

When Neighboring Jurisdictions Collaborate on Housing

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Some housing challenges do not respect municipal boundaries. Obvious examples are the way one municipality's stock of workforce housing or its high levels of foreclosures can affect neighboring municipalities. But as recent experience in metropolitan Chicago demonstrates, *interjurisdictional collaboration* (IJC) can offer solutions. Through IJC initiatives, communities can share expertise, gain access to funding, and implement programs they could not manage on their own.

A 2011 Federal Reserve Bank of Chicago study documents how four clusters of Chicago suburbs, ranging in size from five towns to 22, are tackling affordable housing.¹ The communities studied are racially, ethnically, and economically diverse. Most have populations under 20,000. Many face serious challenges, such as the highest foreclosure rates in their metropolitan statistical area or the inability of workers to afford homes near their jobs. Nevertheless, local needs are beginning to be met. As of this writing, Chicago-area collaboratives have

raised over \$25 million from public and private sources and have rehabbed or redeveloped more than 140 homes and multi-family units.

Interjurisdictional Collaboration Defined

IJC is defined here as a strategy to leverage external resources and align internal strategies to collectively address common issues and goals that cross municipal boundaries and to capture resulting efficiencies.

IJC does not require any change to municipal governance structures. But before it can gain momentum, local leaders must build trust around common goals and strategies. Progress may be slow, measured initially in process rather than outcomes. IJC's appeal is the opportunity to pool resources and focus them where most needed. Even if some participating communities receive no direct investment, they can benefit through the spillover effects of collective action.

IJC is not new.² However, it got a boost at the federal level in 2010, when the Office of Sustainable Housing and Communities launched the Sustainable Communities Grant Program "to stimulate more integrated and sophisticated regional planning to guide state, metropolitan, and local investments in land use, transportation, and housing, as well as to challenge localities to undertake zoning and land-use reforms."³

When is IJC likely to work? Historically, it has succeeded when at least a few of the following conditions were present:

- a catalytic crisis (economic or natural)

- a political constituency (the voting public) that has demonstrated its openness to collaboration
- capacity-building assistance or other incentives provided by external sources
- early and continued support by elected officials
- advantages of cooperation that are visible to participating governments
- a "policy entrepreneur" who can see beyond existing structures
- early focus on visible, effective strategies
- an emphasis on building collaborative skills⁴

The Chicago Story

In some IJC examples, for example in California's Silicon Valley or in Seattle, county government or private-sector actors play a leading role. In Chicago, the regional planning and policy organizations—including the Metropolitan Mayors Caucus, the Metropolitan Planning Council (MPC), and the Chicago Metropolitan Agency for Planning—engaged the communities and municipal leadership, and secured key funding and information resources.

Significantly, in 2003, former Chicago Mayor Richard M. Daley asked nonprofit Neighborhood Housing Services (NHS) to bring foreclosure-prevention services under a single umbrella: the Home Ownership Preservation Initiative, or HOPI. In 2007, HOPI was expanded through a partnership with the Federal Reserve Bank of Chicago, the Chicago Community Trust, and NHS, to create a regional version of HOPI, called Regional HOPI. RHOPi convened more

than 100 governmental, nonprofit, and private-sector practitioners to address the foreclosure crisis by creating a collaborative framework. That framework eventually supported IJCs.

With the onset of funding through the American Recovery and Reinvestment Act of 2009, hard-hit Chicago-area communities were able to leverage the relationships they had created through initiatives such as RHOPI to create IJCs and access new opportunities.⁵ For example, an IJC called Chicago Southland Housing and Community Development Collaborative (CSHCDC) secured almost \$9 million in NSP funding. Although 21 communities signed on to that application, it was agreed that directing resources to just 11 hardest-hit individual communities would benefit everyone.

In another example, NSP funding provided the catalyst to create the five-community West Cook County Housing Collaborative (WCCHC). Once again, although all five communities signed the application, the WCCHC elected to focus the resources in two suburbs where the need was greatest.

IJC can make people willing to share. “By working together, [municipalities] can pool resources, prioritize investments for maximum benefit, achieve economies of scale, and create a ‘one-stop shop’ for developers, employers, and lenders,” writes the MPC’s Kim Grimshaw Bolton.⁶

IJC requires a shift from thinking about individual community stabilization as the ultimate goal to thinking about subregional stabilization as the goal. Participating communities acknowledge that even if they don’t get direct dollars, all members of a collaborative benefit if there is increased regional stability. However, it does take work to ensure that all participants feel they have gotten something, a key success factor.

