

COMMUNITY MEETING

PILSEN TIF DISTRICT AMENDMENT NO. 4

BOUNDARY AMENDMENT

DEPARTMENT OF PLANNING AND DEVELOPMENT

MAY 4, 2023



Agenda

- Purpose for the Amendment
- What is Tax Increment Financing?
- Pilsen TIF District Amendment and Expansion
 - Expansion Eligibility Factors
 - Future Land Use
 - Goals and Objectives
 - Redevelopment Plan Budget
- Next Steps
- Question and Answer

Purpose for the Amendment

- Expand the boundaries of the original TIF District in order to support affordable housing and locally-owned small businesses.
- Update the land use plan, goals, and objectives to reflect new planning vision.
- Revise redevelopment budget to account for funds in the expanded area.

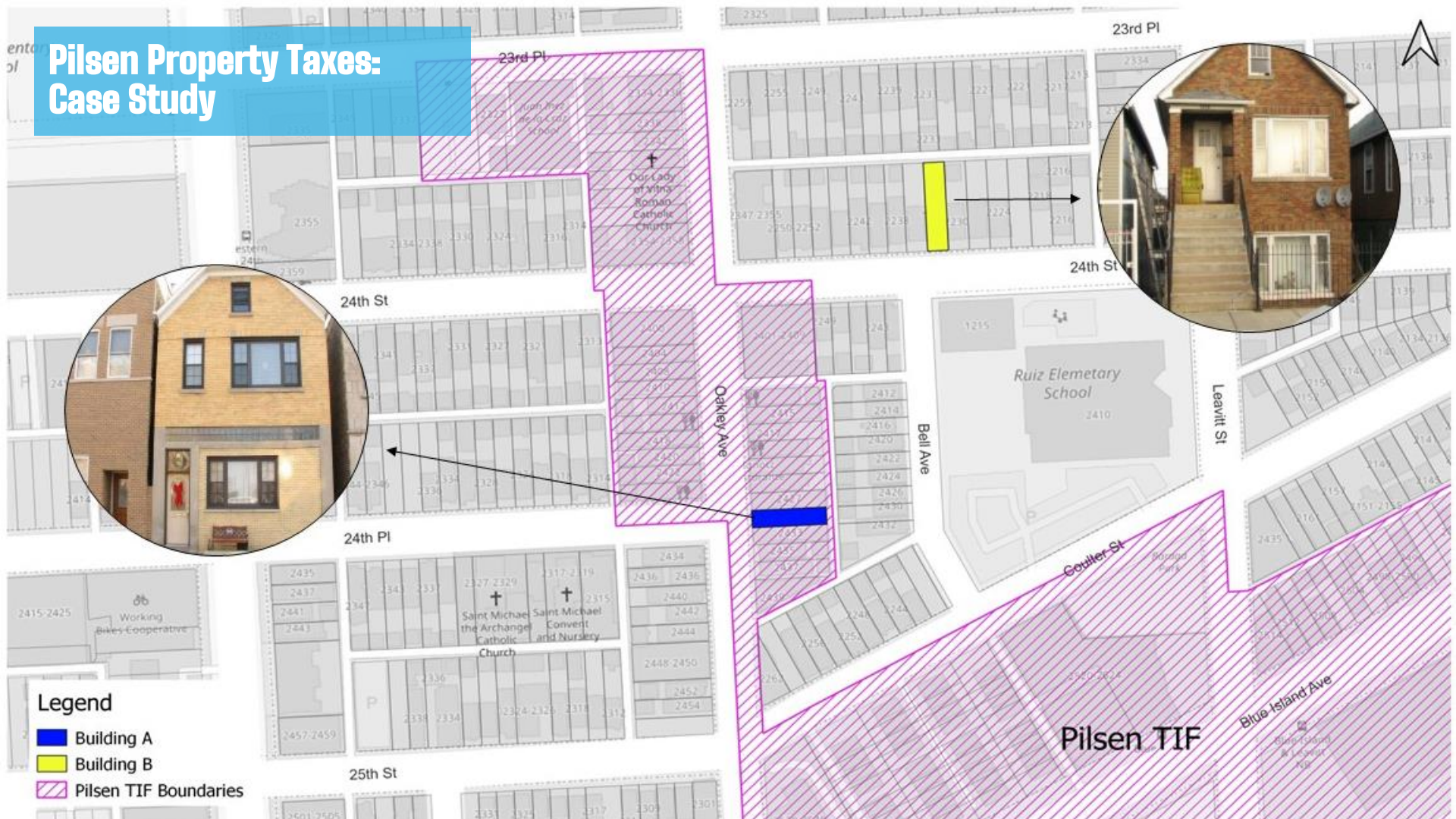
What is a TIF District?

