INSPIRED LEADERS
SHAPING CITIES

POLICY BACKGROUND: PLACEMAKING

INTRODUCTION

Policymakers and other stakeholders in recent years have increasingly shown an interest in placemaking strategies as a way to foster community development, promote economic growth and help communities of all sizes become more vital. Long the domain of organizations and advocates in the livable communities space, placemaking has entered the consciousness of a wider array or interests, including organizations like the National Association of Realtors, which has developed a Placemaking Toolkit.[1] As the nation continues to recover from the COVID-19 pandemic, which has led to enormous dislocations for many communities, there is a growing desire to explore how different types of placemaking can serve as a response.

To the extent that governments see a role for themselves in placemaking, it has happened largely at the local and state levels. That said, there are examples – both direct and indirect – of federal policies that affect the ability of communities to define place.

Different Kinds of Placemaking

From both a policy and practical perspective, there is no single definition of "placemaking." The Project for Public Spaces defines it as: "As both an overarching idea and a hands-on approach for improving a neighborhood, city, or region, placemaking inspires people to collectively reimagine and reinvent public spaces as the heart of every community. Strengthening the connection between people and the places they share, placemaking refers to a collaborative process by which we can shape our public realm in order to maximize shared value. More than just promoting better urban design, placemaking facilitates creative patterns of use, paying particular attention to the physical, cultural, and social identities that define a place and support its ongoing evolution."[2]

There are a number of different kinds of placemaking; while each has similar goals at its core, they differ in terms of strategies and tools to create better places.

- *Creative placemaking.* Creative placemaking centers around the creative arts. IDA has defined it as "the act of people coming together to change overlooked and undervalued public and shared spaces into welcoming places where community gathers, supports one another, and thrives. Places can be animated and enhanced by elements that encourage human interaction – from temporary activities such as performances and chalked poetry to permanent installations such as landscaping and unique art."[3]

- *Tactical placemaking.*, Tactical placemaking, or tactical urbanism, has been described as "Incremental, small-scale improvements" employed to "stage more substantial investments." The tactical placemaking approach provides space for a multitude of stakeholders to test new concepts before making political and financial commitments. While some tactical placemaking activities are not sanctioned by the local authorities, some cities have supported them. Tactical placemaking is a phased approach that can start quickly, often at low cost. It targets public spaces and can be implemented continuously in neighborhoods with a mix of stakeholders. Projects may include a temporary road diet using paint, the pilot construction of a new form of dwelling in a neighborhood, or temporary conversion of a storage facility into a business. Activities include parking space conversions, self-guided historic walks, and outdoor music events in town squares.[4]

- *Transformative placemaking.* Transformative placemaking involves a much broader notion of creating place, looking at communities in a more holistic manner. The Brookings Institute describes it as " more expansive than traditional placemaking in that it strives to create destinations for work, commerce, recreation, and residential life that generate economic value for the broader city and region . . . transformative placemaking aims not only to reinvigorate (and in many cases, repair) our public realm, but to remake the relationship between place and economy in ways that generate broad-based and locally led prosperity."[5]

- *Equitable Placemaking.* Equitable placemaking centers around the idea that effective placemaking is not just about the end result, but the means of getting there; in particular, it focuses on a process that is inclusive of all voices, particularly those that

[1] https://realtorparty.realtor/wp-content/uploads/2017/08/Programs-Grants-Community-Outreach-Placemaking-Toolkit.pdf
[2] https://www.pps.org/article/what-is-placemaking
[3] https://ida2016.sharepoint.com/teams/IDA/Research/Shared%20Documents/Forms/AllItems.aspx?id=%2Fteams%2FIDA%2FResearch%2FShared%20Documents%2FWebstore%20Publications%2FCreative%20Placemaking%20Toolkit%2FIDA%5FCreativePlcmkgToolkit%5FFINAL%5F121317%2Epdf&parent=%2Fteams%2FIDA%2FResearch%2FShared%20Documents%2FWebstore%20Publications%2FCreative%20Placemaking%20Toolkit&p=true&wdLOR=c8E07F7F3%2DB8B4%2D450B%2D8651%2D4E05E4F1AD02&ct=1647274681384&or=Outlook-Body&cid=0593E35F-2305-4A06-8BA5-C3678DD2AC57
[4] https://www.cnu.org/publicsquare/four-types-placemaking
[5] https://www.brookings.edu/center/anne-t-and-robert-m-bass-center-for-transformative-placemaking/

