CMAP

Metropolitan Planning Council

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Quality Of Kane
Healthy People, Healthy Living, Healthy Communities-
It's about Quality of Life

Homes for a Changing Region

Phase 3: Implementing Balanced Housing Plans at the Local Level

Year Seven: Batavia, Geneva, North Aurora, and St. Charles

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Summer 2014

Chicago Metropolitan Agency for Planning
Metropolitan Mayors Caucus
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September 2014

Over the last year, the Metropolitan Mayors Caucus, the Kane County Development and Community Services Department, the Chicago Metropolitan Agency for Planning (CMAP), and the Metropolitan Planning Council (MPC) have collaborated on a forward-looking housing planning exercise with four central Kane County communities — Batavia, Geneva, North Aurora and St. Charles. These groups have worked with local officials, their staffs, and residents to develop housing policy plans for each community. The group also examined current and projected housing data for the entire four-community group, developing general recommendations on which they can collaborate.

We want to thank outside contributors to the project — the U.S. Department of Housing and Urban Development Sustainable Communities Initiative, the Illinois Housing Development Authority, the Chicago Community Trust, and the Harris Family Foundation — for their financial support. We also want to thank Mayor Jeffery Schielke of Batavia, Mayor Kevin Burns of Geneva, President Dale Berman of North Aurora, and Mayor Ray Rogina of St. Charles, as well as their staffs for the extensive help they provided for these community studies.

Allison Milld of the Caucus; Brett Hanlon, Ellen Johnson, and Mark Vankerkhoff of Kane County; Nancy Firfer and King Harris of MPC; and CMAP staff provided oversight to the project.

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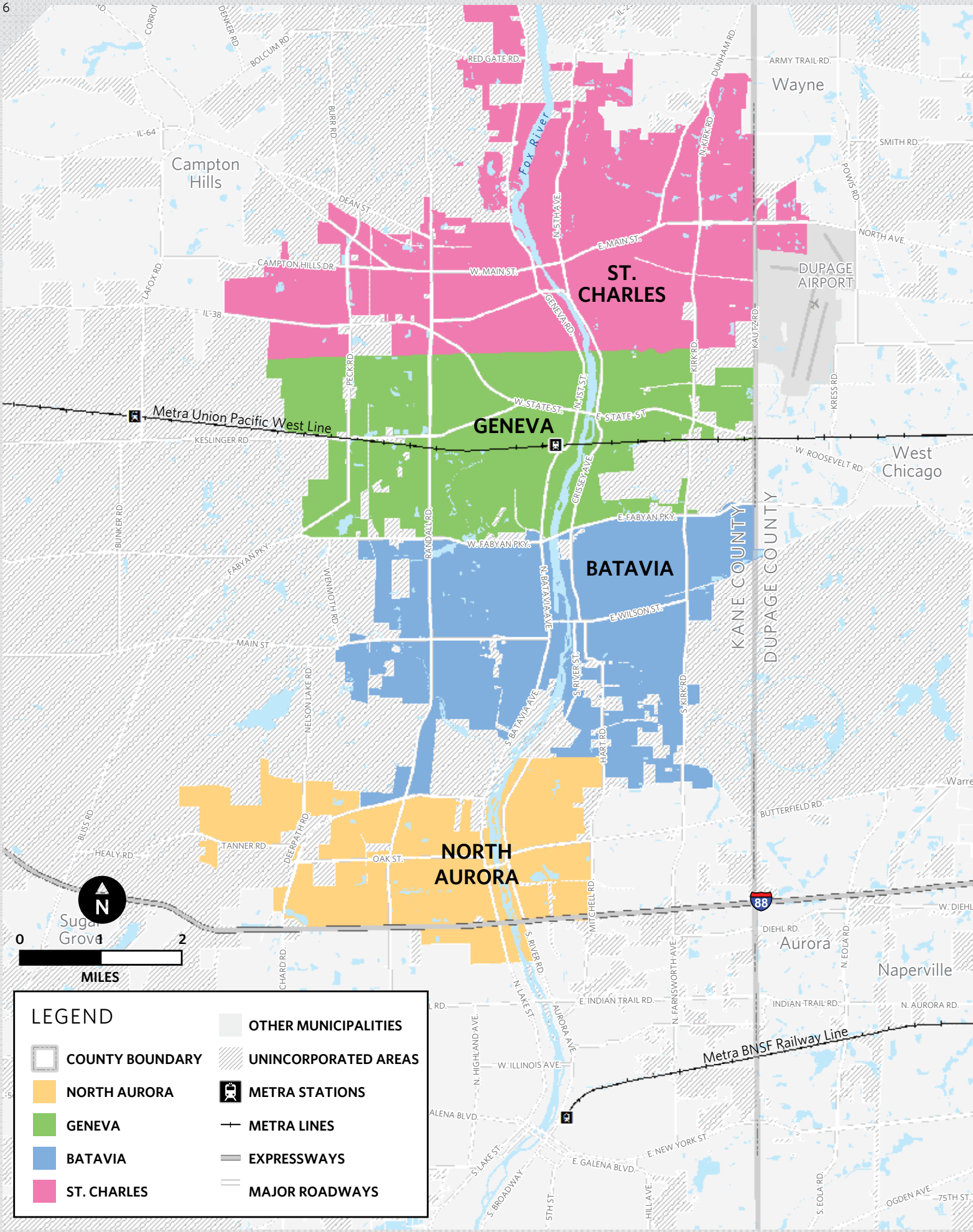


Batavia, Geneva, North Aurora, and St. Charles participated in this study. Source: Chicago Metropolitan Agency for Planning.

Subregional Report and Recommendations

Introduction

The four communities that make up the Central Fox Valley subregion in Kane County — Batavia, Geneva, North Aurora, and St. Charles — submitted an application to the Chicago Metropolitan Agency for Planning (CMAP) for technical assistance in summer 2012. These communities requested that the project partners — including the Metropolitan Mayors Caucus (the Caucus), the Metropolitan Planning Council (MPC), and the Kane County Development Departmen — take a deep dive to answer questions about current conditions and the future of the housing market in the subregion. With a history of interjurisdictional collaboration around boundary agreements, emergency medical services, and code enforcement adjudication, the communities also requested that the project partners recommend strategies to address challenges identified both at the municipal and subregional level.

This section serves as an introduction to the Central Fox Valley *Homes for a Changing Region* housing policy plan by putting local housing issues into regional and national context. It goes on to describe the most significant findings that are the result of both quantitative data analysis and discussions between the project team, local governments, and residents. The section concludes with recommendations for collaboration among the four communities to address common issues. Individual municipal housing policy plans, including both analysis and recommendations, follow this section.

While each community has its own unique history and character, they share a few notable strengths. All four communities are nestled on the banks of the scenic Fox River, providing environmental amenities and recreational opportunities. The communities also share significant commercial corridors along Illinois Route 31, Randall Road, and Kirk Road, offering ample access to consumer goods and services to residents. In addition to highway and commuter rail connections to the employment centers of northwest Cook County and downtown Chicago, these communities also have access to nearby jobs in Elgin, Aurora, and Naperville.

Aurora, Batavia, Carpentersville, East Dundee, Elgin, Geneva, Montgomery, North Aurora, St. Charles, and West Dundee have all completed *Homes* plans. As such, Kane County Fox River communities have an opportunity to work together toward a prosperous future either collectively or in sub-groups.

Existing Conditions

Figure 1. General statistics

	BATAVIA	GENEVA	NORTH AURORA	ST. CHARLES	CENTRAL FOX SUBREGION
2011 population	25,828	21,550	16,040	31,792	96,210
Change as percent, population 2000-11	8%	10%	52%	18%	18%
GO TO 2040 population projection, 2040	33,867	29,998	21,307	41,726	126,898
Change as percent, 2011-40	31%	39%	33%	27%	32%
Median household income	$88,529	$95,467	$82,355	$77,011	$85,841
Jobs, 2011	14,989	14,182	4,612	20,686	54,469

Source: U.S. Census Bureau and the Chicago Metropolitan Agency for Planning.

The Central Fox Valley enjoys a high median household income (see Figure 1) relative to Kane County ($69,496) and the Chicago metropolitan statistical area ($62,246)[1] as a whole. Tracking the nation, however, these incomes have declined in general since 2000, with the exception of North Aurora (see Figure 2). Race and ethnic makeup has remained relatively constant over the past 20 years, and, as of 2011, the communities remain predominantly Caucasian with the Hispanic population as the largest minority (see Figure 3).

The average sale price of homes in each community has declined over the past five years (Figure 4). While it may seem that these two trends should result in an easing of housing cost burden, the share of both renters and homeowners paying more than 30 percent of monthly income on housing costs has increased since 2000 in all four communities (see Figure 5 and Figure 6).

One potential explanation for this trend is the fact that owner costs can be "sticky." That is to say, many owners remain locked in older mortgages and face difficulty attempting to refinance. Declining incomes and unemployment only make the problem worse. Since the most recent figures include a rolling average taken over the course of five years, it is more difficult to draw conclusions about trends since the official end of the recession. However, national and regional analysis would suggest that the demand for rental housing has increased during that time, driving up the cost of monthly gross rent. On the bright side, as of 2013 the foreclosure filing rate was lower than in 2009 when the recession was in full swing (see Figure 7).

1. Source: American Community Survey, U.S. Census Bureau, 2007-11.

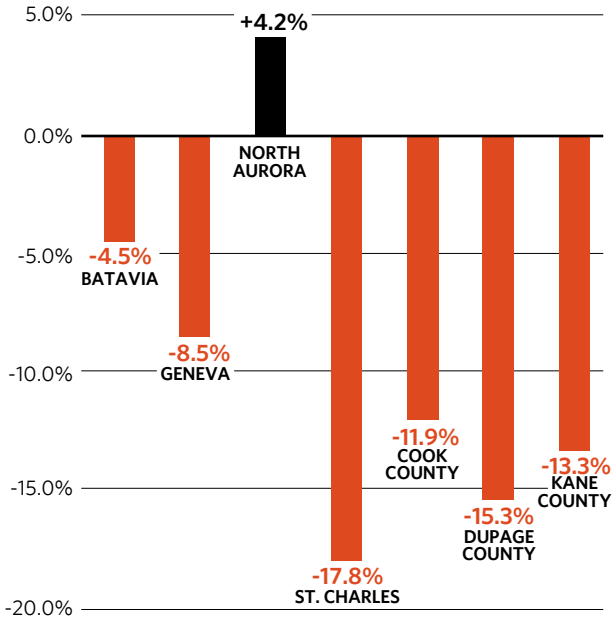
What is affordable housing?

One of the most essential elements in understanding local housing dynamics is housing affordability. What constitutes "affordable housing" varies from household to household, as the measure is relative.

- "Affordable housing" is housing that costs no more than 30 percent of household income (including utilities, insurance, and taxes).
- "Unaffordable housing" is housing that costs between 30 percent and 50 percent of household income.
- "Severely unaffordable housing" is housing that costs more than 50 percent of household income.

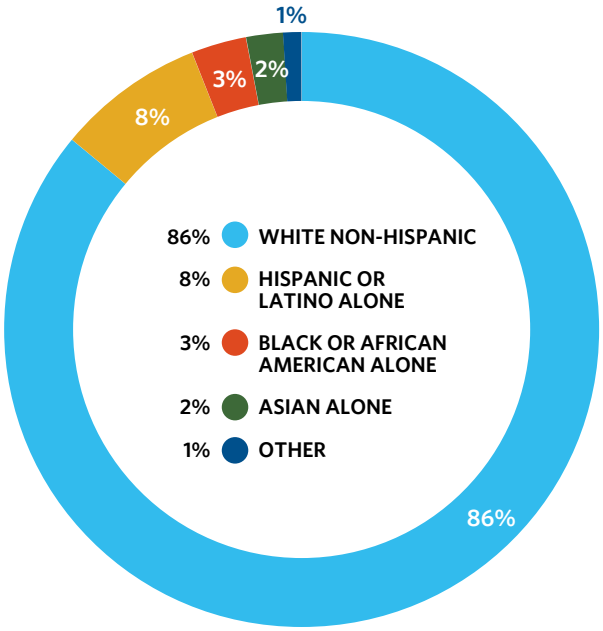
This time-tested standard is reflected in everything from the underwriting standards of private lenders to data from the U.S. Census Bureau.