- Financial tool that generates resources for economic and community development improvements.
- Program is administered by DPD, but the regulatory framework is established by the State.
- Areas required to demonstrate specific qualifying factors in order to be designated a TIF district.
- TIF is not a tax increase – it is a tax diversion.

Pilsen Property Taxes: Case Study



- Legend**
- Building A
 - Building B
 - ▨ Pilsen TIF Boundaries



Pilsen Property Taxes: Case Study

PROPERTY INSIDE THE TIF

2020 Assessed Value 24,288

2021 Property Value 420,000

2021 Assessment Level X 10%

2021 Assessed Value 42,000

2021 State Equalizer X 3.0027

2021 Equalized Assessed Value (EAV)
126,113

2021 Local Tax Rate X 6.697%

2021 Total Tax Before Exemptions
8,445.79

PROPERTY OUTSIDE THE TIF

2020 Assessed Value 25,355

2021 Property Value 420,000

2021 Assessment Level X 10%

2021 Assessed Value 42,000

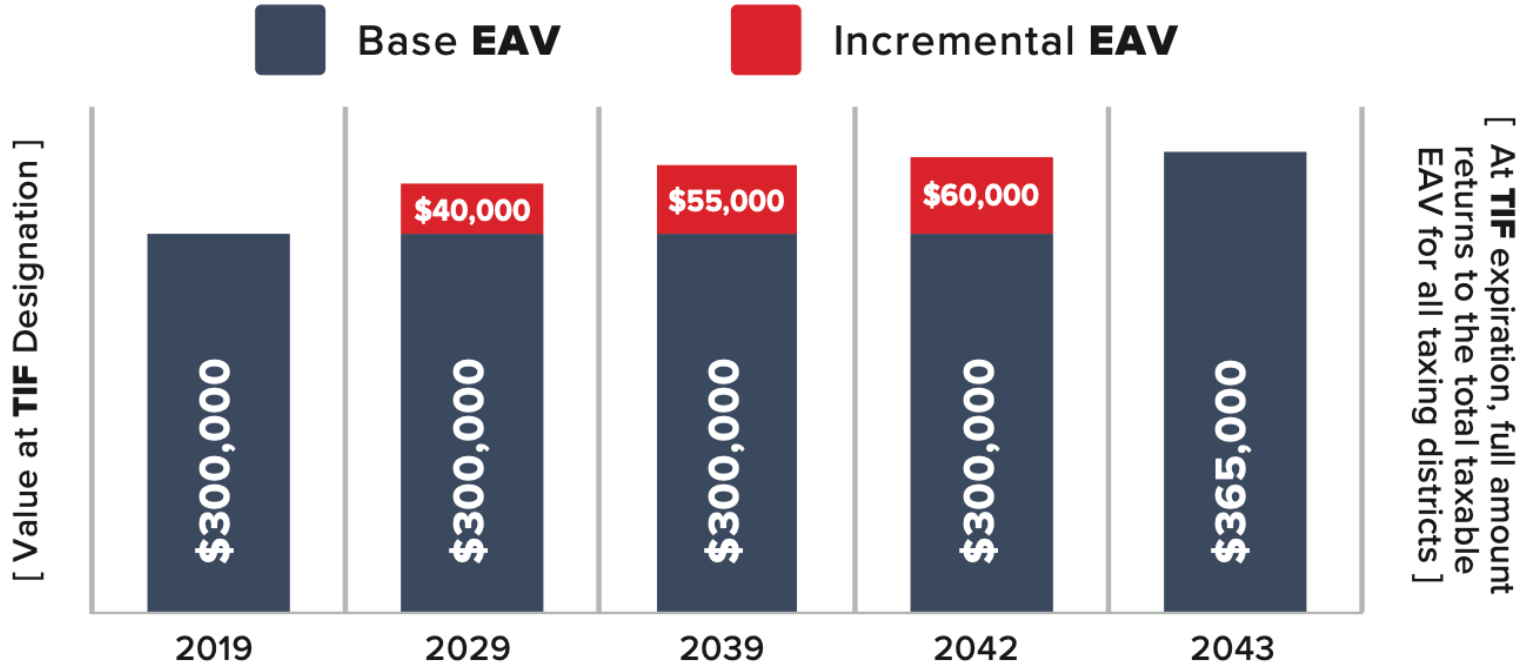
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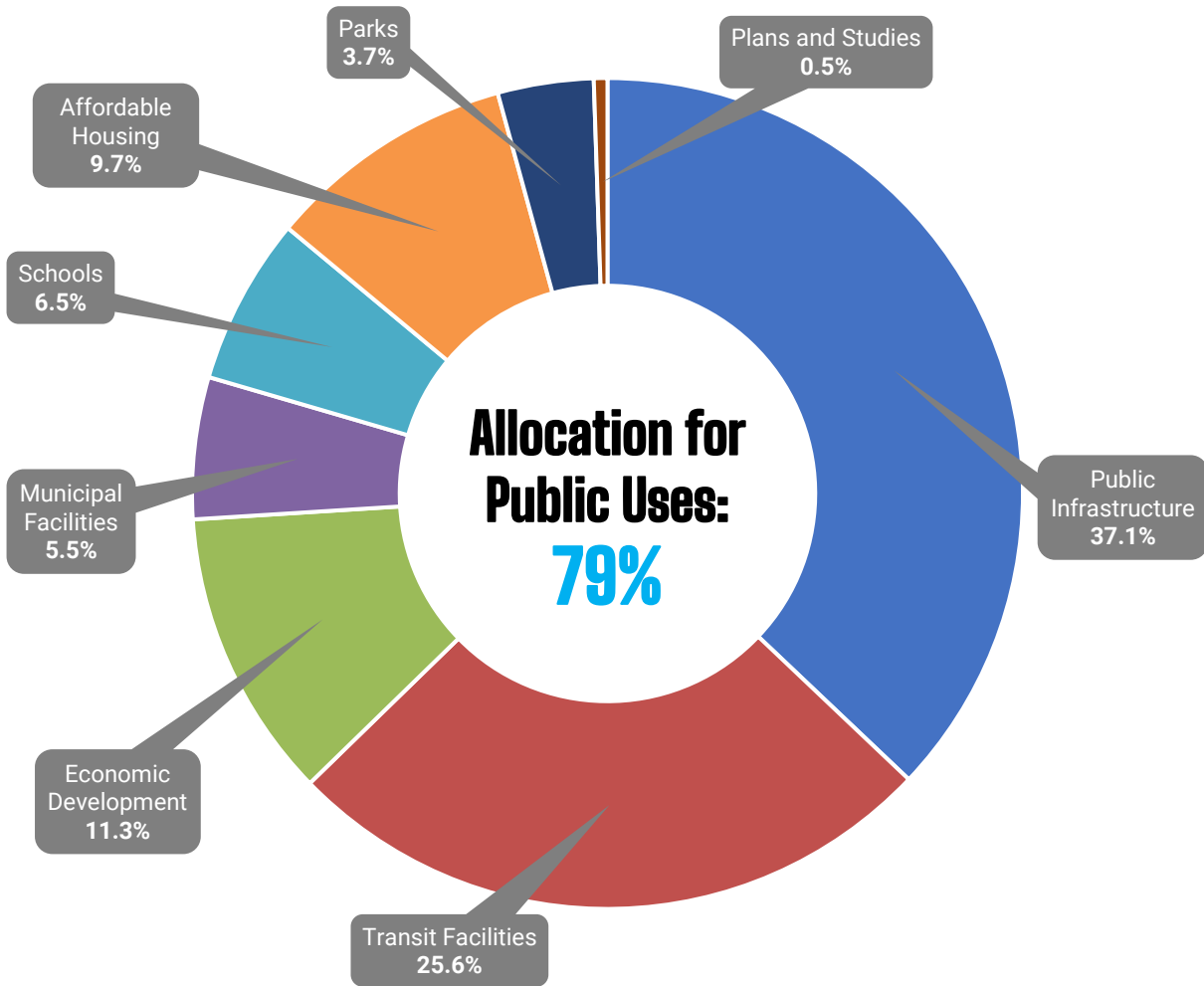
How TIF Works



