



ATTRACTING INFILL DEVELOPMENT IN DISTRESSED COMMUNITIES: 30 STRATEGIES

Acknowledgments

The U.S. Environmental Protection Agency (EPA), through its Office of Sustainable Communities, managed the preparation of this report. This report has been subjected to the Agency's peer and administrative review and has been approved for publication as an EPA document. Mention of trade names or commercial products does not constitute endorsement or recommendation for use.

Renaissance Planning Group developed much of the research, analysis, and case studies underlying this report as well as the initial drafts of the report.

Supported by technical assistance from EPA, Mayor of Fresno, California Ashley Swearingin and Director of the California Governor's Office of Planning and Research Ken Alex co-chaired the Fresno General Plan Implementation and Infill Development Task Force in 2013. The Task Force identified most of the strategies detailed in this report. The Task Force members were some of the brightest and most experienced practitioners in California and represented the areas of greenfield and infill development, business management, lending, city planning, land use and environmental law, transit and high-speed rail development, public finance, tax credit and other real estate development finance, and affordable housing.

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Table of Contents

Executive Summary.....	1
Introduction	5
What Is a Distressed Community?.....	5
Benefits of Infill	5
Benefits of Infill Development in Distressed Communities	7
Challenges to Infill Development in Distressed Communities.....	8
Fresno: A Case Study to Encourage Infill in a Distressed Community	10
How to Use This Report	13
Strategies to Encourage Infill Development in Distressed Communities	14
Building a Strong Foundation.....	15
Priorities	16
Policies	19
Partnerships	28
Perception.....	34
Paying for Infill Development and Infrastructure	38
Funding for Infill Development	38
Funding for Infrastructure	45
Appendix A.....	49
Self-Assessment Questions for Strategies	49

Executive Summary

Since post-World War II, many communities in the United States developed outside city and town centers, leaving older neighborhoods, traditional downtowns, and central business districts abandoned and underserved. In the past two decades, many communities have revitalized their central neighborhoods through infill development—development in a built-up neighborhood, often using vacant land or rehabilitating existing properties. New development and redevelopment can bring new housing choices, amenities, services, and jobs. Other communities, however, have been unable to attract infill development and attain the economic, environmental, health, and quality of life benefits that accompany it.

EPA developed this report to help local governments overcome obstacles and encourage infill development, particularly in distressed communities. Distressed communities have high residential vacancy rates, poverty, and unemployment, which further compound the many challenges that municipal governments face, such as limited financial resources. A distressed community could be a city or a neighborhood or community in a larger, less-distressed city or town. In distressed communities, the market alone cannot spur significant infill development, and the public sector often does not have the financial resources to invest in improving market conditions.

Infill development occurs in a built-up neighborhood, often using vacant land or rehabilitating existing properties. Infill development can bring many benefits, including financial savings for municipalities, increased property values for residents and businesses, easier travel, reduced pollution, and economic stabilization of distressed communities.

Infill development can bring several benefits:

- Municipalities can save money by promoting development in areas that already have infrastructure connected to public services, as opposed to financing new infrastructure for greenfield development.
- Infill development can raise property values in the surrounding neighborhood.
- It can bring residences and destinations closer together, making it easier for people to walk, bike, use transit, or drive shorter distances, which reduces pollution from vehicles.
- For distressed communities especially, infill development can help stabilize a community by attracting a greater diversity of household income levels, bringing new resources to a neighborhood and reducing concentrated poverty.

Distressed communities face challenges in attracting infill development. In neighborhoods where vacancy rates are high, private developers cannot generate adequate returns on investment to justify the investment risk. Public incentives and investment could make a project attractive, but distressed communities usually lack the financial resources to provide them. Even if developers are willing to take on the risk of an infill development project in a distressed community, they often face difficulty securing financing because lenders see these projects as risky. Finally, if existing infrastructure in an infill site requires substantial improvements, developers might not be willing to develop there.

Infill in existing neighborhoods can bring environmental and economic benefits to a community, but it can also disrupt life for existing residents and businesses, and potentially lead to the displacement of existing residents and businesses. It is important for local governments to listen to and consider the concerns of people living in priority infill areas as they develop policies and programs to attract new development and investment into these areas. This means giving careful consideration to strategies that can help longtime residents and businesses stay in these neighborhoods, actively participate in planning for infill, and ultimately benefit from new growth.

Answering the self-assessment questions in this report can help local governments decide whether their community is ready to pursue infill development in distressed communities. Local governments can then use the strategies and tools in this report to help them do so successfully.

Fresno, California, is a useful case study in identifying strategies and tools to attract infill development despite serious obstacles. Disinvestment and declining property values across the city's historic core drained public coffers and constrained tax revenues; contributed to a rise in concentrated poverty and crime; and detracted from the overall image of Fresno as a good place to live, work, and invest. The decline of Fresno's central business district and central historic neighborhoods after World War II coincided with the city's outward expansion, which consumed a disproportionate share of the city's new growth and investment. In 2011, the White House designated Fresno to participate in the Strong Cities, Strong Communities (SC2) initiative, which provides intensive technical assistance and capacity building to economically distressed cities. Recognizing infill development as key to the city's goals of revitalizing downtown and central neighborhoods, the federal SC2 team in Fresno, led by EPA and the state of California, partnered with the city to convene a task force of more than 20 of California's leading experts in development finance, law, public policy, planning, and business. The task force's work, along with the SC2 team's other experiences in Fresno, informed the strategies in this report.



Figure 1: Downtown Fresno, California skyline. Infill development helps conserve agricultural lands and open space, like some of the nation's most productive farmland and the foothills of the Sierra Nevada pictured here just outside Downtown Fresno. Photo source: Heather Heinks, City of Fresno

Strategies to Encourage Infill Development in Distressed Communities

This report organizes 30 strategies into two main categories: *foundation* and *funding*.

Strategies in the foundation category refer to critical steps a jurisdiction can take to make infill development more feasible, such as establishing priorities, policies, and partnerships, and changing public perceptions. Strategy 1 calls for local governments to identify specific areas to direct infill development to before they dedicate time, energy, and resources to implement other strategies described in this report. Strategy 1 lays the foundation for the strategies that follow.

FOUNDATION	PRIORITIES
	Strategy 1: Identify Priority Infill Development Areas
	POLICIES
	Strategy 2: Expedite Development Review
	Strategy 3: Set Tiered Impact Fees
	Strategy 4: Ease Parking Requirements in Infill Locations
	Strategy 5: Adopt Flexible Codes
	Strategy 6: Provide Clear Rules for Renovating Historic Buildings
	Strategy 7: Adopt an Adaptive Reuse Ordinance
	Strategy 8: Offer Density Bonuses in Infill Locations
	Strategy 9: Put Public Offices in Infill Locations
	PARTNERSHIPS
	Strategy 10: Seek State and Regional Partners
	Strategy 11: Identify Key Anchor Institutions
	Strategy 12: Explore Employer-Assisted Housing
	Strategy 13: Engage Philanthropic Organizations
	Strategy 14: Create a Public Sector-Developer Liaison
	Strategy 15: Create a Local Developer Capacity-Building Program
	PERCEPTION
	Strategy 16: Strengthen Code Enforcement
Strategy 17: Build Complete Streets	
Strategy 18: Create a Business Improvement District	
Strategy 19: Hold Public Events and Festivals in Infill Locations	
Strategy 20: Initiate a Neighborhood Identity Campaign	

Strategies in the funding category include some common and innovative federal, state, and local programs and strategies that can fund infill and infrastructure.

FUNDING	FUNDING FOR INFILL
	Strategy 21: Enact a Property Tax Abatement Program for Infill Locations
	Strategy 22: Implement a Land Banking Program
	Strategy 23: Implement a Land Value Tax
	Strategy 24: Attract Private Equity
	Strategy 25: Encourage Community Development Corporations
	Strategy 26: Encourage Crowdfunding for Projects and Businesses in Priority Infill Development Areas
	FUNDING FOR INFRASTRUCTURE
	Strategy 27: Create a Tax Increment Financing District
	Strategy 28: Establish a Capital Reserve Fund
Strategy 29: Create Special Assessment Districts	
Strategy 30: Generate Revenue through Naming Rights and Advertising	

Appendix A includes self-assessment questions for each strategy to help local governments determine which strategies are appropriate for their context.

Answering the self-assessment questions should help local governments decide whether their community is ready to pursue infill development in distressed communities. Local governments can then use the strategies and tools in this report to help them do so successfully.

Introduction

In the latter half of the 20th century, the United States experienced rapid growth on the periphery of its urban areas. Over time, many older neighborhoods, traditional downtowns, and central business districts were abandoned and today struggle to attract investment. Yet over the last several decades, many of these central areas have been revitalized as local governments recognized the importance of revitalizing their core neighborhoods to achieve more robust economic development as well as to raise the quality of life for their residents.

Development of vacant or underutilized land in previously developed areas, known as infill development, has helped bring life back to these areas. Infill development can bring new homes, jobs, services, and amenities to neighborhoods while using previous public investments more efficiently. But many communities are still waiting for revitalization to reach their older neighborhoods and downtowns. They often have distressed economies and real estate markets that left them with neither the demand nor the means to develop in these areas. This report describes several strategies that distressed communities can use to catalyze infill development.

What Is a Distressed Community?

In this report, the phrase “distressed community” refers to a place with the following challenges:

- High rates of unemployment and poverty compared to regional, state, or national averages.
- A low-skilled workforce or low rates of educational attainment compared to state and national averages.
- High residential vacancy rates or weak real estate markets.
- Severely constrained fiscal resources at the municipal level and limited infrastructure finance tools, such as bonding capacity, to pay for the basic services and functions of municipal government.

In distressed communities, the market might not be strong enough to spur significant infill development, or the public sector might not be able to fund the infrastructure that could help make the market more attractive. A distressed community can be an entire city or a sub-market in a larger, less-distressed area. This report contains strategies that can be useful to communities of any size, but it is most useful for communities where the municipal government has few resources to support infill development.

Benefits of Infill

Local governments are promoting infill development for a variety of reasons related to the economy, environment, equity, and quality of life.

- Infill development makes good fiscal sense. Developers can typically use existing infrastructure to serve their projects, which is more efficient than extending infrastructure to undeveloped greenfields and incurring long-term maintenance liabilities. Studies also demonstrate that policies allowing more compact, mixed-use development could raise property values and

generate more property tax revenue per acre than developing on the periphery, which typically less compact.¹ Aligning public investments and incentives to encourage infill can also help distressed communities capture more market share of their region's private investment in development. This benefit is especially important in the wake of the 2007-2009 national recession, which caused some cities to more closely examine the costs and benefits of continued greenfield development compared to infill development.

- Infill development can bring environmental and quality of life benefits. For example, research shows that infill development can reduce driving—and associated greenhouse gas emissions and other pollution—by bringing houses closer to daily destinations.² Closer proximity makes it easier for people to walk, bike, use transit, or drive shorter distances.
- Investing in established neighborhoods and downtowns can help stabilize neighborhoods that have long struggled with the social problems resulting from concentrated poverty. Concentrated poverty can contribute to depressed property values, which in turn can reduce property tax revenues in distressed neighborhoods. Infill can attract new investment that results in a more balanced mix of incomes within a neighborhood. This, in turn, can attract more businesses and amenities, increase the tax base, and help stabilize schools.
- Infill development responds to the nation's changing demographics and market preferences by providing more housing choices. Greenfield development³ dominated the real estate market for several decades. While suburban locations and lifestyles are still attractive to many people and are part of a complete spectrum of housing choices, demand for housing, employment, and retail in city centers and historic downtowns is on the rise. Real estate surveys indicate a growing interest for more diverse housing options in vibrant, walkable neighborhoods where residents do not need to drive everywhere.⁴ U.S. Census data indicate that these changing preferences are affecting settlement patterns. For example, between 2010 and 2011, the nation's major cities grew faster than their combined suburbs for the first time since the 1920s.⁵ A 2011 survey from *Builder Magazine* indicated that more than half of people who had recently bought a home wanted to live closer to where they worked and closer to downtown, and would accept a smaller yard in exchange for more parks and public amenities.⁶ The 2013 National Association of Realtors Community Preference Survey found that 60 percent of respondents prefer a neighborhood with a mix of homes and businesses within walking distance, instead of communities that require driving between home, work,

¹ Minicozzi, Joe. "Thinking Differently About Development." *Government Finance Review*. Government Finance Officers Association. Aug. 2013.

² Ewing, Reid, and Robert Cervero. "Travel and the Built Environment." *Journal of the American Planning Association* 76 (3). 2010.

³ Greenfield development refers to development on previously undeveloped ("green") parcels in suburban or non-urban locations with limited existing infrastructure and development. (http://www.epa.gov/smartgrowth/pdf/infill_greenfield.pdf)

⁴ Urban Land Institute. *What's Next? Real Estate in the New Economy*. 2011. <http://www.uli.org/wp-content/uploads/2012/06/WhatsNext1.pdf>.

⁵ Frey, William H. "Demographic Reversal: Cities Thrive, Suburbs Sputter." Brookings Institution. Jun. 29, 2012. <http://www.brookings.edu/research/opinions/2012/06/29-cities-suburbs-frey>.

⁶ Warrick, Brooke. "Builder Home Buyer Study 2011." *Builder Magazine*. 2011.

and recreation.⁷ Demographic shifts are also influencing demand for housing in infill locations as aging baby boomers seek smaller homes with less upkeep, the Millennial generation starts new households and prefers mixed-use neighborhoods with transportation options, and the number of single-person households increases.⁸

Many cities and towns now desire the benefits of infill development, and they are finding willing developer partners, especially in strong real estate markets. Developers can earn a high return on investment because they can generally build more on a smaller footprint than in greenfield development. However, many distressed cities are competing with jurisdictions with suburban and exurban sites that might offer developers lower upfront infrastructure costs. If infrastructure upgrades are needed in infill areas and infrastructure costs are subsidized in greenfield areas, the competition for private development investment can be an uneven playing field. It is critical to ensure that regional infrastructure investment decisions consider full and complete costs, including the long-term replacement costs that will someday be needed for new infrastructure. Infill development can increase costs because developers may have to repair or upgrade aging infrastructure that already exists, but in other circumstances where existing infrastructure is in good condition, infill can help reduce construction costs. Distressed communities typically have fewer interested developers due to weak real estate demand, aging or neglected infrastructure that imposes additional investment risks and costs, and small and/or irregular parcel sizes.

Benefits of Infill Development in Distressed Communities

Some of infill's benefits are especially important for distressed communities, which see infill as a way to relieve fiscal stress and retain younger adults by providing a wider array of housing options. Distressed communities can achieve these additional benefits:

- Compared to greenfield development, infill development reduces the need to extend infrastructure and add services, which can reduce capital costs for a municipality in the near term and maintenance costs in the long term.⁹
- Compact infill development with a mix of uses yields more property tax revenue per acre than spread-out, single-use greenfield development.¹⁰
- Infill development can help stabilize impoverished or abandoned areas by introducing a more diverse mix of households at different income levels.
- Infill development provides more choices to meet changing consumer preferences driven by demographic shifts.¹¹

⁷ National Association of Realtors 2013 Community Preference Survey, <http://www.realtor.org/reports/nar-2013-community-preference-survey>.

⁸ EPA. *Smart Growth and Economic Success: Investing in Infill Development*. 2014. <http://www2.epa.gov/smart-growth/smart-growth-and-economic-success-investing-infill-development>.

⁹ Burchell, Robert. W., et al. *The Costs of Sprawl—Revisited*. Transportation Research Board. 1998.

¹⁰ Langdon, Philip. "Best Bet for Tax Revenue: Mixed-use Downtown Development." *New Urban News*. Sep. 13, 2010. <http://bettercities.net/article/best-bet-tax-revenue-mixed-use-downtown-development-13144>.

¹¹ Warrick 2011.



Figure 2: Infill development is compact development, which helps reduce driving, promotes walking, and typically consumes less land. Photo source: Mike Bellamente

Challenges to Infill Development in Distressed Communities

Distressed communities face several obstacles to attracting more infill. Weak market demand for real estate, resulting in low prices and rents, is common. As a result, infill development is not financially feasible without public incentives or investments in infrastructure improvements. Some common market challenges are:

- **Market dilemma:** Sometimes, a private developer simply cannot generate adequate returns on its investment to justify the risks and challenges. As a result, the local government must intervene with an investment or incentive to make the project attractive. Unless an incentive is available, the market for infill could struggle to reach a “tipping point” where incentives are no longer needed. Most distressed communities cannot afford to make the needed investments, but nor can they wait for sufficient market demand.
- **Risk gap:** Developers that are willing to take on the additional risk and invest in an infill project could find it difficult to secure financing. Lending institutions are risk averse and might shun infill projects because they are perceived as higher risk than similar projects in more affluent areas. Once again, the local government might find that it needs to provide incentives to an infill project or invest directly in the project to close the financing gap between what the lender is willing to provide and other private investment.

- **Greenfield-infill relationship:** A regional market can absorb only so much growth. The growth might happen in greenfield areas, infill areas, or most likely, some combination of the two. Development in greenfield locations can absorb market demand that could have gone to infill areas, such as downtowns or established neighborhoods. Therefore, market demand for infill development can be influenced by a region's balance of greenfield and infill development.
- **Infrastructure condition:** Developers are wary of building in areas where they might need to make expensive infrastructure improvements. As the cost of replacing infrastructure increases building costs, developers might not be able to get high enough rents or sale prices to recoup their investment.

Common public-sector responses to these challenges include funding infrastructure improvements, acquiring and selling property for redevelopment, and offering financial incentives that require significant public funds. Yet in distressed communities, these strategies can be out of reach because the public sector cannot afford to make major investments. For example, many distressed communities lack access to capital markets and, as a result, can have long-term public finance constraints that prevent them from paying for needed infrastructure upgrades, improving public spaces, and cleaning up abandoned properties or brownfields.¹²

Local governments might not know how to use different tools or funding resources that could remedy the market and infrastructure challenges. For example, federal and state governments have funding programs that can help close the gap between the cost to build and feasible rents and sale prices. However, these programs are often complex, and funding typically goes to experienced applicants. Local developers and government staff might not have this experience.

Public perception also affects the market for infill development in distressed communities. A city might have lost a major employer and could face high unemployment and outmigration as a result. If infill locations have been neglected or abandoned for a long time, it could be difficult to imagine new growth or activity in these areas or to envision why these areas would be attractive. These perception issues can affect the local government's ability to secure financing and could further dampen interest from developers and retailers.

These challenges affect both supply and demand for infill development. On the supply side, distressed communities need developers that are willing and able to produce homes, shops, and office space in infill locations. Enticing these developers might require the public sector to help fill near-term financing gaps, assemble parcels, clean up a contaminated site, improve nearby amenities such as parks and streetscapes, or otherwise make infill more attractive. On the demand side, distressed communities need people and businesses that want to rent or buy space. Demand is affected by many factors, but local demographics, the economy, income levels, and public perception play important roles. The public

¹² EPA defines a brownfield site as "real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant." For more information on brownfields, see: EPA Brownfields and Land Revitalization. Basic Information. http://www.epa.gov/brownfields/basic_info.htm#plan. Accessed Dec. 3, 2014.

sector and other committed partners can help increase demand in several ways, such as improving public perception, helping to recruit anchor businesses, and creating location-based incentives for prospective investors and buyers. Distressed communities will need to consider all of these factors as they craft approaches to increase both the supply of and demand for infill development.