Figure 2. Percent change in median household income, 2000-11



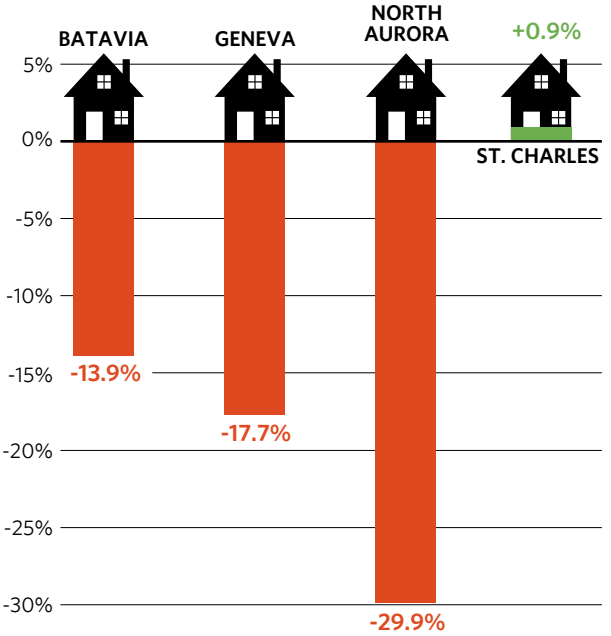
Source: U.S. Census Bureau (2000 Census and 2007-11 American Community Survey). Adjusted for inflation using Bureau of Labor Statistics data.

Figure 3. Central Fox race/ethnicity, 2011



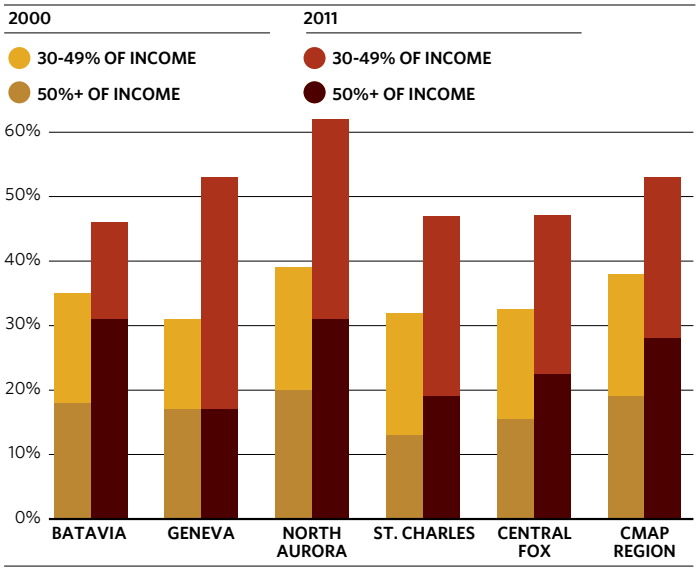
Source: U.S. Census Bureau (2007-11 American Community Survey).

Figure 4. Change in average home sale price (2009-13)



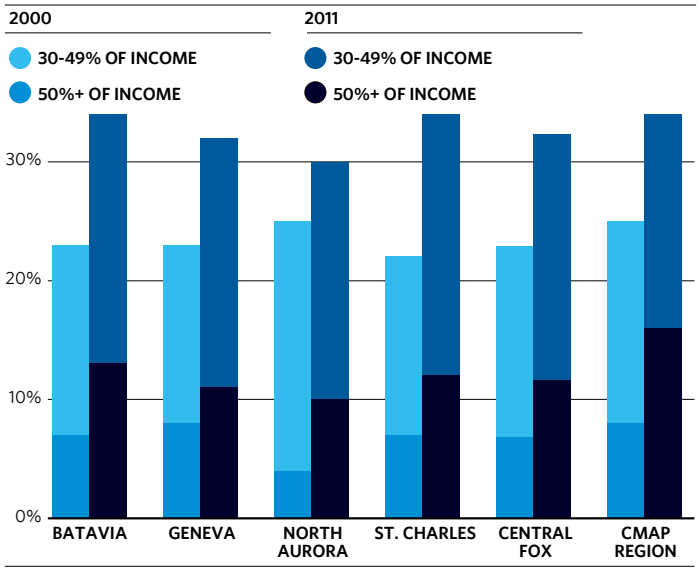
Source: Trulia, www.trulia.com, pulled February 24, 2014.

Figure 5. Percent of renter-occupied households paying more than 30 percent of income on gross rent



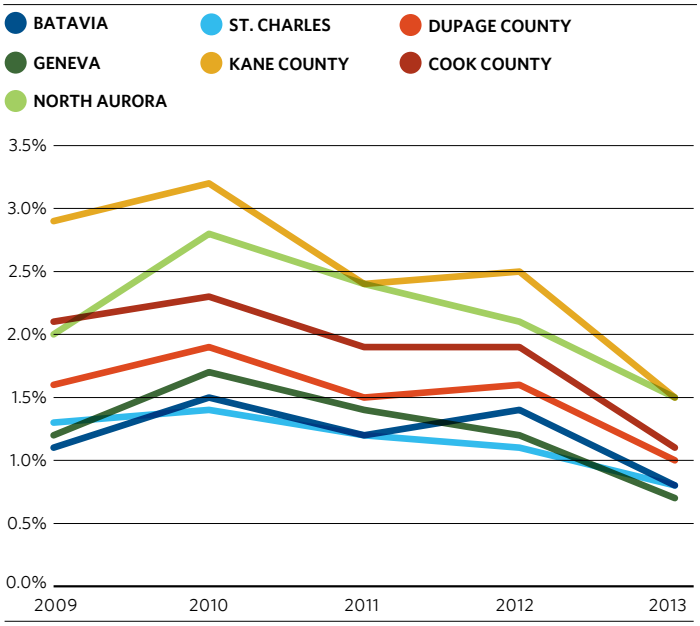
Source: U.S. Census Bureau (2000 Census and 2007-11 American Community Survey).

Figure 6. Percent of owner-occupied households paying more than 30 percent of income on monthly owner costs



Source: U.S. Census Bureau (2000 Census and 2007-11 American Community Survey).

Figure 7. Foreclosure filing rate



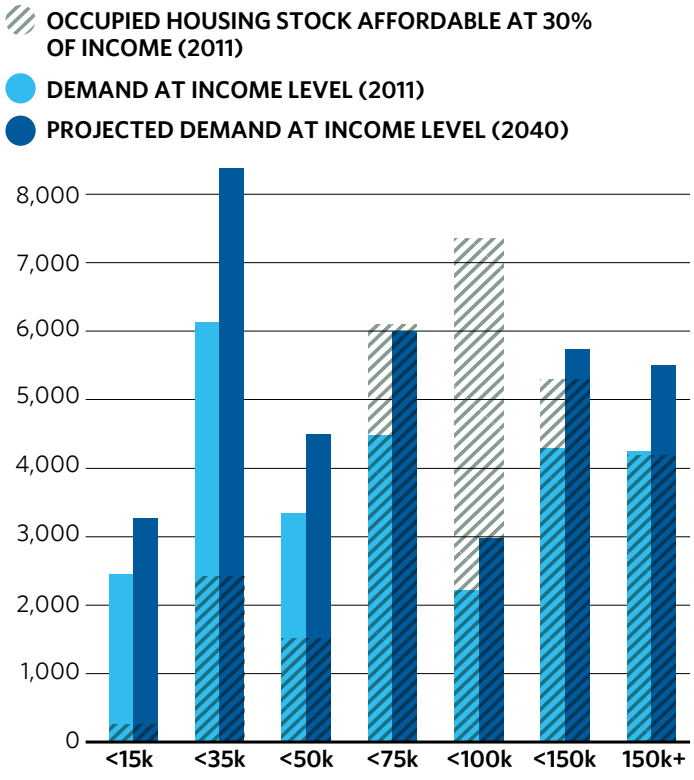
Note: Foreclosure filings are displayed as a percentage of housing units.
Source: Woodstock Institute, http://www.woodstockinst.org/.

Projected Future Demand

Using population and income projections for the Central Fox Valley through 2040, CMAP developed housing demand forecasts by tenure (rent vs. own) and price point for the subregion. This allows for a comparison between current supply and demand and future demand for housing.

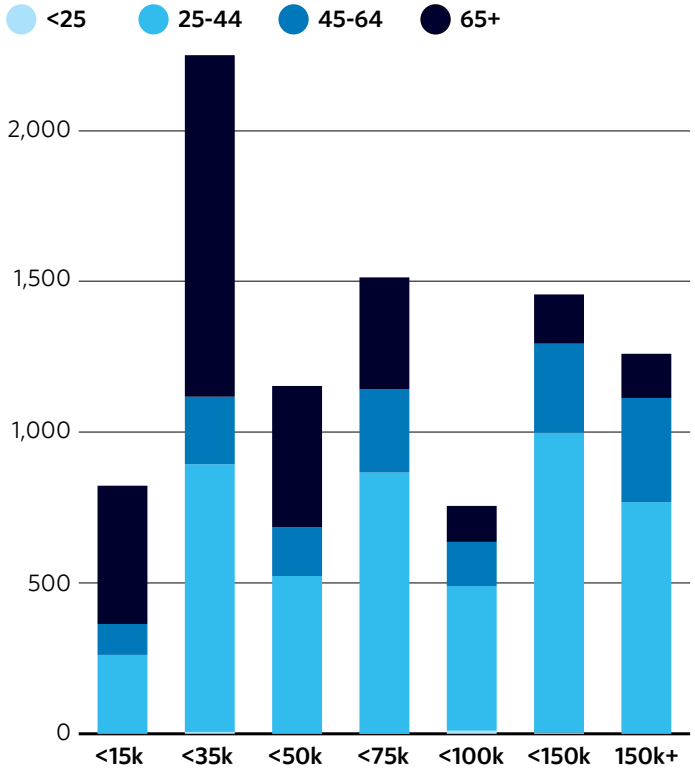
Combined, the four communities currently experience a shortage of owner-occupied housing affordable to families whose incomes are below $50,000, and this shortage could grow significantly by 2040 (see Figure 8). A key driver for increased demand will be the subregion's growing senior population (see Figure 9).

Figure 8. Central Fox Valley 2011 households and housing stock compared with 2040 owner demand by income



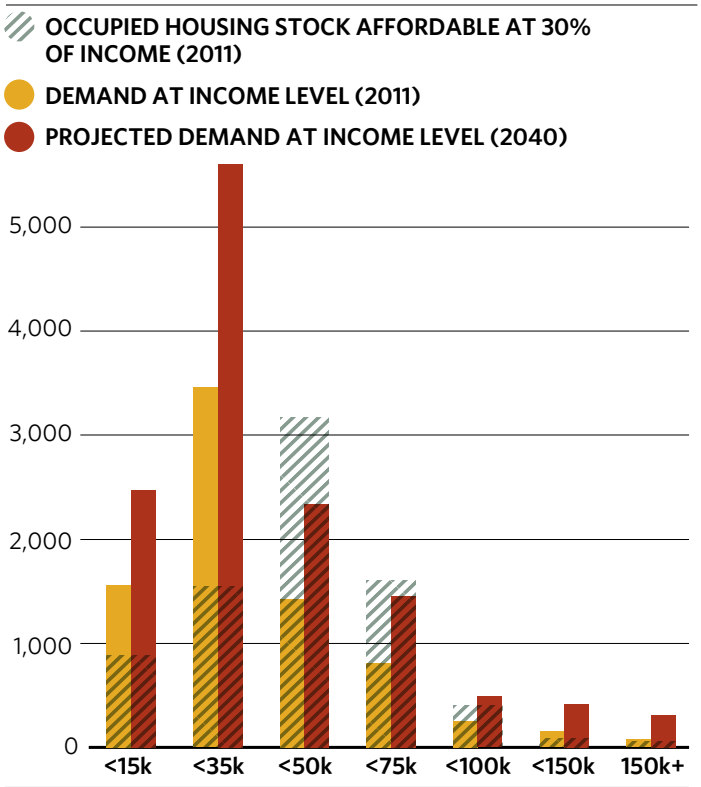
Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Figure 9. Central Fox Valley 2011-2040 change in owner demand by age of householder



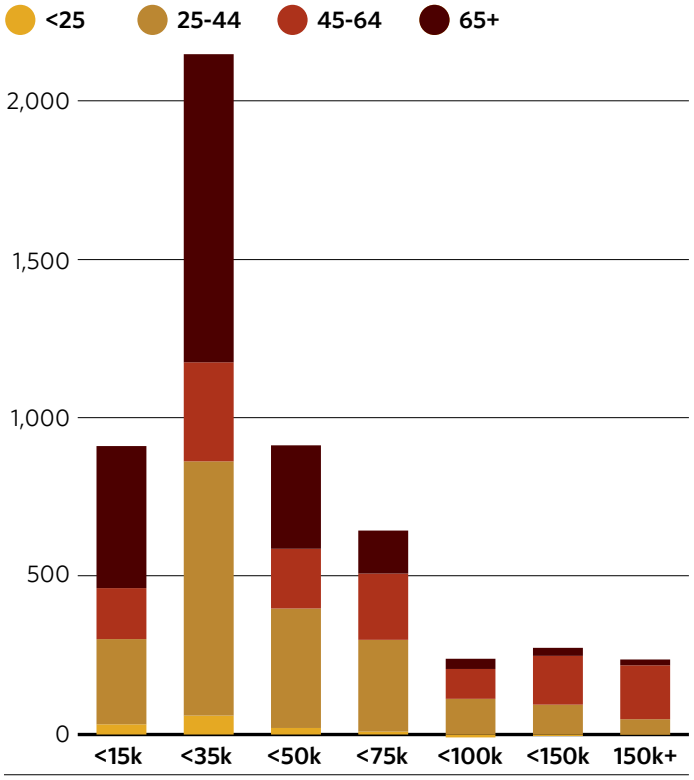
Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Figure 10. Central Fox Valley 2011 households and housing stock compared with 2040 renter demand by income



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Figure 11. Central Fox Valley 2011-40 change in renter demand by age of householder



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Rental demand is similar to owner-occupied demand. Again, there currently exists a shortage of rental units affordable to low- and moderate-income families whose incomes are below $50,000 per year (see Figure 10). This shortage is also expected to grow by 2040. Growth in the senior population will be the key factor in explaining the need for more units (see Figure 11).