Citywide TIF Allocations

May 2011 to May 2023

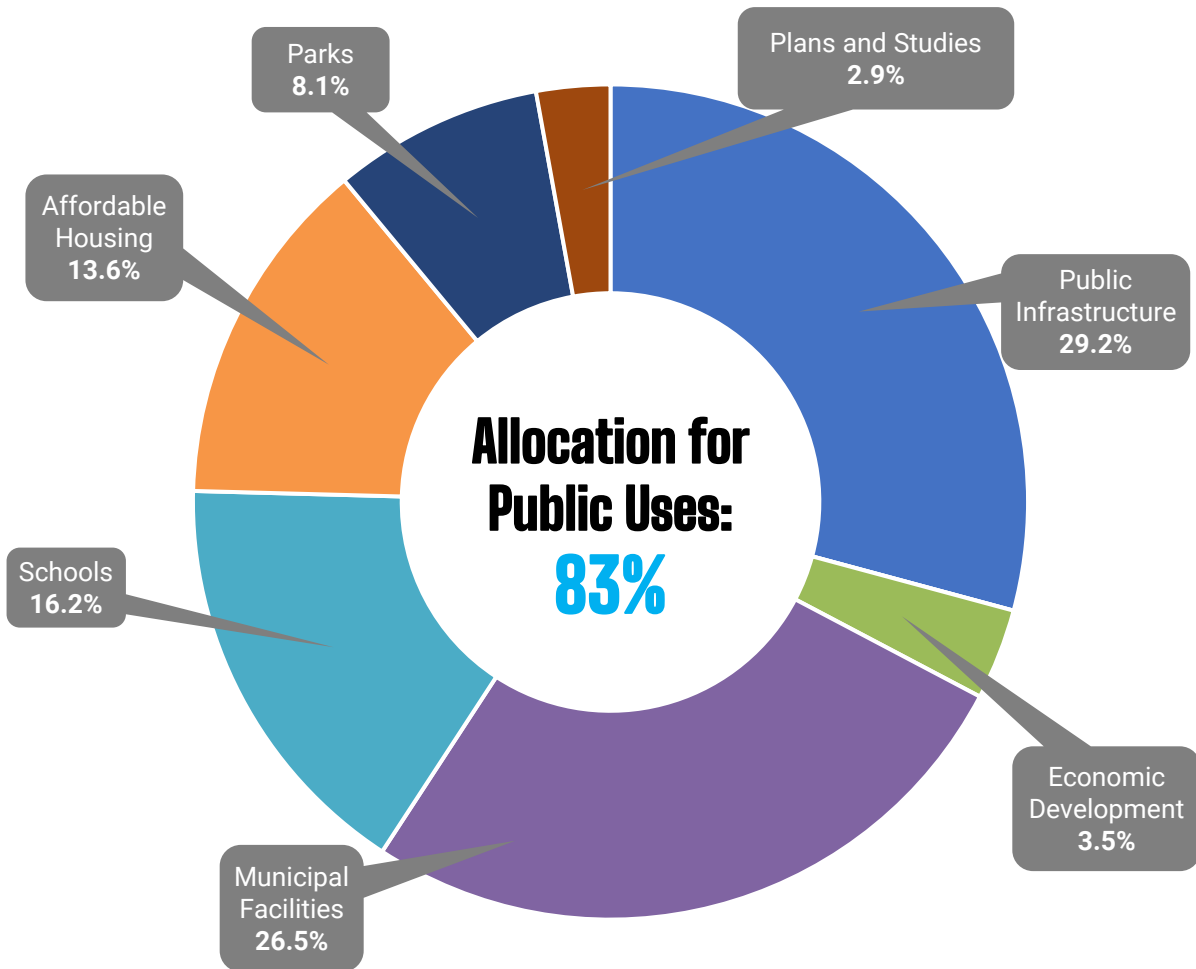
In the past 12 years, a total of \$7.8 billion in TIF funds have been allocated across the City with a significant majority being used by fully public funds.



Pilsen TIF Allocations

May 2011 to May 2023

Over that same term, a total of \$122 million in TIF has been allocated to projects in Pilsen. 96.6 percent of these funds were used for either public uses or affordable housing.