traditionally have been marginalized. The Project for Public Spaces defines it as "the process by which a community defines its own priorities. This is something that government officials and self-proclaimed Placemakers ignore at their own peril."[6]

Policy Gaps

Traditionally, placemaking activities have been the realm of local governments, with relatively little or no involvement or support from state and federal policymakers. This is understandable in the sense that placemaking is by its very nature a locally driven endeavor, and one that cannot be directed from state capitals or Washington. Even at the local level, however, placemaking advocates face a number of policy challenges as they strive to foster vibrant neighborhoods and downtowns.

- *A lack of coordination.* Public policies that iupact placemaking run the gamut from transportation and infrastructure policies to ones that impact housing, health care, public safety, small businesses and a host of others. For placemakers, such policies "can seem unsynchronized, siloed, duplicative, or even at odds with each other."[7]

- *Inequity.* To the extent governments have placemaking policies in place, they often neglect underrepresented groups and provide low- and moderate-income communities and communities of color a genuine voice in the process.

- *Lack of legitimacy gaps:* As the Federal Reserve Bank of San Francisco notes in a 2019 report, "Governments may not recognize the value of rigorous and authentic creative engagement during public processes, meetings, hearings, or assessments. Creative implementation strategies may be perceived as less substantive, less efficient, or less likely to deliver results, despite the availability of numerous examples demonstrating their legitimacy and efficacy."[8] Policymakers focused on crime, health and unemployment may think that placemaking activities are frivolous, while not recognizing that placemaking can help address these and other issues.

- *Poor processes and metrics.* Many government-fostered placemaking plans focus on outputs, like number of housing units or number of mass transit users, instead of addressing the unique needs and vision of the communities which ultimately is what makes them a placed.

- *Lack of funding and capacity.* Public funds to support placemaking activities are often a lower priority for government budget-writers. As the Federal Reserve Bank of San Francisco notes, "The capacity (time, money, relationships, and knowledge) required of implementing organizations to weave together a web of missions, interests, policies, and money is daunting."[9]

- *Lack of trust.* The history of community development over the last half century, which has led in some cases to gentrification and changes in community's character have made it harder to placemaking advocates to build trust among community members. As Brookings notes, "People want to see their communities improve, but those who have long been excluded from growth and investment are rightfully wary about who decides the meaning of "improvement," and who will reap the gains. In short, how can residents trust that the benefits of investment will finally reach them[10]

FEDERAL ROLE IN PLACEMAKING

The primary direct federal role in placemaking has been through the National Endowment for the Arts (NEA), and in particular its Our Town grant program, which "integrate[s] arts, culture, and design activities into community development efforts and to support knowledge building around creative placemaking practices and their impacts."[11]

Other federal agencies that have undertaken specific placemaking initiatives include the Institute of Museum and Library Services, which partnered with the Local Initiatives Support Corporation in 2016 to "understand how museums and libraries can support comprehensive community revitalization;" and the Delta Regional Authority in the Mississippi Delta which in 2017 invested in grant funding and technical assistance to stimulate economic and community development through its region.