Because of population growth expected across the income spectrum, there may also be unmet demand for homeowners earning more than $100,000 and renters earning more than $75,000 per year. Generally, the private market is efficient in meeting the demand of these income groups. These findings, however, do indicate the need to allow additional compact development, either through new construction or redevelopment, across the Central Fox Valley as part of a strategy to increase housing stock diversity overall.

In total, projections show demand for roughly 9,000 owner units and 5,000 rental units in Batavia, Geneva, North Aurora, and St. Charles by 2040. This future demand could increase the number of rental units in all four communities relative to the number of ownership units, a possibility that highlights the growing interest in renting among households of all incomes and ages.

Survey research conducted by the Urban Land Institute (ULI) in 2013 found that while many Americans desire single-family homes, they also desire to live in walkable locations. These are places where residents can walk to jobs, schools, and medical facilities. Both younger (ages 18-34) and older (ages 48-66) Americans express a preference for walkability, but in different ways. Younger Americans prefer mixed-use development in communities that contain a range of housing types, retail stores, neighborhood amenities, and transit lines. Older Americans are less likely to move, but when they do, they desire smaller homes that are easier to maintain and have shorter commutes. The subregional forecasts above show that much of the increase in demand for rental housing will come from seniors.

In his book, *Reshaping Metropolitan America*, Arthur C. Nelson analyzes several recent surveys of housing preference against demographic trends, predicting that over the next 20-30 years there will be a shift to "market-based demand for more compact locations with shorter commutes and more community amenities, such as the ability to walk to local places." Nelson also concludes that Generation Y, those in their late teens to early 30s, will have a substantial impact on the housing market. He observes that, while much of this age cohort will replace aging baby boomers in large single-family homes, a substantial portion will want to live in densely populated neighborhoods with smaller homes and yards to maintain and access to public transportation. Forecasts show this group will represent a substantial portion of new moderate-income rental demand and owner demand across the income spectrum.

Housing Policy and Resources

Much of the judicial and policy activity at the state level continues to focus on neighborhood stabilization, specifically on addressing the community impacts of the foreclosure crisis. While new program resources may not be specifically aimed at affluent communities such as Kane County's Central Fox Valley, they provide some opportunity for interjurisdictional collaboration to preserve affordable housing and increase housing stock diversity in the subregion.

Much like 2013, the result of the National Mortgage Servicing Settlement remains the most impactful development. Thanks to a massive state and federal civil law enforcement investigation, the settlement brought the nation's five largest mortgage servicers into a $25 billion agreement. The agreement includes a minimum of $17 billion in direct aid to struggling homeowners, $3 billion for an underwater mortgage refinancing program, and $5 billion to state and federal efforts. New servicing and foreclosure standards and an independent monitor will ensure servicer compliance with the settlement. Payments to borrowers who lost their homes during the period covered by the suit occurred in June and July 2013 (approximately $1,480 per loan).

With funds from the settlement, Illinois is providing legal assistance programs to improve access to the justice system for borrowers and renters ($23 million); foreclosure mediation projects ($3 million); and community revitalization and housing counseling (up to $70 million). In July 2013, the Illinois Attorney General's Office announced awards for community revitalization and housing counseling, including two programs in the subregion.

- The Community Foundation of the Fox Valley was awarded $3 million in funding to work with Kane County to redevelop approximately 40 properties as a first step in a broader regional revitalization strategy. The project is targeted to overlap with many of the communities participating in both of the recent Homes projects along the Fox River, with the resulting reports offering the foundation for a broader regional revitalization strategy.
- Neighborhood Housing Services (NHS) received $1.75 million from the Illinois Attorney General's office under the National Mortgage Settlement for the expansion of lending, construction, and outreach from the Fox Valley and southern Cook County offices.
- CMAP, the Caucus, and MPC received funding to provide technical assistance to other grant recipients. Specifically, that contract includes tracking and supporting the implementation of the recommendations made in this plan.

The Illinois Supreme Court created the Special Supreme Court Rules Committee on Mortgage Foreclosures to study how to improve the judicial process for mortgage foreclosure in the state in April 2011. The rules recommended by the committee were approved by the Court in February 2013. One of the rules (#99.1) was effective in March 2013 and provides courts a checklist for incorporating mortgage foreclosure mediation programs in Circuit Courts and counties. Coupled with this rule, the Illinois Attorney General's office announced a $5 million grant program to fund the creation and implementation of new mortgage foreclosure mediation programs in counties with significant needs but without current programs. The 16th Circuit Court, which includes Kane County, is one of the targeted areas. Program funding came from the aforementioned National Mortgage Servicing Settlement.

Governor Quinn and the Illinois General Assembly created and subsequently expanded the Abandoned Residential Property Municipal Relief Fund (also known as the Abandoned Property Program) through the Save Our Neighborhoods Act. Under this program, municipalities or counties, jointly or separately, may apply for grant funds to secure, maintain, demolish, or rehabilitate abandoned homes. Rehabilitation is limited in scope to exterior building safety concerns. Funds come from foreclosure filing fees paid by lending institutions and collected by the clerk of each county. The collection of fees began in June 2013 and will continue until December 31, 2017, with the Illinois Housing Development Authority (IHDA) soliciting applications for funding annually. Thirty percent of funds under the program are set aside for grants to counties and municipalities in DuPage, Kane, Lake, McHenry, and Will Counties.

Since these resources are available temporarily, it is important that the four communities work together and in collaboration with Kane County to capitalize on the opportunity in the near term. While the foreclosure filing rate has declined over the last few years, these public resources could be leveraged to preserve the affordability of foreclosed properties in the long term by implementing the following recommendations.

Recommendations

The following recommendations outline strategies the communities of the Central Fox Valley subregion — St. Charles, Geneva, Batavia, and North Aurora — can work to implement together in order to help meet the needs of existing and future residents. These six recommendations were crafted to address the challenges outlined in the previous sections. They were discussed and reviewed by municipal staff, members of the project steering committee, and the mayors of all four communities. The recommendations appear in descending order of priority based on these discussions.

Encourage employer-assisted housing.

Several large employers exist within the subregion. Many of their employees may desire to live in, or much closer to, the communities in which they work or in areas that present opportunities for shorter, more direct commutes. Employer-Assisted Housing (EAH) is a pragmatic way for employers to attract and retain skilled workers and support their surrounding communities. Through EAH, companies provide financial counseling and assistance to their employees for the purchase or rental of homes in close proximity to where they work.

EAH can be designed to fit an employer's personnel objectives and budget. The cost to the employer varies based on the amount of financial assistance offered to the employees and the cost of administration and housing counseling which would be led by a U.S. Department of Housing and Urban Development (HUD)-certified agency. Qualifying costs incurred by the employer for EAH benefits can be offset by a tax credit that amounts to half of the total investment. Further tax deductions may be available to private or for-profit companies, and nonprofits may be able to sell or transfer tax credits to other entities. As of April 2014, IHDA will have contributed a 3:1 match to employees, up to $7,500, for employer-funded down payment assistance. This match is for households earning up to 80 percent of the area median income. IHDA has agreed to provide this match for a term of one year.

This is a relatively near term goal that can be initiated within the next year. The Central Fox Valley subregion communities should invite their major employers to an outreach event where the MPC can present how EAH programs function and can work to promote their organizational goals. MPC is committed to supporting this kind of effort by further educating employers on the benefits and mechanics of EAH and providing a toolkit to help with implementation. In the event that employers find the EAH tax credits application process prohibitively onerous, the project team recommends working with NHS to discuss application completion.

Increase transit-supportive land uses along specific corridors in Kane County.

Working with Kane County, CMAP staff are in the final stages of completing the Kane County Primary Transit Network Study (PTN study)[2]. The study analyzes the viability of several corridors to support new or enhanced transit service. It compares all of the county's major corridors in terms of their performance based on a series of metrics, including density, connectivity, existing transit service, transit-dependent population, transit ridership, and access to various amenities. Once the PTN study is complete, it will have identified the top ten corridors that could provide new or enhanced bus service and will include model plan language for inclusion in comprehensive, transit-oriented, and other plan updates. Once created, the communities of the subregion should consider modifying and adopting aspects of this language as they continue to update their plans. The goal of the PTN study is to encourage higher density mixed-use development along the corridors and discourage this type of growth outside of the corridors. This will ensure transit ridership is supportable and is at its highest efficiency.

The communities of the Central Fox Valley subregion have the opportunity to begin incorporating diversified land uses that support public transit viability along the corridors identified. The subregion's current and future housing needs cannot be accommodated sustainably through outward expansion and separated land uses, which create a variety of negative impacts on our economy, environment, and society. Compact, mixed-use, infill development, or "transit-supportive land uses," along primary transportation corridors promote transit use, walking, and bicycling, which helps meet multiple quality-of-life objectives, including housing affordability.

Research has proven that development patterns, and their related parking needs, heavily influence transportation choices. In order to encourage transit-supportive land uses along the corridors identified, the subregion communities should continue to communicate with Kane County and analyze development trends to determine the feasibility of adopting a transit supportive overlay zone in one or more of these corridors. This overlay zone would coordinate transportation and land use planning to promote the mixing of uses, including housing, which would help create a transit-rich environment. The transit-supportive overlay zone would advance the recommended strategies already outlined in multiple Kane County long range plans, particularly the Kane County 2040 Long Range Transit Plan,[3] and would be consistent with findings in Kane County's Randall/Orchard Corridor Bus Rapid Transit (BRT) Feasibility Study.[4]

The Randall/Orchard Corridor BRT Feasibility Study found that for BRT to be feasible, the Randall/Orchard corridor would need to transition from its auto-dominated state to a pedestrian friendly, multi-modal corridor. If this occurred, the study provides evidence that BRT would reduce land consumption (including surface area parking) and per-capita vehicle miles traveled, traffic congestion, and emissions, while simultaneously increasing affordable transit options, transit ridership, and the number of walking and biking trips taken by residents. Kane County envisions the gradual implementation of high-quality transit service into the corridor as land use incrementally transforms to support it.

While the implementation of new or enhanced transit service on an existing corridor is definitely a long-term goal, there are efforts that can be undertaken in the near term to push this forward. These include coordinating with Pace Suburban Bus, consulting the transit supportive design guidelines produced by Pace,[5] and identifying specific nodes in PTN corridors where changes in land use regulations that allow for more compact residential, mixed use, and walkable development could have the greatest impact. After that, impacted communities should review model language identified in the PTN study to determine how best to amend their plans and ordinances.

2. Kane County Primary Transit Network Policy and Model Transit Overlay Zoning Ordinance. http://www.cmap.illinois.gov/programs-and-resources/lta/kane-county/ptn. Expected completion summer 2014.
3. Kane County 2040 Long Range Transit Plan, http://kdot.countyofkane.org/2040%20Transit%20Plan/KANE%20COUNTY%20LRTP%20Final%20Plan%20(Reduced).pdf.
4. Randall/Orchard Corridor Bus Rapid Transit Feasibility Study, http://kdot.countyofkane.org/Randall%20Orchard%20Bus%20Rapid%20Transit%20Study/Randall%20Orchard%20BRT%20Feasibility%20Study.pdf.
5. Pace Transit Supportive Guidelines, http://pacebus.com/guidelines/index.asp.

Consider creating a community land trust.

The four municipalities of the Central Fox Valley subregion should consider collaborating on the creation of a community land trust. This strategy works best in communities of high demand and high opportunity that are largely built out. The Chicago region already has at least one solid model land trust, encompassing Highland Park and Lake Forest in Lake County.[6] Under that model, the land trust has the authority to acquire property and sell the housing unit(s) located on the property to income-qualified individuals (less than or equal to 115 percent average median income, which is approximately $74,000 for a family of three). The buyer then owns the unit but not the land on which the unit sits. Future affordability is maintained through a ground lease, which requires homes on the land to be either sold back to the land trust or to another income-qualified buyer.

It is well understood that this strategy would require activities beyond the current capacity of all four municipalities combined. Thus the subregion would need to begin by identifying a responsible, non-profit partner to create and operate the land trust itself. The four municipalities should do this by first creating a committee or commission (perhaps a combination of existing housing and/or plan commissions) to identify the right partner. There are a limited number of organizations in the area that could do this work and any of them would need to build capacity to take on such a project. However, organizations that do rehabilitation with public funding and/or manage rental properties can scale up relatively easily to manage land trusts.