Equitable Development and Meaningful Community Engagement

This report is focused on strategies that local governments can use to make infill development as viable and attractive as greenfield development. Policies that encourage redevelopment and infill in existing neighborhoods can bring environmental and economic benefits to a region, but they can also disrupt life for existing residents and businesses. It is important for local governments to listen to and consider the concerns of people living in priority infill areas as they develop policies and programs to attract new development and investment into these areas. This means giving careful consideration to strategies that can help longtime residents and businesses stay in these neighborhoods, actively participate in planning for infill, and ultimately benefit from new growth.

Involving residents and stakeholders in decisions about infill and development can help ensure that reinvestment is informed and improved by a variety of perspectives, and that it brings the amenities that resident's need and desire, and increases the likelihood that new development will bring fair access to new opportunities. Meaningful public engagement and involvement can also build long lasting support for infill from a broad range of constituents. For developers, this can lead to more predictable development processes and reduce costly delays caused by community opposition. EPA's Office of Environmental Justice and Office of Sustainable Communities have developed an informational publication that brings together smart growth, environmental justice, and equitable development principles and that community-based organizations, local and regional decision makers, developers, and others can use to build healthy, sustainable, and inclusive communities. The document, entitled "Creating Equitable, Healthy, and Sustainable Communities: Strategies for Advancing Smart Growth, Environmental Justice, and Equitable Development," aims to build on past successes and offers low-income, minority, tribal, and overburdened communities approaches to shape development that responds to their needs and reflects their values. The publication provides a brief introduction to a range of different strategies that communities have successfully used to improve development outcomes in their neighborhoods.

For more information on equitable development and other strategies to accompany infill, visit:

<http://www.epa.gov/smartgrowth/pdf/equitable-dev/equitable-development-report-508-011713b.pdf>.

Fresno: A Case Study to Encourage Infill in a Distressed Community

Fresno, California, is an instructive case study for identifying and implementing strategies to foster infill development in distressed communities. Fresno is the fifth-largest city in California, located in the heart of one of the most productive agricultural regions in the world. The city faces severe economic and fiscal challenges, which were compounded by the economic recession. Disinvestment and declining property values across acres of the historic city core drained public coffers and constrained tax revenues; contributed to a rise of concentrated poverty and crime; and diminished Fresno's overall image as a good place to live, work, and invest. Moreover, the city has some of the worst air quality in the nation, making transportation options that could reduce driving a key strategy to help reduce air pollution.

Fresno’s steady population growth over several decades dramatically expanded the region’s footprint, but not all parts of the city have shared in the benefits of this growth. As in many distressed communities, Fresno’s central business district and historic neighborhoods have been in decline for several decades as new growth and investment were focused more heavily on areas of outward expansion.

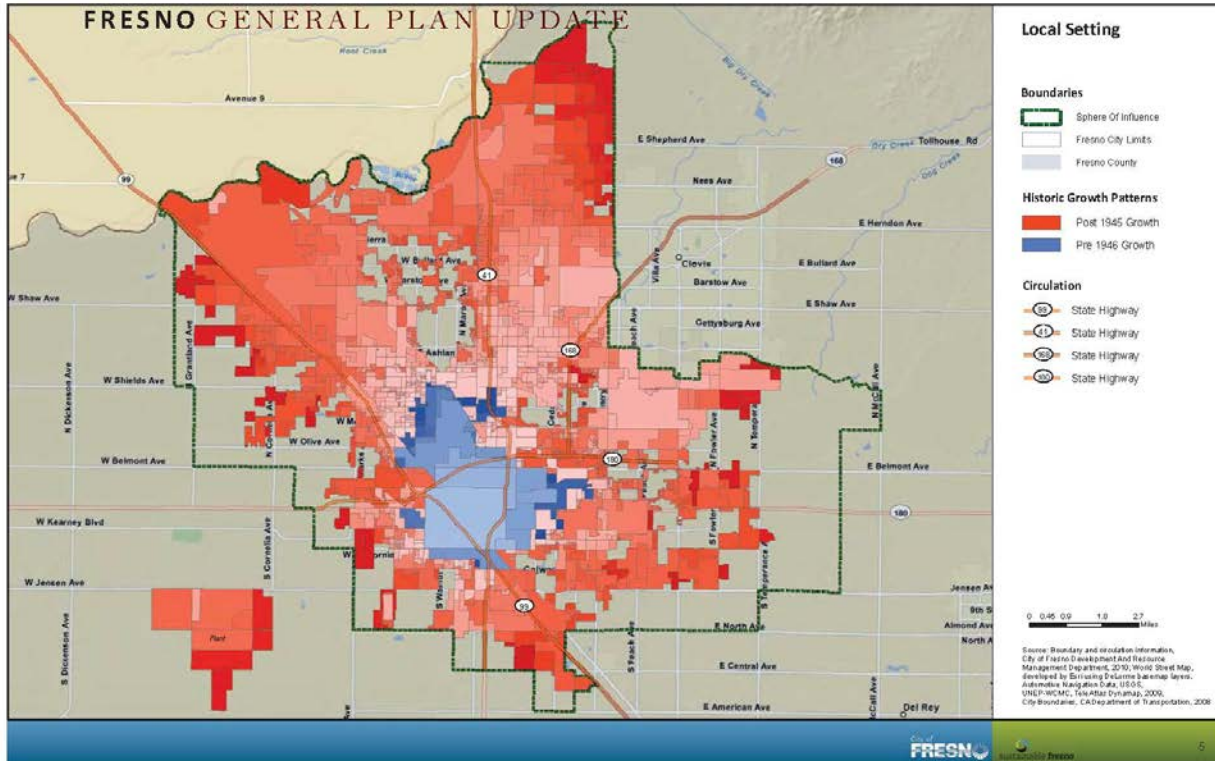


Figure 3: Fresno General Plan Update. This map shows post-1945 growth (red) and pre-1946 growth (blue).
Image source: City of Fresno

The city studied several different growth scenarios for its 2035 general plan update and found that increasing infill development would likely increase tax revenue and reduce infrastructure and service costs in the long term.¹³ The city also views infill development as a tool to help solve several other problems, including:

- Steady outward growth of the city’s footprint, which is placing stress on infrastructure and municipal services.
- High vacancy rates in historic downtown office buildings.
- Neighborhoods that suffer from some of the nation’s highest levels of concentrated poverty.
- A workforce challenged by high unemployment and low educational attainment.
- A trend of educated young adults leaving the region for job opportunities elsewhere.
- Perception of poor safety and school quality in many older neighborhoods and the downtown.

¹³ Moody, Jason. *Fiscal Impact Analysis of the General Plan Implementation*. Economic and Planning Systems. 2014.

Fresno's efforts to attract infill development have faced several obstacles common in distressed communities. First, fiscal constraints made it difficult for the city to replace and expand aging water, sewer, drainage, and street infrastructure in older neighborhoods and downtown. Some of the areas where Fresno would like to encourage infill development also suffer from poor public perception. Meanwhile, Fresno's residents are accustomed to living in places where they have to drive everywhere, as a result of decades of outward growth into inexpensive farmland. For example, 50 percent of all land developed between 1990 and 2000 in the Fresno region was considered high-quality farmland.¹⁴ The combination of fiscal, perception, and market forces make Fresno a good city in which to test strategies to promote infill development.

In 2011, the White House designated Fresno as one of seven cities to participate in the Strong Cities, Strong Communities (SC2)¹⁵ initiative, which provides intensive technical assistance and capacity building to economically distressed cities. SC2 helps cities achieve locally-driven economic development and revitalization goals through sustained collaboration with teams of federal government staff from different agencies. Recognizing infill development as a key component to the city's goals of downtown revitalization, EPA and the state of California partnered with the city to convene a task force of more than 20 of California's leading experts in development finance, law, public policy, planning, and business. The task force's charge was to identify solutions that were feasible in Fresno's challenging economic and fiscal environment, as opposed to strategies that would work only in strong markets or where more public funds are available to support new development.

The task force met three times in 2013. Its first meeting focused on the challenges to infill development and included a discussion of the city's economy and potential future drivers of demand for infill development. The second meeting helped the city identify specific areas where infill development could work in the near term and where public infrastructure investments could catalyze development. During the final meeting, task force members evaluated the merits of specific infill development strategies. The task force's recommendations for Fresno were compiled in a report¹⁶ and form the basis of many of this report's strategies for fostering infill in distressed communities. While creating a task force of development experts is not a strategy in this report, Fresno benefited substantially from this outside perspective and expertise. The city also benefited from including state agency representatives in the task force to further explore how the city's infill efforts could align with other regional and state goals. Other distressed communities could benefit from the same approach.

¹⁴ American Farmland Trust. "Fresno County Comparison of Plans & Performance."

http://www.farmland.org/programs/states/futureisnow/m_fresno.asp. Accessed Jul. 9, 2014.

¹⁵ For more information on SC2, see: U.S. Department of Housing and Urban Development (HUD). "Strong Cities, Strong Communities Initiative (SC2)." <http://www.huduser.org/portal/sc2/home.html>. Accessed Jun. 4, 2014.

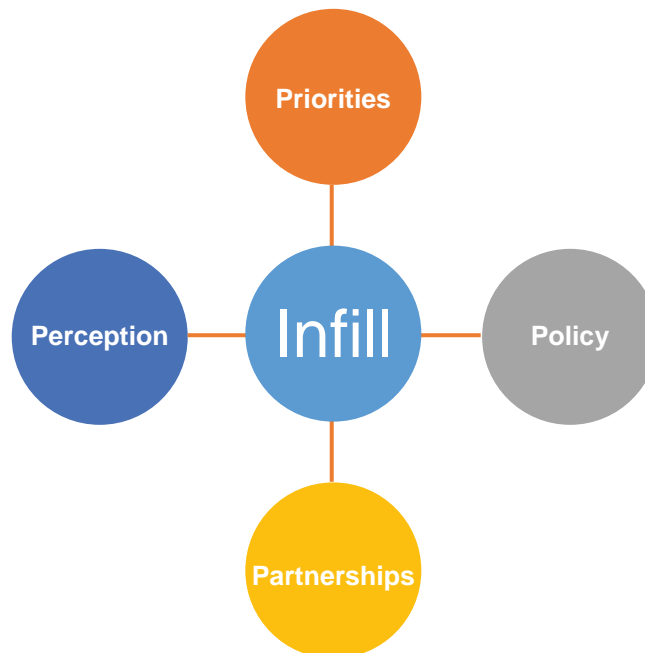
¹⁶ The Fresno-specific infill development report is not publicly available; however, many recommendations of the report appear in the Implementation chapter of Fresno's 2035 General Plan Update. <http://www.fresno.gov/NR/rdonlyres/FCF88C7F-4C08-4E04-9ECC-E97091958D02/0/GPFinal12ImplementationJan202015.pdf>.

How to Use This Report

While there are many success stories of infill and neighborhood redevelopment across the country from economically thriving regions, this report discusses strategies specifically geared toward helping distressed communities better position themselves to attract infill development.

These strategies are organized into two main categories:

- **Foundation** includes strategies related to the priorities, policies, partnerships, and perceptions that create an environment that supports infill development. These strategies help reduce the cost to developers to build new infill projects. They also create markets for infill through public, private, and philanthropic investments and action and increase the visibility and familiarity of existing neighborhoods and infill locations as viable locations for development.



- **Funding** includes strategies to help finance the replacement of aging infrastructure and other aspects of infill projects. These strategies will be most effective if they are accompanied by a public involvement and community outreach process that engages existing residents in the land use and development decision-making process. Authentic engagement can help to ensure that strategies are used in ways that make it easier and less costly for developers to build infill projects, and increase the likelihood that infill projects deliver benefits for both existing and new neighborhood residents.

Appendix A includes self-assessment questions that communities can use to determine if a strategy is appropriate for their context.

Strategies to Encourage Infill Development in Distressed Communities

Developed using the Fresno task force work and experiences in other communities nationwide, these 30 strategies can help distressed communities that want infill development.

FOUNDATION	PRIORITIES
	Strategy 1: Identify Priority Infill Development Areas
	POLICIES
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The first set of strategies can help establish a strong foundation for infill development. These strategies include setting priorities, setting policy, developing partnerships, or changing public perceptions. The second set of strategies includes some common and innovative funding strategies. The description of each strategy includes basic information:

- **What** is the strategy?
- **Why** is the strategy important?
- **How** does the strategy work, and how can it be applied?

Appendix A includes a self-assessment for each strategy with questions that can help a community determine whether the strategy is appropriate for its context. While the questions are mostly meant for local government staff and officials, private developers and other stakeholders can also use the assessment questions to help determine how they can be stronger partners in attracting infill development. Implementing these strategies typically requires partnerships among government, private developers, and community organizations. The self-assessment could be a good technique to bring these parties together to jointly identify the most viable strategies for the community.

Building a Strong Foundation

To make infill development more feasible, local governments need to create a strong foundation that establishes priorities, policies, and partnerships, and changes public perceptions. Applying a combination of these strategies can increase both the supply of and demand for infill development.

- **The priorities strategy** helps focus public investment by targeting specific areas.
- **The policies strategies** help local governments adopt new policies or amend existing ones to remove obstacles to infill development such as high costs and low market demand.
- **The partnerships strategies** help leverage resources, build capacity, and coordinate efforts.
- **The perception strategies** can rectify negative perceptions of an area, which can strengthen demand and reduce the perceived risk for lending institutions.

Priorities

STRATEGY 1: IDENTIFY PRIORITY INFILL DEVELOPMENT AREAS		PRIORITIES
What?	Local governments should identify specific priority infill development areas before they dedicate time, energy, and resources to implement other strategies described in this report. It is critical that local governments involve existing residents in these decisions. This strategy lays the foundation for the strategies that follow.	
Why?	Concentrating investment in priority areas is more likely to produce the highest return on investment—either financially or in terms of visibility and catalyzing private investment—than spreading limited resources thinly across the community. Focusing on a small area yields a cumulative effect that could send positive messages to the public and investors. For example, one block with three new storefronts or nighttime establishments has a greater impact on perception compared to the same three new establishments spread among five blocks. In addition, often the sheer scale of existing developed or underdeveloped land in need of reinvestment, coupled with significant fiscal constraints, dictate that near-term actions focus on smaller geographic areas. These areas could have the best development potential, and targeted public and private investments could signal to the marketplace that something positive is happening. This, in turn, could strengthen market perceptions and foster further private investment.	

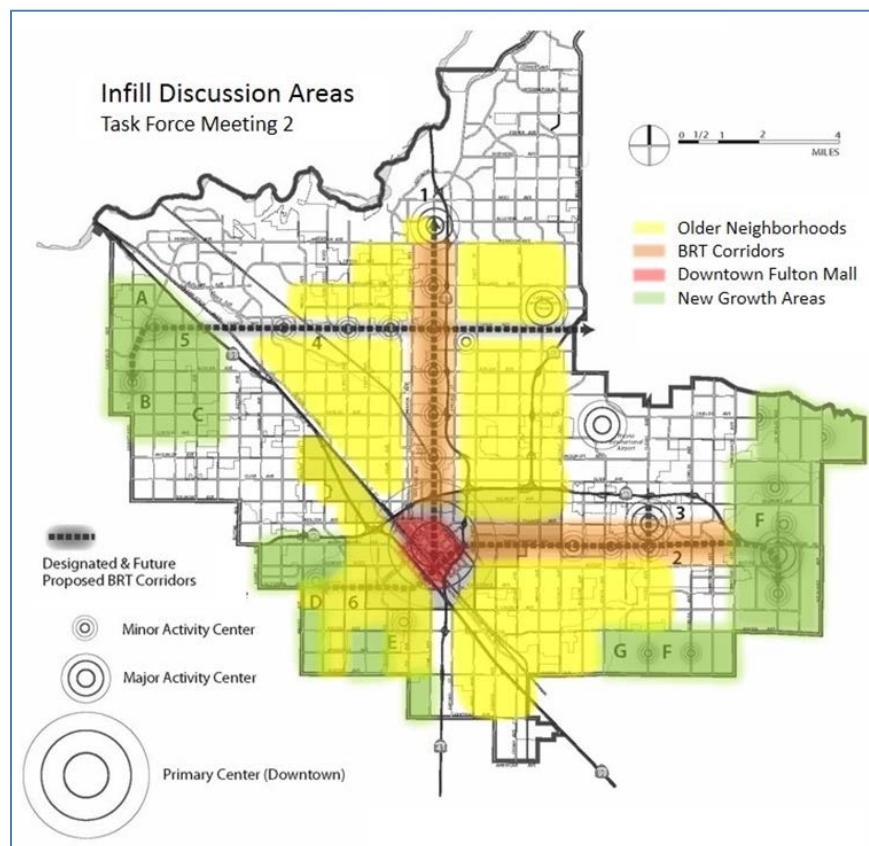


Figure 4: The city of Fresno, California's priority infill development areas.
Image source: Renaissance Planning Group

STRATEGY 1: IDENTIFY PRIORITY INFILL DEVELOPMENT AREAS	PRIORITIES
<p>How?</p>	<p>To identify priority infill development areas, a community needs a vision for where and how it would like to grow and the change it would like to see. Some communities broadly identify priority development areas and priority preservation areas. Public involvement is critical to the success of this strategy. The local government can make more informed and equitable decisions by involving existing residents, business owners, and community groups early in the process of identifying these areas. Authentic, meaningful, and sustained community engagement is particularly important in distressed communities, where existing residents may be hesitant or unable to be actively involved in the decision-making process because of cultural, linguistic, or other barriers. Linguistic barriers can be addressed through multi-lingual outreach. Common public involvements techniques include community meetings, charrettes, social media, and focus groups. These techniques allow these groups to voice their concerns about problems that may arise due to infill development, such as loss of affordable housing and displacement of existing residents. This knowledge allows local governments to craft more effective and targeted policies.</p> <p>In addition to public involvement, there are several ways a local government can identify priority infill areas. Some key considerations are presented in Table A-1 in the Appendix. For example, the local government can look for areas that are already attracting growth; areas with higher than average property values, which indicates higher demand; areas with sufficient infrastructure to support new growth without requiring large investments; or areas where other public investments are already being made.</p> <p>Several funding resources for making these improvements are described later in this report. However, communities also have several existing streams, such as Community Development Block Grants (CDBG) and other formula funds that can be directed to priority areas. For example, Richmond, Virginia, refocused existing community development funds to improve distressed neighborhoods.</p>

Case Study: Targeting Investment with the Neighborhoods in Bloom Program, Richmond, Virginia

Richmond's Neighborhoods in Bloom program directs local, federal, and nonprofit funds to distressed neighborhoods that are most likely to leverage private investment. The Federal Reserve Bank of Richmond summarized the program's approach to revitalizing neighborhoods, which runs counter to how most local governments invest their community development funds: "Typically, cities satisfy federal eligibility requirements by targeting HOME [U.S. Department of Housing and Urban Development's HOME Investment Partnerships Program] funds to low-income individuals and CDBG [Community Development Block Grant] funds to low- to moderate-income districts. In practice, this means that cities spread CDBG and HOME funds somewhat thinly among many low-income neighborhoods, responding as much to political pressures from these neighborhoods as to low-income needs. An unfortunate result of this practice is that the critical mass of public investment that may be needed to stimulate self-sustaining private market activity in a neighborhood may never be achieved."