However, to say that the federal government does not get involved in placemaking in other, less direct, ways, would be to ignore the myriad federal programs and funding sources that, for better or worse, impact downtowns and other neighborhoods. In one fashion or another, nearly every federal Cabinet-level department implements federal laws and regulations in ways that touch placemaking, from the US Department of Transportation's Transportation Alternatives Program to HUD's Community Development Block Grant program to HHS' community health initiatives and more. Virtually all of these programs effectively work in silos, with funding decisions made without regard to looking at communities' holistic needs (although states and some localities

[6] https://www.pps.org/article/equity-placemaking-gentrification#:~:text=Placemaking%20is%20not%20the%20end,ignore%20at%20their%20own%20peril.
[7] https://www.frbsf.org/community-development/publications/community-development-investment-review/2019/november/state-policy-innovations-to-support-creative-placemaking/
[8] *Ibid.*
[9] https://www.frbsf.org/community-development/publications/community-development-investment-review/2019/november/state-policy-innovations-to-support-creative-placemaking/
[10] https://www.brookings.edu/research/transformative-placemaking-a-framework-to-create-connected-vibrant-and-inclusive-communities/
[11] https://www.arts.gov/impact/creative-placemaking

try to weave together different federal funding sources to implement more comprehensive plans). Even the federal tax code plays a role, albeit in a wholly uncoordinated manner, to impact placemaking, through tax credits and incentives for new ,markets, historic preservation, low-income housing and others.

- *HUD Community Development Block Grant (CDBG) program.* The CDBG Program supports community development activities to build stronger and more resilient communities. To support community development, activities are identified through an ongoing process. Activities may address needs such as infrastructure, economic development projects, public facilities installation, community centers, housing rehabilitation, public services, clearance/acquisition, microenterprise assistance, code enforcement, homeowner assistance, etc.

- *HUD Opportunity Zones.* Opportunity Zones are defined as economically-distressed communities where new investments, under certain conditions, may be eligible for preferential tax treatment; localities qualify as Opportunity Zones if they have been nominated for that designation by the State and that nomination has been certified by the Secretary of the U.S. Treasury via their delegation authority to the Internal Revenue Service.

- *US DOT Transportation Alternatives Program.* The Transportation Alternatives (TA) Set-Aside from the Surface Transportation Block Grant (STBG) Program provides funding for a variety of generally smaller-scale transportation projects such as pedestrian and bicycle facilities; construction of turnouts, overlooks, and viewing areas; community improvements such as historic preservation and vegetation management; environmental mitigation related to stormwater and habitat connectivity; recreational trails; safe routes to school projects; and vulnerable road user safety assessments.

- *USDA/Rural Placemaking Innovation Challenge.* USDA provides funding via cooperative agreements under the Rural Placemaking Innovation Challenge (RPIC) for eligible entities to help them provide planning support, technical assistance and training to foster placemaking activities in rural communities. Qualified entities can use the funds to help rural communities create plans to enhance capacity for broadband access; preserve cultural and historic structures; and support the development of transportation, housing, and recreational spaces.

- *Low-Income Housing Tax Credit (LIHTC).* The LIHTC provides a tax incentive to construct or rehabilitate affordable rental housing for low-income households; it also subsidizes the acquisition, construction, and rehabilitation of affordable rental housing for low- and moderate-income tenants.

- *New Market Tax Credits (NMTC).* NMTCs attract private capital into low-income communities by permitting individual and corporate investors to receive a tax credit against their federal income tax in exchange for making equity investments in specialized financial intermediaries called Community Development Entities (CDEs).

- *EPA Brownfields Program.* The EPA's Brownfields program provides direct funding for brownfields assessment, cleanup, revolving loans, environmental job training, technical assistance, training, and research; also collaborates with other EPA programs, other federal partners, and state agencies to identify and make available resources that can be used for brownfield activities

- *Economic Development Administration (EDA) Small Business Development.* EDA provides small business owners and entrepreneurs in New York with the highest quality technical assistance including; confidential business counseling, training, and business research.