Once established, the commission should ultimately serve as the governing board of the community land trust. With support from land trust staff, the commission would identify underutilized land, determine appropriate investments, and actively market the program. The commission would also be responsible for identifying revenues to support land trust activities, including land acquisition, rehabilitation, operations, and property management. Near-term funding sources could include existing municipal housing trust funds, development fees, and properties redeveloped by Kane County using a grant from the Illinois Attorney General's Office, which was made possible through the National Foreclosure Settlement Awards. That grant has already been approved.

This is a mid-term goal that should be studied collaboratively over the next five years. If prioritized, a task force of both government and stakeholder representatives of all four communities could convene in the coming year to investigate the strategy further. Within three years, resources could be identified to commission a feasibility study that would create a long term development and management plan. While this strategy is bold, it has already seen success within the metropolitan Chicago region in a subregion demographically and economically similar to the Central Fox Valley. The land trust in Lake County now owns 65 units. Most land trusts aim to acquire a maximum of 100 units. Beyond increasing the diversity of the subregion's housing stock, this strategy can also support any of the other recommendations in this plan. Likewise, it will provide a mid-term "big win" for collaboration among all four communities.

6. Home Grown – Local housing strategies in action.
http://www.metroplanning.org/uploads/cms/documents/homegrown_2010.pdf

Retrofit existing dwelling units and encourage energy-efficient housing development.

A study completed in 2011 by the National Association of Home Builders stated that the home of the future will be smaller and more energy efficient than its counterparts developed over the last decade. The area's abundance of older homes coupled with opportunities for new housing development makes it advantageous for the Central Fox Valley subregion to pursue energy-efficiency retrofit programs and encourage new energy-efficient housing development.

In general, most homes built before 1980 were not constructed to current energy efficiency standards. These homes can often realize significant cost savings from retrofits. A national evaluation of weatherization programs indicates that total energy consumption can be reduced by an average of 30 percent per building by implementing comprehensive energy retrofits that use existing technologies and properly maintain equipment (Kane County 2040 Energy Plan).[7] Based on average household consumption in Kane County, it is possible to reduce annual household energy consumption by 29,361 kBtu resulting in an estimated cost savings of $338 each year per household (Kane County 2040 Energy Plan).[8]

Increased energy efficiency and utility cost savings can also be realized through the construction of green buildings. Through sustainable site planning and constructing new buildings to meet typical green building standards, energy consumption can be reduced by approximately 30 percent (Kane County 2040 Energy Plan). Based on average household consumption in Kane County, it is estimated that reductions of 43,305 kBtu per household or $575 per year can be saved on utility costs if a family lives in a residential dwelling that is up to green building standards (Kane County 2040 Energy Plan).

Over the past several years, multiple public subsidies have been created to encourage such development. CMAP has created an on-line marketplace, Energy Impact Illinois (EI2), that enables single and multifamily building owners to determine which subsidies they can access to retrofit their homes and increase energy efficiency.[9] As part of the same effort, EI2 has recently increased the number of certified contractors that are qualified to retrofit homes for energy efficiency. In the near term (within one to two years), municipalities should work together to market these resources to homeowners and landlords alike.

In the mid-term (three to five years), the four communities should also consider working together to create a voluntary green building certification program for new residential development or rehabilitation that incorporates important elements of green building design, particularly related to energy efficiency. The program could be adapted from the U.S. Green Building Council's LEED certification program, though requirements would be simplified and certification would be free. Structures certified under the program would receive a plaque recognizing their local green building status. Johnson County, Iowa created a certification program based loosely on LEED standards and can be used as an example of a straight-forward, easy to understand local program.[10] Together, the subregion could contract with an outside firm to review applications for green building certification.

7. Kane County 2040 Energy Plan: http://www.countyofkane.org/Documents/Office%20of%20Community%20Reinvestment/Energy%20Efficiency%20and%20Conservation%20Block%20Grants/Kane%20County%202040%20Energy%20Plan/KC2040EnergyPlan_final.pdf.
8. Ibid.
9. CMAP, Energy Impact Illinois: http://www.energyimpactillinois.org/.
10. Johnson County Green Building Certification Program, http://www.johnson-county.com/dept_zoning.aspx?id=11526.

Proactively address resident desires to age in place.

Analysis of population forecasts indicate that the Central Fox Valley subregion's senior population is expected to grow significantly over the next 20-30 years. Many area seniors will want to remain living in their communities, as well as their current homes. The subregion should collaborate to help area seniors age in place. This can be done in many ways. The Northwest Housing Collaborative has already gone this route by commissioning a Senior Housing Needs Assessment. From that study, they are currently pursuing three initiatives: a senior handyman program, a common resource guide, and exploring transportation alternatives with Pace Suburban Bus. Assisting seniors with accessibility retrofits is another strategy that can be effective. This includes the continual identification and pursuit of funding opportunities for housing retrofit programs, as well as compiling and distributing materials to educate aging homeowners on retrofit best practices and resources for completing necessary alterations.

Second, the subregion should work together to attract senior housing developments to the region, perhaps through development of a marketing plan. Care should be taken to locate these developments in close proximity to transit, medical facilities, and shopping areas.

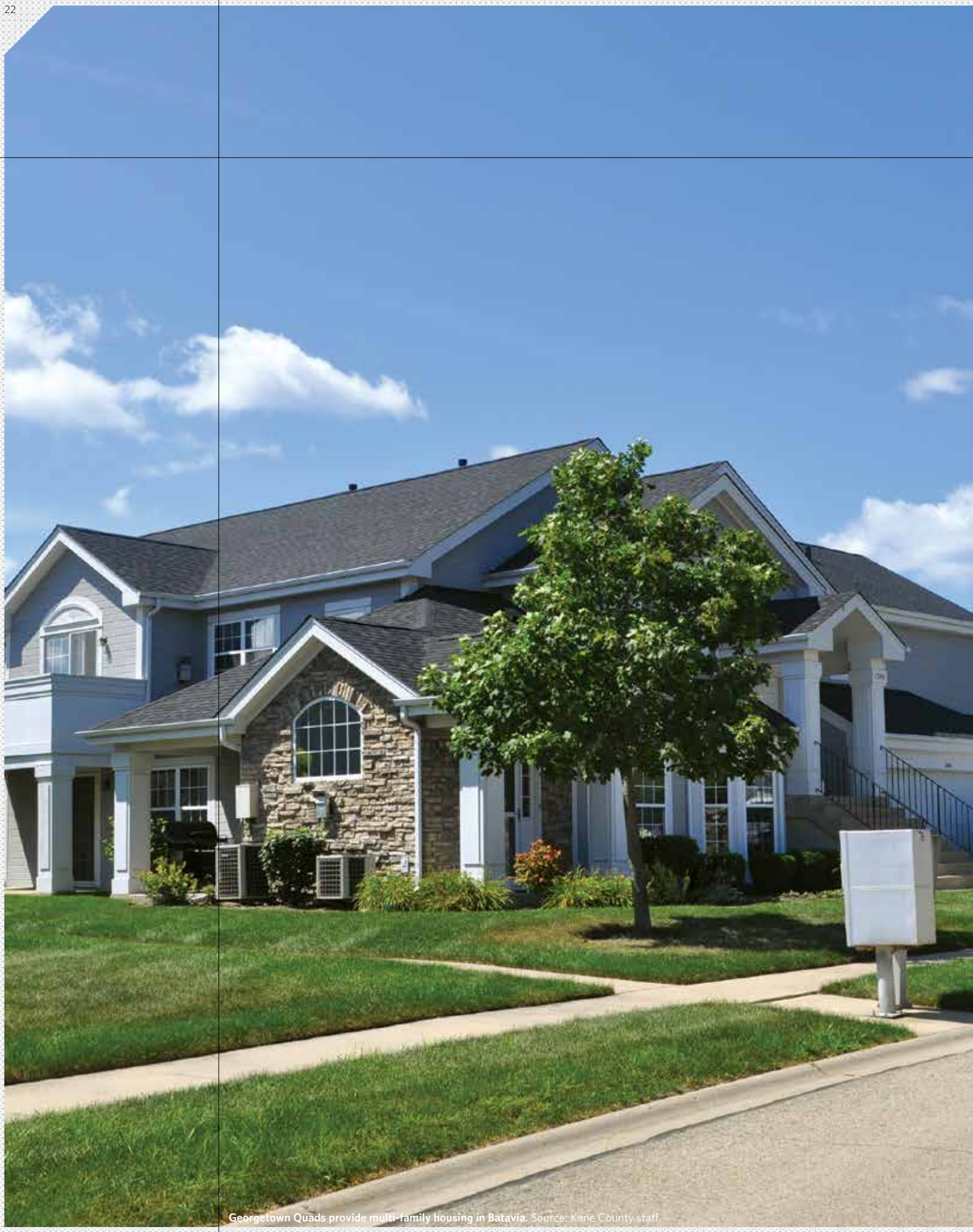
This is a near- to mid-term goal that will require continued discussion among the four communities to dive deeper into unmet senior demand and zero in on a preferred strategy for collaboration.

Collaboratively design outreach materials to inform residents and developers about the housing market.

The Central Fox Valley subregion should work together to create pamphlets and outreach materials related to the findings of the Home for a Changing Region study. The materials should synthesize the primary findings of the study in an eye-catching, easy-to-read format. Subregion communities can use the materials to inform developers about current and long-term housing market trends. In turn, developers may be able to use the materials to assist in obtaining financing for various types of residential development. The materials can also be used to inform residents about the existing and expected need for diverse types of housing in their community. Educating residents on Homes data and housing trends will assist in generating support for the plan and help enable implementation efforts.

This is a near-term goal that can be easily accomplished with minimal resources and coordination between Kane County, the four communities, and the project partners within one year. Communities will need to work together to form a strategy for distributing these materials, ensuring the most impact as the subregion works to achieve its long-term housing goals.

Housing in St. Charles. Source: Chicago Metropolitan Agency for Planning.



Georgetown Quads provide multi-family housing in Batavia. Source: Kane County staff.

Housing Policy Plan: **Batavia**

Project Summary

A successful community that has preserved and enhanced its historic downtown core while expanding westward to Randall Road and beyond, Batavia is in an excellent position to accommodate anticipated growth while strengthening its community assets. It boasts a top-tier school district, a thriving industrial and commercial base, and numerous successful development/redevelopment projects that should give it confidence as it deals with a growing senior population and expanded diversity among its residents.

This Housing Policy Plan, supported by City leadership and conforming to Batavia's 2011 Vision Statement, is designed to guide future growth and help City leadership assess development proposals as they come up in the future.

It provides information that will be useful in answering some of the following questions:

- **How much additional housing will Batavia need to accommodate its likely expansion?**
- **What can be done to preserve and upgrade existing neighborhoods and make them attractive to future residents?**
- **What type of housing will future residents want?**
- **What steps can the City take to address the growth of its senior population?**
- **How can a balance be found between investment in older areas and development at the city's periphery?**
- **How much additional land annexation makes sense, and how should annexed land be developed?**
- **How can the City retain the historic and attractive character of its downtown area while modestly increasing its density via the addition of attainable workforce dwelling units?**
- **What steps can be taken to make both the city's downtown core and its Randall Road corridor more amendable to walking, biking, and public transit?**

It also provides specific recommendations based on detailed analysis of existing conditions and future needs.

Demographic Trends

Located in central and eastern Kane County, the City of Batavia is bordered by Geneva to the north, the Fermilab National Accelerator Laboratory on the east, North Aurora and Mooseheart on the south, and unincorporated Kane County to the west. Batavia's population has grown over the past 11 years, and its population growth is expected to continue through the year 2040 (see Table 1). The Chicago Metropolitan Agency for Planning (CMAP) produced population and household projections as part of GO TO 2040, the seven-county region's comprehensive plan for sustainable prosperity for the next 30 years.[1] These figures indicate that if GO TO 2040 is implemented and if the City takes advantage of its numerous assets, its population could expand to nearly 34,000 by 2040, an increase of over 31 percent.[2] While new developments will help accommodate some of this growth, there are many strategies that can be utilized to best plan for Batavia's future.