Richmond applied its targeted investment approach starting in the late 1990s. The city invested about 80 percent of its federal housing funds in six- to 12-block sections of six neighborhoods. Richmond also directed many of its own capital improvement resources to these areas, and the Local Initiatives Support Corporation (LISC) aligned many of its investments with the city's strategy. Richmond obtained political support for the strategy by working closely with community groups, elected officials, and community development corporations to select the targeted areas. Richmond also used data on neighborhood condition criteria and revitalization potential to inform its selections. The neighborhood condition criteria included vacancy rates, crime, poverty level, homeownership rate, and housing quality. Revitalization criteria included the strength of civic organizations in the neighborhood, the existence of redevelopment plans, and market trends.

After selecting the neighborhoods, Richmond worked with nonprofit partners to buy vacant houses and lots, rehabilitate old houses, build new houses, provide down payment assistance and counseling to homebuyers, and help owners with maintenance. The city also stepped up code enforcement and increased police patrols in the areas. Five years after the program started, the Federal Reserve Bank Study found evidence that it had a positive effect on home prices in the targeted neighborhoods. Housing prices grew 10 percent faster in the target neighborhoods than citywide, indicating higher market demand. The program was also cost effective. The study's authors noted that the increase in property tax revenue from the neighborhood would pay for the program's investments within 20 years.

As a result of the program's success, the American Planning Association and HUD selected Neighborhoods in Bloom as the 2006 recipient of its Opportunity and Empowerment Award. Each year, this award goes to one project nationally that improves quality of life for low- and moderate-income community residents. Richmond cut the program's funding during the 2007-2009 recession as the real estate market cooled and smaller developers lost access to credit. However, the program demonstrated its value during the more favorable market conditions, and the city continues to fund it, albeit at a lower level that reflects the weaker housing market since the recession.

Sources: Accordino, John, George Galster, and Peter Tatian. *The Impacts of Targeted Public Investment and Non-Profit Investment on Neighborhood Development*. Federal Reserve Bank of Richmond. Jul. 2005; Adesanya, Ireti. "Carver Revitalization Efforts Cut Short." Richmond.com. December 26, 2013. http://www.richmond.com/city-life/article_db71ecc8-6904-11e3-829a-001a4bcf6878.html. Accessed Dec. 16, 2014; American Planning Association. "Richmond Revitalization Program Receives HUD Award." <https://www.planning.org/newsreleases/2006/apr25.htm>. Accessed Dec. 16, 2014; and City of Richmond. "Neighborhoods in Bloom." <http://www.richmondgov.com/neighborhoods>. Accessed Dec. 16, 2014.



Figure 5: Communities like Richmond, Virginia have concentrated investment in priority areas to produce higher returns on investment—either financially or in terms of visibility and catalyzing private investment.

Photo source: Ron Cogswell, Flickr

Policies

STRATEGY 2: EXPEDITE DEVELOPMENT REVIEW		POLICIES
What?	Development review is an important tool for ensuring development proposals are consistent with a local government’s policies and codes. Local governments often set time limits on each step of their review process. Steps could include a preliminary meeting between the developer and local government staff, plan review, and a public hearing. A local government could use expedited development review to shorten the period in which it promises to take action on qualified proposals.	
Why?	Reducing the time for the local government’s review process can help developers save money because the project takes less time to complete.	

STRATEGY 2: EXPEDITE DEVELOPMENT REVIEW		POLICIES
How?	<p>To use this strategy, the local government must decide what kind of projects it would like to encourage and where it wants them (see Strategy 1). Then, it can develop criteria to determine which projects qualify for expedited review. Criteria might include the amount of new housing or retail, density, or floor area ratios. The local government should market this incentive to prospective developers.</p> <p>San Diego, California, uses expedited permit review to encourage infill development through its Affordable/In-Fill Housing and Sustainable Building Expedite Program. Through the program, San Diego expedites the development review process for projects that increase the city’s affordable housing stock or for infill projects that provide more affordable housing units than they replace. The city’s policies for expediting permit review are in City Council Policy #600-27.¹⁷</p>	

STRATEGY 3: SET TIERED IMPACT FEES		POLICIES
What?	<p>Local governments charge impact fees to developers to offset the cost of new capital facilities and services for the development. Some local governments set different fee levels based on factors such as distance from existing infrastructure or services and the scale and type of development. Using a tiered approach allows a local government to better align the fees with the anticipated impacts. For instance, the fee might be lower for development closer to the community’s center, where infrastructure is already in place. Some local governments have applied the same logic to charge lower fees for smaller new homes, where the anticipated impacts per household could be lower. Another creative approach is to revise transportation impact fees for new development if the development is in an area where people can easily walk, bike, or take transit, which is often the case in infill locations.</p>	
Why?	<p>Uniform impact fees throughout a community ignore differences in the cost to the public sector of providing public services in greenfield versus infill locations. As discussed in the introduction to this report, infill development typically saves money over greenfield development because it reuses existing infrastructure such as streets and water and sewer lines and public service capacity such as police and fire protection. However, infill developers often need to upgrade the existing infrastructure in addition to paying impact fees, adding to the cost of infill development. As with expedited development review, reducing impact fees for infill areas can make development in those areas more financially feasible.</p>	
How?	<p>Communities should first study how the cost of providing services varies by location. This information can be the basis for a tiered impact fee structure in which infill development pays lower impact fees than greenfield development.</p>	

¹⁷ City of San Diego, Development Services Department. “Incentive Programs: Sustainable Building Expedite Program.” <http://www.sandiego.gov/development-services/news/archive/ah.shtml>. Accessed Dec. 1, 2014.



Figure 6: City Walk Apartments near Downtown Charlottesville, Virginia. Parking requirements typically assume suburban conditions where people expect abundant free parking, which are difficult – if not impossible – to meet for many infill projects. Photo source: Renaissance Planning Group

STRATEGY 4: EASE PARKING REQUIREMENTS IN INFILL LOCATIONS		POLICIES
What?	Local governments often have minimum parking requirements in their zoning or development codes based on the square footage or number of housing units in a development. Some local governments have reduced these standards or switched to maximum parking requirements in areas where they want to encourage infill development.	
Why?	Often, communities set minimum parking requirements based on assumptions for areas with spread-out, automobile-oriented development patterns. These standards can require more parking than is needed in more developed areas such as a downtown, where people can park once and visit multiple destinations or can arrive on foot, by bike, or on public transit. Reducing parking requirements for infill development reduces the cost to developers by alleviating the need to build new parking and freeing up developable land for homes, offices, and other uses that generate a higher economic return. Construction costs can range from \$3,000 for a parking space in a suburban surface parking lot to \$35,000 for an underground	

STRATEGY 4: EASE PARKING REQUIREMENTS IN INFILL LOCATIONS		POLICIES
	space in a central business district. These estimates do not include the cost of land or operations and maintenance, which can significantly increase these estimates. ¹⁸	
How?	<p>First, a local government should assess its existing supply of parking in infill areas, as well as current and projected demand. If the local government finds a surplus of parking, it could be in a good position to reduce parking requirements for new development. However, in some places, residents and businesses expect dedicated parking even in downtown areas. Lenders might also require a certain amount of parking. In these instances, the local government might be able to satisfy market or lender demands through other strategies,^{19 20} such as:</p> <ul style="list-style-type: none"> • Shared parking between adjacent or nearby properties with different peak demand times. For example, an office building might share garage parking with an apartment building because office workers generally park during the day and residents at night. • A district approach where permit holders can park in any public space. • Parking cash-out, which allows employees to exchange the dedicated parking space offered by their employer for cash. The employee typically agrees to walk, bike, or use transit instead of driving. <p>Expanding other choices such as transit or car sharing. Car-sharing services allow members to rent vehicles for short periods without needing insurance. Car sharing works well in compact areas where people can reach most daily necessities by walking or transit but occasionally need a vehicle for errands or longer trips. Car sharing makes it easier for people to own fewer cars or even go without a car, thereby reducing parking demand.</p>	

STRATEGY 5: ADOPT FLEXIBLE CODES		POLICIES
What?	<p>In this report, “flexible codes” refers to building, zoning, and other development regulations that give developers more discretion to build a project that responds to current and changing economic conditions while still meeting local standards for safety and design. Some types of flexible codes include mixed-use zones, historic preservation and adaptive reuse districts, form-based codes²¹, or expedited zoning review procedures for reuse of existing buildings.</p>	
Why?	<p>Codes that specify only exterior form and allow a broad range of uses can allow developers to respond to market demand for different uses. If demand increases for one use in the future, flexible zoning and building codes allow owners to change a building’s use with</p>	

¹⁸ Victoria Transport Policy Institute. “Parking Solutions: A Comprehensive Menu of Solutions to Parking Problems.” <http://www.vtpi.org/tdm/tdm72.htm>. Accessed Dec. 1, 2014.

¹⁹ For more information on these and other strategies, see: EPA. *Parking Spaces/Community Places: Finding the Balance Through Smart Growth Solutions*. 2006. <http://www.epa.gov/smartgrowth/parking.htm>.

²⁰ Shoup, Donald. *The High Cost of Free Parking*. Planners Press. 2005 and 2011.

²¹ The Form-Based Codes Institute (FBCI) defines form-based codes as “a method of development regulation, adopted into municipal or county law that emphasizes the physical character of development (its form) and includes – but often de-emphasizes – the regulation of land uses.” The FBCI offers more information in its publication *A Step-by-Step Guide to Form-Based Codes* available at <http://formbasedcodes.org/blog/education/cmap-guide-to-form-based-codes>.

STRATEGY 5: ADOPT FLEXIBLE CODES	POLICIES
	<p>minimal permitting burdens. Flexible codes are useful in distressed markets where demand for infill is fairly weak and rigid requirements might scare off potential developers. Adding this flexibility to local codes allows developers to be more responsive to near-term market demand. For example, a flexible code can allow buildings to be designed to be used for commercial purposes when the commercial market is strong and then converted to housing when that market strengthens.</p>
<p>How?</p>	<p>Rather than trying to control every element of design, a local government can stipulate a few major objectives or design features it wants infill development to achieve and let the developer design a project that meets the objectives. This flexibility can be applied communitywide or to a specific area through an overlay zoning district. These efforts often take substantial time, money, and political will. The local government should consider these changes while updating its comprehensive plan or community vision. Local governments could consider forming an advisory committee and seeking zoning code expertise as first steps.</p>



Figure 7: Hotel Rehabilitation, Fresno, California. Developers often encounter challenges in converting a historic building to a new use. Photo source: Renaissance Planning Group

STRATEGY 6: PROVIDE CLEAR RULES FOR RENOVATING HISTORIC BUILDINGS		POLICIES
What?	Developers want certainty; they want the local government to clearly communicate what is permissible under the code. Encouraging infill in areas with many historic buildings might warrant specific rules for adaptive reuse ²² and perhaps even a separate code or process for historic structures that identifies the currently acceptable life-safety standards while supporting creative and economically viable rehabilitation and renovation.	
Why?	Developers and investors can be discouraged by real or perceived additional costs and complications of renovating historic buildings often located in infill areas. A local government can make these projects more attractive by providing clear guidance and identifying some common reuse strategies and design features through design guidelines or demonstration projects.	
How?	First, the local government can identify its priority historic buildings for reuse in an infill area and establish clear rules for development through an overlay zoning district with regulations that preserve the district’s historic character. This step provides clarity for developers. For current tenants of historic properties, the local government can establish design guidelines that show how to respect historic features while accommodating business needs such as outdoor seating, signage, awnings, and landscaping. Design guidelines can be applied in a district or building by building. Strategy 7 discusses adaptive reuse ordinances, which also make it easier to renovate older office or industrial spaces.	

STRATEGY 7: ADOPT AN ADAPTIVE REUSE ORDINANCE		POLICIES
What?	An adaptive reuse ordinance makes it easier to convert older, economically obsolete buildings to new uses, such as housing, by providing tailored zoning and code requirements that recognize the differences between reuse and new development. Local governments can apply an adaptive reuse ordinance in specific zones with concentrations of historic and underused buildings.	
Why?	Developers often encounter challenges in converting a historic building to a new use. They might find it difficult or impossible to earn an acceptable return on investment if they must apply standards for new construction to a historic building. For example, in Los Angeles, prior to the city’s adoption of its Adaptive Reuse Ordinance, developers had to provide two or more parking spaces for each housing unit, which made it nearly impossible to convert a vacant downtown building into housing. ²³ An adaptive reuse ordinance applies specifically to older and historic buildings to make development economically feasible. By making it less costly to reuse an existing building, communities can increase jobs, housing options, and retail activity in existing and distressed neighborhoods.	

²² Adaptive reuse refers to converting historic and underutilized buildings to new uses that respond to market demand. The City of Los Angeles has one of the most successful adaptive reuse programs. Information is available here: <http://preservation.lacity.org/incentives/adaptive-reuse-ordinance>.

²³ Rosenberg, Jeremy. “How Downtown LA Became a Place to Live (without Parking).” KCET. April 2, 2012. <http://www.kcet.org/socal/departures/columns/laws-that-shaped-la/how-downtown-la-became-a-place-to-live-without-parking.html>.

STRATEGY 7: ADOPT AN ADAPTIVE REUSE ORDINANCE		POLICIES
How?	<p>As a first step, the local government can identify parking, density, design, and/or fire and safety standards that developers might have difficulty meeting when redeveloping a historic building and assess which of these standards might be relaxed for infill development. An adaptive reuse ordinance could, in certain zones, eliminate density restrictions, reduce the minimum housing unit size, waive parking requirements, and allow expedited development review.</p> <p>The city of Los Angeles has catalyzed significant adaptive reuse in downtown Los Angeles through changes in the city code. The city’s Adaptive Reuse Ordinance reduced the minimum size for apartments and condominiums, waived density standards within the zones where the Adaptive Reuse Ordinance applies, removed the requirement for developers to seek height and setback variances for their adaptive reuse projects, and eliminated requirements for developers to add parking spaces. These changes made adaptive reuse projects more financially feasible.²⁴ In the 30 years prior to the adaptive reuse ordinance, downtown Los Angeles added only 4,300 housing units. In the 10 years following the city’s adoption of the Adaptive Reuse Ordinance, in 1999, the downtown added at least 7,300.²⁵ For more information, see: www.preservation.lacity.org/incentives/adaptive-reuse-ordinance.</p>	

STRATEGY 8: OFFER DENSITY BONUSES IN INFILL LOCATIONS		POLICIES
What?	<p>Density bonuses allow developers to build at a higher density than is allowed under the existing zoning code. This is typically allowed in exchange for a community benefit, such as a park or affordable housing.</p>	
Why?	<p>A density bonus allows a developer to spread the cost of land and other predevelopment costs among more units or square feet. By adding square feet and/or housing units, the developer might be able to increase the return on investment from the project. Density bonuses are also important incentives for developers to provide community benefits, such as park space or other infrastructure that are often needed in infill areas. Therefore, density bonuses can bring both the benefits of more people living in the priority infill area and much needed community facilities and infrastructure to support existing residents and new development.</p>	
How?	<p>Density bonuses can be governed through the zoning code or applied during development review and approval. They can be effective in areas where the high cost of land is an obstacle to infill development. Local governments might want to assess the market conditions to determine if density bonuses will be appropriate and effective. In areas with weak demand for infill development, developers might not be able to price the finished product high enough to</p>	

²⁴ The City of Los Angeles. “Specific Plan for the Areas of Chinatown, Lincoln Heights, Hollywood Community Redevelopment Project Area, Certain Portions of the Wilshire Center/Koreatown Community Redevelopment Project Area, and Central Avenue South of Freeway Number 10 and North of Vernon Avenue.” December 20, 2002. <http://ladbs.org/LADBSWeb/adaptive-reuse-projects.jsf>.

²⁵ Rosenberg, Jeremy. “How Downtown LA Became a Place to Live (without Parking).” KCET. April 2, 2012. <http://www.kcet.org/socal/departures/columns/laws-that-shaped-la/how-downtown-la-became-a-place-to-live-without-parking.html>.

STRATEGY 8: OFFER DENSITY BONUSES IN INFILL LOCATIONS		POLICIES
	recoup the higher costs of building at higher densities. In these weaker infill markets, allowing greater density is not likely to be helpful. Once existing neighborhoods experience greater investment and development activity, density bonuses may become a more useful mechanism to encourage infill development and shape such development in a manner that helps meet the needs of new and existing neighborhood residents.	

STRATEGY 9: PUT PUBLIC OFFICES IN INFILL LOCATIONS		POLICIES
What?	Local, state, and federal agencies can improve market conditions for infill development by locating their offices in priority infill areas. They have more flexibility than businesses to make their location decisions based on social, environmental, or other quality of life benefits.	
Why?	Public-sector employers can improve the market for infill development by filling vacant office space or building new offices in priority infill areas. Office workers coming into the neighborhood stimulate demand for services, restaurants, and homes. Government employers can also help developers secure financing and reduce their risk by agreeing to rent or buy space in their projects.	
How?	<p>A local government would first assess its own future space needs and determine which departments or functions are suited to an infill location. It can also determine which priority infill areas could benefit the most from having a government office—for example, places where employees would patronize local businesses, provide an audience for local events, and improve the sense of safety simply by bringing more activity to the neighborhood. Locations where workers will drive in and drive out and never leave the building are less likely to stimulate additional investment in the area.</p> <p>The local government could also contact state and federal agencies, authorities, and educational institutions that own or lease space in the region to find out what their needs are and help them find suitable infill locations. The federal government has made siting federal offices in central business districts and rural town centers a priority, as established in Presidential Executive Order 13514 for Federal Leadership in Environmental, Energy, and Economic Performance.²⁶ The General Services Administration (GSA) represents federal agencies that own or lease space, and would work with local governments to identify locations that meet federal needs.</p>	

²⁶ Executive Order 13514 (<http://www.whitehouse.gov/administration/eop/ceq/sustainability>).



Figure 8: Johns Hopkins public-private partnership to redevelop East Baltimore.

Photo source: Anne Ditmeyer, Flickr

Case Study: Bundling Public and Private Resources: East Baltimore Development, Inc.

East Baltimore Development, Inc. (EBDI) is a 501(c)(3) nonprofit consortium founded in 2003 to redevelop the economically distressed East Baltimore neighborhood just north of Johns Hopkins University. The consortium, managed by the city of Baltimore, the state of Maryland, Johns Hopkins University, local businesses, and nonprofit groups, plans to spend about \$1.8 billion to redevelop an 88-acre area. The 2012 project plan calls for up to 2,000 new or renovated mixed-income homes, 122,000 square feet of retail space, an elementary school, and nearly 2 million square feet of commercial space, including a new university biotech center. EBDI acquired 2,000 properties on behalf of the city and helped 750 families and businesses relocate to prepare the site for redevelopment. Many residents are expected to return to the neighborhood after the new homes are built.

The project stoked opposition among some residents concerned that the new development would displace people that had lived in the neighborhood for several decades. This is a common concern in major redevelopment projects. In response to these concerns, EBDI included affordable housing in the redevelopment and provided support to families for five years after relocation.

While community concerns have presented a challenge to EBDI, the project is a good example of how public and private resources can combine to support infill development. EBDI received public funds from the city, state, and federal governments; private funds from Johns Hopkins University and several businesses; and philanthropic funds from the Annie E. Casey Foundation, Jeanette Weinberg Foundation, and Atlantic Philanthropies. EBDI also received \$22.3 million from HUD's Section 108 program in 2003 to acquire and demolish structures and provide services to families temporarily displaced by construction. EBDI is also using New Markets Tax Credits, and the city established a tax increment financing district for the project (see Strategy 28 for more on tax increment financing).

