ordinance applies to residential developments of ten or more units and requires that developers provide 10 percent of their units at affordable prices. The ordinance also applies if the following requirements are met:

- A zoning change is granted that increases project density or allows a residential use not previously allowed;
- The development is a "planned development" within the downtown area.

Income Limits

For-sale units produced through the ARO must be affordable to households at or below 100 percent of AMI. Rental units must be affordable to households earning up to 60 percent of AMI.

Long-Term Affordability

Units built under the ARO are required to remain affordable over time. Some units will have recapture mortgages to regulate the long-term affordability. At the time of purchase, the city records a 30-year lien for the difference between the unit's market price and its affordable price.

Other units will be targeted for the Chicago Community Land Trust. These units will have a 30-year restrictive covenant with a maximum resale price. The maximum resale price will be the original purchase price plus a percentage of the market appreciation and in most cases will be a below-market price.

For more information, visit https://www.cityofchicago.org/city/en/depts/dcd/supp_info/affordable_housingrequirementsordinance.html.

the total 21 percent Pilsen affordable units have the following composition:

- 7 percent of total units at 30 percent of AMI;
- 7 percent of total units at 40 percent of AMI; and
- 7 percent of total units at 50 percent of AMI.

The panel believes this requirement—especially at the AMI percentages suggested—cannot be achieved on the subject site without some variation that would permit the developer to achieve its economic and financial goals.

These variations could include any number of alternatives including the following:

- Reducing the percentages of the units in the 30 percent and 40 percent AMI range;
- Adding a significant density bonus not subject to the ARO requirements or Pilsen community affordable guidelines;
- Reducing the developer’s permitting fees;
- Creating a program funded by the developer to establish a land bank or similar entity that permits existing units throughout Pilsen to remain affordable to existing residents (Community Land Bank operated by a Pilsen nonprofit organization);
- Using funds from the developer for a Pilsen nonprofit organization to build affordable units located off site—on adjacent and nearby parcels in the area;
- Reducing parking requirements;
- Allowing the project to receive some form of tax abatement; and
- Expediting the city permitting process so the development can begin as soon as possible.

The panel proposes that the affordable units be located primarily on the site. The panel sees value in the on-site location to integrate households of varying incomes and to allow all “development” residents to have equal access to

the development’s on-site amenities. A certain density will be required to financially afford building 21 percent of total units at or below the AMIs listed.

Community feedback requests the development incorporate not only studios, one-bedrooms, and two-bedrooms as affordable dwelling unit types but also include larger, family-size units. The larger family units were requested to accommodate intergenerational families. From the panel’s experience, developing large family units is financially feasible only with a significant housing subsidy from the local, state, or federal government.

The panel suggests that the on-site affordable dwelling units be incorporated in planned residential buildings and not built as a separate structure, and the units should be integrated throughout the development, indistinguishable to the public.

Parking

The panel recommends at least a 0.5-space parking requirement should be incorporated in the development. A feasibility study should be done to determine the cost/benefit of structured parking that would be wrapped by residential units as well as one level below-grade parking with commercial or residential units above. The panel had no data on existing soil conditions but acknowledges they will influence parking design and feasibility.

Green Space

At least a one-acre green space for a public park adjacent to El Paseo Trail is recommended, and a two-acre green space is preferred, but the panel understands a financial impact is associated with the larger green space and would not want to diminish on-site affordability opportunities. Regardless of the size, the community space should be activated all year round and should mirror programming of a community plaza for community gatherings and celebrations.

Retail or Commercial and Neighborhood Office

Community-serving retail space should be located along 18th Street to complement the existing retail along 18th Street and to not compete with commercial along Halsted

Street. Financial tools should be considered to help lower the cost of renting the community retail or community-serving space.

Employment and Subcontracting

The panel sees economic development through job creation in Pilsen as critical to the development. The developer should work with City of Chicago Employment Services to help develop skills of any interested local Pilsen resident by the start of construction (which, with zoning, design, and closing on construction, should be 12–24 months). The panel recommends significant commitments to community hiring, such as the following:

- Jobs through construction hires, at least 50 resident new hires;
- Jobs through property management hires, at least ten resident new hires; and
- Jobs through ground-floor retail, at least 15 resident new hires.

A written agreement should be formalized before zoning is approved through an employment plan. In the District of Columbia, for example, a variety of entities such as the Department of Employment Services, the D.C. Housing Authority, and the Department of Small and Local Business Development are involved in monitoring and regulating these issues. Comparable agencies in Chicago should be approached about how to best implement such initiatives.

Local subcontractors should also have opportunity to bid on project work, and the developer should hold pre-bid conferences and conduct outreach to local subcontractors before pricing begins to increase local subcontractor involvement in the construction of the site. A steering committee should be created, consisting of the city, the alderman, and community stakeholders, where the developer reports quarterly on the status of hiring and subcontracting throughout the development. That steering committee should also provide outreach assistance if benchmarks are not being met so they can be met in the future.

Building Amenities

Whereas the 18th Street side of the buildings will have neighborhood-service office space or commercial retail, the Peoria Street side of the buildings should have ground-floor amenity space. This space should include a community room to which the property manager can provide access for local community groups. A business center or computer rooms should be included in the buildings that potentially include after-school and summer programming for students living on the site. The panel recommends that a child care center be located on site and should be included in the community-serving retail tenant mix. In addition, the buildings' amenity space should include fitness or wellness space, and community art should be shown throughout all indoor and outdoor building spaces.

Development Options

A NUMBER OF THEMES EMERGED during interviews with Pilsen stakeholders that provide guidance on possible development options for the site. Although a number of development ideas were shared, support was clear and overwhelming for mixed-use, mixed-income development with substantial amounts of affordable housing. During interviews with stakeholders, the panel learned that one proposal for the site would have developed 100 affordable units and dedicated the rest of the footprint to open and recreational spaces. Very limited detail was available about how that proposal would have been financed.

The Pilsen neighborhood could be characterized as a mixed-use, mixed-income community. Its building uses include housing, retail, small commercial offices, and artist venues. Mixed-use developments help planners and developers answer the question of how to use land effectively. This is especially true in dense, supply-constrained markets like Chicago. Over the past decade, the Pilsen neighborhood has experienced those same pressures because its proximity to downtown, its relative affordability, and the ethnic and cultural assets of the neighborhood have made it attractive to people priced out of other neighborhoods. This pressure has in turn made it more expensive for longtime Pilsen residents to continue to afford to live in Pilsen.

Mixed-use developments also lend themselves to more walkable and sustainable communities. Mixed-use developments help infuse new life into communities by integrating a variety of different uses into one product.

To help answer the question of how to implement a mixed-use development on the 18th and Peoria streets site requires a discussion of the various elements about which stakeholders articulated concerns.

Housing Unit Size

To gain neighborhood support for development on the site, any developer should consider a variety of unit types and mixes. Pilsen stakeholders clearly articulated a desire to replicate at the development site the unit types that exist within the Pilsen neighborhood, namely a greater number of bedrooms (two, three, and occasionally four bedrooms) that can support longtime Pilsen families.

Apartment vs. Townhouses

Visioning for development of the site provided ideas about integrating townhouses into the development mix. Townhouses could be used to help achieve the desire of the community for larger units with three and four bedrooms. The integration of townhouses and apartments will depend on the other elements to be incorporated into the development site and the density allowed on the site.

In many developments that have mixed apartments or condominiums, and townhouses, the townhouses have been stacked. Stacked townhouses would complement the Pilsen neighborhood residential stock of mainly two- and three-story structures. Other Chicago communities provide good examples of stacked townhouses in the development mix.

Rental vs. For-Sale Housing

Pilsen residents are proud of their homeownership culture. The various immigrant family groups that have called Pilsen home over the past century have owned and maintained their homes with pride. Any development plans for the site should make an attempt to embrace and continue that proud tradition of homeownership.

Housing Affordability

As noted earlier, one of the guiding principles for development promulgated by the Pilsen Land Use Committee (PLUC) is that any new development that requires a zoning change must provide an additional (over the ARO-required 10 percent) 11 percent of residential units affordable for families earning 30 to 50 percent of AMI. Specifically, 7 percent of the units must be affordable at the 30 percent level, 7 percent at the 40 percent level, and 7 percent at the 50 percent level.

The desire for deep levels of affordability is not limited to the PLUC. Artists, teachers, clergy, nonprofit leaders, economic development leaders, and political leaders all appear to be aligned in achieving the 21 percent affordable housing requirements at or near the development site. Any group seeking to develop the site would greatly enhance its chance of success by adhering to the affordability requirements. At the same time, the community should understand that the developer will find it difficult or impossible to meet its economic and financial goals without application of one or several of the variations suggested previously.