The Word Is Out

Now that collaboratives are seen to be securing resources, interest in joining has increased. That can put pressure of the size of the collaborative. Chicago leaders suggest starting small, with limited, focused goals. Although some experts argue that small collaboratives exacerbate the resource constraints that motivated the collaboration in the first place, others point out that if collaborations are too large, finding a point of mutual self-interest can be much more difficult.⁷

A second challenge is transparency, always critical to success. One Chicago collaborative addresses transparency by operat-

ing under the Public Meetings Act. Another is developing a criteria-based tool to facilitate objective decision making and help all stakeholders understand the process.

A third challenge is management of the collaborative. The Chicago collaboratives have taken a variety of approaches to management. One collaborative might hire a single coordinator (as the CSHCDC did), another might contract with an established housing organization (as did the WCCHC), yet another might delegate to an organization already working within the collaborating communities (as in an informal collaborative in the northern Chicago suburbs).

A fourth challenge is to explain what exactly an IJC is. Although collaboratives have executed intergovernmental agreements (IGAs) and resolutions, none is its own legal entity. That is because most collaborative leaders feel that it is premature to incur the effort and cost of establishing a separate organization when interjurisdictional collaboration may still be in “proof of concept.”

Understandably, with IJCs at different stages of formalizing their relationships, the entities remain confusing to funders. Once collaboratives do receive funding, however, formalization of the relationships generally follows quickly. In the words of one coordinator, “structure fosters engagement, commitment, and accountability.”

The final challenge is measurement. Although all communities get something out of the collaboration, not all benefit equally. Thus, what may be deemed a success for the collaborative may be perceived as a loss by residents of a given community. Thus some Chicago collaboratives cite their primary successes as just their procedural steps, such as establishing regular meetings or executing an IGA. Others have more tangible results, such as homes sold or rental units preserved.

With clearly articulated and measured benefits—economic efficiencies, gaining access to more resources, capturing the spillovers from collective actions, and the like—the justification for IJC seems clear. Nevertheless, more time, experience, and research are needed to answer some longstanding questions: how higher levels of government might best encourage interjurisdictional municipal collaboration; which IJC structures are sustainable; how IJCs can attract and utilize more public-sector programs and private-sector partnerships; how best to engage with outside facilitators and technical assistance providers; and how the

long-term results should be measured.

Clearly, success for collaborative efforts requires a long time horizon. But as one planner acknowledged, rehabbing three homes may not change a community, but it can change a block. And communities change one block at a time.

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Endnotes

- ¹ Susan Longworth, “Suburban Housing Collaborative: A Case for Interjurisdictional Collaboration,” *Profitwise News and Views* (2011): http://www.chicagofed.org/webpages/publications/profitwise_news_and_views/2011/pnv_nov2011.cfm.
- ² Richard Briffault, “Localism and Regionalism,” *Buffalo Law Review* (2000): 1-38.
- ³ See http://portal.hud.gov/hudportal/HUD?src=/program_offices/sustainable_housing_communities; and Lisa T. Alexander, “The Promise and Perils of ‘New Regionalist’ Approaches to Sustainable Communities,” *Fordham Urban Law Journal* (2011): 629-646.
- ⁴ Beverly A. Ciglar, “Preconditions for *Multicommunity Collaboration*” in *Multicommunity Collaboration: An Evolving Rural Revitalization Strategy*, P.F. Korsching et al., eds. (Ames, Iowa: North Central Regional Center for Rural Development, 1992): 53-74.
- ⁵ Roberto Requejo, “RHOPI Perspectives: The Chicago Community Trust,” *Profitwise News and Views* (2009): 4-7.
- ⁶ Kim Grimshaw Bolton, *A Model for Sustainable Redevelopment in America’s Inner Suburbs* (Chicago: Metropolitan Planning Council, November 11, 2009).
- ⁷ Timothy O. Borich, Stuart Huntington, and Susan Fessler, “Multicommunity Collaboration State Case Studies: Introduction and Analysis,” in *Multicommunity Collaboration: An Evolving Rural Revitalization Strategy*, P.F. Korsching et al., eds. (Ames, Iowa: North Central Regional Center for Rural Development, 1992): 149-154.

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