The 2007-2009 national recession delayed work on the project, but new office space, apartments, and the school opened by 2014 and the project started moving forward again.

Sources: East Baltimore Development Inc. Financial Information. http://www.ebdi.org/financial_information. Accessed Dec. 23, 2014; East Baltimore Development Inc. "Forest City New East Baltimore Partnership, 2011 Recommendations." March 12, 2012. http://www.ebdi.org/master_plan_recommendation. Accessed Dec. 16, 2014; Kilar, Steve. "From 'Middle East' to 'Eager Park,' a Community Is Rebranded." *Baltimore Sun*. May 25, 2013; and Sherman, Natalie. "East Baltimore Development Moves to Next Phase." *Baltimore Sun*. Dec. 14, 2013.

Partnerships

STRATEGY 10: SEEK STATE AND REGIONAL PARTNERS		PARTNERSHIPS
What?	Distressed communities often lack the financial resources and staff to promote infill development. Partnerships with state and regional government agencies or institutions can help close these gaps.	
Why?	State and regional partners often have resources that local governments can use to plan or prepare areas for infill. For example, the region’s metropolitan planning organization can fund studies and infrastructure that set the stage for infill, and a state’s housing agency might provide technical assistance or tax credits that help attract new development. These partners might also help build the market for infill by putting offices in priority infill areas, as described in Strategy 9.	
How?	<p>A local government can build relationships with state and regional partners by dedicating a staff person to infill development. Part of this person’s responsibilities could include monitoring state and regional funding programs and policies while also developing relationships with key staff of agencies that can help the community get infill development. Local elected officials can also forge relationships with state staff and elected officials. These relationships help state government staff understand the local government’s goals and vision.</p> <p>Fresno, California, partnered with the California Governor’s Office to convene an expert task force that helped the city identify strategies for supporting infill development. The state’s participation increased the stature of the task force and attracted some of the state’s leading experts. The contacts that arose through the task force allowed the state to point Fresno toward specific funding sources. In 2014, with the knowledge gained from the task force, California started creating a pilot funding mechanism to support infill development statewide.</p>	

STRATEGY 11: IDENTIFY AND ENGAGE KEY ANCHOR INSTITUTIONS		PARTNERSHIPS
What?	Anchor institutions are businesses or nonprofit organizations that have a vested interest in the community because of real estate holdings, capital investment, history, or mission.	
Why?	Anchor institutions can often make real estate investments that serve their programmatic needs while contributing to economic development. Nonprofit anchor institutions might be less subject to market imperatives than private businesses, allowing them to target their investments in ways that encourage additional private investment. ²⁷	
How?	Local governments can start by identifying anchor institutions that might have a stake in priority infill areas and determining where their interests overlap with those of the local government in areas such as housing rehabilitation, streetscape improvements, or public safety. The local government could invite the anchor institutions to participate in existing programs or create a new program to work together on community improvement projects. For example, anchor institutions can encourage infill development and neighborhood revitalization through employer-assisted housing programs (see Strategy 12). Public anchor	

²⁷ EPA. *Anchor Institutions and Downtown Reinvestment in Fresno*. Aug. 20, 2012.

STRATEGY 11: IDENTIFY AND ENGAGE KEY ANCHOR INSTITUTIONS	PARTNERSHIPS
<p>institutions, such as neighborhood schools, can be very important partners. Schools play a large role in neighborhood perception, and school leaders can help improve their neighborhoods through programs that connect residents to school improvement projects and mentoring programs.</p> <p>Anchor institutions are physically and economically “anchored” to the broader community, so the local government could also engage those that are located outside of priority infill areas. They still have an interest in improving their region’s economy.</p> <p>The Cleveland Foundation initiated a partnership with the City of Cleveland and its leading anchor institutions in 2005 to launch the Greater University Circle initiative. The initiative is helping guide new investment in a four-square mile area known as Greater University Circle. The district is home to the region’s top cultural institutions as well as major universities and medical institutions, some of which are international leaders. The goal of the initiative is to turn this district into the best place to live, work, and visit in Northeast Ohio by harnessing the resources of the area’s large anchor institutions to benefit the residents and transform their neighborhoods. The initiative is led by a non-profit, University Circle Inc., responsible for the development, service, and advocacy of University Circle. (See: www.clevelandfoundation.org/grants/our-priorities/greater-university-circle/.)</p>	



Figure 9: Johns Hopkins University, Baltimore. Anchor institutions also have a stake in infill development and revitalization. Photo source: Let Ideas Compete, Flickr

Case Study: Engaging Anchor Institutions: Fresno, California

Fresno's Mayor Ashley Swearengin came to the conclusion that Downtown Fresno and its surrounding historic neighborhoods could not be revitalized without the collaboration of local anchor institutions. In early 2014, Mayor Swearengin convened the leaders of Fresno's educational institutions, medical institutions, and other key sectors such as banking and agriculture to stand up the Fresno Presidents' Council. The Council developed a declaration, signed by all its members, which stated:

Our industries and institutions are, by nature, rooted to this region. We will still be here in 100 years, a part of the community for as long as Fresno exists. Our futures are inextricably tied to the ability of the region to prosper and be healthy.

Anchor institutions in other communities throughout the country have successfully partnered with one another, with local government, and with other community institutions to spur catalytic community investments. Working together, these institutions have brought new life to downtowns, urban neighborhoods, and local economies.

The Fresno Presidents' Council resolves to:

- *Support public investments in the inner city, starting with infrastructure and regulatory changes, necessary to restore Downtown Fresno as the regional center for commerce and culture.*
- *Plan together and create programs, facilities, events, etc., that combine the strengths of our offerings to provide novel and needed health care, educational, financial management, and nutritional services to the community, especially in neighborhoods of greatest need, furthering our institutions' individual missions.*
- *Work collaboratively with one another and with other businesses and community-based organizations to maximize the positive impact on the local economy of our institutions' buying power.*
- *Explore nontraditional opportunities to invest directly in historic neighborhoods of concentrated poverty, such as by creating housing and recreational opportunities for employees that aid in recruitment and retention while contributing to neighborhood revitalization.*
- *Advocate for a long-term approach to land use decisions at all levels, reflecting consciousness of the high value of food production over time as one of the primary drivers of the region's export economy, and of the connection between threats to the region's future and continued disinvestment in the existing, urbanized area of the community.*
- *Collaborate with additional partners and pursue the funding and other resources necessary to achieve our objectives.*

Source: Sheehan, Tim. *Fresno Mayor Swearengin corrals business, education leaders to support downtown efforts.* The Fresno Bee. http://www.fresnobee.com/2014/02/26/3791931_fresno-mayor-swearengin-corrals.html?rh=1.

STRATEGY 12: EXPLORE EMPLOYER-ASSISTED HOUSING		PARTNERSHIPS
What?	Employer-assisted housing includes financial assistance or education offered by an employer to help its workers purchase homes. Housing finance company Fannie Mae describes employer-assisted housing as “an employee benefit that helps an employer achieve business goals while helping their employees with housing needs.” ²⁸	
Why?	<p>Employer-assisted housing supports an employer’s interest in providing decent and affordable housing for its employees to attract and retain a skilled workforce. Employer-assisted housing programs can have the added benefit of stimulating weak-market areas by bringing new residents and new investment. In downtown areas, employer-assisted housing can help balance the number of jobs and homes.</p> <p>The Metropolitan Planning Council in the Chicago region found that employees participating in one employer-assisted housing program had far lower turnover rates than non-participating employees.²⁹ More information on employer-assisted housing programs is available through HUD: http://portal.hud.gov/hudportal/HUD?src=/states/illinois/news/eah.</p>	
How?	A municipal government can establish its own employer-assisted housing program as a model for other employers in the area. The program could involve direct financial assistance to homebuyers or renters, or homebuyer counseling. With its newfound expertise, the local government can work with employers to establish their own programs, with a special emphasis on older neighborhoods and infill locations. Employers can often deduct the expense from their federal taxes. Additionally, in some states, employers receive a tax credit for their investment in employer-assisted housing.	

STRATEGY 13: ENGAGE PHILANTHROPIC ORGANIZATIONS		PARTNERSHIPS
What?	Local, regional, state, and national philanthropic organizations can support local governments’ community development efforts. Organizations that support environmental protection, affordable housing, social equity, distressed communities, and economic development will have a natural interest in infill development.	
Why?	Distressed communities often need financial and technical assistance to achieve their economic and development goals. Philanthropic organizations can fill this void through grants, loans, advocacy, training, or even direct investment in projects.	
How?	The local government can identify local and national organizations that might have funding programs relevant to the community’s development goals. ³⁰ In addition to tracking and applying for funding opportunities, the local government can build relationships with philanthropic organizations to engage them as long-term partners in solving complex community development challenges. Locally based foundations have a particular interest in	

²⁸ Ross, Lynn M. *Quantifying the Value Proposition of Employer-Assisted Housing: A Case Study of Aurora Health Care*. Center for Housing Policy. May 2008.

²⁹ Metropolitan Planning Council. “Employer-Assisted Housing.” <http://www.metroplanning.org/work/project/8>. Jan. 31, 2014.

³⁰ The Smart Growth Funders Network maintains a list of its members, foundations that focus on growth, and development issues, at <http://www.fundersnetwork.org/connect>.

STRATEGY 13: ENGAGE PHILANTHROPIC ORGANIZATIONS		PARTNERSHIPS
	<p>local revitalization initiatives, similar to anchor institutions (see Strategy 11), but they might not know about the initiatives or understand how to get involved. Public and private stakeholders in infill development can approach these organizations to share information on local initiatives, learn about the organization’s funding priorities, and look for areas of mutual interest.</p> <p>Philanthropic organizations typically want to support projects with a high likelihood of success, rather than being “first out of the gate” investors in an untested idea. The local government can identify infill projects that fit a philanthropy’s mission and goals where the foundation can provide meaningful support as one of several partners.</p> <p>Phoenix, Arizona, tapped into local and national philanthropic groups and nonprofit organizations to launch a \$20 million revolving loan fund that supports transit-oriented development in some of the region’s most economically distressed neighborhoods. LISC and Raza Development Fund contributed the seed money, and a partnership of local governments, nonprofit anchor institutions, state and regional agencies, and local businesses manage it. Between 2011 and 2014, the fund leveraged \$141 million in private investment and funded more than 900 housing units in 15 projects. To learn more about the fund’s accomplishments, visit www.sustainablecommunitiescollaborative.com/our-accomplishments/.</p>	

STRATEGY 14: CREATE A PUBLIC SECTOR-DEVELOPER LIAISON		PARTNERSHIPS
What?	<p>A public sector-developer liaison is a local government staff person who helps developers navigate the development review process; researches and recommends policy changes that support infill development; and provides technical assistance to developers on applicable local, state, and federal financing programs.</p>	
Why?	<p>Developers can consume valuable time navigating and understanding a local government’s codes and policies. The government can help make infill projects easier and faster by providing a knowledgeable staff person to work with developers to navigate the municipal processes. This person could be a local expert on local, state, and federal funding programs for infrastructure and development finance to help developers identify and understand financing tools and other resources to help get infill projects off the ground. Many development incentive programs are very complex and can be intimidating for less-experienced developers.</p>	
How?	<p>The community could establish a position dedicated to encouraging infill development and assisting developers build infill projects. This person would learn about state and federal infrastructure and development financing programs and establish good working relationships with local developers who are interested in infill projects. The staff person probably fits most naturally in the planning department or an authority or department dedicated to economic or downtown development. The local government might want to establish some criteria for which projects are eligible for this liaison service—for example, those within a priority infill area.</p>	

STRATEGY 15: CREATE A LOCAL DEVELOPER CAPACITY-BUILDING PROGRAM		PARTNERSHIPS
What?	A capacity-building program sponsored by the local government could help local developers learn the skills they need to build infill projects. This program could encompass training, financial support, and partnerships with local colleges or technical schools.	
Why?	Local developers might be more likely to invest in infill projects that larger national developers might view as too risky. But these developers might not have the experience of larger firms. Unlike the developer liaison described in Strategy 14, a capacity-building program would go beyond facilitation to enhance local developers’ skills and knowledge of infill development techniques, design, organizational development, and financing.	
How?	Local governments can help improve local developers’ skills through training programs or by collaborating with existing programs. For example, many community colleges and universities offer construction management and development training programs. Local governments can also work with the local chapters of national real estate organizations, real estate development certification and training programs, and coordinate with conferences and seminars on real estate development. City-assisted pilot infill development projects are another way to build capacity that can make a tangible improvement in a priority infill area. Supporting such a program could be one of the job descriptions of the liaison. A developer liaison (Strategy 14) could lead a pilot project.	

Perception

STRATEGY 16: STRENGTHEN CODE ENFORCEMENT		PERCEPTION
What?	Local governments enforce codes through dedicated code enforcement officers, the local police department, or both. Enforcing property maintenance codes is especially important to improving people’s perception of a neighborhood. Consistent code enforcement can improve a neighborhood’s look and feel, improve safety, and boost the confidence of community members and potential investors.	
Why?	Derelict housing and vacant commercial spaces can decrease the value of adjacent properties. They can also affect the perception of potential homebuyers, renters, and businesses looking to relocate to the area. Effective code enforcement can help redress blight and improve people’s perceptions of the neighborhood’s safety and value.	
How?	The local government can start its enhanced code enforcement efforts by working with neighborhood associations in priority infill areas to identify properties that need help. Some property owners might be neglecting maintenance and violating codes due to economic hardships. For these owners, some local governments provide financial assistance to make repairs. The local government can also take legal action, such as assessing a tax lien for cleanup, or apply fines when property owners fail to fix code violations. This approach will likely work best in neighborhoods with a few problem spots. Enhanced code enforcement is less likely to work in neighborhoods with extensive abandonment and disinvestment. In these neighborhoods, the local government may choose to acquire vacant properties and assemble them into larger parcels to make available for redevelopment. This work is often carried out through land banks, which are described in strategy 22. Some local governments have also worked to turn these neighborhoods back into open space or park lands rather than encourage future infill development.	



Figure 10: Occupied and vacant housing side-by-side in Gary, Indiana. Something as simple as a broken window can indicate a lack of respect for property, or indicate that a neighborhood is in economic and social decline.

Photo source: Eric Allix Rogers, Flickr

STRATEGY 17: BUILD COMPLETE STREETS		PERCEPTION
What?	During the second half of the 20th century, most streets in American cities were designed with the primary consideration of moving vehicles. Now, many cities are adopting the concept of “complete streets,” which are safe and comfortable for all users—pedestrians, bicyclists, transit riders, and drivers. ³¹	
Why?	Complete streets are especially important in priority infill areas. These areas are more likely to attract the interest of potential residents and businesses—and therefore developers—if they are welcoming to all modes of transportation and offer people easy access to daily destinations without needing a car. Complete streets can also improve the public perception of an area by adding more activity and eyes on the streets, which improves public safety. Also, by creating more travel options, complete streets can reduce parking demand and the cost to build parking in new development.	
How?	<p>Several design elements help transform an automobile-oriented corridor into a complete street, including wider sidewalks, street trees, a buffer between moving traffic and the sidewalk (e.g., a parking lane), protected bicycle lanes, and buildings that face the street. Some particularly wide roads might be well suited for a “road diet,” which reduces the number of lanes or narrows existing lanes. The narrower street naturally encourages drivers to slow down; shortens the distance pedestrians must cross, which is particularly important for people with mobility problems; can create room for bike lanes; and can reduce the amount of impervious surface, which can reduce stormwater runoff.³²</p> <p>The local government can take an important early step by identifying future complete streets in its transportation or comprehensive plans. Once the community knows where it would like to make these improvements, it can work with its metropolitan planning organization (MPO) or state department of transportation to design the improvements and program funds for construction. This process can take several years.</p>	

³¹ For more information and resources on complete streets, including model complete streets policies, see: Smart Growth America. “National Complete Streets Coalition.” <http://www.smartgrowthamerica.org/complete-streets>. Accessed Aug. 13, 2014.

³² See the following resources: Complete Streets Coalitions Resources page (<http://www.smartgrowthamerica.org/complete-streets/complete-streets-fundamentals/resources>); Institute of Transportation Engineers “Designing Walkable Urban Thoroughfares: A Context Sensitive Approach” (<http://library.ite.org/pub/e1cff43c-2354-d714-51d9-d82b39d4dbad>); and EPA’s *Restructuring the Commercial Strip: A Practical Guide for Planning the Revitalization of Deteriorating Strip Corridors* (http://www.epa.gov/smartgrowth/corridor_guide.htm).

STRATEGY 18: CREATE A BUSINESS IMPROVEMENT DISTRICT		PERCEPTION
What?	A business improvement district (BID) is a defined area within which businesses pay an additional tax or special assessment to fund projects within the existing business area. Local governments can establish BIDs to raise additional property tax revenue and reinvest the funds into the district to improve the business climate. The additional revenue can go toward maintenance, marketing, cleaning, events, and moderate capital and streetscape improvements, such as rebuilding sidewalks. These services go beyond the baseline services provided by the local government.	
Why?	Private malls have advantages that public business districts lack. For instance, they provide shared parking, security, litter and graffiti cleanup, marketing, and capital improvements. The merchants share these expenses by paying their rent to the mall’s owner. Business districts typically have fragmented land and building ownership, and, as a result, it is more difficult to pursue collective action that improves the entire district. BIDs can remedy this competitive disadvantage.	
How?	<p>BIDs require state enabling legislation, and their organization and powers vary from state to state. BIDs are typically established through a vote by property owners in the defined district. In some states, the vote requires a supermajority of two-thirds or more before the BID is approved. Once approved, the property owners pay an additional increment on their property taxes that can be used only to benefit the district. BIDs are typically managed by an executive director and overseen by a board of property owners in the district. The board typically decides how to spend funds generated by the district.</p> <p>BIDs can be used in any business district that includes several businesses and buildings under different ownership. However, they are especially useful for areas that are struggling to attract shops and investment due to poor collaboration among property owners or poor public perception. Often, communities establish them in downtowns. The city of Oklahoma City is an example of a community that used BIDs to revitalize struggling commercial districts. Information about Oklahoma City’s program is available here: www.okc.gov/planning/cdrp/bid.htm.</p>	

STRATEGY 19: HOLD PUBLIC EVENTS AND FESTIVALS IN INFILL LOCATIONS		PERCEPTION
What?	Public events and festivals can bring foot traffic and customers to priority infill areas.	
Why?	Regular, neighborhood-centered events such as farmers’ markets, bike rodeos where bike safety is taught to children, craft and food fairs, winter holiday ice rinks, and church festivals can connect neighbors and build a neighborhood’s identity (see Strategy 20). Some cities have also organized housing tours to market the downtown and historical neighborhoods. The tours can introduce people to the housing options in these areas and highlight locations where the community wants to attract investment and infill development. These events can help to change perceptions and support local businesses.	
How?	Events can be organized and promoted by neighborhood anchor institutions, a BID, local businesses, or other organizations.	