Neighborhood-Serving Retail

The streets of Pilsen are dotted with empty retail bays among new, hip restaurants and bars that appear to cater to newcomers to Pilsen and Chicagoans and visitors bent on exploring the trendy neighborhood Pilsen has become. The development site provides an opportunity to complement the retail along 18th Street. However it must be done in a thoughtful manner to prevent the further demise of legacy retail and retailers, including corner stores that have been part of the Pilsen retail mix for a long time but that are rapidly disappearing.

Any development on the site would benefit from a thorough assessment of community retail needs, which would provide the basis for a retail plan that serves both longtime residents and newcomers.

The retail plan for the development site must also consider the opportunity to use the retail to provide new job opportunities for Pilsen residents and facilitate the development of new business owners from the neighborhood.

Commercial Space

The development site provides an opportunity to incorporate spaces that facilitate nonretail commercial activities that are no longer in the community and that will benefit the community. Inclusion of commercial spaces in the development site will help support local business owners and provide residents with good-quality professional services that would not require a trip downtown. Commercial uses could include medical and dental, lawyers, and CPA offices.

Community Event Space

Pilsen residents expressed a desire to have a space within the community that is affordable and accessible for family and community events. The development site allows an opportunity to provide that community amenity. If developed, the space should be designed to use for a variety of functions (quinceañeras, weddings, bar mitzvahs). The design should lend itself to supporting indoor and outdoor activities and be usable throughout the year. The community event space could also provide a venue for local artists and performers to showcase their talents.

Density

Development on the subject site must complement the proportions of the existing building stock. Recognizing that the community's desire for deep levels of housing affordability and a large amount of open and recreational space must be financed through financial subsidies and higher density than currently exists in Pilsen, potential developers should be encouraged to build a large number of units on the site.

After making allowances for parking, open and recreation spaces, and community event space, about five acres

of the subject development site will remain available for housing and commercial development. Using an average of 100 units per acre as a guide, the development site could comfortably accommodate 500 housing units. To achieve this density in a manner that does not overwhelm the neighborhood, the development could be designed to maximize density on 16th Street with gradual step-downs as development moves toward 18th Street.

Parking

Many Pilsen residents have shared their concerns over the scarcity of parking spots in their neighborhood. The development site is within walking distance of public bus and rail transportation. A development that could add 500 units of housing plus retail will require some amount of off-street parking. Although some residents would settle for nothing less than one-for-one parking, the trend toward more transit and ride-share uses could lead to overbuilding of parking spaces at that ratio. A reasonable amount could be 0.6 parking spaces for every residential unit, or 300 parking spaces at grade level.

Green and Recreation Spaces

Although Chicago is known for its well-manicured and programmed parks and open spaces, Pilsen is not blessed with adequate parks and open spaces. The development site presents an opportunity to provide sizable new open space for Pilsen. It could be designed to accommodate a large park and other recreation amenities. The design of the open space should tie into El Paseo Trail that is slated for redevelopment.

The developer and the community (through an entity) should develop an agreement for the maintenance and operations of the open and recreation spaces.

Phasing

The developer of the site should set realistic expectations about the phasing of development. The phasing of development depends on a number of factors, including available construction days, funding, and agreed upon program for the site. Harmonious development of the subject site requires the developer and the community to agree on a timeline and phasing plan. Once an agreement is reached, the developer should communicate any deviations from the plan to the community in a timely manner.

Planning and Design

THIS SECTION RECOMMENDS URBAN PLANNING and design concepts to inform inclusive, community-driven processes that ensure potential development on the site makes intentional contributions to the neighborhoods that respond to Pilsen’s culture and pressing community needs, including for affordable housing and retail as well as open space.

Planning and Design Context

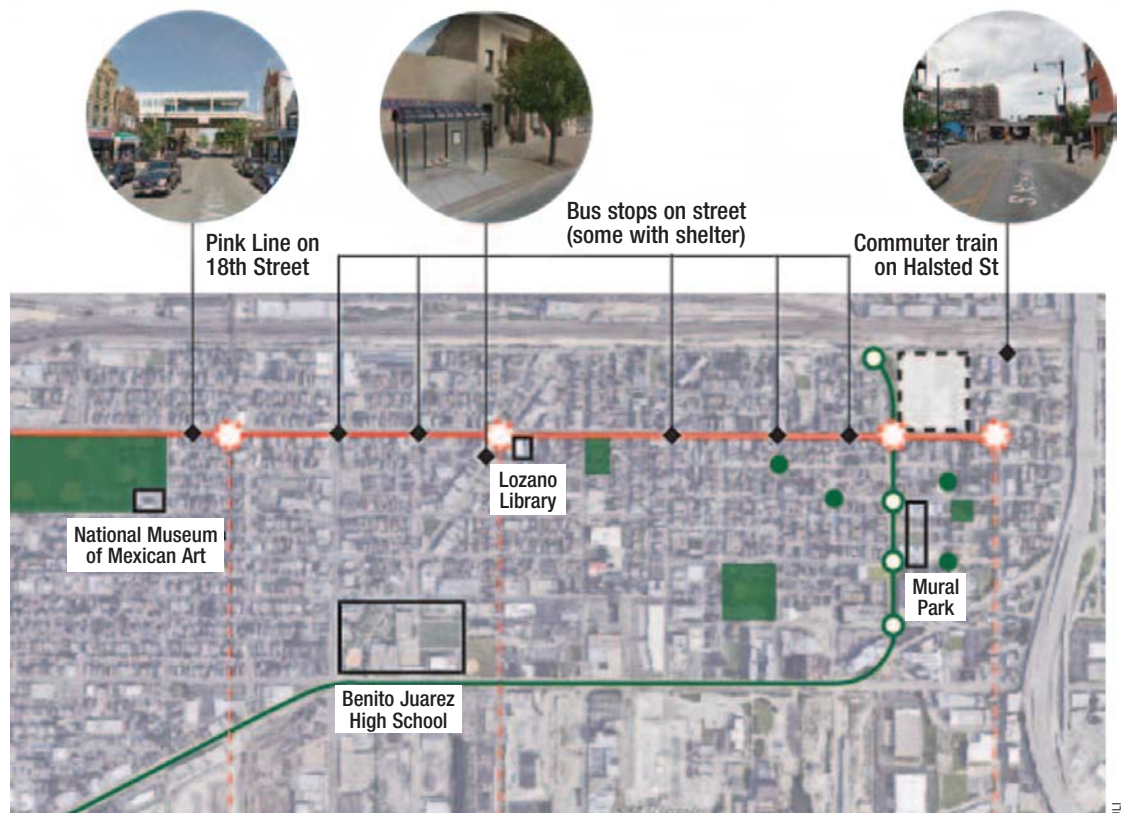
As noted earlier, the panel sees the Pilsen development site as a transformative redevelopment effort that has critical impact on not only the vacant site but also the surrounding Pilsen community. The context within which

a proposal for development is examined is essential in ensuring that both the community’s desires and the city’s goals are met.

Culture and Urban Design

Two elements of Mexican culture contribute in fundamental ways to making Pilsen a vibrant place: first, informal and highly activated use of public space; and second, storytelling through a wide range of artistic channels and cultural means. The urban fabric of Pilsen reflects, frames, and advances both of these elements.

The portion of 18th Street extending from Halsted Street to Harrison Park is a cultural and economic corridor that



Key transportation components of the Pilsen neighborhood include access to the Pink Line and commuter rail.

serves as the spine of Pilsen, and it exemplifies how storytelling, public space, and urban form interplay to help Pilsen residents and visitors activate and elevate Pilsen's cultural vibrancy.

Pilsen's Mexican culture is vividly narrated along 18th Street and throughout the neighborhood through distinctive murals and cultural symbols; local cultural institutions; public monuments and features; formal and informal Spanish-language signage and wayfinding; and brick-and-mortar food and retail establishments with a wide range of Latino offerings, including dozens of *tienditas* (small Mexican corner stores).

Furthermore, Pilsen residents make extensive year-round use of sidewalks, streets, parks, and open spaces for a wide range of cultural and economic activities that activate informal use of the public realm—including through *puestos* (temporary or fixed stalls, tables, and stands used to sell food, crafts, and other goods); *tianguis* (temporary transformation of vehicular streets into large-scale open-air, pedestrian-only markets); as well as civic gatherings, celebrations, festivals, food carts, and trucks.

The urban design attributes of Pilsen contribute significantly to the high level of cultural activation in the neighborhood. The 18th Street corridor exhibits a relatively continuous street wall with a high level of ground-floor transparency; predominantly zero-lot-line front yard setbacks; buildings from two to five stories in height; and eclectic variation in architectural styles, fenestration patterns, materials, colors, building uses, and rooflines and parapets. The massing, volume, and design language of 18th Street reflect the deep history of this close-knit community and its multilayered cultural heritage, which includes waves of immigrants from various countries who made Pilsen home over more than a century.