Palmisano Park Development



Photo Credit: Digital Research Library of Illinois History Journal

18th & Peoria Acquisition



Whittier Elem. Playground

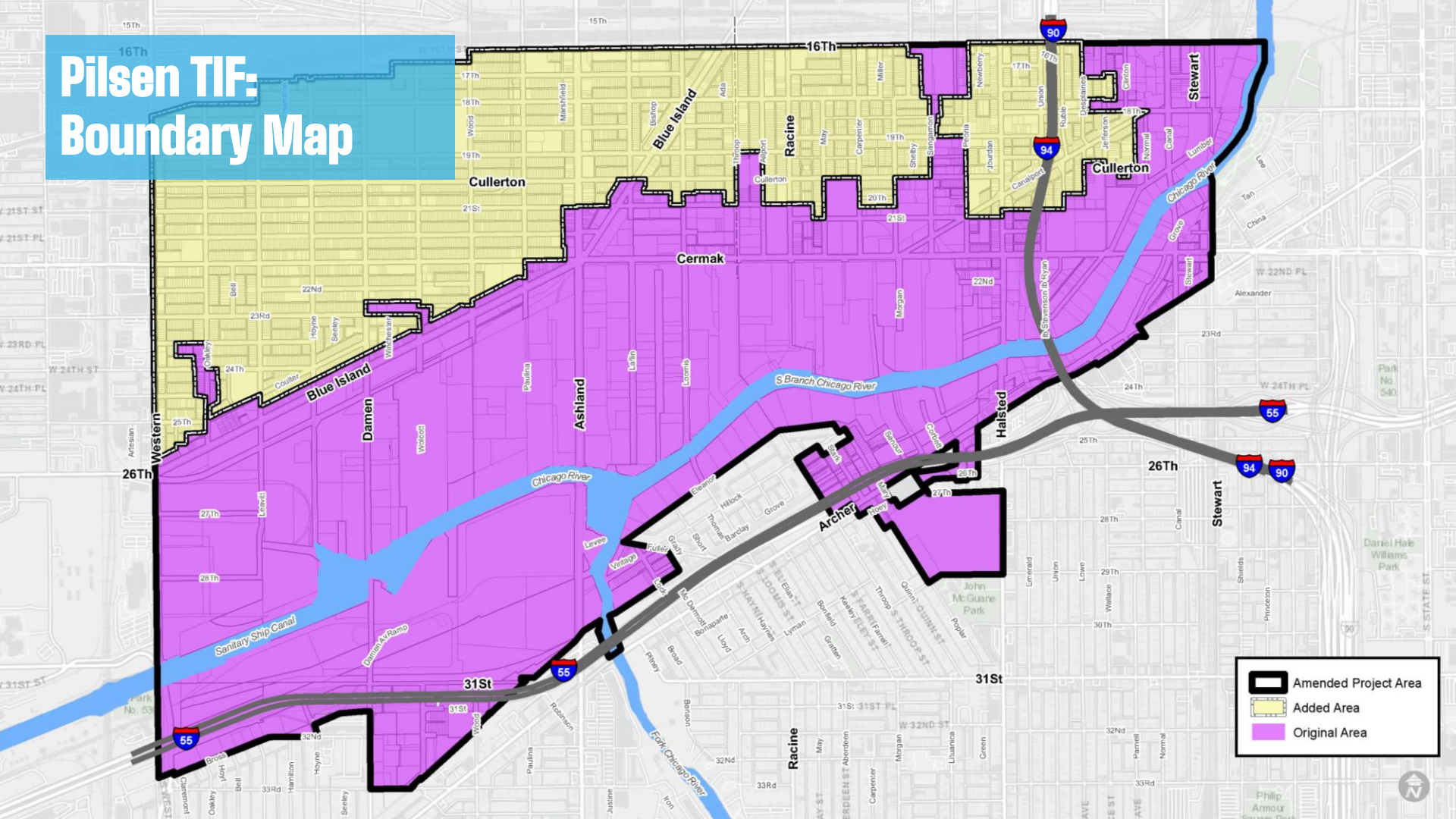





Photo Credit: Chicago Board of Education

Other TIF Funded Projects

- Benito Juarez Community Academy
- Ruiz, Walsh, Perez & Whittier Elementary School
- Dvorak Park and El Paseo
- Small Business Improvement Fund
- Public Infrastructure

Pilsen TIF: Boundary Map



	Amended Project Area
	Added Area
	Original Area



Goals and Objectives

- Encourage, retain, and expand affordable housing options
- Preserve the neighborhood's unique cultural character
- Strengthen the Pilsen Industrial Corridor as an important economic engine and job center
- Create new open spaces, including non-traditional options like rails to trails projects, community gardens, and pocket parks
- Prioritize pedestrian and bike infrastructure