STRATEGY 20: INITIATE A NEIGHBORHOOD IDENTITY CAMPAIGN		PERCEPTION
What?	A neighborhood identity campaign strengthens or establishes an area’s identity by giving it a name and tying specific architecture, signage, public art, or public spaces to it.	
Why?	Local governments can encourage development in older neighborhoods by promoting their distinctive characteristics. These strategies can improve residents’ perceptions of an area, which can increase market demand for housing, commercial space, and offices.	
How?	Community identity can come from its historic or cultural roots; a specific facility or public place such as a park, cultural institution, or commercial district; or an architectural style or identity. Local governments, community groups, and residents can develop a community identity campaign to confirm a neighborhood’s identity or rebrand it based on these attributes. Once the identity is established, the local government and community members can improve public awareness of distinctive neighborhoods through tools such as marketing materials, distinctive signs, a neighborhood website, or a neighborhood nickname. Neighborhoods can also undertake joint promotional activities with anchor institutions that have a stake in the neighborhood’s health and perception.	



Figure 11: Unique street signs in The Fan District of Richmond, Virginia. Local governments can encourage development in older neighborhoods by promoting their distinctive characteristics.

Photo source: Jason Coleman, Flickr

Paying for Infill Development and Infrastructure

A strong foundation of supportive policies is necessary for an infill development market to emerge and thrive, but it does not guarantee success. Infrastructure improvements add to the cost of infill development projects. When infrastructure is in place, developers must still get financing to build their projects. They might find it difficult to secure financing for a concept with few comparable projects in the region, or the anticipated revenue might be too low to cover the cost of development. In these instances, the local government needs to decide if it is willing to financially help an infill project to achieve its vision for the area.

This section describes some standard and innovative funding options, focusing on emerging or creative funding mechanisms, to support development and fund infrastructure.

Funding for Infill Development

STRATEGY 21: ENACT A PROPERTY TAX ABATEMENT PROGRAM FOR INFILL LOCATIONS		FUNDING FOR INFILL DEVELOPMENT
What?	Local governments use property tax abatement to waive property taxes on improvements such as a new or remodeled house for a fixed period of time.	
Why?	Without a tax abatement policy, a property owner could receive a substantially higher tax bill after improving his or her property. Higher taxes resulting from property improvements are an economic disincentive to investment. Communities can attract investment in priority infill areas by reducing or eliminating property taxes on new investment. With a lower future tax obligation, the owner or developer can more easily afford to take on debt to make improvements or repurpose a property.	
How?	A popular tax abatement strategy is to hold the property taxes constant after an improvement, until reaching the time limit set by the local government. Cleveland and Philadelphia both manage tax abatement programs with 10- to 15-year abatement windows depending on the building type. The local government would need to establish rules for project eligibility, design, geographic coverage of the program, and transferring the abatement from one owner to another. Geographic coverage is an especially important consideration for local governments looking to attract development to a priority infill area. Cleveland and Philadelphia’s programs cover their entire jurisdictions, while Portland, Oregon provides tax abatement in targeted development areas, such as around transit stations. Some cities also choose to attach design requirements. For example, under Cleveland’s program, residential projects seeking tax abatement must meet the city’s green building standards. However, applying too many conditions could defeat the purpose of helping the developer overcome the funding gap by increasing the costs. ^{33 34}	

³³ For more information on Philadelphia’s tax abatement program, see: Office of Housing and Community Development. Tax Abatement. <http://www.phila.gov/ohcd/taxabate.htm>. Accessed Dec. 2, 2014.

³⁴ For more information on Cleveland’s tax abatement program, see City of Cleveland. Tax Abatement. <http://www.city.cleveland.oh.us/CityofCleveland/Home/Government/CityAgencies/CommunityDevelopment/TaxAbatement>. Accessed Dec. 2, 2014.

STRATEGY 22: IMPLEMENT A LAND BANKING PROGRAM		FUNDING FOR INFILL DEVELOPMENT
What?	Local governments use land banks to acquire, stabilize, and redevelop abandoned or vacant properties. Through land banks, local governments can remove encumbrances such as tax liens or environmental contamination and prepare the property for a new productive use. Land banks effectively “hold” vacant or underused properties for future reuse and redevelopment. ³⁵	
Why?	Vacant and abandoned properties are common in the older neighborhoods of many distressed communities. These properties can damage people’s perceptions of safety, the economy, and general quality of life. They are also wasted assets of land and buildings that could be used for housing, offices, open space, and other more productive uses. However, these properties also come with many problems. They might have tax liens because the owner has not paid property taxes or fines related to property maintenance; they might have environmental contamination; and the local government might not be able to determine who owns the property. Land banks can take possession of these properties, clear them of the problems that make it difficult for a developer to purchase them, and then sell them for redevelopment.	
How?	<p>The local government first needs to collect data on all of its properties, such as data on tax delinquency and code violations. The government can use these data to identify specific areas where a land bank could operate. In some states, state enabling legislation to authorize the land bank and to facilitate property acquisition and tax foreclosures might be needed. Before establishing a land bank, the local government will need to determine how it will be managed. Some land banks are managed by city or county governments, while others are run as an autonomous entity. Once the local government establishes the land bank, it will need to set criteria for acquiring properties. The local government or land bank administrator must also establish policies for how it will stabilize and sell properties.</p> <p>Flint, Michigan, is a good example of a city that has used a land bank to transform vacant and abandoned properties. Genesee County runs a land bank that owns nearly 9,000 properties in the Flint area, including more than 4,400 homes and more than 4,000 vacant residential properties. The county forecloses on properties that are more than three years delinquent in property taxes and transfers them to the land bank. The land bank sells and rents properties and manages vacant lots by mowing and picking up trash or leasing them to neighbors for gardening or leisure. Learn more about the Genesee County Land Bank here: www.thelandbank.org/whatwedo.asp.</p>	

³⁵ A useful publication for communities that are interested in land banking is: Alexander, Frank S. *Land Banks and Land Banking*. Center for Community Progress. Jun. 2011. <http://www.communityprogress.net/publications-pages-396.php>.

STRATEGY 23: IMPLEMENT A LAND VALUE TAX		FUNDING FOR INFILL DEVELOPMENT
What?	A land value tax is a type of property tax that imposes a higher rate on land than the improvements upon it. It can also refer to a property tax that applies only to the land. ³⁶	
Why?	A land value tax encourages development because the tax rate is based on the highest possible use of the property. Therefore, a land value tax makes it expensive to sit on land without developing it. It can also reduce the cost of development because property taxes will rise by only a nominal amount, or not at all, after the owner develops the property.	
How?	Most local governments will need state-enabling legislation to apply land value taxation. As of 2010, land value taxation was used widely only in Pennsylvania and authorized in two other states, Connecticut and Virginia. Local governments could study the experiences of other cities and towns, particularly in Pennsylvania, to understand what works, establish their own policies, and educate elected officials and the public about the policy. Land value taxation would most likely be applied throughout the taxing district and phased in over several years, with the rate for land increasing and the rate for improvements decreasing. Because land value taxation can make owning land more expensive, the Lincoln Institute of Land Policy recommends that communities with high land prices offer exemptions, credits, and varied rates to reduce the impact on land-rich but income-poor citizens. ³⁷	

STRATEGY 24: ATTRACT PRIVATE EQUITY		FUNDING FOR INFILL DEVELOPMENT
What?	“Private equity” refers to funds that are invested in a project by the developer and its partners, or through tax credits and grants. Private equity is considered “patient capital,” meaning that it has more lenient payback terms than a more traditional lender.	
Why?	Nearly all projects will require private equity. Greater private equity in a project gives lenders more confidence and reduces the developer’s debt burden.	
How?	Private equity is one form of debt in a project. It is especially important for adaptive reuse projects in an infill area because traditional lenders might see these projects as more risky and, as a result, will often lend no more than 50 percent of the project’s cost. The local government can help developers attract private equity by helping them pursue private equity sources such as tax credits and grants. The local government can also invest directly in a project. Often, it provides “mezzanine debt,” which fills the gap between a traditional loan and the private equity. Should there be a default, mezzanine debt is subordinate to the traditional loan but is paid back before the private equity investors. ³⁸	

³⁶ Dye, Richard F., and Richard W. England. *Assessing the Theory and Practice of Land Value Taxation*. Lincoln Institute of Land Policy. 2010.

³⁷ Ibid.

³⁸ Raulli, Christy. “Mezzanine Financing in Community Economic Development.” UNC School of Government. Aug. 9, 2013. <http://ced.sog.unc.edu/?p=4598>.

STRATEGY 25: ENCOURAGE COMMUNITY DEVELOPMENT CORPORATIONS		FUNDING FOR INFILL DEVELOPMENT
What?	Community development corporations (CDCs) are nonprofit organizations that manage or invest in projects consistent with community goals, such as job creation, revitalization, and affordable housing. CDCs operate in all 50 states and are often organized and managed by neighborhood residents, institutions such as churches, small business owners, and other groups with an interest in community development. ³⁹	
Why?	CDCs often work in distressed communities on a wide range of services and projects, including infill real estate development, to spur revitalization. They help fill a gap in the market by investing in projects that traditional lenders and developers are not interested in. CDCs can also invest alongside the private sector by providing gap financing between a traditional loan and private equity.	
How?	<p>CDCs are often started by residents or a nonprofit organization, such as a church, that want to improve their community. They are established as 501 (c)(3) nonprofit organizations and often capitalized through public or private grants. Many CDCs support infill development by investing their funds in small to moderate projects in their neighborhood. If necessary, the public sector could collaborate with local CDCs to ensure that their work aligns with community-wide and regional development goals.</p> <p>CDCs sometimes partner with for-profit developers to construct larger projects. In these joint ventures, CDCs often bring local real estate knowledge and local political and community support. CDCs also have access to funding and financing programs administered by the federal government or foundations that might not be available to private developers.⁴⁰ Meanwhile, a for-profit developer might have more access to capital, technical capacity, and experience.⁴¹</p> <p>CDCs often rely on a patchwork of diverse funding sources to carry out their missions. For example, a report on Philadelphia’s CDCs found that federal funding supplies only about 10 percent of their budgets. Earned income provided nearly 30 percent, foundations supplied nearly 22 percent, and state government funding was responsible for about 20 percent.⁴² Three common federal funding sources that CDCs use to support infill development are Community Development Block Grants (CDBGs), Low Income Housing Tax Credits, and the HOME Investments Partnership Program.</p>	

³⁹ Morris, Stephen. “CDCs and CDCs: Community Development Corporations and SBA Certified Development Companies.” U.S. Small Business Administration blog. Jun. 23, 2011. <http://www.sba.gov/community/blogs/community-blogs/small-business-cents/cdcs-and-cdcs-community-development-corporation>.

⁴⁰ For a general guide to CDCs, see *Community Development Corporations Information Guide*, The University of Alabama Center for Economic Development. 2013. http://www.uaced.ua.edu/uploads/1/9/0/4/19045691/cdc_information_guide_revised_2013.pdf.

⁴¹ Jacobus, Rick, and Maegan Winning. *Joint Ventures With For-Profit Developers: A Guide for Community Development Corporations*. Local Initiatives Support Corporation. 2006.

⁴² Philadelphia Association of Community Development Corporations. “Collective Strength: The \$3.3 Billion Impact of Philadelphia Community Development Corporations.” Dec. 2012.

Case Study: CDC-Developer Partnership in the East Liberty Neighborhood, Pittsburgh, Pennsylvania

East Liberty Development, Inc. (ELDI) is a CDC in an older neighborhood of Pittsburgh. East Liberty's chamber of commerce founded ELDI in 1979 in an attempt to reverse decades of economic decline. The East Liberty Presbyterian Church was also an important funder in ELDI's early years. ELDI's early work involved reopening formerly closed-off streets to vehicular traffic and renovating a former hotel. However, the neighborhood continued to struggle from public perceptions that it was unsafe. ELDI planted the seeds of the neighborhood's renewal through a community-driven vision and plan for East Liberty in 1999.

Soon after that, a local developer proposed a catalyzing project: building a Whole Foods supermarket on a parcel he had assembled on the edge of the neighborhood. However, the \$6 million project had an \$875,000 financing gap. ELDI and the developer formed a joint venture in 2001 to develop the store, with ELDI acting as the local advisor and applying for public and nonprofit grants. The developer agreed to hire qualified workers from the neighborhood and to give ELDI a share of the project's income. ELDI secured a \$375,000 grant from LISC and a \$500,000 award from the U.S. Department of Health and Human Services' Office of Community Services. This funding allowed the developer to proceed with the project. Five years after the store opened, nearly half its staff came from the local neighborhood.

ELDI continues to invest in the neighborhood, but its contributions go far beyond real estate development. For example, in 2010, ELDI planted 213 trees, helped build five rain gardens, updated the community plan from 1999, and enlisted 141 volunteers in a community cleanup event.)

Sources: East Liberty Development Inc. *2010 Annual Report*. 2011; East Liberty Development Inc. History of ELDI. <http://www.eastliberty.org/about-eldi/history-eldi>. Accessed Dec. 23, 2014; and Jacobus, Rick, and Maegan Winning. *Joint Ventures with For-Profit Developers, A Guide for Community Development Corporations*. Local Initiatives Support Corporation. 2006.



Figure 12: Pittsburgh's East Liberty Whole Foods supermarket is a key part of the neighborhood's revival, and support from the local Community Development Corporation was critical.

Photo source: Young Preservationists Association of Pittsburgh

STRATEGY 26: ENCOURAGE CROWDFUNDING FOR PROJECTS AND BUSINESSES IN PRIORITY INFILL DEVELOPMENT AREAS		FUNDING FOR INFILL DEVELOPMENT
What?	Crowdfunding is a new technique that involves raising money, typically over the Internet, from a “crowd” of people that each has a small stake in the project. The federal Jumpstart Our Business Start-ups (JOBS) Act, signed into law in 2012, requires the U.S. Securities and Exchange Commission (SEC) to develop rules to govern crowdfunding. ⁴³ The SEC proposed crowdfunding rules in 2013, but had yet to adopt them as of December 2014 and did not have a timeline for releasing them. In the absence of rules from the SEC, several states adopted their own regulations for crowdfunding by companies raising money within their borders. ⁴⁴	
Why?	The JOBS Act is meant to make it easier for small businesses and developers to raise money through crowdfunding. The SEC rules are likely to allow private organizations to raise equity investments from any individual investor. Before the JOBS Act, organizations could raise equity investments only from wealthy, accredited investors. The new law should allow developers to raise funds from residents in the community where a project is proposed. Crowdfunding could be an especially powerful tool for raising equity for infill projects that investment funds and institutions that are disconnected from the community view as too risky. For example, an infill project in a distressed community’s downtown might not meet conventional lenders’ requirements for return on investment, but local residents might think the project is important enough for the community to invest small amounts of their own money.	
How?	Crowdfunding is an evolving tool, and it is not clear yet how a local government might use it. A developer or a nonprofit such as a CDC would be more likely to use crowdfunding. Crowdfunding can also support entrepreneurs who take a risk by opening a new business in a distressed area. The funds can help them update retail spaces and purchase equipment. Several companies are entering the crowdfunding market. Because crowdfunding is on the cutting edge, precautions should be taken to safeguard against fraud and other risks. Some professional investors are concerned that crowdfunding might attract borrowers who defraud unsuspecting investors. Additionally, crowdfunding could make it easier for an entrepreneur to obtain financing, but it will not make it easier to actually build a project. ⁴⁵	

⁴³ Beesley, Caron. “Crowdfunding—Is It Right for Your Business? Where Do You Start?” U.S. Small Business Administration blog. Jul. 8, 2013. <http://www.sba.gov/community/blogs/crowdfunding-%E2%80%93-it-right-your-business-where-do-you-start>.

⁴⁴ Solomon, Steven Davidoff. “S.E.C.’s Delay on Crowdfunding May Just Save It.” *New York Times*. Nov. 18, 2014. http://dealbook.nytimes.com/2014/11/18/s-e-c-s-delay-on-crowdfunding-may-just-save-it-2/?_r=0.

⁴⁵ Wortham, Jenna. “Law Opens Financing of Start-Ups to Crowds.” *New York Times*. Sep. 22, 2013.

Case Study: Creative Finance through Community Ownership, San Diego, California

The Village at Market Creek is an infill retail project in a distressed neighborhood of San Diego. The Jacobs Center for Neighborhood Innovation, a foundation, bought the site—previously known as the “Four Corners of Death” because of the prevalence of crime—for \$4 million in 1998. From the beginning, The Jacobs Center involved the neighborhood’s residents in planning and designing a new shopping center. However, The Jacobs Center also wanted to let the residents share in the project’s financial rewards. The center designed a new tool called the “Community Development Initial Public Offering (IPO)” to share ownership with the residents.

Development investors are typically institutions or wealthy individuals. But the Village at Market Creek IPO targeted residents of the area, who had a median income of about \$35,000 per year in 2007. The IPO opened in July 2006 to people who lived, worked, or volunteered in the community. Ultimately, it attracted 415 investors who contributed between \$200 and \$10,000 for ownership shares sold at \$10 each. The neighborhood investors are first in line to collect profits each year. The investors received a 10 percent return in 2008 and 2009.

The Jacobs Center’s greatest obstacle in establishing the Community Development IPO was gaining approval from California’s Department of Corporations. The center spent six years working to win approval, and its lawyers submitted 40 drafts of the IPO, before the department agreed to allow residents to invest up to 10 percent of their income or 10 percent of their net worth, up to \$10,000. The Jacobs Center also worked hard to explain the IPO concept to the neighborhood, hosting tours, dinners, and presentations with potential investors. Further, with the 2012 enactment of the federal Jumpstart Our Business Startups (JOBS) Act, which reduces obstacles to individual investment in real estate projects, the Village at Market Creek could be a bellwether of things to come.

Sources: Jacobs Center for Neighborhood Innovation. Community Development IPO.

http://www.jacobscenter.org/economicdevelopment_cdipo.htm. Accessed Jan. 30, 2014; and Stuhldreher, Anne.

“Lower-income Patrons of Market Creek Plaza Can Now Invest in the Shopping Center.” *Stanford Social Innovation Review*. Winter 2007.

Funding for Infrastructure

Infill developers often have to pay to upgrade water, sewer, stormwater, streets, and other infrastructure. The federal government is a major source of funding for infrastructure improvements for local governments. State and regional contacts at HUD, Federal Highway Administration (FHWA), Federal Transit Administration (FTA), EPA, and several other federal agencies can provide information about federal programs, large and small, for improving infrastructure.⁴⁶ For a list of tools and strategies that are available for financing and funding specifically for infrastructure in and around transit-oriented development, see EPA's *Infrastructure Financing Options for Transit-Oriented Development*.⁴⁷ The strategies that follow identify nonfederal options to finance infrastructure improvements.

STRATEGY 27: CREATE A TAX INCREMENT FINANCING DISTRICT		FUNDING FOR INFRASTRUCTURE
What?	Tax increment financing (TIF) is similar to special assessment district financing (see below), but with an important distinction. Through TIF, local governments pay for infrastructure improvements with revenue that is generated by higher property values. Unlike special assessment districts, property owners in a TIF district do not pay a different property tax rate than the surrounding non-TIF areas. Rather, the local government pays the cost of infrastructure improvements upfront. The new infrastructure makes new development possible. The locality then uses the tax revenue generated by the new development to pay off the debt that it incurred to fund the infrastructure improvements in the first place.	
Why?	<p>TIF districts raise funds for infrastructure improvements from the property owners who are benefiting, reducing the upfront cost burden on the developer and local government. Local governments can use a TIF district to finance infrastructure in a distressed area that might not attract private investment without significant infrastructure improvements.</p> <p>TIF is authorized in nearly all states, but the tool has been criticized. For example, some experts have argued that TIF districts shift development from non-TIF areas and have little effect on a community's overall property tax revenue for schools and other services. Such concerns led California to eliminate TIF financing through its redevelopment authorities in 2012.⁴⁸ However, TIF remains a popular tool for economic development in distressed communities that struggle to attract traditional financing.</p>	
How?	To establish a TIF district, the local government often must declare that an area is blighted or underdeveloped. The community then establishes the district boundary and dedicates any incremental tax revenues to economic development purposes, including construction of new infrastructure. ⁴⁹ The local government can issue bonds that are secured with the tax revenue growth.	