The 18th Street public right-of-way measures about 60 feet in width and provides mirrored ten-foot-wide sidewalks, five-foot on-street parking lanes, five-foot bicycle lanes, and ten-foot travel lanes. Vehicular left-hand-turn lanes are notably absent, which suggests drivers through this area negotiate complex turning conditions, perhaps



Existing conditions in the subject area.

calming traffic and helping reduce pedestrian–vehicular conflicts. Importantly, the sidewalks are highly activated with fixed infrastructure—including signage and street furniture—that supports bus stops and provides space for temporary uses, such as food carts and *puestos*, which present places for gathering, interaction, and commercial exchange activities.

The compactness of the 18th Street right-of-way (particularly where vehicular uses are concerned), the multiple modes it serves, and its dynamic reprogramming to serve various users and uses framed by continuous multistory building facades, granular architectural finishes, and a variety of building forms stimulate and incite pedestrian attention and produce a sense of embrace and scale for walkers.

The preceding characteristics of built form, uses, and street configuration collectively provide a street experience that embraces pedestrians and invites their multisensory attention, curiosity, gathering, dwelling, conversation, and interaction—vital components of a vibrant street. In other words, the physical configuration and flexibility and dynamism of the use of spaces clearly establish pedestrians and their cultural expression, production, and consumption activities as the highest priority for the corridor.

On a broader basis, residential streets extending north and south from 18th Street exhibit a fine-grained urban fabric composed of individually owned narrow or deep lots,

developed with a wide range of multifamily building styles from one to four or five stories with no side yards. The lack of side yards produces, in effect, uninterrupted continuity of facades along many streets. Furthermore, much of today's residential fabric in Pilsen was developed before the dominance of the automobile, so on-site parking and curb cuts are minimal, which produces continuous sidewalk experiences throughout.

Importantly, Pilsen is separated from northerly neighborhoods by an active Metra viaduct that rises about one story above grade for the entire east–west length of Pilsen's boundary with University Village and other northerly neighborhoods. Although several streets provide access via viaduct underpasses between Pilsen and northerly neighborhoods, the pedestrian experience through these underpasses may be somewhat compromised by the amplified sound of cars through these tunnels as well as sidewalk width and lighting and safety considerations, particularly during winter's short-daylight days.

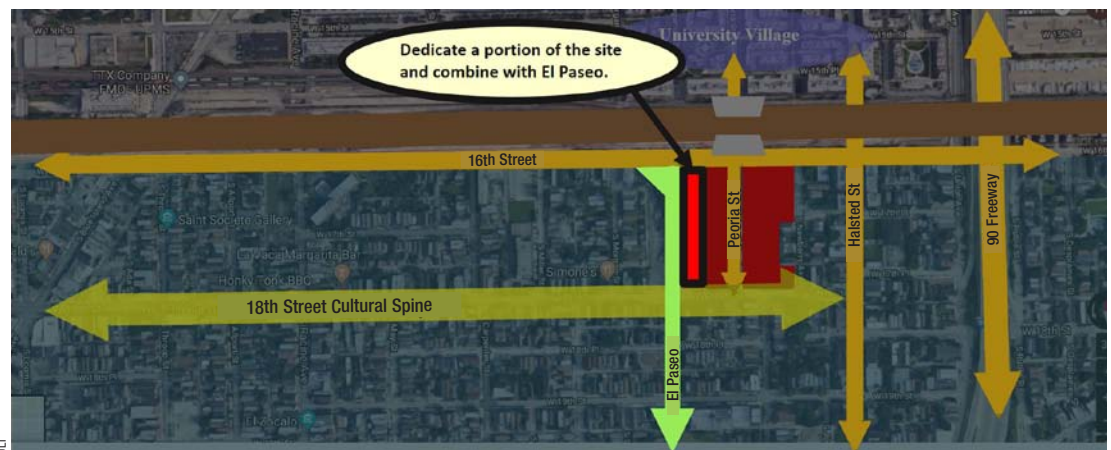
Mobility

From a mobility standpoint, Pilsen is located within a travel time (by transit or private vehicle) of 15 to 30 minutes (depending on traffic levels) to Downtown Chicago, the region's largest employment center, and a shorter travel distance to industrial employment areas south and east of 18th Street.



A conceptual illustration of El Paseo Trail from the "Pilsen and Little Village Action Plan."

Pilsen provides rich transit offerings that include CTA's 18 bus line running east–west along 18th Street and the 18 bus line running north–south along Halsted Street. Both lines appear to offer high-frequency service at peak hours (i.e., headways of 15 minutes or less). In addition, Pilsen has three CTA Pink Line "L" train stations, located on 18th Street at Paulina Street, Damon Avenue between 21st and Cullerton streets, and Western Avenue between 21st and Cullerton streets. The Pink Line offers high-frequency service during peak hours. The area is also serviced by the Metra BNSF commuter-rail line, which has a station within 300 feet of the subject site, though it is an open-air, grade-separated platform on the aforementioned viaduct and is accessible only via the Halsted Street underpass. This rail line likely has a lower frequency than local transit systems; however, it provides rapid service to Downtown Chicago.



The panel's recommendations for El Paseo adjacent to the site include dedication of additional land.

In terms of local circulation, 18th and 16th streets appear to be used as main east–west thoroughfares to attain access to Halsted Street and to the 90 Freeway (the main local north–south connectors to Downtown). According to ESRI, vehicle trip counts for 18th and 16th streets are similar on an average daily trip basis with 8,450 and 9,300 average daily trips, respectively. However, greater analysis is needed to understand the distribution of these trips during peak hours; one street may be significantly more heavily used than the other during rush hour or work-related traffic hours. Importantly, 18th Street jogs at the intersection with Halsted Street before continuing east to Michigan Avenue and beyond, whereas 16th Street is a through street (it does not jog) and continues east of Halsted Street to Canal Street, where it dead ends. This difference could be a key factor in utilization rates for these streets during peak hours, and greater analysis would be needed to illuminate this issue.

Open Space and El Paseo Trail

The city is currently transforming a former BNSF freight-rail line spur into El Paseo Trail, a linear park running through Pilsen and Little Village whose northern terminus abuts the subject site. The northern terminus of El Paseo consists of a Metra viaduct spur that diagonally spurs off the viaduct (bridging over 16th Street and creating an underpass there), and then gradually attaining a north–south orientation, aligns with and abuts the western perimeter of the subject site. As currently envisioned, El Paseo Trail would retain the grade separation and descent of the former viaduct, reaching grade level along the midpoint of the site’s western perimeter.

Current proposals for this portion of El Paseo Trail suggest retaining the viaduct intact, including its grade-separated descent to grade level, and using the grade difference as an opportunity to create responsive landscaping as well as a lookout point toward Downtown Chicago. However, retention of this grade separation presents challenges with regard to access and fractionation of the space made available, particularly when this portion of El Paseo is intended as the point of incipience for the trail, which should welcome all users with a high level of accessibility

and form a symbolic gathering point that maximizes use of available real estate toward these ends.

The fact that El Paseo Trail abuts the subject site presents an extraordinary opportunity to partner and leverage public and private investments to create a larger and unique space that can serve both as a local community asset providing needed open space and as a regional destination and gateway into Pilsen.

Significantly, Peoria Street is one of Pilsen’s direct connectors to University Village via a viaduct underpass. This underpass appears underused and could be brought in, along with the Metra viaduct “wall” that faces Pilsen, to generate a new potential platform for cultural expression and to draw pedestrians from northerly neighborhoods into the El Paseo civic space/gateway.

Analysis of Strengths and Opportunities

From the preceding context, the panel was able to assess the relative strengths and opportunities for the site. Granted, these strengths and opportunities represent only what the panel was able to glean from the background materials, the stakeholder interviews, and the panel’s knowledge of general planning, design, and development principles. Additional factors likely will present themselves as the neighborhood engagement process unfolds.

Completing Pilsen

The location and size of the subject site make any development on it vital to Pilsen’s future. At 6.8 acres, it represents one of the only large-scale undeveloped sites remaining in Pilsen, and its location along the 18th Street corridor and related cultural context make it imperative that any proposed development here carefully consider and respond to local urban design and cultural contexts. Furthermore, location relative to major employment centers makes the site locally and regionally significant for its potential to advance Chicago’s jobs/housing balance.

The subject site provides an extraordinary opportunity to extend the design and programmatic intention of Pilsen’s

Mexican narrative and informal use of space eastward—in effect, to complete the 18th Street corridor. In doing so, the site's 18th Street frontage should reflect the urban design attributes of the corridor: buildings two to four or five stories in height containing ground-floor spaces configured for retail use, and housing uses contained in the upper floors; a high level of transparency along the ground floor; a continuous street wall with low (or zero) lot line front yard setback; a high level of architectural quality that provides a variety of materials, colors, fenestration patterns, and styles; and restrained use of curb cuts to ensure that pedestrian–vehicular conflicts can be diminished. These factors collectively would extend the 18th Street pedestrian experience to Newberry Avenue and possibly to Halsted Street.