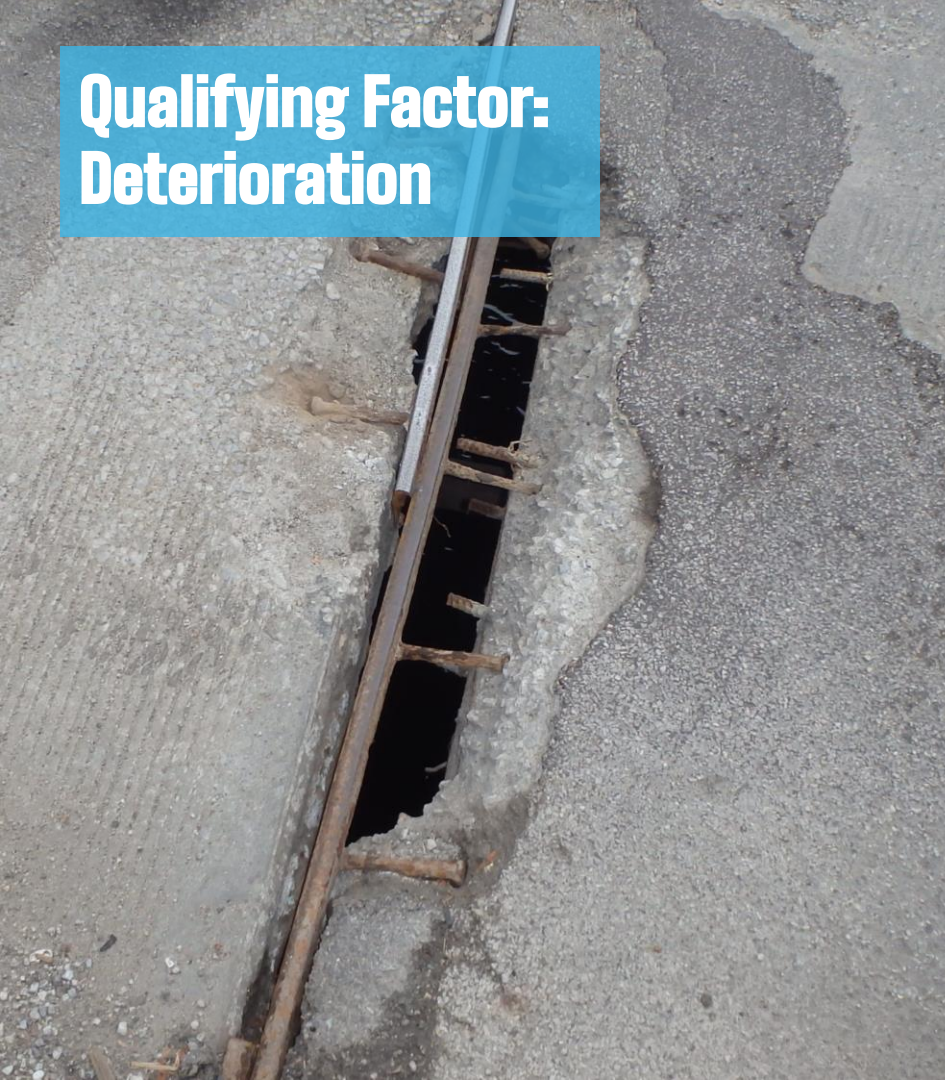
Eligibility of Expanded Area

- The State TIF Act requires that eligible areas meet two tests.
- At least 50% of buildings are at least 35+ years old
 - In the expansion area, 82% of buildings 35 years of age or older
- At least three qualifying factors are meaningfully present and distributed throughout the area
 - Inadequate Utilities
 - Deterioration
 - Structures Below Minimum Code Standards
 - Excessive Vacancies