⁴⁶ See <http://www.sustainablecommunities.gov/mission/about-us>, for more information on the HUD-DOT-EPA Partnership for Sustainable Communities.

⁴⁷ EPA. *Infrastructure Financing Options for Transit-Oriented Development*. 2013. http://www.epa.gov/smartgrowth/infra_financing.htm.

⁴⁸ Editorial. "California Redevelopment Agencies, the Sequel." *Los Angeles Times*. Sep. 22, 2013.

⁴⁹ Dye, Richard, and David Merriman. "Tax Increment Financing: A Tool for Local Economic Development." *Land Lines*. Lincoln Institute of Land Policy. Jan. 2006.

STRATEGY 28: ESTABLISH A CAPITAL RESERVE FUND		FUNDING FOR INFRASTRUCTURE
What?	Local governments can use capital reserve funds to save money for future capital projects. This practice can reduce the local government’s debt burden by using cash for a portion of the cost. A capital reserve fund has a defined purpose, making it different from a rainy day fund, which is used to cover unforeseen emergencies or budget shortfalls.	
Why?	Local governments can typically plan ahead for capital improvements, but they budget year to year. They can save up for planned capital improvements through a capital reserve fund, which can reduce their reliance on debt. Distressed communities might have lower bond ratings, which results in higher financing costs and makes saving for major capital improvements more attractive. However, many distressed communities struggle to pay monthly bills and might not be able to set funds aside.	
How?	<p>State law governs municipal finance, so the rules for establishing this type of fund vary from state to state. Often the local government will need to establish the fund and designate specific purposes or projects on which to spend the savings. Once established, the local government can make regular transfers to the reserve fund.</p> <p>Local governments can also consider partnering with utility companies to make capital improvements that will make an area more attractive to investment. Utility companies have a vested interest in community development. The infrastructure that delivers their service might be underutilized.⁵⁰</p>	

STRATEGY 29: CREATE A SPECIAL ASSESSMENT DISTRICT		FUNDING FOR INFRASTRUCTURE
What?	Local governments commonly use special tax assessments on a property to pay for infrastructure improvements that benefit the property. The special assessment is often applied to the properties in a district in proportion to their individual benefit from the improvements.	
Why?	<p>Infrastructure is expensive and a large burden to developers and local governments alike. Special assessments shift the infrastructure burden to the property owners who benefit from improvements. Developers are attracted to special assessment financing because the cost of infrastructure improvements is kept off of the balance sheet for the overall development and thus does not hinder the developer’s ability to obtain loans to finance the project.</p> <p>While they are easy to establish for greenfield projects where the developer is often the only property owner, special assessment districts can be difficult to establish in infill areas with many property owners. Special assessment district financing can also be difficult to use in distressed communities with low property values. In these areas, borrowing against future property taxes might not yield enough funding to pay for infrastructure improvements. Because of these factors, distressed infill areas might first consider establishing a Tax Increment Financing District (Strategy 27).</p>	

⁵⁰Millonzi, Kara. “Financing Capital Projects—Part I: ‘Saving’ Through Fund Balance and Capital Reserve Funds.” UNC School of Government. Oct. 7, 2012. <http://canons.sog.unc.edu/?p=6869>.

STRATEGY 29: CREATE A SPECIAL ASSESSMENT DISTRICT		FUNDING FOR INFRASTRUCTURE
How?	<p>Financing tools such as special assessment districts are highly regulated by state governments, and the process for creating one will vary from state to state. It often requires several steps, including creating an infrastructure plan that lays out what the assessment revenue is buying and getting approval from the property owner or owners in the district. Often a supermajority of owners, such as two-thirds, must vote in favor of the special assessment. The infrastructure plan can be a useful marketing tool to generate support. Where multiple property owners are involved, the local government might want to find one property owner in the proposed district to be a champion and help conduct outreach to build support. Once the local government approves the district, it can issue revenue bonds against the special assessment.⁵¹</p> <p>Local governments interested in special assessment financing might also analyze the borrowing capability of the proposed district relative to needed improvements. A key question to answer is whether the anticipated revenue will be sufficient.</p>	

STRATEGY 30: GENERATE REVENUE THROUGH NAMING RIGHTS AND ADVERTISING		FUNDING FOR INFRASTRUCTURE
What?	<p>Local governments can use naming rights and advertising to generate revenue from assets they own, such as parks, arenas, public transit vehicles, land, and buildings. These strategies are appealing for many communities because they can generate revenue from the private sector outside of the usual tax channels.</p>	
Why?	<p>Many cities now offer naming rights and advertising to companies or other sponsors to offset the costs of a capital improvement or program or to generate ongoing revenue. These strategies can support infill development by helping offset the cost of new parks or other public facilities and services that are needed to serve new residents.</p>	
How?	<p>Local governments can sell naming rights, also known as sponsorships, for a wide variety of services and facilities such as parks, stadiums, libraries, or other major capital investments. They could also sell pavers or other recognition for smaller capital improvements, such as a new downtown streetscape.</p> <p>In addition, local governments can sell advertising space on billboards, in public facilities, or in its transit vehicles. The revenue can help cover the cost of a service, or it can benefit a particular area. For example, revenue from billboards in or near the downtown could be dedicated to infrastructure improvements linked to the community’s infill development plan or vision. While people might object to using a public facility to promote private interests or simply to a billboards’ appearance, this strategy can generate substantial revenue to benefit a community.</p>	

⁵¹ Millonzi, Kara A. “An Overview of Special Assessment Bond Authority in North Carolina.” *Local Finance Bulletin*. No. 40. UNC School of Government. Nov. 2009.

STRATEGY 30: GENERATE REVENUE THROUGH NAMING RIGHTS AND ADVERTISING	FUNDING FOR INFRASTRUCTURE
<p>Before selling naming rights, the government should set policies about what it is willing to sell and reasonable rates. Another important step is to identify existing or planned assets that are appropriate for a naming rights deal or selling advertising.</p> <p>Cleveland’s first bus rapid transit (BRT) system is a good example of how a city can use naming rights to help pay for an infrastructure improvement that supports infill development. The Greater Cleveland Regional Transit Authority sold the naming rights for the nine-mile BRT line to The Cleveland Clinic and University Hospitals. The two health care providers will pay \$6.25 million over 25 years to name the BRT route the HealthLine.⁵² The HealthLine project cost approximately \$200 million, but has leveraged \$5.8 billion in transit-oriented development in the previously distressed corridor.⁵³</p>	



Figure 13: Cleveland’s Healthline Bus Rapid Transit.
Photo source: Gretchen Moore.

⁵² Hollander, Sarah. “Clinic, UH to pay to name Euclid Corridor buses.” *Cleveland Plain Dealer*. Feb. 28, 2008. http://blog.cleveland.com/medical/2008/02/clinic_uh_pay_to_name.html.

⁵³ Hook, Walter, Stephanie Lotshaw, and Annie Weinstock. *More Development for Your Transit Dollar, An Analysis of 21 North American Transit Corridors*. Institute for Transportation and Development Policy. 2013.

Appendix A

Appendix A includes self-assessment questions for each strategy to help local governments determine which strategies are appropriate for their context. By working through the self-assessment questions and using the strategies in this guide, local governments should have both the knowledge to decide if their community is ready to pursue infill development in distressed communities and the tools to help them do so successfully. Strategy 1 lays the foundation for the strategies that follow.

Self-Assessment Questions for Strategies

The following tables include 30 strategies for encouraging infill development. Each strategy comes with a series of questions for which a “yes” answer indicates support for the strategy and a “no” indicates that the community may need to make some policy, code, or other changes to make the strategy feasible. However, this community readiness assessment is not an exact science. More “yes” than “no” answers may indicate a readiness to apply the particular strategy. In general, the questions are simply designed to give the user some food for thought as he or she thinks about which strategies are most suitable given the circumstances.

FOUNDATION	PRIORITIES
	Strategy 1: Identify Priority Infill Development Areas
	POLICIES
	Strategy 2: Expedite Development Review
	Strategy 3: Set Tiered Impact Fees
	Strategy 4: Ease Parking Requirements in Infill Locations
	Strategy 5: Adopt Flexible Codes
	Strategy 6: Provide Clear Rules for Renovating Historic Buildings
	Strategy 7: Adopt an Adaptive Reuse Ordinance
	Strategy 8: Offer Density Bonuses in Infill Locations
	Strategy 9: Put Public Offices in Infill Locations
	PARTNERSHIPS
	Strategy 10: Seek State and Regional Partners
	Strategy 11: Identify Key Anchor Institutions
	Strategy 12: Explore Employer-Assisted Housing
	Strategy 13: Engage Philanthropic Organizations
	Strategy 14: Create a Public Sector-Developer Liaison
	Strategy 15: Create a Local Developer Capacity-Building Program
	PERCEPTION
	Strategy 16: Strengthen Code Enforcement
Strategy 17: Build Complete Streets	
Strategy 18: Create a Business Improvement District	
Strategy 19: Hold Public Events and Festivals in Infill Locations	
Strategy 20: Initiate a Neighborhood Identity Campaign	

FUNDING	FUNDING FOR INFILL
	Strategy 21: Enact a Property Tax Abatement Program for Infill Locations
	Strategy 22: Implement a Land Banking Program
	Strategy 23: Implement a Land Value Tax
	Strategy 24: Attract Private Equity
	Strategy 25: Encourage Community Development Corporations
	Strategy 26: Encourage Crowdfunding for Projects and Businesses in Priority Infill Development Areas
	FUNDING FOR INFRASTRUCTURE
	Strategy 27: Create a Tax Increment Financing District
	Strategy 28: Establish a Capital Reserve Fund
Strategy 29: Create Special Assessment Districts	
Strategy 30: Generate Revenue through Naming Rights and Advertising	

Table A-1. Assessment Questions for Strategy 1		
Identify Priority Infill Development Areas		
Key Questions	Yes/No	Why Is This Important?
Do developers typically need a zoning variance or special use permit for infill projects, or are they required to pursue planned unit developments?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The type of development a community wants should be the easiest to permit. Developers should be able to build the desired infill products “by right,” without special exceptions or complex approval processes.
Has the community identified priority areas for infill or other growth (e.g., in a comprehensive plan, vision, or other document with broad public support)?	Yes <input type="checkbox"/> No <input type="checkbox"/>	A community vision or a comprehensive plan can provide direction on where and how to grow and invest.
Are there public or private investments in transportation, infrastructure, or beautification planned for potential infill areas?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Taking into account other planned investments when prioritizing areas for infill can help leverage limited public dollars.
Is there publicly owned property in potential infill areas?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Publicly owned land can be used to reduce the cost of infill development and make it more financially feasible. The process of identifying priority infill areas should take into account publicly owned land that might be used for this purpose.
Is there consensus in the community to redevelop infill areas?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Community support will be important as infill projects go through the visioning, planning, and implementation phases.
Are portions of the community walkable, transit-accessible, compact, and/or historically significant?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Areas with these attributes often are attractive, ready, and suitable for infill development.
Are there infill areas with a substantial amount of vacant land or already assembled parcels?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Large-scale infill development can be easier when the land has a single owner.
Does the local government have a place-based economic development strategy?	Yes <input type="checkbox"/> No <input type="checkbox"/>	A place-based strategy calls for strengthening the local economy by capitalizing on existing assets and distinctive community features.
Does the local government have relationships with any national organizations that can provide financial assistance?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Grant funding can start or improve a project or program.

Table A-2. Assessment Questions for Strategy 2		
Expedite Development Review		
Key Questions	Yes/No	Why is this Important?
Is mixed-use and higher-density infill development allowed by right?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The local government should have zoning that allows the types of infill projects it wants to encourage. Expedited development review is not as useful to a developer who must go through a lengthy process to obtain a zoning variance or wait for the local government to update a zoning district.
Does the state government have incentives or exemptions for infill development in any permit requirements, such as environmental review or stormwater permitting?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The state's policies can strengthen the local government's efforts. Local governments might work with the state to establish state incentives that expedite development review and permitting.
Does the local government have authority under state law or local ordinance to expedite development review in one location over another?	Yes <input type="checkbox"/> No <input type="checkbox"/>	This action might require state enabling legislation.
Has the local government identified the time it takes to conduct development review as a problem that should be addressed?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Expedited reviews in infill locations can be an incentive for developers by reducing time and costs.
Has the local government collected data on and analyzed the fiscal, environmental, transportation, and other impacts of infill development relative to greenfield development?	Yes <input type="checkbox"/> No <input type="checkbox"/>	These data can help the local government justify expedited development review for infill areas.
Is there a local vision or comprehensive plan in place that guides where infill development should go and what it should look like?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The local government can build community support for infill if a clear vision or strategy exists that the community already shaped and supports.
Does the local development community support encouraging infill development?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Expediting the development review process for some areas over others could create friction in the development community. Engaging private developers early can help build consensus for a community growth vision.
Has the local government identified specific zones or districts in which to encourage infill development?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Identifying such zones in a policy statement such as a comprehensive plan adopted by the governing entity is an important early step and is a prerequisite for other strategies described in this report.
Has the local government identified design guidelines and the types of uses it seeks to encourage in these zones?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The character and type of development that the community wants in infill locations should be clear to both the private sector and reviewing agencies. Following the guidelines can be a requirement for expedited review.

Table A-3. Assessment Questions for Strategy 3		
Set Tiered Impact Fees		
Key Questions	Yes/No	Why Is This Important?
Are local governments allowed to establish tiered impact fees under state law?	Yes <input type="checkbox"/> No <input type="checkbox"/>	This action might require state enabling legislation.
Does the local government charge impact fees to cover costs associated with development, such as new schools?	Yes <input type="checkbox"/> No <input type="checkbox"/>	This strategy is not an option unless the community has impact fees or is planning to assess them.
Has the local government studied the difference in fiscal, social, and other costs between infill and greenfield development?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The local government might want to provide specific data explaining why areas targeted for reduced impact fees are helping save money and offset the reduced revenue from the lower fees. In addition to the difference in infrastructure costs between infill and greenfield development, it might be less expensive to provide public services to close-in neighborhoods than serve areas on the periphery.
Is there consensus among local elected officials to give priority to infill development?	Yes <input type="checkbox"/> No <input type="checkbox"/>	This strategy could generate political controversy because it benefits some geographic areas and not others. Political and community support for underlying infill goals is important.
Do local developers support the local government providing financial incentives for infill development but not greenfield development?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Developers pay the impact fees, making their support critical. Involving local developers in identifying priority infill development areas can help garner support for infill.
Is market demand much greater for greenfield development than infill development?	Yes <input type="checkbox"/> No <input type="checkbox"/>	This strategy and other financial incentives will likely work better in a community where demand for infill development is lower than for greenfield development. Financial incentives are less important if the market favors infill or is balanced between the two.

Table A-4. Assessment Questions for Strategy 4		
Ease Parking Requirements in Infill Locations		
Key Questions	Yes/No	Why Is This Important?
Does local zoning set minimum parking requirements?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Minimum parking requirements can produce more parking than is necessary. Moving from a minimum to a maximum could be a good incentive for infill.
Does the local government require developers to reduce vehicle travel generated by their projects?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Infill locations with lower parking minimums or with maximums could be more attractive to developers because it is easier to reduce vehicle travel generated by these places.
Has the local government studied parking supply and demand for infill priority areas? If so, is there already an oversupply?	Yes <input type="checkbox"/> No <input type="checkbox"/>	If an oversupply already exists, the local government can justify reduced parking requirements, which in turn help reduce the cost to develop in infill locations.
Does the community use innovative parking policies such as shared parking or parking cashout? ⁵⁴	Yes <input type="checkbox"/> No <input type="checkbox"/>	These policies demonstrate the local government's willingness to explore alternatives that are more finely calibrated to local conditions, which can reduce developers' costs.
Are residents and businesses amenable to charging for on-street parking?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Free parking creates high demand for driving and parking. It can be difficult to charge for parking if the community expects parking to be free.
Can bicyclists, pedestrians, and transit riders already access any priority infill areas?	Yes <input type="checkbox"/> No <input type="checkbox"/>	These areas could be suitable for a pilot program that reduces parking requirements.
Does parking supply exceed demand in any priority infill areas?	Yes <input type="checkbox"/> No <input type="checkbox"/>	New development might be able to offer fewer spaces than previously required.
Is car sharing available in any priority infill areas?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Car sharing can allow people to own fewer cars, which can reduce parking demand.
Are current parking requirements an impediment to infill, particularly in downtown areas?	Yes <input type="checkbox"/> No <input type="checkbox"/>	High minimum parking requirements raise the cost and complexity of infill development.
Is transit a convenient option for travel to, from, and within infill areas?	Yes <input type="checkbox"/> No <input type="checkbox"/>	High-quality, reliable transit can reduce vehicle travel demand and parking needs.

⁵⁴ "Parking cashout" describes programs in which employees can take a cash payment in lieu of a subsidized parking space. For more information, see: California Environmental Protection Agency Air Resources Board. California's Parking Cash-Out Law. <http://www.arb.ca.gov/planning/tsag/cashout/cashout.htm>. Accessed Dec. 3, 2014.

Table A-5. Assessment Questions for Strategy 5

Adopt Flexible Codes		
Key Questions	Yes/No	Why Is This Important?
Does the local comprehensive plan call for providing more flexible zoning or design regulations for infill areas?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The comprehensive plan typically establishes policies that influence zoning and design regulations. Having a strong plan in place is critical to developing flexible codes.
Does the local government have the expertise and staff time needed to revise its development codes?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Staff time and expertise to amend zoning and other development codes can be time consuming and costly. Time and expertise needed should be estimated ahead of time to ensure the local government has sufficient resources.
Has the local government audited its zoning and subdivision codes to identify key elements that encourage or discourage mixed-use, compact development in infill locations?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Audit tools are available to help identify the specific code fixes that could have the biggest impact. See the footnote on this page for a couple of examples. ^{55 56}
Does the local government have a district-level or zone-based transportation policy for infill areas that can support flexible zoning and design?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The transportation needs of priority infill areas, which are more likely to have compact development patterns with a mix of uses, are different than those of lower density auto-oriented areas. A comprehensive transportation policy for priority infill areas should support a multimodal approach to accommodating travel in the area. Parking standards would also be relaxed, creating opportunities for developers to build or rehabilitate historic buildings without needing to adhere to standards not meant for infill projects.
Does the community understand the benefits and attributes of flexible codes and how they support infill development?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The local government might need to educate the public about the value and application of flexible codes in an infill area before embarking on a zoning code update.
Does the local government have design guidelines or a master plan that can serve as the basis for form-based or other flexible code provisions?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Codes that emphasize building form over use require a strong design framework to help identify the design features and guiding principles that matter most.