State-Level Programs

It should be noted that a number of states have taken steps to support local placemaking. According to a 2019 report from the Federal Reserve Bank of San Francisco, "36 state arts agencies have grant programs dedicated to creative placemaking or community arts development, and fifteen states have established cultural district certification programs that use cultural resources to encourage synergies between economic and community development."[12]

ORGANIZATIONS

Many stakeholder organizations and stakeholder groups touch on issues related to placemaking, even in indirect ways. Associations that focus on placemaking and take a leadership role in advocating for it include:

- *Project for Public Spaces.* Since 1975, Project for Public Spaces has worked with over 3,500 communities to lead placemaking processes that give more people the opportunity to leave a mark on the parks, plazas, public markets, districts, and other public spaces they care about. (*https://www.pps.org/)*

- *American Planning Association (APA).* The American Planning Association is an independent, not-for-profit educational organization that provides vital leadership in creating great communities for all. APA and its professional institute, the American Institute of Certified Planners, are dedicated to advancing the profession of planning, offering better choices for

[12] https://www.frbsf.org/community-development/publications/community-development-investment-review/2019/november/state-policy-innovations-to-support-creative-placemaking/

where and how people work and live. The more than 40,000 APA members work in concert with community residents, civic leaders, and business interests to create communities that enrich people's lives. *(www.planning.org)*.

- *Anne T. and Robert M. Bass Center for Transformative Placemaking.* Launched in 2018 at the Brookings Institution, the Center aims to inspire public, private, and civic sector leaders to make place-based investments that generate widespread social and economic benefits. The Bass Center collaborates with a wide range of organizations to advance a new form of integrated practice for creating more connected, vibrant, and inclusive communities. *(https://www.brookings.edu/about-the-bass-center/)*

- *National Alliance of Community Economic Development Associations.* NACEDA is an alliance of 38 state and regional community development associations in 25 states and the District of Columbia. Our members are champions, stewards and thought leaders for community development at the state and local level. Through our members, NACEDA connects with almost 3,500 community development nonprofit organizations throughout the United States. (*www. naceda.org)*

- *Local Initiatives Support Group.* LISC is one of the country's largest community development organizations, helping forge vibrant, resilient communities across America. We work with residents and partners to close systemic gaps in health, wealth and opportunity and advance racial equity so that people and places can thrive. Since our founding in 1979, LISC has invested $26.7 billion to create more than 463,000 affordable homes and apartments, develop 78.5 million square feet of retail, community and educational space and help tens of thousands of people find employment and improve their finances. (*www.lisc.org)*

- *Main Street America.* The National Main Street Center was established as a program of the National Trust for Historic Preservation in 1980 to address the myriad issues facing older and historic downtowns during that time. In 2013, the Center launched as an independent subsidiary of the National Trust. In 2015, the Center launched a new program brand for the network of Main Street programs—Main Street America—to reinvigorate our collective look, feel, and strategy to position Main Street as a leader locally, regionally, and nationally. (*https://www.mainstreet.org*)

POLICY SOLUTIONS

Experts have identified a number of federal policy approaches they believe can promote placemaking.

Weave Placemaking into Existing federal programs

As cited earlier, various federal agencies provide funding to states and localities for a host of activities that impact placemaking, from HUD Community Development Block Grants to Department of the Treasury Low-Income Housing Tax Credit Program and others. While funds from these federal agencies have been tapped successfully for some creative placemaking initiatives, there are few instances are the eligibility of placemaking strategies is explicit in the policy guidelines.

One successful change occurred through an interagency collaboration between the National Endowment for the Arts (NEA) and the Department of Housing and Urban Development (HUD). Through this partnership, HUD modified its adjudication scoring system for the Choice Neighborhoods program to award points for planning and implementation that included artists, designers, and cultural organizations. Additionally, NEA staff served on HUD grant panels, contributing arts expertise to application reviews. Although the point shift for HUD grant scoring was temporary, this collaboration demonstrates the potential to familiarize more federal agencies with creative placemaking concepts and elevate arts-based approaches.[13]

Incentivize States to Promote Placemaking

A number of experts argue that state-level policies are critical for the adoption of placemaking strategies at the local level, even more so than at the federal level. That said, the federal government can promote state engagement in placemaking by incentivizing state policies and practices, such as:

1. Weaving creative placemaking as a policy strategy into state plans. State Qualified Allocation Plans (QAPs) outline state priorities for use of dedicated federal Low-Income Housing Tax Credits. QAPs can be used as a vehicle to identify a need for artist housing, such as the District of Columbia's priority scoring for artist housing in its 2017 plan.6 QAPs are revised annually and require public engagement and input. State housing finance agencies have an opportunity to include artists and cultural organizations—or even tap them for leadership roles—when gathering that input.[14]

2. Encouraging states to establish mechanisms for connectivity among state agencies whose missions relate to placemaking or culture.