Qualifying Factor: Deterioration



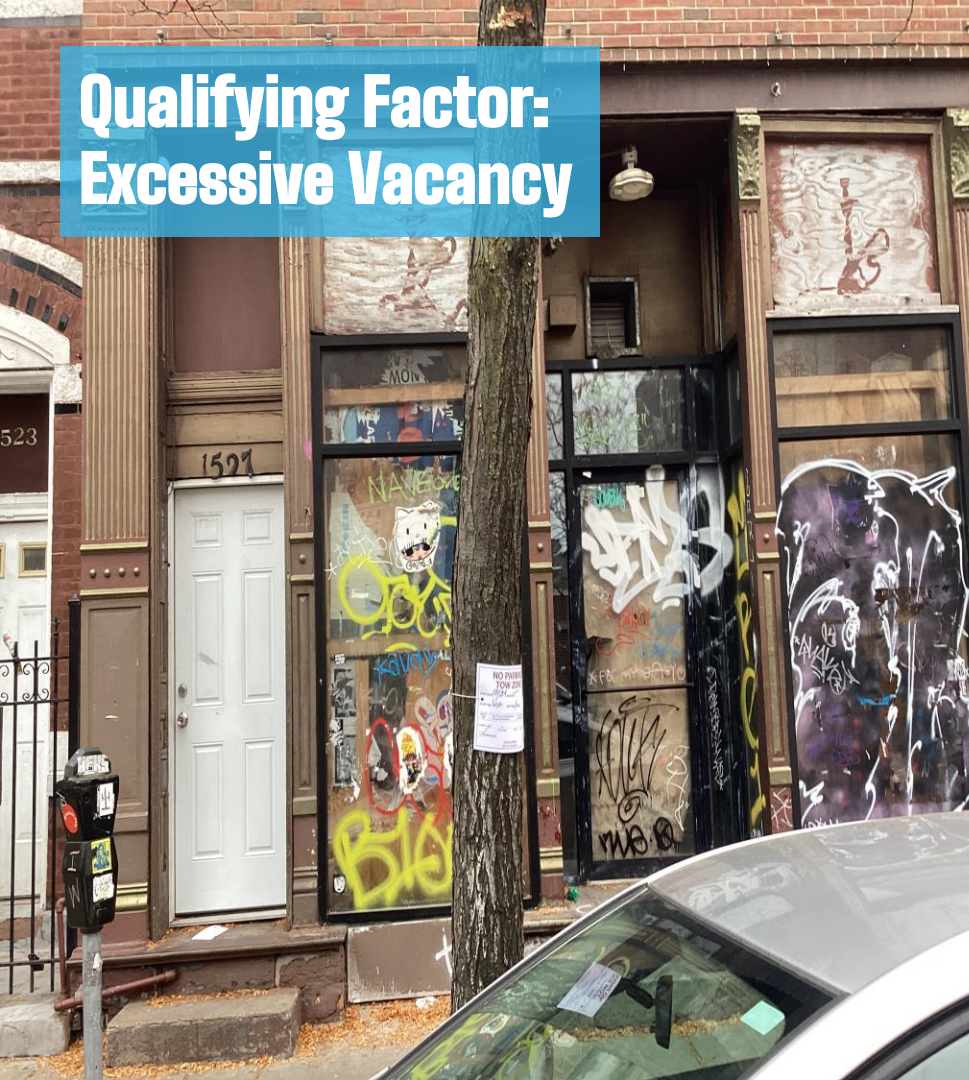
Qualifying Factor: Deterioration



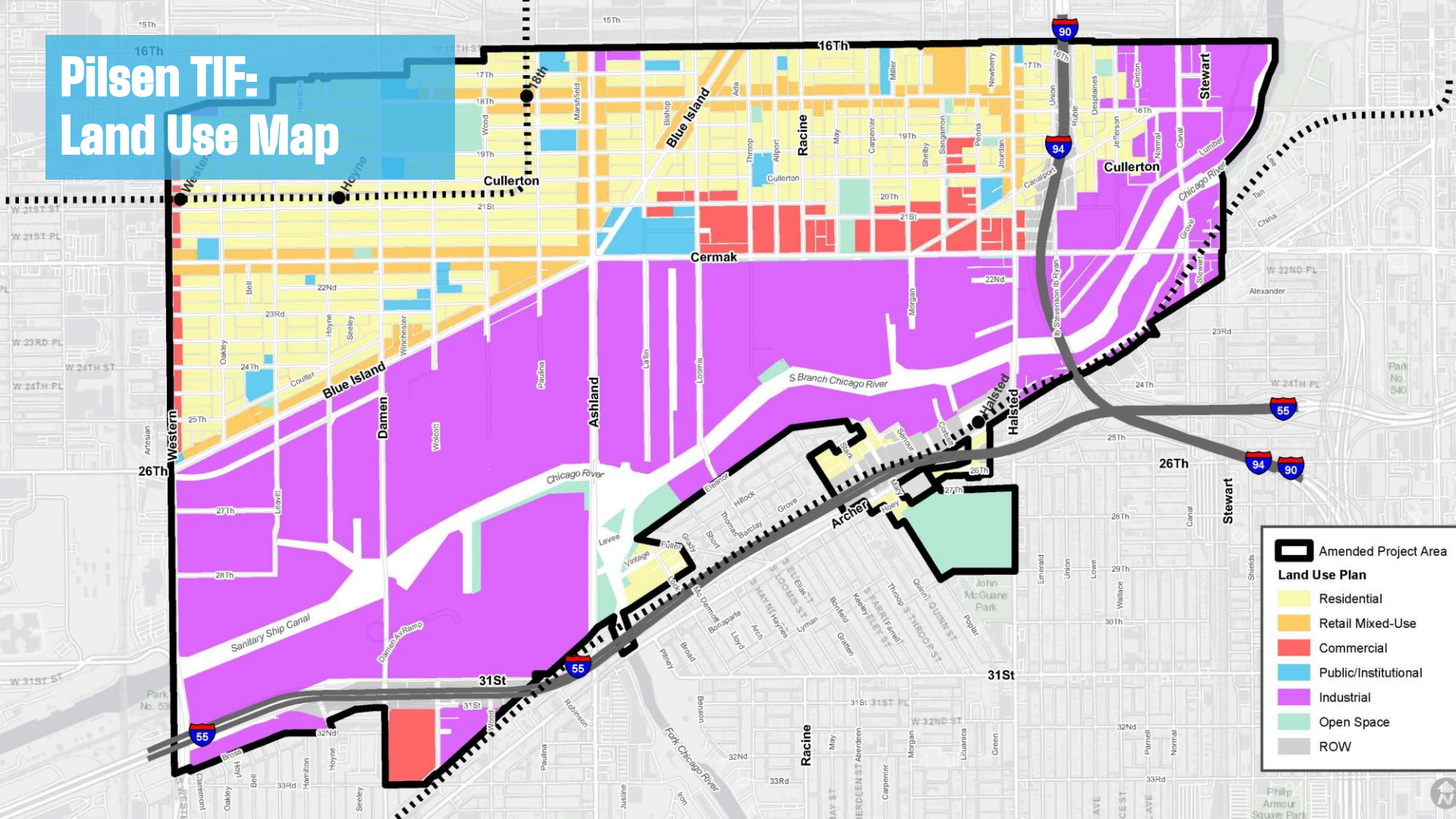
Qualifying Factor: Code Violations



Qualifying Factor: Excessive Vacancy



Pilsen TIF: Land Use Map



Amended Project Area

Land Use Plan

- Residential
- Retail Mixed-Use
- Commercial
- Public/Institutional
- Industrial
- Open Space
- ROW

Pilsen TIF: Amended Budget

ELIGIBLE EXPENSE CATEGORY	ESTIMATED PROJECT COST
Analysis, Administration, and Studies	\$25,000,000
Acquisition, Site Preparation and Environmental Remediation	\$200,000,000
Rehabilitation of Existing Buildings or Construction of Affordable Housing	\$204,000,000
Public Works & Improvements	\$443,000,000
Relocation Costs	\$10,000,000
Job Training, Retraining, Welfare-to-Work	\$50,000,000
Day Care Services	\$8,000,000
Interest Subsidy	\$40,000,000
TOTAL REDEVELOPMENT PROJECT COSTS	\$980,000,000

The Future of the Pilsen TIF District

- Affordable Housing, including Casa Yucatan and 18th & Peoria
- Further development of the El Paseo
- Improvements at Juarez Academy and Whittier Elementary
- Neighborhood Improvement Program
- Small Business Improvement Fund
- Replacement of the Halsted Street Bridge
- Additional public infrastructure and transit improvements

Next Steps for the Amendment

- Community Development Commission Introduction
- Joint Review Board Review
- Community Development Commission Public Hearing
- City Council Introduction
- Finance Committee
- City Council Approval

Meeting dates are to be determined and are not currently scheduled

ADDITIONAL TIF RESOURCES

Meeting Presentation: chicago.gov/TIFMeeting

TIF Portal: webapps1.chicago.gov/ChicagoTif/

TIF Portal: chicago.gov/city/en/depts/dcd/provdrs/tif.html