Land uses on the subject site could include *tienditas*, which according to local merchants have decreased in number by nearly half in the neighborhood; only about 50 now remain. Development on the site could include retail opportunities to help address community and business needs in the area.

The subject site also provides an opportunity to complete the Newberry Avenue street frontage with appropriate building scale and uses and to provide infill development and complete frontages along 16th Street and Peoria Street.

The need for additional park and open spaces in Pilsen has also been highlighted as a priority in previous studies and confirmed through the panel's stakeholder interviews. The panel believes the subject site offers a unique opportunity to combine El Paseo Trail right-of-way with setback land from the site to create a new, one-acre signature civic gathering space that could function as a gateway into Pilsen for residents and visitors. The space could be designed to allow a high level of flexibility to accommodate the vast array of cultural activities that could take place there. Ensuring that on-site infrastructure and facilities are provided to support such events would be key (e.g., public restrooms, electrical and audio facilities, tables and chairs, movable walls, plants, tents, signage, and so forth). To ensure success, the panel strongly recommends that design

of this new civic space be a community-driven and highly inclusive process sponsored by the city and the developer.

Density and Intensity

Although the panel has stated the following in various ways across this report, its import bears repetition: Pilsen's cultural attributes and vibrancy, fine-grained walkable urban scale, and strategic location relative to some of the city's largest employment centers are undoubtedly what have attracted market pressures to this area over the past decade. These pressures are accelerating and with increasing urgency driving the need to stabilize the existing stock of affordable housing in the neighborhood while building additional affordable housing, lest the neighborhood lose the very people who are at the heart of its culture and character.

For the subject site, the panel concludes that significant on-site density will be necessary to enable production of affordable housing and to provide other types of needs the community has highlighted—including open space and affordable retail. From an urban design perspective, lower densities should prevail along the completed 18th Street and Newberry Avenue street frontages, and the density and intensity of buildings should increase through the middle of the site, reaching the highest intensity along the site's northern (16th Street) perimeter.

Overall, the subject site presents a unique opportunity to serve as a gateway to Pilsen, anchoring and highlighting both the beginning of El Paseo Trail and the beginning of the 18th Street corridor, since Halsted Street lies one block west of the site. The panel believes the site can effectively serve as a community gateway and meet the needs of the community, including those for affordable housing and open space, while at the same time providing an urban form that complements Pilsen's urban fabric.

However, for future development on the subject site to modulate the many interests of the local community successfully, the panel believes a broadly inclusive, clear, and strategic road map for decision making will need to be established and driven by the local community, and it will need to address the many dimensions that need to be con-

sidered for the subject site, including how tradeoffs among density, intensity, urban design, and affordable housing production will be evaluated and decided upon.

In summary, the panel observed the following:

- Pilsen is a highly livable, walkable, and culturally activated community with broad access to transit, services, and facilities.
- It has a highly strategic location both within the neighborhood and at a regional level near major employment centers (UIC, West Loop to the north; industrial areas to the south and east).
- Future development has unique potential to complement and fortify community and cultural context and to “complete” the 18th Street corridor and narrative.
- Future development presents a significant opportunity to complement and extend the urban fabric of the neighborhood while providing housing and retail opportunities.
- Future development presents a significant opportunity to partner with the city and the community to create new open space and a key community anchor and gateway to Pilsen and El Paseo Trail.

Planning and Design Recommendations

The preceding strengths and opportunities, based on the planning and design context, suggest a series of general and specific recommendations that should apply to the site and the immediate neighborhood around the site. Whereas some of these can be accomplished immediately or in the near term, others may need to be incorporated into later phases of the development proposal and only after additional input from the community.

Anchor and Gateway to Pilsen

The subject site is located at the intersection of El Paseo Trail and 18th Street, which presents a significant opportunity to serve as a gateway into Pilsen from other areas of the city that have not yet experienced much investment.

Currently, local festivals and parades appear to lack a sizable civic venue and instead take place directly on the street (along the 18th Street commercial corridor). Careful design on the site could help create a dedicated and highly flexible civic space that, in combination with El Paseo, could serve as a central gathering place in Pilsen. This space could be used for multiple civic, cultural, entertainment, and other purposes that can highlight Pilsen’s identity and celebrate its culture in many ways, including through outdoor public art, performance, and a wide range of cultural activities.

While serving as a new and central gathering place, the subject site could also attract and welcome regional visitors, so they can explore Pilsen’s vibrant culture and retail offerings, such as dining, shopping, and entertainment opportunities, that make the neighborhood unique and distinctive.

In addition, 18th Street and El Paseo Trail can highlight, enhance, and connect the history and narrative of Pilsen across north–south and east–west axes through Pilsen, punctuated by various nodes that highlight its retail life, street life, artistic vibrancy, and cultural institutions.

Planning and Design Process

Pilsen has a strong tradition in community organizing that is evident in current cultural and social institutions and practices. Any development proposed in this neighborhood should incorporate these organizations while ensuring an inclusive and participatory planning and design process.

A framework that establishes a clear and inclusive road map for design review and decision making could help provide structure in advance of any development proposal and subsequently provide guidance for a community-driven process. The panel recommends creating a framework that engages the community at a grassroots level while leveraging partnerships with existing local organized groups to reach as wide a range of stakeholders as possible—including monolingual Spanish-speaking residents and others who may not have been aware of or had prior opportunity to partake in such efforts.

Another key element of this framework would be a clear map for collaboration among stakeholders that include the community, developers, public agencies, and elected officials. Furthermore, through the framework, the community could articulate and evaluate tradeoffs of various approaches to development on the site and a manner and method to weigh such tradeoffs to achieve consensus on tangible outcomes of the process.

The panel recommends the creation of a management position or organization that will ensure this process is carried out in an inclusive, accessible, fair, objective, and transparent manner.

On a broader level, the panel believes that the city must continue to advance existing planning efforts, including in the areas of land use planning and urban design, affordable housing preservation and production, sustainability and resilience, and continued public investment in horizontal infrastructure and community facilities. These efforts should affirmatively and intentionally help shape and guide the market forces that will otherwise inevitably overtake the neighborhood and result in rapid and full-scale displacement of both local businesses and residents.

Planning and Design Ideas

In connection with the suggested framework for community participation and decision making for the design process, the panel recommends consideration of the following urban design ideas during the design stage of future proposed development:

Pilsen Gateway. Ensure maximum potential to create a gateway to Pilsen by combining dedicated on-site space with El Paseo Trail right-of-way to create a flexible open space where cultural activities can take place year round.

- Explore potential for creating a Pilsen Gateway (La Entrada de Pilsen). Its location at the intersection of vital north–south and east–west axes (celebrating the head of El Paseo Trail and the terminus of the 18th Street corridor) presents significant opportunity to create a gateway for residents and visitors from which to initi-

ate exploration of the neighborhood and a community anchor that can host a wide range of cultural activities.

- Consider cultural and design synergies that could be achieved by combining the Peoria Street viaduct underpass, the Metra viaduct “blank wall,” dedicated space from the subject site along its northern and western perimeters, and El Paseo Trail right-of-way to create and make the Pilsen Gateway space and experience a highlight of Chicago’s culture and civic space.
- Consider dedicating 15,000 square feet of the subject site along 16th Street between El Paseo Trail and Peoria Street to draw pedestrians from University Village via the Peoria Street viaduct to the new open space.

Examples of new civic space that is highly flexible and easy to reconfigure so that many uses and various forms of art and cultural expression can take place throughout the year.