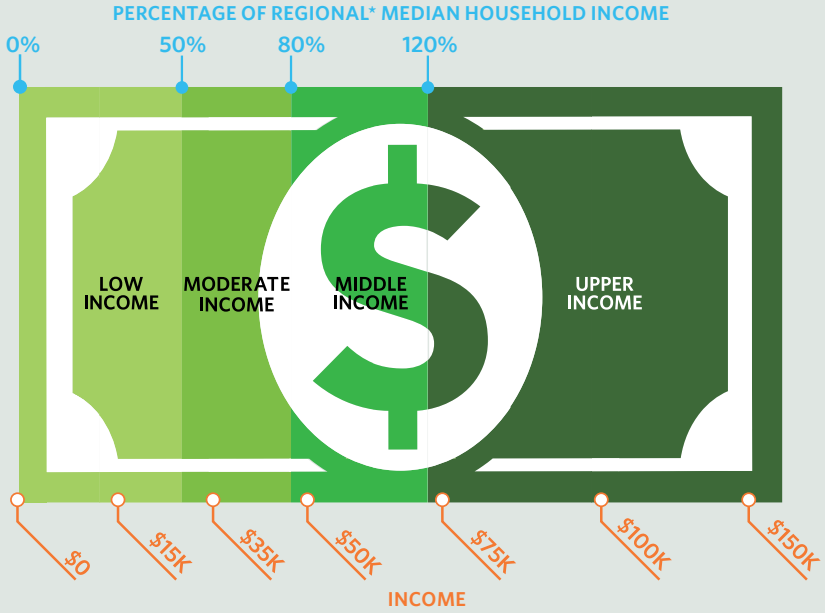
Table 1. Batavia general statistics

	POPULATION	HOUSEHOLDS
2000 Decennial Census	23,866	8,494
2011 American Community Survey	25,828	9,253
Change, 2000-11	1,962	759
Change as %, 2000-11	8.0%	9.0%
GO TO 2040 projection, 2040	33,867	12,826
Change, 2011-40	8,039	3,573
Change as %, 2011-40	31.1%	38.6%

Source: U.S. Census and Chicago Metropolitan Agency for Planning GO TO 2040 projections.

1. See http://www.cmap.illinois.gov/2040.
2. See the Appendix for more information about these projections.

Income



While household income is discussed throughout the Homes for a Changing Region plan, it's important to understand some of the definitions behind phrases like "low-" and "moderate-income." The U.S. Department of Housing and Urban Development (HUD) has established definitions for how the relationship between an area's median income and the income of an individual household can define what is a low (less than 50 percent of regional median income), moderate (50 percent to 80 percent), middle (80 percent to 120 percent), and upper income household (120+ percent). By comparing each income group to the regional* median household income ($61,045), readers can understand what constitutes low, moderate, middle, and upper income households.

*Region defined as the Chicago-Naperville-Joliet, IL Metropolitan Division.
Source: Chicago Metropolitan Agency for Planning analysis of the American Community Survey 2007-11.

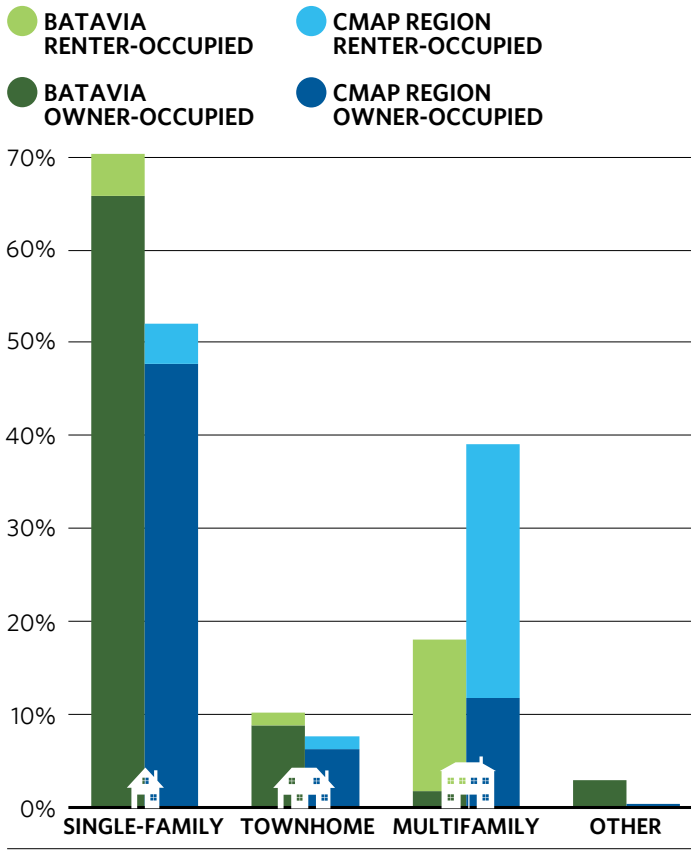
Current Housing Market

As is the case in the other communities in this study, Batavia gradually expanded from its historic downtown on the Fox River. Therefore, Batavia's oldest housing stock can be found near downtown, with the newer housing stock found on the periphery of the town.

Compared to the metropolitan region, Batavia's housing stock includes more single-family and fewer multifamily units as a percentage of all units. Twenty percent of Batavia renters occupy single-family homes, well above the 12 percent for the subregion as a whole. Single-family homes, which account for 71 percent of all local units, are typically occupied by owners (see Figure 1). As highlighted in the Metropolitan Planning Council's (MPC) *Managing Single-Family Rental Homes* white paper, many communities are struggling with the surge in single-family rentals.[3]

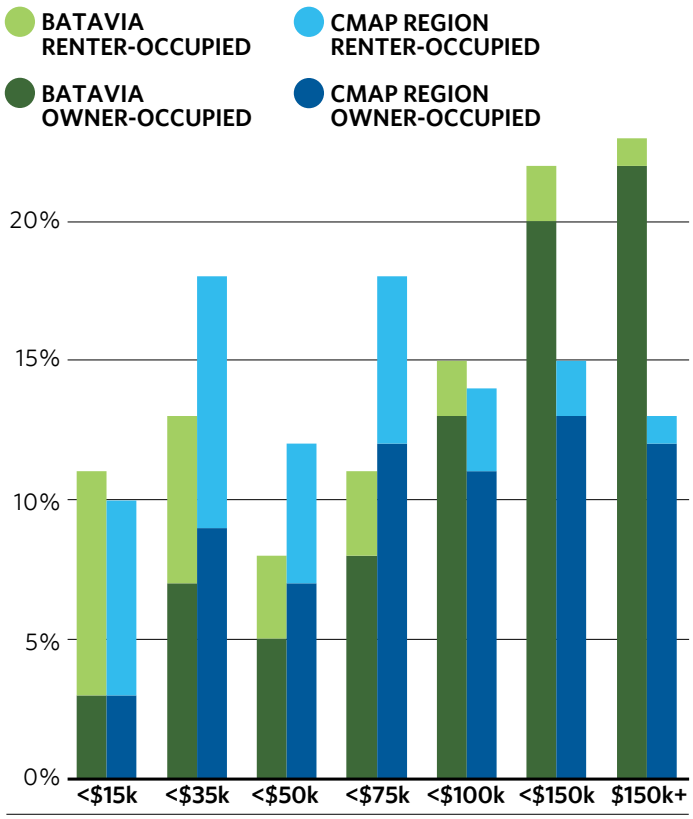
Meanwhile, the percentage of units that are renter-occupied is lower in Batavia than in the region as a whole. Only 2 percent of Batavia owners live in multifamily units, while just fewer than three-quarters of Batavia renters live in multifamily buildings. Much like the region, the percentage of rental households falls as income rises (see Figure 2). For Batavia, this change is noticeable around the $75,000 threshold. Over 80 percent of local renter households make less than $75,000.

Figure 1. Housing type by owner/renter, Batavia and CMAP region



Source: U.S. Census Bureau (2000 Census and 2007-11 American Community Survey).

Figure 2. Owner/renter by household income, Batavia and CMAP region



Source: U.S. Census Bureau (2000 Census and 2007-11 American Community Survey).

3. *Managing Single-Family Rental Homes*. (June 2013). Metropolitan Planning Council. http://tinyurl.com/kjdjm2h.

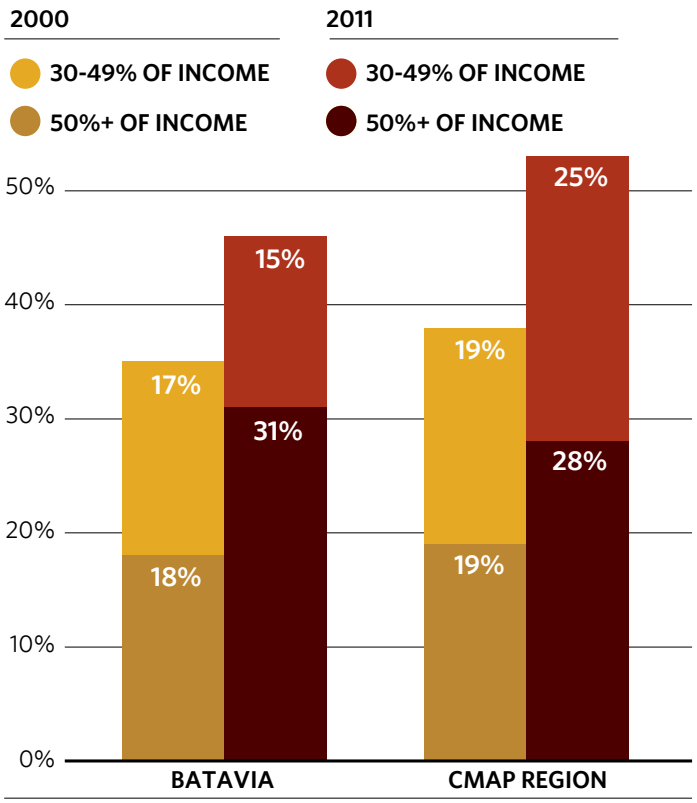
Housing Affordability

One of the most essential elements in understanding local housing dynamics is affordability. What constitutes "affordable housing" varies from household to household, as the measure is relative. An affordable housing unit is one that a family can own or rent for no more than 30 percent of its income. This spending includes both housing (rent or mortgage) and housing-related costs, such as property taxes, insurance, and utilities. This time-tested standard is reflected in everything from the underwriting standards of private lenders to data from the U.S. Census Bureau.

What is "Affordable Housing?"

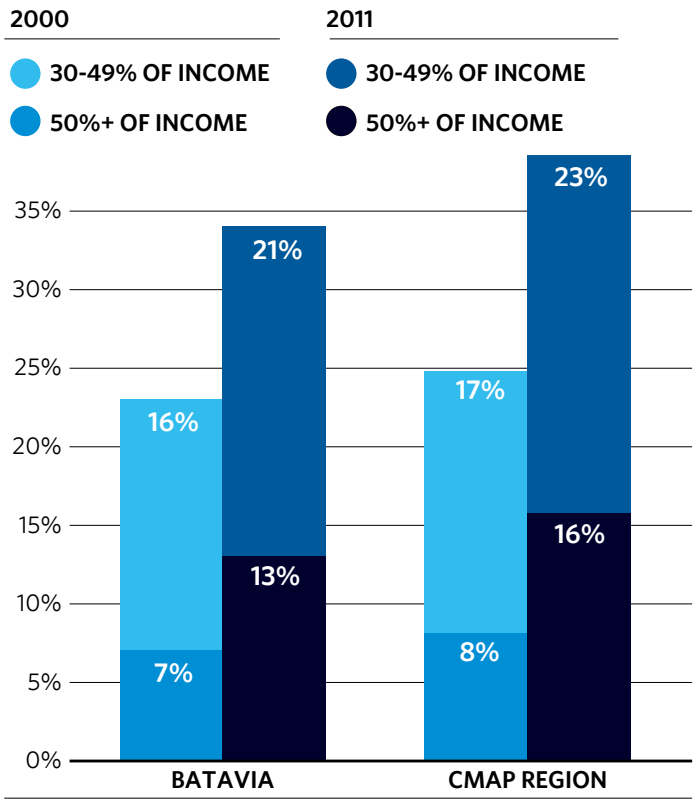
- **"Affordable housing"** is housing that costs no more than 30 percent of household income (including utilities, insurance, and taxes).
- **"Unaffordable housing"** is housing that costs between 30 percent and 50 percent of household income.
- **"Severely unaffordable housing"** is housing that costs more than 50 percent of household income.

Figure 3. Percent of renter-occupied households paying more than 30% of income on gross rent, Batavia and CMAP region



Source: U.S. Census Bureau (2000 Census and 2007-11 American Community Survey).

Figure 4. Percent of owner-occupied households paying more than 30% of income on monthly owner costs, Batavia and CMAP region



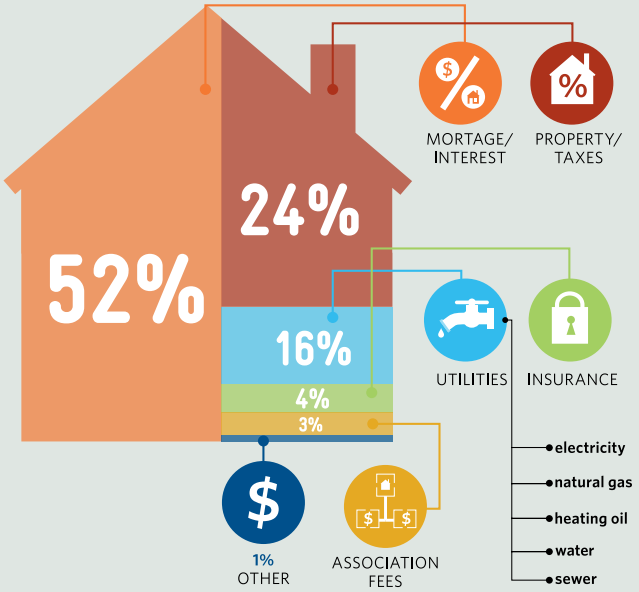
Source: U.S. Census Bureau (2000 Census and 2007-11 American Community Survey).