⁵⁵ EPA has published a pair of guides that communities of different types and sizes can use to assess and improve their codes. These are “Essential Smart Growth Fixes for Urban and Suburban Zoning Codes” and “Essential Smart Growth Fixes for Rural Planning, Zoning, and Development Codes.” They are available at <http://www2.epa.gov/smart-growth/essential-smart-growth-fixes-communities>.

⁵⁶ Smart Growth America offers several audit tools on its website, including a Quick Diagnostic, a Smart Growth Policy Audit, and a Smart Growth Code and Zoning Audit. Find these tools and more information by visiting <http://www.smartgrowthamerica.org/leadership-institute/implementation-tools>.

Key Questions	Yes/No	Why Is This Important?
Do local codes raise development costs and require developers to seek special approval for projects that do not meet the exact code requirements?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Developers can incur higher predevelopment costs while working to obtain approval for projects that are inconsistent with zoning.
Do elected officials place a high priority on attracting and retaining businesses?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Flexible codes can be more business friendly by allowing property owners to change the use in response to economic conditions.

Table A-6. Assessment Questions for Strategy 6		
Provide Clear Rules for Renovating Historic Buildings		
Key Questions	Yes/No	Why Is This Important?
Does the local government minimize regulatory or cost uncertainties to encourage developers to undertake historic building rehabilitation and reuse projects?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Regulatory tools such as overlay zoning districts or special codes for historic structures can give developers more certainty about what is expected from them when they work on historically significant buildings.
Has the local government adopted a policy of encouraging rehabilitation and reuse of historic buildings?	Yes <input type="checkbox"/> No <input type="checkbox"/>	This indicates that elected officials might be willing to provide incentives or overhaul ordinances to encourage historic building rehabilitation.
Does the community have a substantial number of historic buildings in priority infill areas? Has the community conducted an inventory of historic structures that should be preserved?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Conducting an inventory can be the first step in identifying buildings, public spaces, and other culturally and architecturally significant features for which the community can then create specific guidance and rules.
Does the local government provide clear rules for developers who propose rehabilitating or reusing a historic building?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Clear rules reduce subjectivity and give the developer more certainty about what is permitted or desirable. They can reduce delays, which saves money in the predevelopment stage.
Does the local government have a separate process for approving adaptive reuse of historic buildings?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Depending upon the nature and extent of its existing historic resources, the local government might find an alternative permitting and approval process helpful to provide clarity and certainty on renovating and reusing historic structures.
Is there consensus in the community about preserving and reusing historic structures? Has the community identified the features, cultural, and historic aspects it values most?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Historic resources often evoke strong emotions from the community. Conducting early outreach and building consensus with the community can help the local government secure support for building infill in historic neighborhoods.
Do the existing historic buildings and public spaces provide a precedent and good basis for creating a compact, mixed-use community form?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Local governments have limited resources. Before deciding to revise zoning and development codes, the local government should consider whether its historic districts and concentrations of historic buildings overlap with its priority infill areas.
Are developers able to make an attractive return on investment with adaptive reuse projects under existing regulations?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Developers will not repurpose or rehabilitate historic buildings if they cannot make a competitive return on investment. An adaptive reuse ordinance can make these projects more economically viable.

Table A-7. Assessment Questions for Strategy 7		
Adopt an Adaptive Reuse Ordinance		
Key Questions	Yes/No	Why Is This Important?
Has the local government established any historic overlay or adaptive reuse districts?	Yes <input type="checkbox"/> No <input type="checkbox"/>	An adaptive reuse ordinance can be applied within a specific district.
Are proposals to reuse a historic building subject to different requirements than new construction?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Applying new construction standards to reuse and redevelopment of historic buildings can make these projects economically infeasible.
Does the city or town have a local historical society that is interested in preserving historic buildings?	Yes <input type="checkbox"/> No <input type="checkbox"/>	These groups show the community's concern for historic buildings and can be advocates for policies that preserve historic structures while encouraging new development.
Have elected officials made redevelopment of historic buildings a priority?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Investing time and energy in revising codes requires political support.
Does the community have many vacant historic buildings in infill areas?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Widespread vacancy in these buildings could indicate that they are not economically viable under existing zoning regulations.
Do current zoning and development codes enable cost-effective redevelopment of historic buildings?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Holding older buildings to the same code requirements as new construction can be an obstacle because these codes often enforce suburban standards for density, parking requirements, and dwelling size. These standards are often impossible to meet when rehabilitating a historic urban building.
Is the market demand for infill strong enough to support the cost of adaptive reuse?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Renovating older buildings that have long been vacant is often expensive and risky due to unforeseen and unpredictable costs; market demand needs to be sufficient to support these costs.

Table A-8. Assessment Questions for Strategy 8

Offer Density Bonuses in Infill Locations		
Key Questions	Yes/No	Why Is This Important?
Has the local government identified in its comprehensive plan or future land use plan where it supports increasing density?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The local government should plan increased density carefully with public input to minimize potential impacts to neighborhood character, transportation, and facilities.
Does the local government have a comprehensive or small area plan that is the basis for amenities and/or features to request in exchange for higher density?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Density bonuses are typically given in exchange for a public amenity, better building design, or other features that benefit the immediate neighborhood or the community as a whole.
Do elected officials support higher-density development in the downtown and other neighborhoods targeted for infill?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Elected officials will need to support policies promoting infill.
Do residents in areas targeted for infill support higher-density development?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Residents might want to maintain the neighborhood's look and feel and might be concerned about the change that more development will bring. Engaging residents early and often in creating a vision and plan for infill development can help ensure that they understand how this development could improve the neighborhood and that the development responds to their desires and concerns.
Do areas targeted for higher density have transportation capacity or offer alternatives to driving, such as transit, car sharing, or bike facilities?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Higher-density development generates more trips by residents and workers. By offering more transportation choices, the local government can prepare an area for the increased travel and respond to neighborhood concerns about traffic.
Does the community have existing high-density mixed use projects?	Yes <input type="checkbox"/> No <input type="checkbox"/>	These projects can be examples for future development and demonstrate that the community supports more compact development.
Is the high cost of land an obstacle to infill development?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Density bonuses can help overcome high land costs but might be less useful in areas with plenty of inexpensive land.
Will market demand support higher density development than is allowed under the existing zoning?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Density bonuses work only if the community accepts higher density development and there is demand from people and businesses for a higher density product.

Table A-9. Assessment Questions for Strategy 9		
Put Public Offices in Infill Locations		
Key Questions	Yes/No	Why Is This Important?
Do local and state government policies support putting public buildings in infill or downtown locations?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The location decisions of government facilities are less driven by the market than private industries. As a result, government offices can choose to locate in areas where their presence can stimulate the economy.
Does the local government have criteria for deciding where to locate facilities?	Yes <input type="checkbox"/> No <input type="checkbox"/>	A local government often chooses locations based purely on cost. It might want to revisit facility location criteria to ensure that they consider the social and environmental benefits of infill locations.
Do many local government workers live near the priority infill areas?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Moving a public office to an infill location could create a longer commute for some workers, which should be one of the factors considered before the move. Strategies such as an employer-assisted housing program can help workers live close to their offices.
Do the areas targeted for infill need additional office space?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The balance of housing and jobs could influence the local government's decisions. If the area has many more jobs than households, the local government might want to invest more in housing.
Do the areas targeted for infill have parcels of sufficient size and quality for the government's needs?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Government facilities vary in their space requirements, security needs, and function. As a result, some public agencies or offices can more easily locate to a compact infill location than others. A large high-security archive with few employees may not complement a priority infill area, for example.
Is the local government considering construction of a new municipal building?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Public facilities can bring employees to an infill area, increasing demand for shops, services, and housing.
Does the agency or division that would be in a new municipal building provide a service that lends itself to an infill or downtown location?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Some government functions are particularly well suited to compact infill areas, such as library branches, health clinics, social service offices, and small business assistance centers. Typically, facilities that generate foot traffic and have a high number of employees who would patronize neighborhood businesses are well suited. Some functions of government are better handled outside of compact development areas.
Does the infill area have available office space that meets the agency's needs?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Public agencies or divisions can fill vacant space.
Are any federal agencies or offices already located in the community?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Executive Order 13514 calls on the federal government to consider siting facilities in central cities and town centers.

Table A-10. Assessment Questions for Strategy 10		
Seek State and Regional Partners		
Key Questions	Yes/No	Why Is This Important?
Do any state or regional funding programs (for infrastructure or development) have policies or criteria that favor infill development projects?	Yes <input type="checkbox"/> No <input type="checkbox"/>	States and regional agencies such as metropolitan planning organizations (MPOs) can align their funding with goals, such as promoting infill development.
Does the MPO (or state department of transportation in areas without an MPO) give funding priority to transportation projects that support infill development?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The MPO is the gatekeeper of federal transportation funding for the region, and its long-range transportation plan sets priorities for projects.
Do state or regional agencies offer technical assistance that can help communities create policies and codes that support infill development?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Some assistance programs fund most or all of the cost of hiring consultants to develop plans for implementing transit-oriented development, infill, or similar strategies.
Has the local government encouraged state and regional agency partners to be involved in its planning efforts?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Many states have programs to fund or finance infrastructure relevant to an infill development strategy. Involving state and regional agency partners in the planning phases can generate buy in for the community's infill vision.
Does the community have anchor institutions such as hospitals or colleges that are interested in economic and community development?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Developers may be struggling with infill development projects and not meeting latent demand. Training for developers could help them gain the knowledge and resources to make these projects successful.
Are there state-level infrastructure investments targeted to developed areas or infill locations?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Some states prioritize infrastructure investments to support broader economic development, transportation, environmental, and public health goals. Aligning local infill strategies with state goals can help garner additional resources for infill.
Does the local government qualify for any funding programs or additional funding through existing program, because it is a distressed community?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Some state or regional programs are meant for areas that are economically distressed or have high concentrations of low-income households.

Table A-11. Assessment Questions for Strategy 11		
Identify Key Anchor Institutions		
Key Questions	Yes/No	Why Is This Important?
Has the local government actively engaged anchor institutions to foster infill? Does existing policy support locating major anchor institutions in infill areas?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Anchor institutions are often willing and able to invest in projects that improve the community.
Has the local government compiled an inventory of anchor institutions and their key staff and leaders? Are these institutions or business suited for infill locations or to make investments in infill priority areas?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The local government’s leadership (elected officials and senior staff) should meet and talk regularly with top officials from anchor institutions to develop relationships that could lead to these institutions having a greater stake in infill development in the communities they serve.
Are there specific anchor institutions that would benefit from locating in areas where their employees could walk, bike, take transit, or drive shorter distances?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Medical facilities often require certain employees to live within a specified distance to ensure they are available in emergencies. These facilities might have an inherent incentive to locate in more central infill areas.
Are there any anchor institutions in or near the local government’s priority infill areas? Do they have good relationships with adjacent neighborhoods?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Anchor institutions have longstanding investments in their locations and often can help revitalize their neighborhoods.
Are the anchor institutions’ strategic goals aligned with the local government’s goals for infill?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Infill strategies might be able to help institutions attract and retain a competitive workforce, reducing employee commutes, and enhancing neighborhood conditions.
Does the community have community development corporations (CDCs) that anchor institutions could work with or fund?	Yes <input type="checkbox"/> No <input type="checkbox"/>	CDCs often lead development and redevelopment projects in specific neighborhoods. Sometimes they are led or supported by an anchor institution such as a church.
Does the anchor institution have site development requirements conducive to infill design that encourage walkability, activity along the street, or smaller setbacks?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The local government might need to work with the anchor institution to strengthen or create design guidelines that fit with the community’s vision for infill and livability goals.
Are the community’s anchor institutions financially secure?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Anchor institutions are more likely to invest in community development when they are doing well financially.

Table A-12. Assessment Questions for Strategy 12		
Explore Employer-Assisted Housing		
Key Questions	Yes/No	Why Is This Important?
Do local government policies support construction of more affordable and workforce housing?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Employer-assisted housing can help the local government achieve its goals in these areas.
Is land around existing employment centers zoned for housing or mixed-use development?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Employment centers often have more jobs than housing. Zoning that limits housing and mixed-use development could be a contributing factor.
Has the local government studied the ratio of jobs to housing units in priority infill areas to determine targets for additional housing or commercial space in these locations?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Understanding the magnitude of imbalance between jobs and housing can promote and inform the application of this strategy.
Does a large share of employers' workforce commute long distances?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Lengthy commute times and traffic congestion diminish quality of life and can make it difficult to retain employees. Offering housing closer to jobs can help foster demand in infill areas while reducing commute times and traffic congestion.
Does the local government understand the need for workforce housing, particularly for major employers in the area?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The local government could reach out to major employers to better understand their workers' housing needs. This information could inform an employer assisted housing program.
Do any employers in the community or region already have an employer-assisted housing program?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Existing programs can be good case studies, and their managers could participate in a peer exchange with other employers.
Are there places in the infill areas where adding compact housing could make the neighborhood more walkable? Can adding homes in the infill area stimulate more retail demand?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Local governments can encourage employers to create employer-assisted housing programs to increase housing options in downtowns and other infill areas with more jobs than households.
Does the community have any examples of infill housing that meets the needs of a diverse workforce?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The local government can provide to employers examples of infill housing that can accommodate all types of households and income levels.
Does a large share of the community's residents spend more than 30 percent of their income on housing? ⁵⁷ Would putting affordable homes closer to employers help reduce the combined cost of housing and transportation?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The federal government considers housing affordable if a household spends less than 30% of its budget on it. This does not take into account transportation costs, which are the second largest expenses for families and for which no affordability standard exists. ⁵⁸ Employer-assisted housing can help make homeownership more affordable, and putting homes closer to jobs can help reduce transportation costs.

⁵⁷ HUD considers 30 percent the level at which a household is "cost burdened" by housing. HUD. "Affordable Housing." Accessed Mar. 26, 2014. http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing.

⁵⁸ H+T Affordability Index, <http://www.htaindex.org>; Location Affordability Portal Version 2, <http://www.locationaffordability.info/default.aspx>.

Table A-13. Assessment Questions for Strategy 13		
Engage Philanthropic Organizations		
Key Questions	Yes/No	Why Is This Important?
Does the local government have a strategy to engage philanthropic partners?	Yes <input type="checkbox"/> No <input type="checkbox"/>	With the local government's backing, philanthropic organizations could manage or fund programs that support infill development, such as land banking or community development corporations.
Do local government staff and/or leaders have relationships with local, regional, and national philanthropic organizations?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Staying informed about funding opportunities and new programs and connecting local government leadership with leadership from philanthropic partners can help the local government engage the philanthropic community.
Does the community have local philanthropic organizations focused on priority infill neighborhoods or issues relevant to the local government's infill strategy?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Organizations can share knowledge, provide expertise, and/or fund projects and programs.
Are there philanthropic organizations with missions that include revitalizing distressed neighborhoods, promoting walkability, or reducing environmental impacts, that would be well suited for infill locations?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Some philanthropic entities have mission statements tied to specific quality of life or environment goals. The local government can demonstrate how locating in an infill area supports the philanthropy's mission.
Are local and regional philanthropic organizations well-funded?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The fiscal capacity of local and regional philanthropic organizations will influence the scope of their activities and funding programs.

Table A-14. Assessment Questions for Strategy 14		
Create a Public Sector-Developer Liaison		
Key Questions	Yes/No	Why Is This Important?
Does the local government have a department or office where a developer liaison function would naturally fit?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The local government should think about how this staff person would fit in an existing department or office to ensure she is fully supported and becomes integrated into the day-to-day operations.
Does the community have local developers that are interested in infill development but have not been able to launch these types of projects or secure financing?	Yes <input type="checkbox"/> No <input type="checkbox"/>	A liaison could direct the developers to state and federal financing and incentive programs that can help close the financing gap.
Is there community and political interest in partnering with the private sector to promote infill development?	Yes <input type="checkbox"/> No <input type="checkbox"/>	If the community does not already agree on the need and value of helping developers navigate complex infill projects, some stakeholders might oppose assistance for infill developers.
Have any local developers overcome obstacles to build an infill development project?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Developers can provide valuable insight to the local government on market conditions and development challenges and opportunities.
Would the local development community benefit from more experience in developing compact, mixed-use products in infill settings?	Yes <input type="checkbox"/> No <input type="checkbox"/>	A developer liaison can connect local developers with resources to help them build infill projects with the design and amenities the community wants.
Do local developers know how to secure and use Low Income Housing Tax Credits or New Market Tax Credits?	Yes <input type="checkbox"/> No <input type="checkbox"/>	These programs can be intimidating for developers that have not worked with them, but they can be very valuable in making infill projects feasible.
Does the community have infill development incentives that are rarely used or are not sufficiently catalyzing infill development?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Building closer developer relationships can promote underused programs or provide insight into how to make them operate more effectively.

Table A-15. Assessment Questions for Strategy 15		
Create a Local Developer Capacity-Building Program		
Key Questions	Yes/No	Why Is This Important?
Has the local government adopted a policy of prioritizing infill development?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Adopting a policy through a resolution, comprehensive plan, or some other vehicle indicates a willingness to invest in infill development.
Has the local government shown a willingness to financially support infill development when necessary?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Financial support shows deeper commitment for infill than simply stating support through policy documents and can be a strong signal to the development community that infill projects are desirable.
Has the local government adopted a policy of prioritizing infill development?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Adopting a policy through a resolution, comprehensive plan, or some other vehicle indicates a willingness to invest in infill development.
Do local developers lack experience working with infill techniques and funding tools?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Latent demand for infill development could indicate that local developers lack the knowledge and resources to make these projects happen, which could mean developers might need training.
Does the community have local developers that are interested in infill development but have not been able to launch these types of projects or secure financing?	Yes <input type="checkbox"/> No <input type="checkbox"/>	A liaison could direct the developers to state and federal financing and incentive programs that can help close the financing gap.
Do local colleges have educational programs that prepare students for careers as builders?	Yes <input type="checkbox"/> No <input type="checkbox"/>	These programs could be natural partners for a developer capacity-building program to encourage infill development.
Have any neighborhood associations or other civic groups supported infill projects?	Yes <input type="checkbox"/> No <input type="checkbox"/>	One concern developers might have about infill projects is the lack of community support or the effort required to conduct public meetings, present to review boards, and do other public outreach. Sharing success stories and engaging civic groups that have supported infill projects could help build public support.
Does the local government have CDCs that want to build projects in priority infill areas but lack technical capacity?	Yes <input type="checkbox"/> No <input type="checkbox"/>	CDCs can be instrumental in supporting infill development, but they have varying capacity and might need assistance to get started and build infill projects.

Table A-16. Assessment Questions for Strategy 16		
Strengthen Code Enforcement		
Key Questions	Yes/No	Why Is This Important?
Has the local government adopted a property maintenance code that includes minimum standards?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The municipal code is the basis for enforcement activities.
Does the local government provide incentives or assistance programs that help low-income property owners rectify code deficiencies?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Not all code violations are the result of negligence. Some are caused by economic hardship. The local government might need both carrots and sticks.
Does the local government have an inventory of properties that includes information on code violations or tax delinquency?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Concentrations of tax delinquency and code violations can help a local government direct its resources to the areas that need the most help.
Does the local government have staff dedicated to enforcing codes?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Smaller communities might not have the staff to enforce codes.
Have neighborhood organizations or residents petitioned the government to rectify code violations in their neighborhood?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Grassroots neighborhood support for code enforcement can help build political support for initiatives that better identify code violations.
Are there areas where code violations are particularly concentrated?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Targeted enforcement efforts can spur lasting change and signal to the market that the area is becoming a safer investment.
Are many code violations occurring on properties owned by absentee land owners (a person that does not live at the property)?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Absentee landlords can be difficult to contact in regards to a code violation. Local governments should consider requiring them to provide contact information or identify a local party that is responsible for addressing code violations.