WIKIMEDIA COMMONS



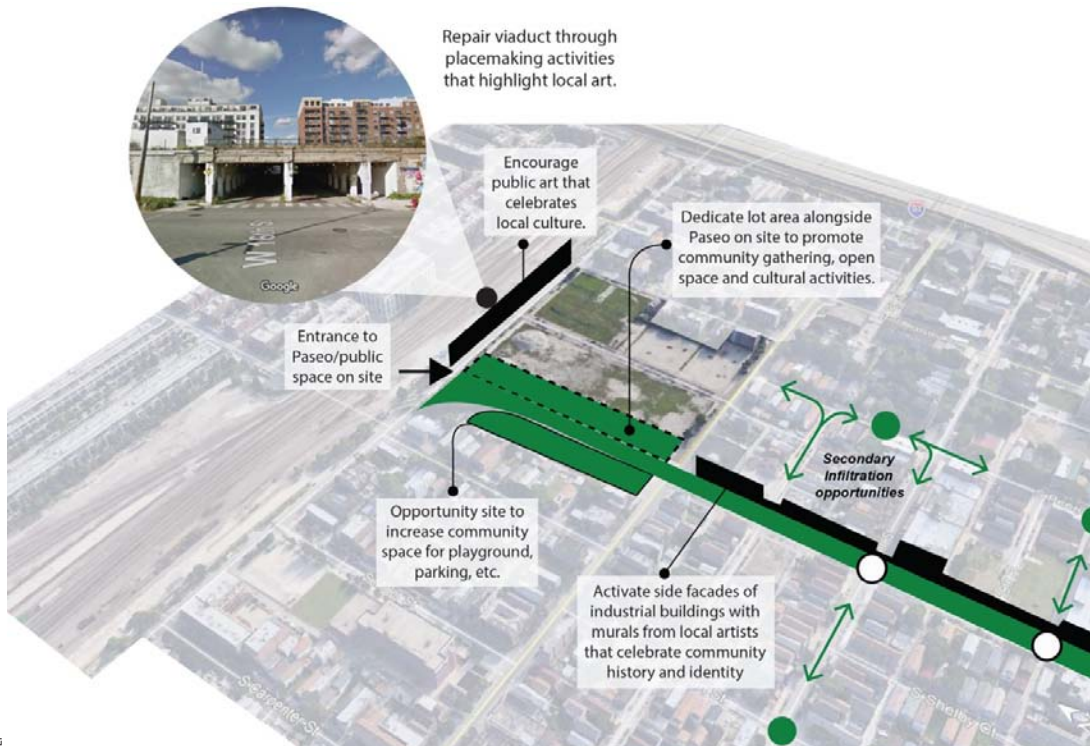
WIKIMEDIA COMMONS

- Consider dedicating 30,000 square feet of the subject site along its western boundary for combination with El Paseo Trail right-of-way.
- Explore how the intersection of the 18th Street corridor and El Paseo can maximize opportunities to elevate the historical and cultural narratives of the neighborhood.
- Consider transforming the Peoria Street viaduct underpass as a cultural stage for expression and experimentation that can attract and guide visitors from University Village to higher-density buildings of the new development.
- Consider flattening grade-separated portions of El Paseo Trail to enable at-grade integration and enhanced accessibility and flexibility of programming of the new large composite open space.
- Consider designing the gateway space in a way that can serve multiple users and uses year round, including recreation, civic gathering, cultural expression, athletic

activity, festivals, and exhibitions that can help celebrate and honor the history and culture of Pilsen:

- Consider means to make the new civic space on the subject site highly flexible and easy to reconfigure so that many uses and forms of arts and cultural expression could take place there throughout the year.
- Reactivate industrial building facades along El Paseo Trail through mural creation by local resident artists to exhibit the narrative of Pilsen’s history and culture.
- Ensure permeability and activation with El Paseo Trail through highly flexible space and infrastructure that can serve many different users, experiences, events, and spaces (for example, movable freestanding walls where art can be displayed; film can be projected; food exhibited; the walls can store portable tables, chairs, lighting equipment, etc.).

Placemaking and Green Space



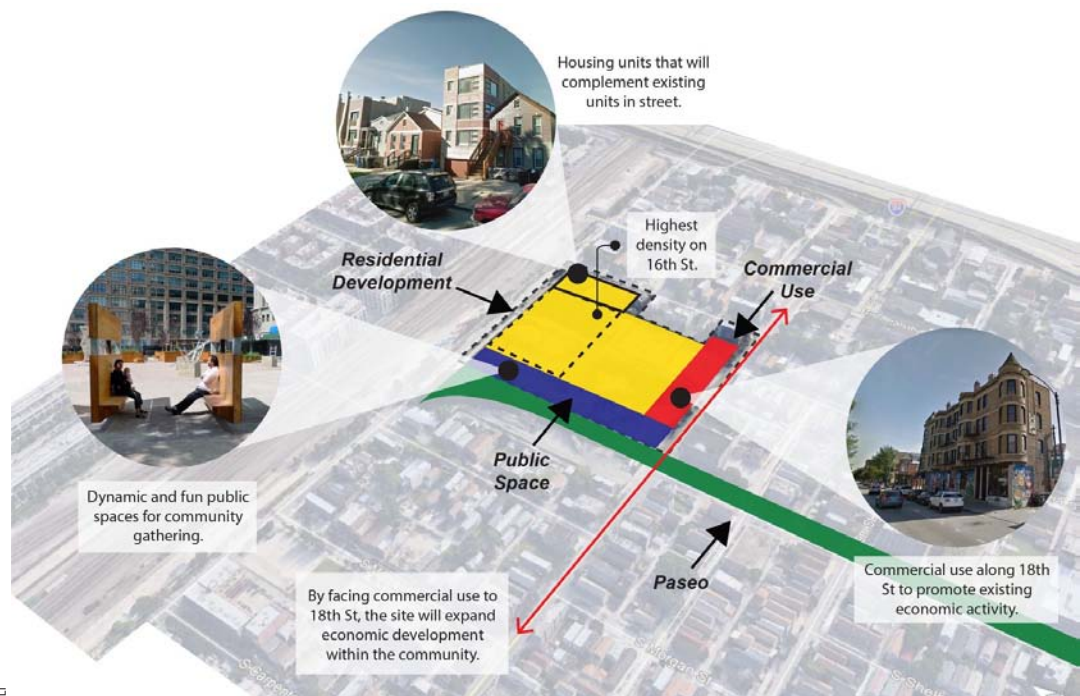
The panel's recommendations for placemaking and use of green space on and adjacent to the subject site.

- Use the existing Peoria Street viaduct as a cultural asset that can draw pedestrian and biking visitors from University Village to El Paseo Trail and the gateway gathering area (plaza).
- Install wayfinding and street treatments to clearly delineate pedestrian pathways from the viaduct to El Paseo/plaza and to minimize vehicular-pedestrian conflicts, as well as to highlight local identity.
- Treat 16th Street as a prominent front door to the development, providing a sense of arrival and wonder, including for those entering from the Peoria Street viaduct underpass, drawing and inviting all to take part in the cultural and economic activities on the site.
- Incorporate wayfinding, pedestrian and bicycle infrastructure to promote multimodal transport modes and enhanced connections to existing transit options, including CTA's bus line 18 (high frequency east–west line along 18th Street with bus stops abutting and immediately across the southern perimeter of the subject site);

CTA's Halsted bus line 8 (high-frequency north–south line, located one block from the subject site and connecting Pilsen to major employment centers, including UIC and the West Loop); and the Metra Halsted Commuter Rail Station, located on the viaduct directly to the north of the subject site, which provides lower-frequency service but direct connection to Downtown Chicago.

- Conduct a traffic and parking study to better understand and confirm the panel's assumptions based on its experience in other projects, assuming an on-site parking ratio of 0.6 parking space per new dwelling unit and that parking ingress and egress would be from 16th Street.
- Encourage community-driven placemaking: the city and developer should sponsor a process that enables the community to drive design and placemaking processes for potential development of the site and to evaluate tradeoffs among additional density, affordable housing and retail production, and additional open-space amenities.

Mixed-Use, Mixed-Income Development



The panel's recommendations for the site include integrated mixed-use, mixed-income development.

Density. Provide sufficient density on the site to achieve affordable housing goals while ensuring new buildings and uses can complement Pilsen's urban fabric and design.

- Buildings fronting onto 18th Street should be on the order of three to four stories in height and contain ground-floor spaces configured for retail use with housing uses contained in the upper floors; a high level of transparency along the ground floor; a continuous street wall with low (or zero) lot line front yard setback; a high level of architectural quality that provides a variety of materials, colors, fenestration patterns, and styles; restrained use of curb cuts to ensure that pedestrian-vehicular conflicts can be diminished.
- Development should place higher density along the northern portion of the site, achieving highest intensity along the 16th Street frontage; ensure that the first four stories reflect the site as a focal entry point into Pilsen from northerly neighborhoods, and the architecture, density, intensity, and volume relationships of buildings in the development provide an unequivocal sense of wonder and of arrival to Pilsen. The buildings should relate to and amplify the experience of alighting from the Peoria Street viaduct underpass to a great gateway site.
- Development design should reflect the local architectural styles and building proportions, especially in the first four stories (which are the most visible to pedestrians at grade level) when building heights allow more density.
- Street-level design (including dedicated open space) along 16th Street should encourage residents and visitors to move along 16th Street and guide them to El Paseo to maximize its use and potential as a community gathering space.
- Improve Peoria Street to achieve a state of good repair, applying Chicago's Complete Streets policies to it and to 16th Street.
- Improve edges along 16th, 18th, and Sangamon streets to promote pedestrian activity.