Over the last decade, rapidly rising property values accelerated far faster than incomes in the U.S., increasing the number of cost-burdened households. Since the recession, affordability issues have persisted despite declines in home values and mortgage rates due in part to declining incomes, slow employment growth, and stringent credit requirements.[4] As households became renters, supply did not initially keep pace with the sudden spike in demand. Harvard University indicates that currently more than 10 percent of owners and 25 percent of renters in the U.S. pay more than 50 percent of their income on housing costs.[5]

Affordability in Batavia mirrors the regional and national trends of the past 11 years. Currently, 46 percent of renters pay more than 30 percent of their income on gross rent (see Figure 3). The preponderance of renters struggling with housing costs in Batavia are low-income. Analysis by Harvard University found that, "According to the latest Consumer Expenditure Survey, severely burdened families in the bottom expenditure quartile (a proxy for low incomes) spend a third less on food, half as much on pensions and retirement, half as much on clothes, and three-quarters less on healthcare than families paying affordable shares of their incomes for housing."[6]

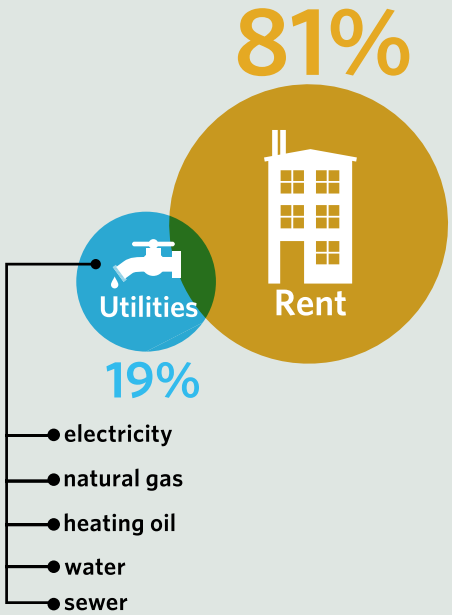
What is included in monthly owner costs?

Average monthly costs for renters in Chicago metropolitan area, 2009



What is included in gross rent?

Average monthly costs for renters in Chicago metropolitan area, 2009



Source: Chicago Metropolitan Agency for Planning analysis of the 2009 American Housing Survey (AHS).

The 2009 AHS data includes Cook, DuPage, Grundy, Kane, Kendall, Lake, McHenry, and Will Counties in the metropolitan area.

4. Joint Center for Housing Studies. *State of the Nation's Housing 2012*. (June, 2012). Harvard University.
5. Joint Center for Housing Studies. *State of the Nation's Housing 2013*. (June, 2013). Harvard University.
6. Ibid.

Utilities and Affordability

Utility costs contribute to gross housing costs and can therefore increase or decrease the number of cost-burdened households in a community. The Kane County 2040 Energy Plan provides 2008 data on energy use in Kane County's municipalities, Batavia included. For this report, we will focus on residential energy use by Batavia's households compared to Kane County as a whole.

Table 2 highlights residential natural gas and energy usage in Batavia and Kane County in 2008. Implementing energy efficient designs as part of rehabilitation and new construction in the coming years can further reduce local energy costs and help decrease the number of cost-burdened households.

Table 2. Residential energy use in Batavia and Kane County

	BATAVIA	KANE COUNTY
Average electricity use per household	10,037 kWh	10,324 kWh
Average annual $ for electricity per household*	$1,161	$1,191
Average natural gas use per household	1,256 Therms	1,518 Therms
Average annual $ for natural gas per household*	$1,275	$1,536
Average annual energy costs	$2,436	$2,727

*Calculated using average residential sales per kilowatt hour (kWh) (Illinois Commerce Commission Utility Sales Statistics, 2007).

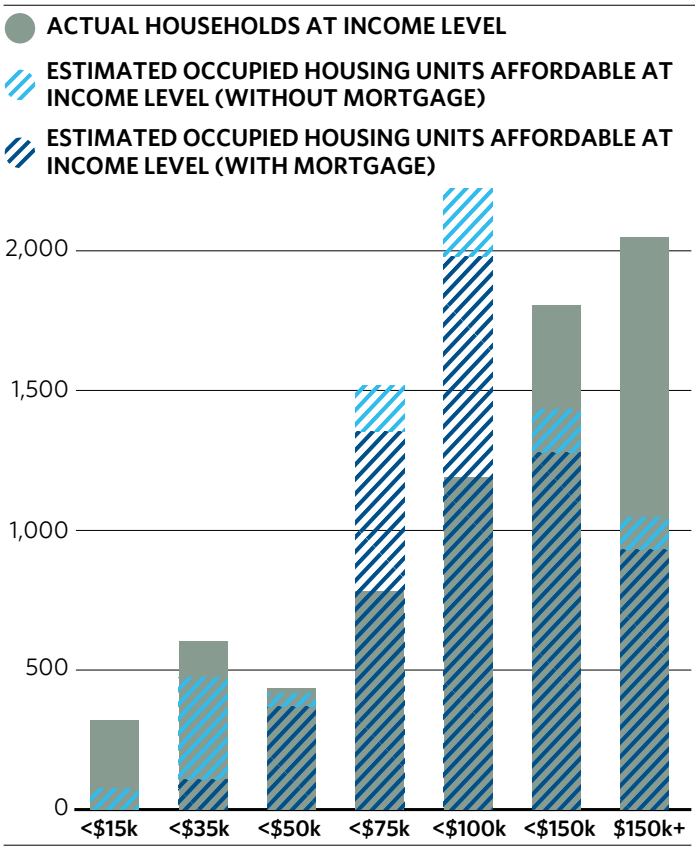
Source: Kane County 2040 Energy Plan.

Current Ownership Housing Market

Batavia's ownership housing market currently has a surplus of housing units affordable to families whose income ranges between $50,000 and $100,000. At the same time, it has a shortage of units for families whose incomes exceed $100,000 or fall below $50,000. In regard to the apparent shortage of units for higher income families, it is quite likely that many Batavia residents prefer to live in homes they can easily afford and use the savings involved for other purposes. As for the modest shortage of homes for those with lower incomes, it is likely that some of the families involved are headed by seniors with low incomes with outside assets that make home ownership still viable. However, the shortage of units meeting the needs of families with incomes below $50,000 helps drive the growing number of cost-burdened owners.

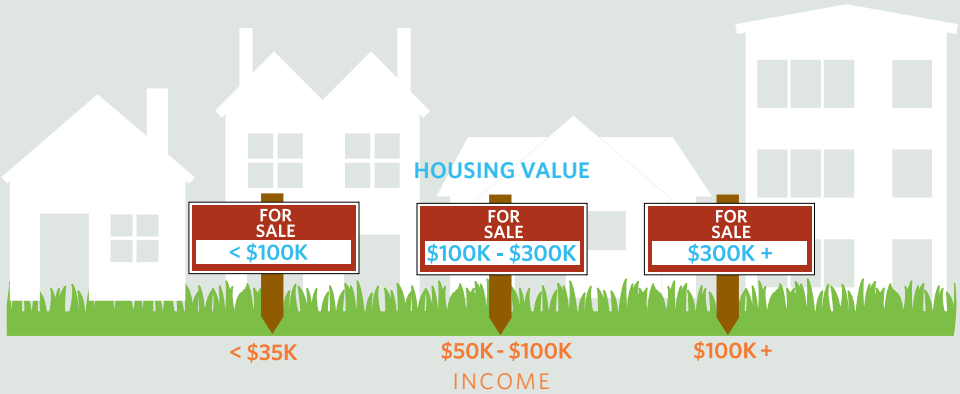
Mortgage and interest payments made up approximately 52 percent of the average regional owner's monthly housing costs in 2009. Therefore, it is unsurprising that unit affordability depends greatly on whether a home is mortgaged. In Batavia, ownership units affordable to households earning less than $35,000 are typically not mortgaged. Intuitively, this makes sense. Owners who do not carry a mortgage usually pay less in total housing costs. The likelihood of owning a home with or without a mortgage depends, in part, on age. The bulk of local owner units affordable to households earning less than $35,000 per year are occupied by seniors, while the working age population occupies units affordable to households earning more than $35,000 per year. As these un-mortgaged units are sold, many will no longer be affordable to low- and moderate-income households.

Figure 5. Batavia comparison of owner household incomes with occupied units affordable at each income level



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 inputs.

Translating incomes into housing values



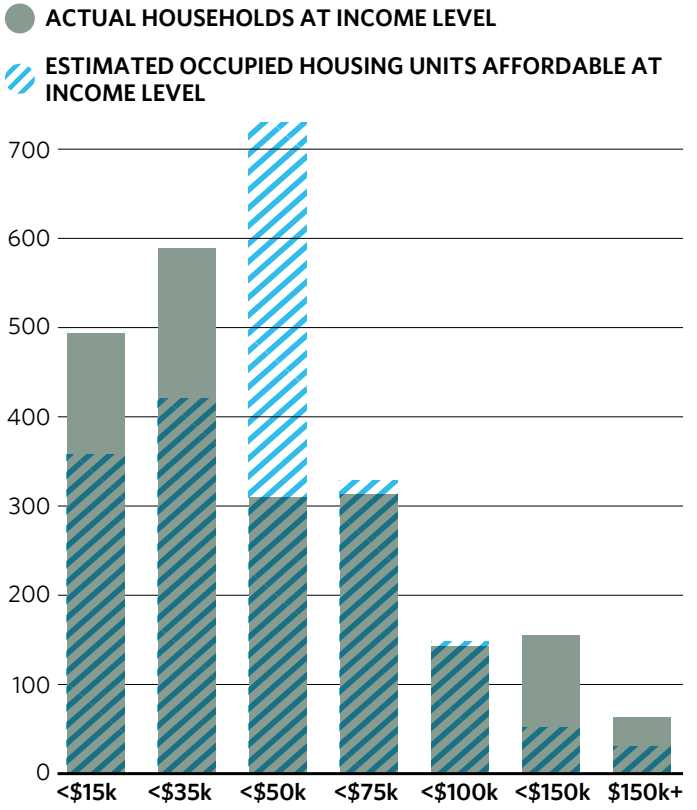
With so many factors influencing what home a household can afford to purchase (housing cost, income, downpayment, credit score, etc.), it can be difficult to figure out how the seven income groups analyzed in the Homes for a Changing Region report correspond to local housing values. A long-standing rule of thumb has been that households should buy units valued at no more than three times their annual income. Using this rough standard, these home values are generally affordable at each of the associated income levels.

Source: Chicago Metropolitan Agency for Planning.

Current Rental Housing Market

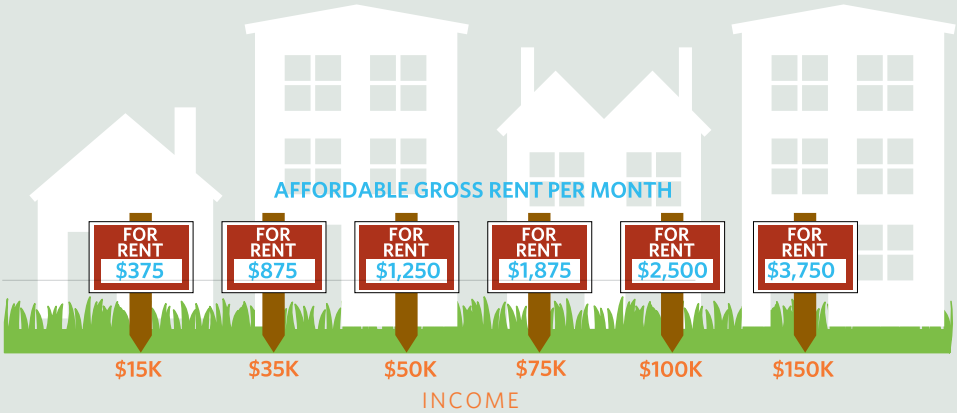
From an affordability point of view, Batavia's rental market is reasonably well balanced for the great majority of families whose incomes are above $50,000 (see Figure 6). There is a more than adequate supply of rental housing for residents earning between $35,000 and $50,000. There are shortages of affordable units for families whose annual incomes are under $35,000. These families are likely living in somewhat more expensive units and paying more than 30 percent of their incomes on housing and housing related costs.

Figure 6. Batavia comparison of rental household incomes with occupied units affordable at each income level



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 inputs.

Translating incomes into rents



Applying the previously discussed concept that households should spend no more than 30 percent of income on housing costs, these gross rents are generally affordable at each of the associated income levels.

Source: Chicago Metropolitan Agency for Planning.