Table A-17. Assessment Questions for Strategy 17		
Build Complete Streets		
Key Questions	Yes/No	Why Is This Important?
Does the local government have a complete streets policy?	Yes <input type="checkbox"/> No <input type="checkbox"/>	A complete streets policy ensures that streets are safe and pleasant for all users as they are constructed, rebuilt, or repaved.
Has the MPO adopted a complete street policy?	Yes <input type="checkbox"/> No <input type="checkbox"/>	MPOs control federal transportation funding in metropolitan regions. As a result, their policies have a large effect on what gets built.
Does the local government link transportation project priorities with development goals?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Transportation improvements can be an impetus for development.
Does the local government have a transportation plan or a comprehensive plan with a transportation element that identifies streets targeted for improvements?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Local governments typically spend several years planning and lining up funding for streetscape and infrastructure improvements. Identifying them in a transportation or comprehensive plan is a first step.
Does the community have advocates for bicycling, walking, and public transportation?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Advocates can help build political support for complete streets and provide expertise and ideas to engineers and planners.
Does the community have too-wide streets or one-way streets in priority infill areas?	Yes <input type="checkbox"/> No <input type="checkbox"/>	One-way or too-wide streets encourage drivers to go faster, creating a less comfortable environment for people walking or biking. Road diets and complete streets infrastructure improvements could attract redevelopment and infill.
Does the community have compactly developed areas with complete streets that can be a template?	Yes <input type="checkbox"/> No <input type="checkbox"/>	It is easier to build acceptance for a new policy or strategy when local officials can point to local examples and success stories.
Does the community have a large share of residents that do not have an automobile?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Streetscape improvements can inject life and bring new businesses to an area, but they are also vital for people that do not have access to a car.

Table A-18. Assessment Questions for Strategy 18		
Create a Business Improvement District		
Key Questions	Yes/No	Why Is This Important?
Are local governments allowed to establish business improvement districts (BIDs) or special assessment districts under state law?	Yes <input type="checkbox"/> No <input type="checkbox"/>	State enabling laws might apply.
Does the community have any distressed business districts in areas where it would like to promote infill development?	Yes <input type="checkbox"/> No <input type="checkbox"/>	BIDs can be an effective tool for improving the look and feel of business districts, which helps attract new investment.
Has the local government already established a BID in its jurisdiction? Are other property and business owners interested in improving conditions in their neighborhoods?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Local governments that have experience establishing a BID might find it easier to establish additional ones. Establishing BIDs requires interest and buy-in from property and business owners.
Have property owners and businesses expressed interest in establishing a BID?	Yes <input type="checkbox"/> No <input type="checkbox"/>	A supermajority (e.g., two-thirds) of property owners must often approve a BID.
Does the community have clearly defined neighborhood business districts or mixed-use areas?	Yes <input type="checkbox"/> No <input type="checkbox"/>	BIDs are popular for downtown areas but can also be useful to revitalize small business districts in older neighborhoods.
Do the property owners have the financial or human capital to support a BID?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Funding for BID districts comes from taxing property owners. It is important that they have the funds to support a BID and the time and expertise to serve on the board.
Has the local government or businesses identified specific services that would improve the business climate in distressed districts?	Yes <input type="checkbox"/> No <input type="checkbox"/>	BID activities must provide concrete benefits that are worth the additional tax paid by property owners or businesses.
Can a BID raise enough tax revenue to support the enhanced services and infrastructure that will be necessary to improve perception and attract new business, such as hiring staff, marketing, street cleaning, or sidewalk improvements?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The state enabling legislation, the district property tax base, and other local factors will affect tax revenue and what it can be spent on.

Table A-19. Assessment Questions for Strategy 19		
Hold Public Events and Festivals in Infill Locations		
Key Questions	Yes/No	Why Is This Important?
Does the local government support closing streets or parts of the community to hold public events and festivals?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Communitywide events often require the local government to close off some streets or portions of a neighborhood to accommodate crowds.
Does the local government have rules and guidance for groups that would like to hold an event and request services such as police or street closures?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The local government can promote events and festivals by clearly laying out the rules and processes for holding them.
Is the downtown area home to institutions such as hospitals or other major employers that would sponsor or support events and festivals?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The support of institutions is key. Their operations could be disrupted, but they could also be key supporters through funding and marketing.
Does the local government want to attract residents to new homes in the downtown or priority infill areas?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Nationwide, cities and towns have seen increased demand for urban living. But in some distressed regions, residents might not be aware of housing options in the downtown or priority infill areas. Public events and festivals expose residents to housing options and amenities in infill areas.
Is the community known for a particular culture, product, agricultural tradition, or other characteristic around which an event or festival could be organized?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Events can celebrate a community's distinctive characteristics.

Table A-20. Assessment Questions for Strategy 20		
Initiate a Neighborhood Identity Campaign		
Key Questions	Yes/No	Why Is This Important?
Does the city or town comprise distinct neighborhoods or districts?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Distinctive neighborhoods create an identity. If people feel particularly connected to their neighborhood, they might be more comfortable engaging in projects that improve the neighborhood.
Does the local government allow neighborhoods to have distinctive welcome signs at their entrance points?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Many communities install signs along major routes that welcome people to each neighborhood.
Does the local government support public art installations on buildings, infrastructure, or streets?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Public art can build pride in neighborhoods and engage residents. Examples include painted utility boxes, street paintings at neighborhood intersections, and murals.
Does the targeted neighborhood have a group or committee of residents that advises the local government on important issues?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Successful efforts to market a neighborhood are often bottom-up (resident-driven) efforts by groups that also advise the local government on issues important to the community.
Do local businesses already incorporate the neighborhood's name into their name or marketing?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Businesses that use the neighborhood's name could show that they and their customers identify with and have pride in their neighborhood, providing a strong basis for encouraging more celebration of the identity.
Do the neighborhoods where the local government would like to promote infill development have distinctive architecture, design, public spaces, landscaping, or buildings?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Many older neighborhoods that might be well suited for infill development have features that are selling points for developers and potential residents or businesses. Distinctive elements might include a natural feature, such as a river, or built ones, such as walkable streets, museums, or a commercial district.
Is the neighborhood known for a particular culture, building style, or other distinguishing feature that could translate into a market premium?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Tying the neighborhood brand or name to a distinctive feature can help differentiate the neighborhood and attract potential buyers.

Table A-21. Assessment Questions for Strategy 21		
Enact a Property Tax Abatement Program for Infill Locations		
Key Questions	Yes/No	Why is this Important?
Does state law allow local governments to use tax abatement?	Yes <input type="checkbox"/> No <input type="checkbox"/>	This action might require state enabling legislation.
Has the local government identified priority infill development areas?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Tax abatement can encourage development and increase market demand in distressed neighborhoods where the local government wants to encourage infill.
Would abatement be more financially feasible if used only in priority infill development areas (rather than community-wide)?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Some local governments allow abatement throughout their jurisdiction while others allow it only in targeted areas. Allowing tax abatement in only a few targeted areas would likely have less effect on tax revenues.
Do elected officials and community members understand the benefits and value of tax abatement?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The local government might need to educate elected officials and residents on this strategy
Does the community have many vacant parcels in priority infill areas?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Traditional property taxes rise when the land is developed. Holding the taxes steady during a grace period can encourage development of vacant land.
Are land speculators purchasing vacant property in priority infill areas and holding it in anticipation of land values increasing in the future?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Property tax abatement can encourage landowners to improve the property since the improvements will not affect the tax value.
Are property taxes on improvements discouraging investment in priority infill areas?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Abating the property tax on improvements might not be effective if taxes do not have a significant effect on where people and companies choose to invest.
Is the local government's property tax rate substantially higher than surrounding communities that compete for development?	Yes <input type="checkbox"/> No <input type="checkbox"/>	A substantially higher tax rate might justify abatement to level the playing field.
Are neighboring communities abating their taxes?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The city might need to offer an abatement to stay competitive.

Table A-22. Assessment Questions for Strategy 22		
Implement a Land Banking Program		
Key Questions	Yes/No	Why is this Important?
Does state law explicitly address land banks?	Yes <input type="checkbox"/> No <input type="checkbox"/>	This action might require state-enabling legislation.
If state law does not explicitly allow a land bank, does it allow local governments to use traditional land bank tools such as land acquisition, rehabilitation, and resale?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The authority to create a land bank-like entity might exist in several different state laws.
Has the local government purchased property in the past to stabilize a neighborhood?	Yes <input type="checkbox"/> No <input type="checkbox"/>	This could indicate the local government has experience with some of a land bank's key responsibilities.
Does the local government maintain a property database with information that indicates properties' condition, such as code violations, tax delinquency, and occupancy?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Land banks need easy access to these data to identify and acquire properties that are harming a neighborhood.
Has the local government identified priority infill development areas where it would like to rehabilitate housing?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Land banking can help reuse existing buildings in an established but distressed neighborhood.
Do local nonprofits, such as CDCs, purchase, rehabilitate, and resell distressed properties?	Yes <input type="checkbox"/> No <input type="checkbox"/>	A nonprofit entity could run the land bank. Local nonprofit housing organizations or CDCs might already be doing activities similar to those a land bank would do, which would allow the local government to support those programs instead of establishing a new entity.
Does the community have areas with concentrated abandonment or vacant lots?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Land banking programs are particularly effective at stabilizing and redeveloping abandoned and vacant properties.
Are tax liens and other property encumbrances discouraging infill development?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Land banks can clear properties of encumbrances that scare off investors and prepare them for sale.
Is the community's population declining?	Yes <input type="checkbox"/> No <input type="checkbox"/>	In shrinking communities, the housing market might be so depressed that the local government decides to focus investments in services and infrastructure in certain places. The local government can use a land bank to take land off the market in some areas while promoting growth in others.

Table A-23. Assessment Questions for Strategy 23		
Implement a Land Value Tax		
Key Questions	Yes/No	Why is this Important?
Does state law allow a land value tax?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Most states do not allow municipalities to use a land value tax. This action might require state enabling legislation.
Are land speculators holding valuable property in infill locations?	Yes <input type="checkbox"/> No <input type="checkbox"/>	A land value tax encourages development of vacant land because taxes are based on the value of the land rather than the improvements.
Are property taxes on improvements discouraging investment in priority infill areas?	Yes <input type="checkbox"/> No <input type="checkbox"/>	By shifting the tax burden to the value of land (based on highest use), property owners have an incentive to develop or use the land to cover the tax bill.
Does the community have a large number of land-rich, income-poor residents?	Yes <input type="checkbox"/> No <input type="checkbox"/>	A land value tax would place a burden on people with valuable land holdings but low income (e.g., farmers and retirees). Among the solutions are tax credits, varied rates, and exemptions.

Table A-24. Assessment Questions for Strategy 24		
Attract Private Equity		
Key Questions	Yes/No	Why is this Important?
Does the local government have resources to identify potential private equity partners with an interest in the community?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The local government might need to help connect private equity partners with local developers to encourage infill projects.
Are there local professional or community organizations that have members with private equity?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Reaching out to community leaders could help identify potential investors and build support for infill development.

Table A-25. Assessment Questions for Strategy 25		
Encourage Community Development Corporations		
Key Questions	Yes/No	Why is this Important?
Does the local government support nonprofit affordable housing organizations?	Yes <input type="checkbox"/> No <input type="checkbox"/>	CDCs work to advance community goals. Local government support and collaboration can strengthen community development projects in infill areas.
Has the local government identified creating jobs and affordable housing in distressed neighborhoods as key goals?	Yes <input type="checkbox"/> No <input type="checkbox"/>	CDCs can increase the supply of affordable housing and provide services in distressed communities.
Has the local government identified neighborhoods that it wants to stabilize and revitalize?	Yes <input type="checkbox"/> No <input type="checkbox"/>	CDCs can help the local governments revitalize neighborhoods.
Have the local government or community organizations already established CDCs in some neighborhoods?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Established CDCs can be mentors to new CDCs, and their developments can be useful case studies.
Is a group willing and able to start a CDC in a priority infill development area?	Yes <input type="checkbox"/> No <input type="checkbox"/>	CDCs are established and managed as nonprofit organizations by residents or institutions such as a church.
Does a national nonprofit housing developer operate in the community?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Organizations such as the Local Initiatives Support Corporation (LISC) or Enterprise work in several cities across the country and can help connect CDCs with financial resources.
Are there foundation or state or local government funding sources that CDCs can access?	Yes <input type="checkbox"/> No <input type="checkbox"/>	CDCs will not only need seed money to get started, but also foundation, state, and local funding to support operations.

Table A-26. Assessment Questions for Strategy 26		
Encourage Crowdfunding for Projects and Businesses in Priority Infill Development Areas		
Key Questions	Yes/No	Why is this Important?
Do state law or regulatory processes allow crowdfunding for development projects?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The U.S. Securities and Exchange Commission was still finalizing crowdfunding regulations in December 2014, but several states have finalized their own regulations in the meantime.
Does the local government or state have programs to protect investors from predatory businesses that fraudulently seek money through crowdfunding?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Crowdfunding can open real estate investing to more people, but this could bring more exposure to fraud. Local and state governments can help educate and protect investors.
Are key infill development stakeholders familiar with the concept of crowdfunding?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Community leaders and developers might need more information about this tool.
Are CDCs or residents of priority infill areas interested in investing directly in local projects?	Yes <input type="checkbox"/> No <input type="checkbox"/>	New proposed SEC rules may allow more people to invest directly in local real estate projects without going through a professional investment fund. Some states already allow this for residents that are investing in projects within the state.
Has the community had widely supported and economically feasible projects that failed to attract financing because they did not provide a sufficient return on investment for institutional investors?	Yes <input type="checkbox"/> No <input type="checkbox"/>	These types of projects are ideal for crowdfunding. They provide a return on investment, but one not high enough to attract money from traditional investors.

Table A-27. Assessment Questions for Strategy 27		
Create a Tax Increment Financing District		
Key Questions	Yes/No	Why is this Important?
Does state law allow local governments to use tax increment financing (TIF)?	Yes <input type="checkbox"/> No <input type="checkbox"/>	This action might require state enabling legislation.
Has the local government identified infrastructure needs in the proposed assessment district?	Yes <input type="checkbox"/> No <input type="checkbox"/>	A majority of property owners must typically approve of a special assessment district. Having a plan for what infrastructure is needed and what it will cost can make it easier to gain support of multiple property owners who typically own property in an infill area.
Has the community designated priority infill areas or declared areas blighted or underdeveloped?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Tax increment financing (TIF) can be used to build infrastructure for infill development, but often the local government must designate the area as blighted or underdeveloped.
Do elected officials support using debt to finance improvements for redevelopment?	Yes <input type="checkbox"/> No <input type="checkbox"/>	TIF is a popular tool for economic development which typically involves selling bonds that are backed by the incremental tax revenue generated by development and market improvement.
Are developers committed to building projects in the TIF district?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The local government needs some assurance that development will come after the improvements are made.
Are portions of the community blighted or struggling to attract investment?	Yes <input type="checkbox"/> No <input type="checkbox"/>	A local government must often designate an area as blighted or underdeveloped to use TIF.
Is the developer able to pay for the infrastructure upfront and still have a financially feasible infill development project?	Yes <input type="checkbox"/> No <input type="checkbox"/>	TIFs can help reduce the up-front costs a developer pays for water, sewer, and street infrastructure.
Are land values high enough that tax revenue growth will be able to cover the cost of infrastructure improvements?	Yes <input type="checkbox"/> No <input type="checkbox"/>	In areas with very low property values, even a significant increase in value will not generate sufficient revenue to pay for infrastructure or to service the bonds associated with the infrastructure.

Table A-28. Assessment Questions for Strategy 28		
Establish a Capital Reserve Fund		
Key Questions	Yes/No	Why is this Important?
Does state law allow local governments to save money in a capital reserve fund for infrastructure improvements?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Each state has its own rules related to municipal finance.
Does the local government have a multiyear capital improvement program?	Yes <input type="checkbox"/> No <input type="checkbox"/>	State enabling legislation may require the local government to explicitly describe how it intends to use the capital reserve fund.
Do elected officials prefer to not borrow for major capital projects?	Yes <input type="checkbox"/> No <input type="checkbox"/>	A local government establishes a capital reserve fund to reduce its debt burden when funding infrastructure.
Can the local government set aside revenue each year for future capital improvements?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Many distressed communities are fiscally stressed and would have trouble setting aside funds.
Does the local government have a low bond rating?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Low bond ratings increase borrowing costs and could make saving more attractive.

Table A-29. Assessment Questions for Strategy 29		
Create Special Assessment Districts		
Key Questions	Yes/No	Why is this Important?
Does state law allow local governments to use assessment district financing?	Yes <input type="checkbox"/> No <input type="checkbox"/>	This action might require state enabling legislation.
Is the local government willing to take on the financial risk of special assessment district financing to support infrastructure for a development proposal?	Yes <input type="checkbox"/> No <input type="checkbox"/>	If a developer collapses and the subdivided properties do not sell, the local government could be liable for expensive infrastructure that the property owners are unable to cover.
Are annual property tax increases limited by state or local laws?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Some cities and towns use special assessment districts because of property tax caps that do not allow them to raise taxes to expand and repair infrastructure.
Does the community have a champion for using assessment district financing?	Yes <input type="checkbox"/> No <input type="checkbox"/>	A local champion can keep up momentum to get the district approved and can help with the extensive public outreach that is needed.
Are land values high enough to generate the funds needed for infrastructure?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Assessment district financing comes through an incremental tax on top of the community's property tax rate. The special tax must generate enough revenue to support the bonds for the infrastructure.

Table A-30. Assessment Questions for Funding Infrastructure (Strategy 30)		
Generate Revenues Through Naming Rights and Advertising		
Key Questions	Yes/No	Why is this Important?
Does the local government have guidelines or policies for naming rights and advertising deals?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Local governments can preempt any undesirable sponsorship offers by clearly expressing the facilities and locations in which they are willing to sell naming rights. For example, a community may want to limit advertising in or near a public school.
Does the local government have a plan for spending revenue from naming rights and advertising?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The revenue could help offset a service, go toward a major capital project, or be used for some other purpose. Having a plan for spending the revenue can build support for the strategy.
Is the local government planning any major capital projects in priority infill development areas?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Major, highly visible capital projects could be particularly desirable for naming rights deals.
Has the local government identified specific facilities and services through which advertising and naming rights can be sold?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Naming rights for some services, such as transit lines and stations and facilities like stadiums, have generated significant revenue for many local governments.
Does the local government have an office or employee with the experience to administer a naming rights or advertising program?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Advertising policies and deals should be administered by someone with experience working in or with the advertising or media industries.
Does the local government have high tax rates relative to neighboring cities and towns?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Advertising revenues generated through the market might be more appealing to elected officials than strategies that increase taxes or public debt.
Has the local government identified specific places where it is willing to sell advertising (such as publicly owned land that could display billboards)?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The community might not want to sell advertising in certain places, such as attractive landscapes or near schools.
Have businesses expressed interest in advertising on public property or through public services?	Yes <input type="checkbox"/> No <input type="checkbox"/>	The local government should have a sense of the market demand for this type of advertising before dedicating resources to a program.