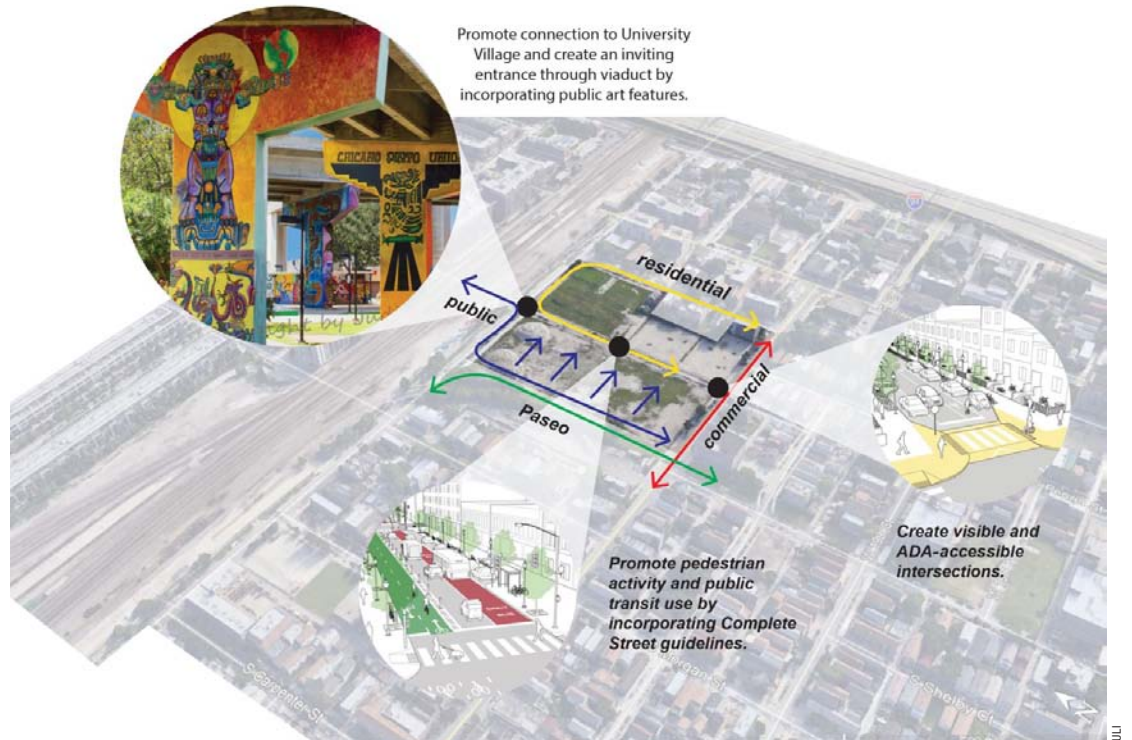
- Provide higher-density multifamily housing along Newberry Street to complete the frontage currently missing along that street.

- Consider land uses that include *tienditas*.

Connectivity. Ensure connectivity of new development to arterial streets and transit, and promote accessibility to and from the site by both local residents and visitors.

- The 18th Street public right-of-way section should be configured in the same proportions and uses as that farther west along 18th Street: 60 feet in width with mirrored ten-foot-wide sidewalks, five-foot on-street parking lanes, five-foot bicycle lanes, and ten-foot travel lanes.
- Consider improving the bus stop abutting the subject property along 18th Street with bus shelters and improved signage.
- Consider enhancing connection between new open space and University Village by providing a widened sidewalk along the northwestern perimeter of subject site and improving the edges of 16th Street along the property perimeter.
- Promote consistency of streets surrounding the new development with Chicago's Complete Streets policies and guidelines.
- Provide schedule information and on-site wayfinding to local CTA bus stops and L and Metra train stations.
- Enhance key intersections surrounding the subject site to improve safety and minimize potential vehicular-pedestrian conflicts.
- Consider removing grade-separated portions of the existing El Paseo Trail right-of-way to achieve a flat surface that can more easily be integrated with new on-site open space.
- Maintain Peoria Street as a vehicular street and achieve a state of good repair while applying Chicago's Complete Streets policies to it.

Connectivity around the Site



The panel's recommendations for internal and external connectivity focus on integrating the site with Pilsen's 18th Street corridor and linking with University Village.

- Provide egress and ingress to on-site parking facilities from 16th Street (subject to findings from a traffic and parking study to confirm this as the best location for vehicular access to/from the site, in balance with all other considerations).
- Promote walkability through the following means:
 - Establish a hierarchy of pedestrian circulation within the site to prioritize east–west movement that reflects the broader neighborhood pedestrian flow, as well as the connection to landmarks that include 18th Street historic corridor and major community nodes, gathering spaces, and transit stops.
 - Position retail establishments along El Paseo Trail and along 18th Street, which will help energize pedestrian activity and contribute to the local public realm.
 - Ensure the first four stories of any structure on the site reflect the human scale of the neighborhood by incorporating urban design patterns and architectural characteristics that are reflective of and in proportion to the neighborhood.
- **Resilience.** Promote sustainability, resilience, and “technology future-proofing.”
 - Apply policies from the *Sustainable Chicago 2015 Plan* and from Resilient Chicago to new development to help advance and implement resilience and sustainability goals and objectives of the city with respect to sustainable building methods, as well as energy, water, wastewater, green infrastructure, and greenhouse gas emissions.
 - Explore opportunities to repurpose additional vacant lots within Pilsen for strategized community benefit such as community gardens, parking, or cultural spaces.

■ The life cycle of development on the site will see multiple iterations of technological advancements. Given the enormous array of rapidly emerging technologies, their increasing prevalence in daily human activity, and possible direct and indirect effects on land use, built form, design, and transportation, the following are future-proofing issues that should be considered during the design phase of proposed development:

- Design and provision of pick-up/drop-off facilities for persons who use taxis or transportation network companies (such as Lyft);
- Design and provision of facilities for receiving, tracking, storing, and delivering e-commerce goods to residents (to accommodate the increasing use and rapid growth of e-commerce platforms across many retail sector categories);
- Design and provision of electric charging facilities in preparation for full-scale electrification of vehicles;
- Design of parking structures in a manner that allows easy repurposing to nonvehicular uses because autonomous vehicles may cause a significant decrease in parking demand, and some cities are now actively recommending to developers that they build parking structures with horizontal rather than ramped or inclined parking floors, since the former are signifi-

cantly easier to adaptively convert to other uses (for additional guidance on direct and indirect impacts of autonomous vehicles, the University of Oregon and NACTO are each actively performing research worth reviewing);

- Smart cities sensor technologies for future operation of HVAC, water, wastewater, and other building systems as well as city infrastructure (such technologies can help optimize energy and water consumption based on real-time weather and other data and lower expenses and greenhouse gas emissions); and
- 5G, the next generation of telecommunication technologies, transmitted using cell towers, which is expected to compete with wi-fi, since it will offer faster speeds without the need for on-site wiring/cabling.

Harnessing Community Power

TO HARNESS THE POWER OF THE COMMUNITY

to bring about the recommended vision, principles, and guidelines for development at the proposed site, the panel suggests specific action steps:

1. Affirm Pilsen's existing culture while welcoming change, investment, and development.
2. Bring into the process all residents who may want to participate in the dialogue regarding what gets built in Pilsen—and for whom.
3. Ensure the safety net support for existing low-income residents by maximizing access to—and expanding—available services.
4. Monitor and communicate commitments regularly, specifically, and on an on-going basis.

Affirm Pilsen's Existing Culture

Any proposed development or rehabilitation in Pilsen must affirm the existing culture by honoring and incorporating it in the development process from the conceptual inception phase through construction and operational functionality.

Honor Pilsen's Heritage

Honor Pilsen's Latino heritage and immigrant history by incorporating into the development approval and construction permitting process enforceable provisions to mandate that new housing developments must include certain requirements. Key among these are the following:

- Affordable two-, three-, and four-bedroom living units for large and extended families;
- Community-serving amenities (i.e., meeting rooms, business center, after-school programing); and

- Commitments to hire locally during construction and for operations.

Require new development to incorporate public art, especially murals, as an integral part of any project, committing some percentage of construction cost to public art (potentially beyond what is required by the city), including a fund to restore and maintain existing murals. In addition, provide community gathering space to incorporate celebrations and festivals. Finally, some portions of the commercial space in new mixed-use development, and to a lesser extent in rehabilitation projects in older buildings, should be provided to accommodate local entrepreneurs and merchants with affordable rents.

Create a Landmark District

Since 1968, the city has designated 59 Chicago Landmark Districts in a variety of neighborhoods and downtown. Districts are designated to preserve, protect, enhance, and encourage the rehabilitation of areas having a special historical, community, or architectural value. Historic buildings in Landmark Districts may not be demolished, and alterations must be done in a way to preserve the historic character of the building.