Jobs, Transportation, and Housing

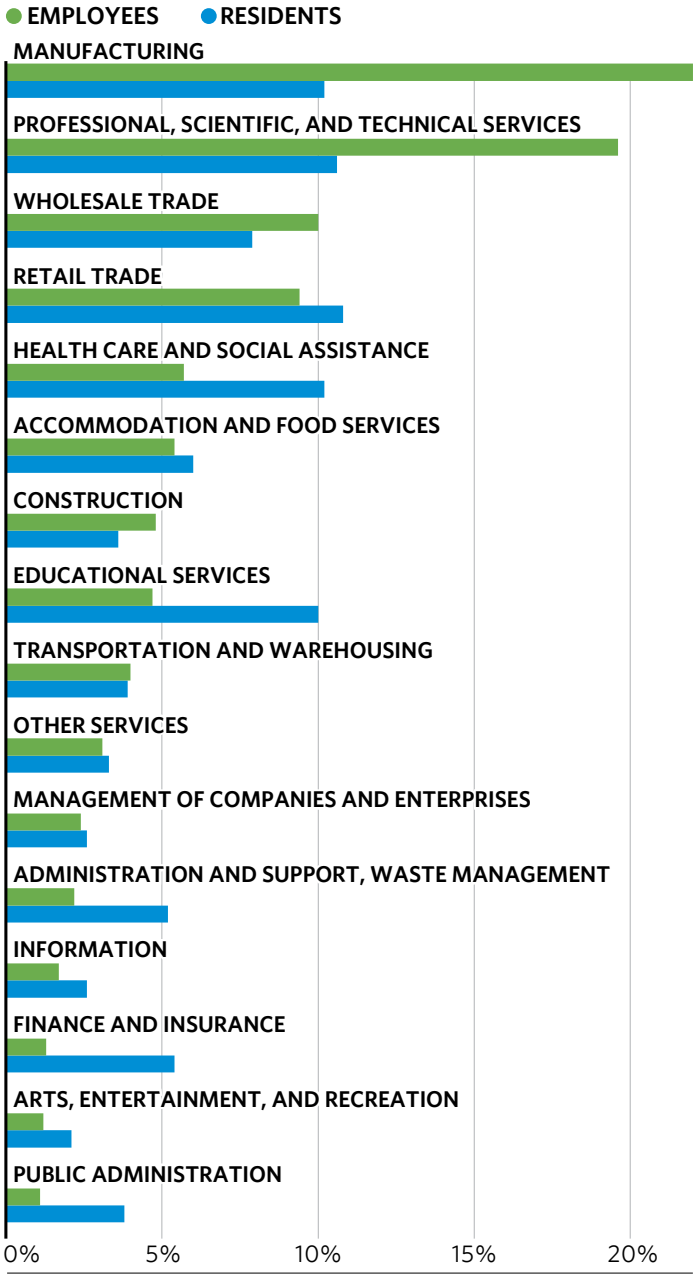
While Batavia offers a mix of single-family, townhome, and multifamily units, a truly attractive housing stock is also driven by jobs. Batavia contains 1.6 jobs for every local household. As a result, the City has built-in demand for its housing stock, as people who work in the community may want to live there as well, taking advantage of the potential to reduce their commute time and costs. Matching jobs and housing, however, is more complicated. If the jobs in a community do not match the skills of the workforce, commute times will increase for both workers and residents. In the same vein, if jobs are available but housing values do not mesh with what workers can afford, there is still a mismatch and workers must commute from elsewhere.

These potential issues highlight some ways in which transportation and affordability are linked. Some housing locations are inherently more or less costly by virtue of their location. If a housing unit is located farther away from jobs or retail, the typical occupant will need to spend more time and money commuting, leaving less money for housing and other expenses. Moreover, a mismatch between the location of jobs and affordable housing reduces economic competitiveness as employers experience difficulty with employee recruitment and retention.[7] This section explores how the local job base impacts the Batavia housing market.

Jobs

Batavia offers a diverse employment base with manufacturing, professional-scientific-technical, and wholesale trade as the three largest local industries. The presence of multiple industrial parks, primarily located in the northeast corner of Batavia, explain why 52 percent of all local jobs are in these three sectors. Retail trade provides the fourth most jobs in the city (see Figure 7). Many of these retail positions are found in big-box retail stores (Menards, Target, Kohls, Wal-Mart) on the Randall Road corridor. The employed residents of Batavia work in a wide range of industries. Retail, professional-scientific-technical, healthcare, and manufacturing are the four industries that employ the most Batavia residents.

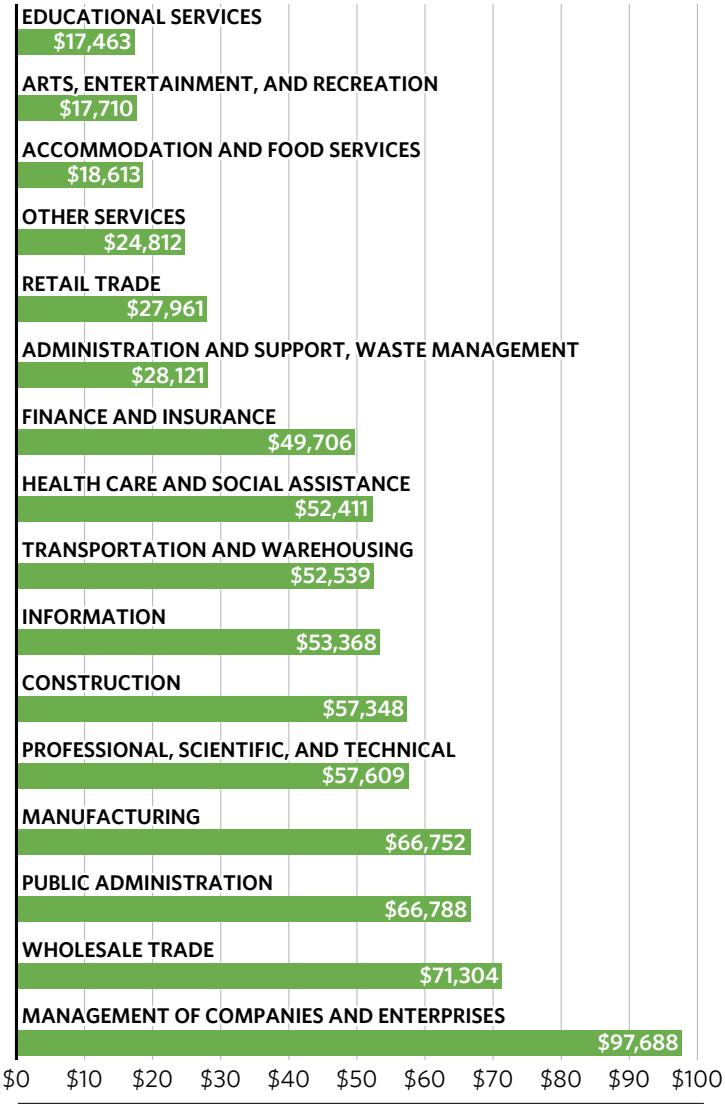
Figure 7. Industries of Batavia residents and employees, 2011



Source: U.S. Census Bureau, Local Employment Dynamics, On-the-Map data.

7. Pill, Madeleine. *Employer-Assisted Housing: Competitiveness Through Partnership.* (September, 2000). Joint Center for Housing Studies, Neighborhood Reinvestment Corporation. http://tinyurl.com/n73amvw.

Figure 8. Batavia subregion* earnings, scale in thousands of dollars



*Subregion includes the following ZIP Codes: 60134, 60174, 60175, 60510, and 60542.

**According to EMSI, the reported earnings include hourly wages, employer contributions for employee pensions and insurance funds, and employer contributions for government social insurance.

Source: Economic Modeling Specialists International (EMSI).

Figure 8 details the average earnings in the subregion for the industries in which most residents or employees work. The breakdown shows that Batavia offers jobs in many high earning industries including: manufacturing, professional-scientific-technical, and wholesale trade. Likewise, residents are frequently employed in well-paying industries. Many residents work in the manufacturing and professional-scientific-technical industries that are offered within the city limits and offer high pay. Many more Batavians are employed in the health care sector; however, these jobs are typically located outside of Batavia's city limits. The same can be said for educational services, as there are many more residents employed in the sector than there are jobs available within the City.

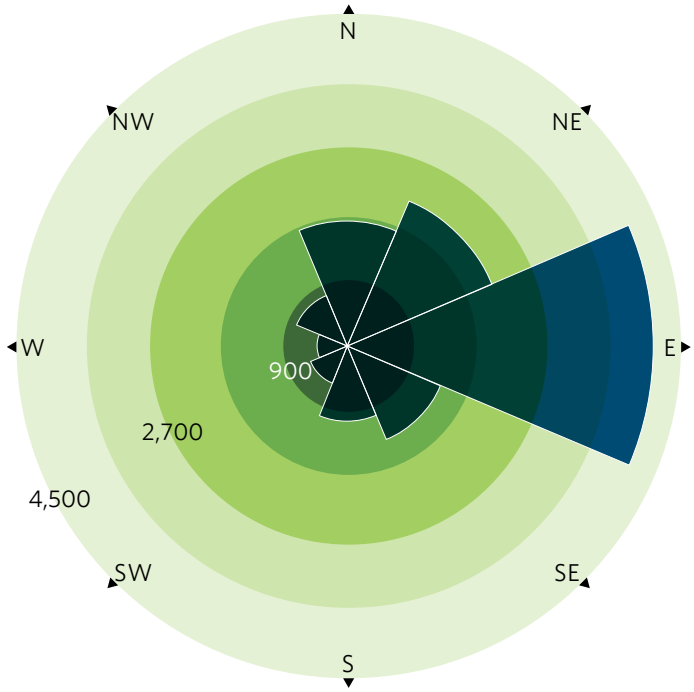
Transportation

Due in part to some of the identified mismatches between housing and jobs, many local employees and residents commute long distances, adding higher transportation costs on top of unaffordable housing costs. Residents and employees commute to and from locations within Kane County as well as all around the metropolitan Chicago region (see Figures 9 and 10). A considerable number of residents both live and work in the community (11 percent). This is a testament to Batavia's balanced job base. However, the figures below show that many residents are commuting long distances — 25 percent of Batavia residents commute to Cook County (including Chicago) and 38 percent of Batavia employees commute in from outside of Kane and DuPage Counties. These graphics illustrate the fact that many Batavia residents commute east to Chicago and Cook County while Batavia employees come from all around the area, but most frequently from the south.

Research by Reid Ewing and others in the *Journal of Urban Planning and Development* has shown that the biggest factor in reducing vehicle miles traveled, a major driver of transportation costs, comes from "putting offices, shops, restaurants, residences, and other codependent activities in close proximity to each other."[8] This concept will be reflected in the recommended strategies outlined later in this plan.

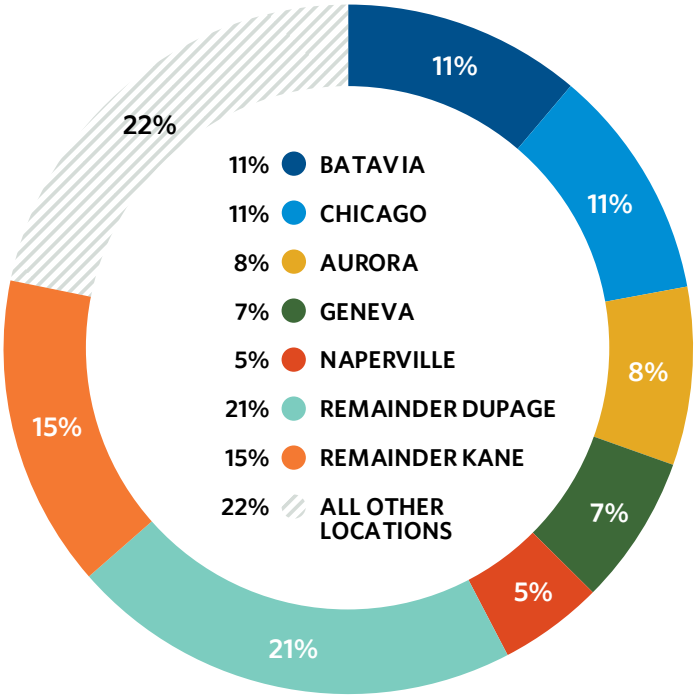
8. ASCE. "Traffic Generated by Mixed-Use Developments - Six-Region Study Using Consistent Built Environmental Measures." *Journal of Urban Planning*, October 2010.