3. Incentivizing states that strengthen existing state policies that are positioned to foster creative placemaking and arts-based community development with additional federal funding.

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[13] https://www.brookings.edu/blog/the-avenue/2021/10/21/embracing-placemaking-as-a-core-state-strategy/
[14] https://www.frbsf.org/community-development/publications/community-development-investment-review/2019/november/state-policy-innovations-to-support-creative-placemaking/

4. Amending the federal tax code to make state-level financing tools, like tax increment financing (TIF) more attractive.[15]

Provide Funds for Capacity Building

Some states have invested in building the capacity of communities to make them more competitive and ready for development. For example, Michigan's Redevelopment Ready Communities program conducts an assessment and provides training in current best practices in economic development. In their best practices the state clearly sets expectations and promotes a more inclusive, sustainable vision for communities.[16]

Invest in Creative Placemaking

Creative placemaking fosters the development of arts-related business clusters and creates opportunities for neighborhood businesses to grow and create jobs by highlighting the unique culture of place. The National Endowment for the Arts supports creative placemaking through the Our Town grants program, and the National Endowment for the Humanities supports creative placemaking by increasing access to cultural and educational resources and funding public projects at cultural organizations and cultural heritage centers, among other sites. Some advocates have called on Congress to leverage the creative economy to rebuild local economies by doubling funding for the National Endowment for the Arts and the National Endowment for the Humanities (

Strengthen Federal Placemaking Efforts

Federally owned and leased office space, including courthouses, can serve as catalysts for placemaking activities, Some advocates have advocated for policies that direct federal departments to commission artists and community arts organizations.
In particular, expand the GSA Art in Architecture Program to other federal infrastructure projects.

CURRENT LEGISLATION

- H.R. 5019, Creative Economy Revitalization Act (CERA) [Bill]
  Introduced by Rep. Teresa Leger Fernandez (D-NM)
  H.R. 5019 would require the Department of Labor to award grants to government and nonprofit agencies to provide programs that employ individuals and provide public access to art or arts programming.

- H.R. 6381/Comprehensive Resources for Entrepreneurs in the Arts to Transform the Economy Act (CREATE Act)
  Introduced by Rep. Debbie Dingell (D-MI)
  H.R. 6381 would expand SBA and EDA loan programs and integrate creative work into support programs.

- S.3340/Revitalizing Small and Local Businesses Act
  Introduced by Sen. Alex Padilla (D-CA)
  S. 3340 would establish a competitive grant program, administered by the Economic Development Administration, for national nonprofit organizations to partner with local organizations to provide specialized technical assistance, capacity building, and related services that support small businesses and business district revitalization in low-income, rural, and minority communities. The bill was developed in conjunction with LISC and the Main Street Partnership.

ABOUT IDA

IDA is the premier organization for urban place professionals who are shaping and activating dynamic city center districts. Our members are city builders and downtown champions who bring urban centers to life, bridging the gap between the public and private sectors. We represent an industry of more than 2,500 place management organizations, employing 100,000 people throughout North America and growing rapidly around the world. Founded in 1954, IDA is a resource center for ideas and innovative best practices in urban place management. For more information, visit downtown.org.

FOR MORE INFORMATION

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[15] Tax increment financing (TIF) is a public financing method that is used as a subsidy for redevelopment, infrastructure, and other community-improvement projects in many countries, including the United States. The original intent of a TIF program is to stimulate private investment in a blighted area that has been designated to be in need of economic revitalization. Similar or related value capture strategies are used around the world. Through the use of TIFs, municipalities typically divert future property tax revenue increases from a defined area or district toward an economic development project or public improvement project in the community.
[16] https://www.miplace.org/programs/redevelopment-ready-communities/rrc-2.0/