Pilsen has been enriched by the Latino community that began to settle in the neighborhood over 60 years ago. Century-old housing has been rehabbed, the stores on 18th Street have continued to serve residents of the neighborhood, the churches in the neighborhood have remained vibrant, and walls have been enriched with colorful murals. This level of stewardship and community engagement has preserved Pilsen as one of Chicago's most vibrant historic areas. However, as development pressure increases in Pilsen, the historic buildings that give the neighborhood its unique character and authenticity will be threatened with demolition and replacement with new development.

Creation of a Landmark District in Pilsen will redirect this development pressure toward rehabilitation of historic buildings.

Build on Strengths

Build on the strengths of Pilsen's existing human capital—including bilingual capacity—and social networks by enlisting the Planning Department to create, maintain, make publicly available (online and offline), and disseminate broadly comprehensive lists of all civic, neighborhood, community, institutional, nonprofit organizations, churches, and affinity groups to be used for public notices (i.e., liquor licenses) as well as community events and dialogues.

The city and the community should contract with the Eighteenth Street Development Corporation to expand its business directory to include all businesses in Pilsen, highlighting storefront businesses and locally owned businesses.

Connect the New and the Old

Encourage new residents and investors to be an integral part of the community. Residents and investors need to establish a community welcome committee and, as part of the approval and permitting process, require all new storefront businesses to meet with neighbors and community when a building permit is applied for to ensure strong community buy-in to new businesses and new businesses give the opportunity to learn more about the fabric of Pilsen.

Determine How Parking Can Better Meet the Demands of Neighborhood Businesses

Metered parking in the Pilsen neighborhood is currently managed by Chicago Parking Meters LLC under a long-term (30-year) contract. The panel recommends that the city determine how new parking in the 18th Street commercial corridor can be managed in a way to better meet the demand of current and future businesses and residents.

Create Disincentives and Incentives for Vacant Lots and Buildings

The city and the community need to create disincentives for holding onto vacant lots or buildings and establish in-

centives for putting them in use. Vacant lots and buildings are a negative asset for the community. A city program should be instituted that facilitates and incentivizes investment and development options while adding value to the community that will discourage owners from holding onto unused properties.

Make Affordable Housing Program Sessions Available

The Housing Department should ensure that all new developers have access to the wide range of programs available to facilitate affordable housing and encourage collaboration and partnership with local organizations and national entities in the field of affordable housing. Although some developers have a broad knowledge base of available programs, others simply do not know that programs exist and are available to facilitate their development. An "Available Programs and Incentives" session should be incorporated into the regulatory permitting process to ensure all developers can maximize their use in Pilsen. Developers should be informed of opportunities for collaborating with local groups in the different phases of development, thus increasing the technical capacity of local organizations to do development themselves.

Bring into the Process All Residents Who Want to Participate

The existing decision-making process for development in Pilsen is structured to get the benefit and advice of a select group of individuals and institutions. This system was devised with the intent to provide broad input.

Maximize Transparency

The city and the community need to maximize transparency of the existing process to recommend development by building on and expanding existing structure, including expanding engagement by inviting other groups and institutions to participate and providing a public record of all meetings.

Expand Outreach

The city and the community need to expand outreach beyond traditional tactics and venues for input. This will require developers to get input from the community not only through traditional meetings and town hall sessions, but also at festivals, restaurants, libraries, schools, and playing fields through creative placemaking, using art as means of engagement whenever possible. (This input must be documented with a clear indication of how it is incorporated in the design and operation of the development.)

Start Early

Start early in the development process by requiring developers to initiate the community engagement process early in the conceptual stage and maintain it through construction and into operation of the development.

Apply Micro to Macro

Require developers to begin the community engagement process first with neighbors immediately adjacent to the site and slowly expand out geographically to civic organizations, neighborhood groups, and institutions.

Ensure Safety-Net Support for Existing Low-Income Residents

New development in Pilsen will put substantial pressure on existing low-income residents and others to move—some by choice to “cash out,” most because of the broader impact on area rents and property values that typically comes with the introduction of higher-end products. Unless measures are in place to encourage, support, and provide means for these residents to stay, many will likely leave. This will lead to even more new residents coming in and a spiraling loss of the traditional culture and heritage of Pilsen, which paradoxically is the very reason new people move into the community.

Policies and programs must be in place to help the traditional residents of Pilsen, particularly those with low incomes and others from disenfranchised groups. Practically, this means instituting the following processes.

Disseminate Information

The city and nonprofit service providers must make all information of services available to all residents, not just the ones who are in the know or routinely participate in civic meetings.

The city and nonprofit providers must increase their outreach in Pilsen, including doing door knocking and home visits to reach all residents with information and opportunity for renters' assistance, “senior freeze” tax relief, home improvement opportunities, senior service support, and other programs. In addition, this information must be intentionally and intensely disseminated at both traditional venues for inputs (meetings and town hall sessions) and at community celebrations, institutions, churches, sports gatherings, and anywhere community happens.

Include All

Include all residents, regardless of documentation status, in outreach for services and information regarding meeting and convenings. The city and nonprofit providers must intentionally bring these residents into the dialogue, providing a safe space for their full participation to the extent they feel comfortable (i.e., sign-in sheet opt-out, allowing for anonymous input).

Research Philanthropic Resources

The Planning Department should research potential philanthropic resources that may be available to Pilsen social service and community building collaborative efforts. Although Pilsen has a rich history of nonprofit activism, new philanthropic resources may be available to build upon through collaborative initiatives.

Monitor and Communicate Commitments

The process of ensuring transparency and building trust remains the charge of all who are interested in the future of Pilsen. The implementation process must be monitored to ensure commitments made are adhered to and honored. The city Planning Department is best positioned to ensure

this is done and to update all stakeholders and the community at large.

Explore the Possibility of a Community Benefits Agreement

Before a developer is granted regulatory permission to build, a community benefits agreement should be entered into by the developer and a broad coalition of community stakeholders. The community benefits agreement is the binding document that details the steps each party will take over the course of design development and refinement, community engagement, construction phase, and once the project is operational. It is the panel's understanding that the city has never entered such an agreement before. Some effort should be made to understand how such an agreement can be made operationally feasible.

Establish an Urban Design Review Team

Establish an urban design review team for each new major development. This team would consist of immediate neighbors, community organization representatives, and representatives from the Planning Department. Among other tasks, their charge would be to help organize and participate in design charrettes with the developer—facilitated by culturally competent designers—before a concept is finalized. In addition, they would provide advice regarding connectivity to the neighborhood; promoting accessibility, walkability, sustainability, and resilience; encouraging community-driven placemaking; enhancing local assets; and completing the local urban fabric.

Commit to Check-ins and Reporting

A key part of any implementation process is the commitment to common calendaring, check-ins, and reporting. The Planning Department should

- Create an online interactive site where this report would be housed and welcome continuing input and dialogue regarding its many observations and recommendations;
- Disseminate this report by sharing it with all stakeholders; and

- Commit to sharing quarterly updates with the community for the first year and annually.

Harnessing the community power that already exists in Pilsen and growing it to welcome all will ensure that the neighborhood's heritage and stories are integrated in future developments. This approach will continue creating the thriving, vibrant community that is uniquely Pilsen.

Conclusion

PILSEN IS AN AMAZING COMMUNITY. It has a rich history of civic engagement and activism that has produced leaders and created institutions authentically dedicated to serving the community. Although social network fragmentation and division is a reality—as it is in most any other community—Pilsen’s long-tenured leadership has helped create a robust, vibrant, proud neighborhood. As the neighborhood faces the forces of gentrification and resulting displacement, it has come together to take a fresh look at the potential of this development site in the context of the broader community. Three truisms summarize these action steps:

- The people make the place.
- Community happens at the intersection of commerce and culture.
- Life is art—and art is life.

These truisms are alive and well in Pilsen!



About the Panel

Tony M. Salazar

Panel Chair

Los Angeles, California

Salazar oversees all development activity in the western United States, including initiating development that involves coordinating the planning process, acting as liaison with joint venture partners, interfacing with government officials and local community groups, and coordinating the final design process with marketing, construction, and building management disciplines. He has been instrumental in developing more than 4,000 residential units located in the cities of Los Angeles, Kansas City, Pittsburgh, Phoenix, and San Francisco. This includes six HOPE VI projects, two senior projects, seven mixed-income developments, three transit villages, an SRO, and five earthquake recovery projects. Before joining the firm he served as executive director of the Kansas City Neighborhood Alliance, a citywide intermediary, and executive director of Guadalupe Center Inc., a social service agency.

Salazar currently serves on the boards of the Center for Urban Redevelopment at the University of Pennsylvania and the Enterprise Home Ownership Program in Los Angeles. He is also on Bank of America's National Community Advisory Council. Previously, he served as a board chair of the National Council of La Raza, the largest Hispanic advocacy organization in the country, and as director of the California Community Foundation, Enterprise Social Investment Corporation, Community Development Research Center at the New School for Social Research, and with several private sector companies.

He has a master's degree in social work specializing in administration from the University of Michigan and a BA from the University of Missouri at Kansas City.

Neil Albert

Washington, D.C.

Albert joined the Downtown DC Business Improvement District (BID) as president and executive director in 2015. He is a former senior policy adviser for Holland & Knight's Public Policy & Regulation Practice Group.

Before joining Holland & Knight in 2011, Albert served as city administrator and as deputy mayor for planning and economic development for District Mayor Adrian Fenty. Albert cofounded and served as CEO of educational services firm EdBuild in the District. He also served under Mayor Anthony Williams as deputy mayor for children, youth, families, and elders and director of the District's Department of Parks and Recreation. He currently serves as vice president of the board of library trustees and chair of the facilities committee for the Martin Luther King Jr. Memorial Library, located in the BID.

Amanprit Arnold

London, United Kingdom

Arnold is the content manager for the Urban Land Institute in Europe, a nonprofit education and research organization that focuses on land use, real estate, and urban development. The mission of the institute is to provide leadership in the responsible use of land in creating and sustaining thriving communities worldwide.

Based in London, Arnold is a highly skilled research and insights professional with over seven years' experience in the real estate, land use, and construction sectors. At ULI Europe she currently delivers real estate and urban planning research as well as urban mission-led advisory workshops to cities throughout Europe. This is her first exposure to an Advisory Services panel.

Before joining ULI, Arnold was a global research and policy manager at RICS for five years where she delivered ground-breaking international research projects that raise the profile of RICS and the surveying profession worldwide. She also worked on strategy research into new markets such as Africa, led successful global conferences in Sydney and Toronto for academics and practitioners, and worked on UN Global Compact engagement.

Arnold holds an MSc in international planning from University College London funded by a prestigious global scholarship and BSc Geography and Planning from the University of Birmingham. She is passionate about all things urban and cities and relishes solving complex urban land challenges.

Pam Askew

Washington, D.C.

Askew is a senior vice president for WC Smith and leads the Affordable Housing Development Team with financial analysis and project management. Currently, she is managing Archer Park, Petworth Station, City View Apartments, and Terrace Manor—all low-income housing tax credit (LIHTC) developments that will create more than 450 units totaling \$150 million in development costs. In her 20 years at WC Smith, she has overseen the development of more than 2,800 units of affordable housing totaling \$375 million in total development costs. She has experience securing both federal and local resources, including 4 percent LIHTCs, tax exempt bonds, 9 percent LIHTCs, housing production trust funds, CDBG funds, HOPE VI funds, and project-based Section 8 contracts, as well as conventional debt and equity.

Before coming to WC Smith, Askew spent five years working for the Fannie Mae Foundation, managing a \$60 million loan fund that provided financing and grants to nonprofits developing affordable housing. In addition, she has worked at the Enterprise Foundation, the Baltimore City Department of Housing and Community Development, and the U.S. Department of Housing and Urban Development.

She holds a BA from the University of Maryland and an MS in real estate from Johns Hopkins University. She teaches Budget Basics: Decoding the Mysteries of the Proforma at NeighborWorks national conferences, teaching future developers how to finance affordable housing.

Rogelio A. Flores

Washington, D.C.

Flores leads cross-sector system planning and innovation for the District of Columbia Office of Planning. His unit develops strategies that advance the District's city-making agenda by integrating land use, transportation, infrastructure, facilities master planning, public/private partnerships, and resilience knowledge areas as well as consideration of long-range implications of rapidly emerging technologies (smart cities, autonomous vehicles, and e-commerce). Flores also advances project implementation objectives by strengthening the links between the District's Comprehensive Plan and the \$6 billion Capital Improvement Plan and by helping shape the District's yearly capital budget. Key to his work is a team-oriented spirit and sustained collaboration and partnership with all stakeholders, including through community-based creative placemaking and cultural planning endeavors.

Previously, Flores led policy efforts and directed high-visibility projects for the Los Angeles Department of City Planning, including the Boyle Heights Community Plan Update; adoption of the Highland Park-Garvanza Historic District (the city's largest); land use entitlement strategies and major rezonings for transit-oriented infill projects; and successful management and delivery of the \$1.1 billion University of Southern California Expansion Plan and \$47 million Community Benefits Agreement. Prior experience also includes serving in senior roles in the tech startup and philanthropic sectors in New York City, and at Harvard Planning and Real Estate, where Flores oversaw the university's Institutional Master Plan Update process in the city of Boston for the multibillion-dollar Allston Science Campus Project, among a host of other university projects and initiatives.

Flores holds a master of urban planning degree from the Harvard University Graduate School of Design and a BS, with honors, in environmental engineering from the University of Florida, where he was also a Ronald E. McNair Fellow in the Social Sciences.

Flores has delivered a studio-based urban planning curriculum at Harvard's Graduate School of Design and has been a presenter at state and national conferences of the American Planning Association (APA) as well as at various universities and at dozens of community engagement events (often in both Spanish and English). He is an alumnus of the Tau Beta Pi National Engineering Honor Society and member of the Latinos in Planning, LGBTQ, and Technology Divisions of APA. Flores holds AICP and EIT licenses from APA and from the Florida Board of Professional Engineers, respectively.

Kimberley Player

Portland, Oregon

As Equilibrium's director of research, Player is responsible for thought leadership and new product innovation. Her in-depth sector research informs the development of the firm's investment strategies, and she is an enthusiastic believer in Equilibrium's "sustainability drives returns" philosophy. Areas of focus include affordable housing and green real estate, agriculture and food, and water and wastewater infrastructure.

Before joining Equilibrium, Player spent nearly 20 years as an economic and real estate adviser, crafting land and portfolio strategies for clients ranging from institutional investors, developers, and corporations, to public sector entities and nonprofit organizations. She has held senior consulting positions with global real estate firm CBRE, providing guidance for large-scale development and redevelopment projects, transit-oriented planning, neighborhood revitalization, and corporate portfolio optimization. Earlier roles include research positions with PwC, Intrawest, and Clarion Partners. Throughout her career, she has leveraged her research skills to create compelling

business cases in support of positive economic, social, and environmental outcomes.

A strong proponent of responsible land use as a sustainability driver, Player is active in the Urban Land Institute. She has authored numerous reports and participated in Advisory Services panels, with the goal of providing forward-thinking solutions to community issues such as healthy design, housing options, and food access. She also volunteers as an expert adviser to STAR Communities and the Center for Responsible Travel.

Alexandra Ramirez Stege

Madison, Wisconsin

Ramirez Stege received her master's degree in urban and regional planning at the University of Michigan and currently works at the Nature Conservancy in Madison, Wisconsin. In both her academic and professional careers, she has taken on projects to promote community engagement and economic development and incorporate a global understanding of planning at the regional, city, and local levels.

She grew up in central Mexico. She spent her childhood in the local market where her parents, an educator and a business owner, managed their family business. She received her bachelor's degree in architecture in Mexico and has worked with academic institutions, nonprofit organizations, and local government officials in the United States, Mexico, and Brazil to develop planning projects and research that incorporate the community's vision and action.

As a planner and designer, she takes on collaborative projects that promote healthy and thriving communities where existing diversity is embraced and celebrated. She highlights social and environmental justice as necessary lenses to measure improvement in the quality of life for people and increase their access to goods and services. Finally, she believes working with interdisciplinary groups to achieve better social, economic, and environmental outcomes is important.

Reemberto Rodriguez

Silver Spring, Maryland

Rodriguez is the regional director for Silver Spring (Montgomery County), Maryland. In this appointed capacity he serves as the eyes and ears to county government and the community, is in charge of the urban district operations, and interacts with developers, stakeholders, and residents to create placemaking in Silver Spring.

Before coming to county government, Rodriguez spent 20 years with NeighborWorks America in various roles, including curriculum developer and trainer for community leadership, community organizing, and community building; program reviewer for organizations seeking to join the network; and technical assistance provider in the Southern District. He also worked as a city planner with the city of Atlanta early in his career and was the executive director of a nonprofit community design center.

Rodriguez's education includes a master's in community development from the Andrew Young Policy School at Georgia State University and a master's in architecture from Georgia Tech. He has also taught at the graduate level along the way. Rodriguez has served on various professional and community boards through the years and is involved in local and national Latino initiatives.

A ULI Advisory Services Panel Report



2001 L Street, NW
Suite 200
Washington, DC 20036-4948

♻️ Printed on recycled paper.