Figure 9a. Where Batavia residents work
Job counts by distance/direction in 2011, all workers



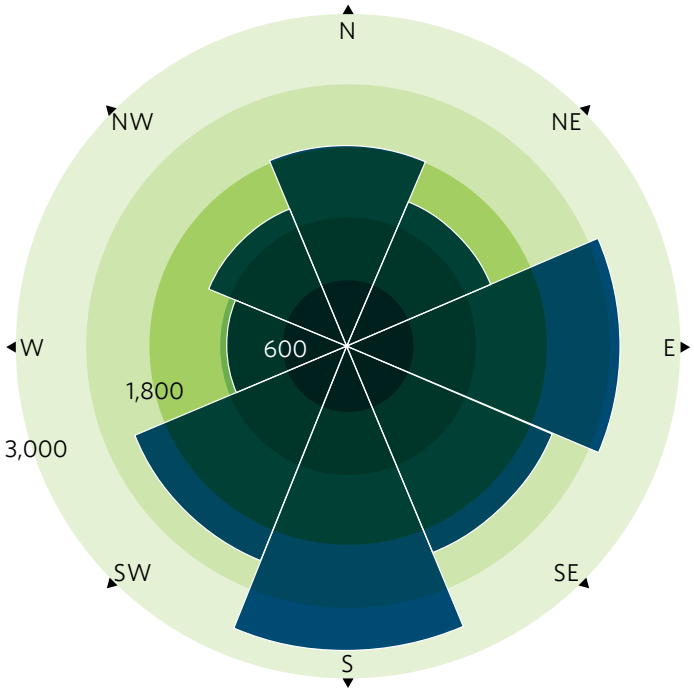
Source: U.S. Census Bureau, Local Economic Dynamics, On-the-Map data.

Figure 9b. Where Batavia residents work, 2011



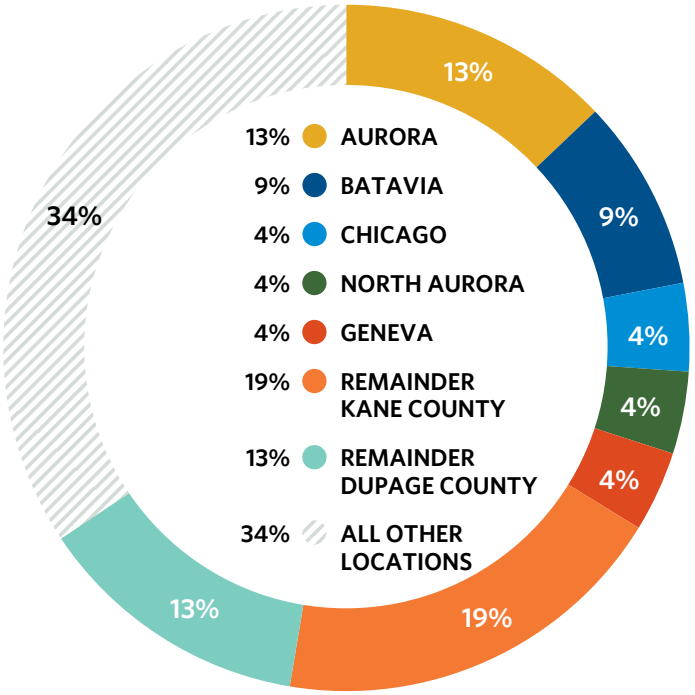
Source: U.S. Census Bureau, Local Economic Dynamics, On-the-Map data.

Figure 10a. Where Batavia workers live
Job counts by distance/direction in 2011, all workers



Source: U.S. Census Bureau, Local Economic Dynamics, On-the-Map data.

Figure 10b. Where Batavia workers live, 2011



Source: U.S. Census Bureau, Local Economic Dynamics, On-the-Map data.

Projected Future Housing Needs

Proactive housing planning needs to take into account those who might live in the community in the future. Blending together U.S. Census data, CMAP's local household and population projections for the year 2040 and national future housing preferences, some realistic estimates can be made of who will want to live in the city over the next 30 years. What types of housing would be necessary to meet the needs of current and future residents?

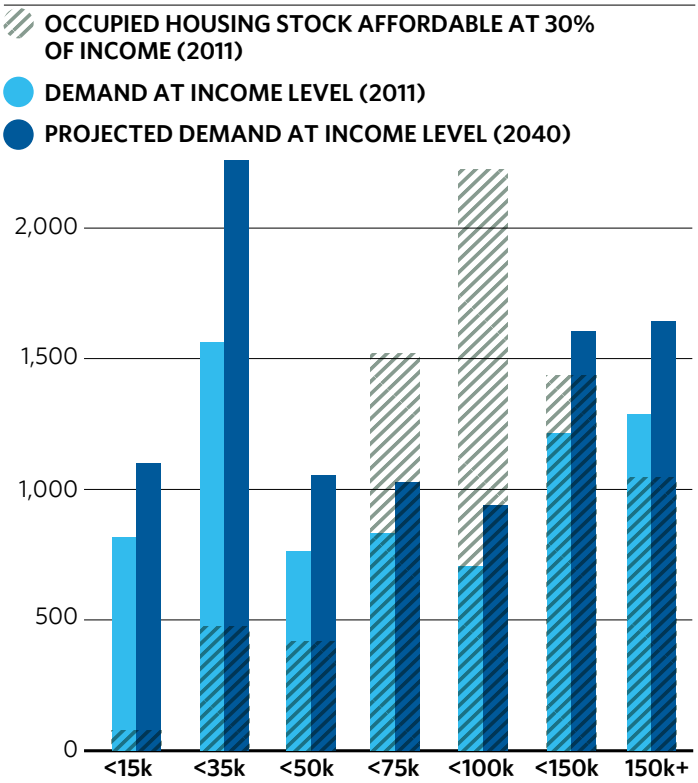
Future Ownership Needs

The number of families looking to own households in Batavia could grow by almost 3,600 over the next 26 years. Projections show that the current supply of units affordable to households earning between $50,000 and $100,000 is currently sufficient and will remain sufficient out to the year 2040. However, shortages exist for all other income groups.

There are projected shortfalls in housing supply for owners at the low and high ends of the income spectrum, specifically those with incomes less than $50,000 and incomes over $100,000 (see Figure 11). This is particularly a concern at the lower income levels, as it means there is a complete lack of supply of any housing that is affordable to them. It is very likely that households earning less than $50,000 will seek rental options unless they are seniors with assets from which to draw or families with financial support. Especially for households earning less than $15,000, the financial realities of property acquisition, construction costs, and financing make development very difficult.

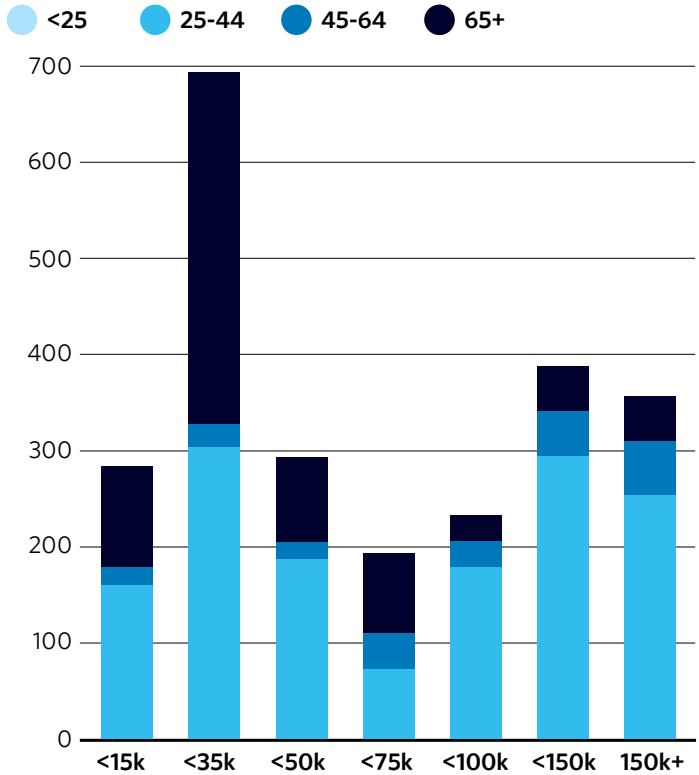
The age groups projected to drive growth play an important role in understanding the types of housing likely to be sought by future owners. Figure 12 shows what age groups and income levels will be driving owner demand in Batavia over the next 30 years. Figure 12 also shows that households headed by people aged 25-44 and people over the age of 65 will be driving the housing market. These two age demographics will demand different housing styles. Those 25-44 years old will typically be seeking larger houses that will be suitable for raising a family. Seniors, more likely, will be looking for smaller units that are easy to maintain and are in close proximity to transit or within walking distance of an urban center. Over 50 percent of the future housing demand for owner units affordable to households earning below $35,000 is by households headed by people over 65. Managing this increase will require thinking about how to build new housing attractive to seniors and rehabilitate existing units for those who want to remain in their homes.

Figure 11. Batavia 2011 households and housing stock compared with 2040 owner demand



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Figure 12. Batavia 2011-40 change in owner demand by age and income



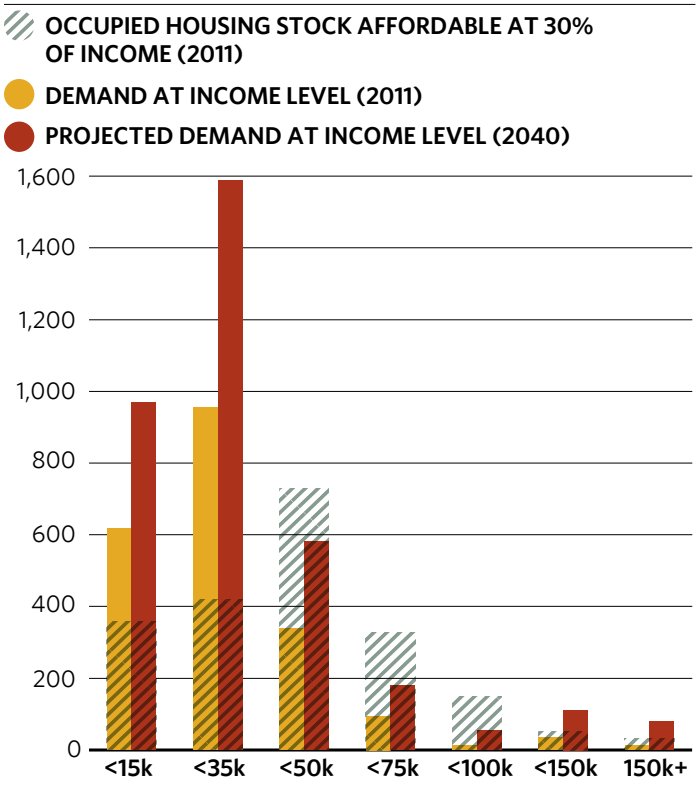
Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Future Rental Needs

Future growth among renters will be primarily low-income seniors (see Figure 13). If Batavia's rental housing stock does not keep up with the projected increases in demand, there could be a shortage of units affordable to households earning less than $35,000 and more than $100,000 annually. Again, this is particularly a concern at the lower income levels, as it means there is a complete lack of supply of any housing that is affordable to them. Very few households earning more than $100,000 annually are projected to rent in the future. The structure of the graph highlights the opportunity to expand options for low-income renter households, where there is the largest disparity between future supply and demand.

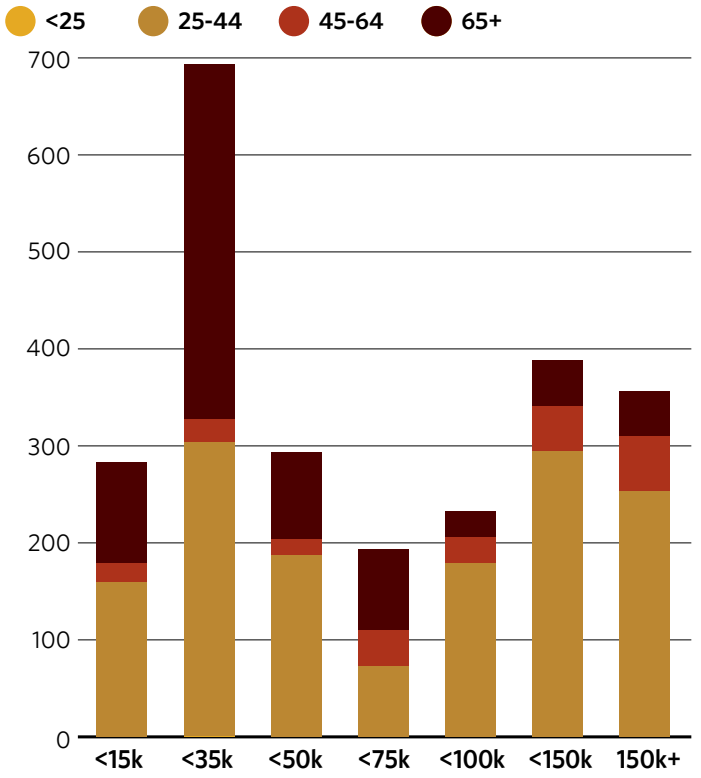
The age groups driving future rental demand correlate with income. For households earning less than $35,000, seniors represent the key demographic, comprising 48 percent of the projected increase (see Figure 14). People age 25-44 will also play a prominent role in driving rental demand for the future. They represent 41 percent of all new renter demand for households earning less than $50,000 annually. The indication that working age residents will be helping to drive demand for low- to moderate-income rentals provides the City of Batavia with an opportunity to work with local employers to meet labor force needs. This opportunity will be explained further in the recommendations section of this plan.

Figure 13. Batavia 2011 households and housing stock compared with 2040 renter demand



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Figure 14. Batavia 2011-40 change in renter demand by age and income

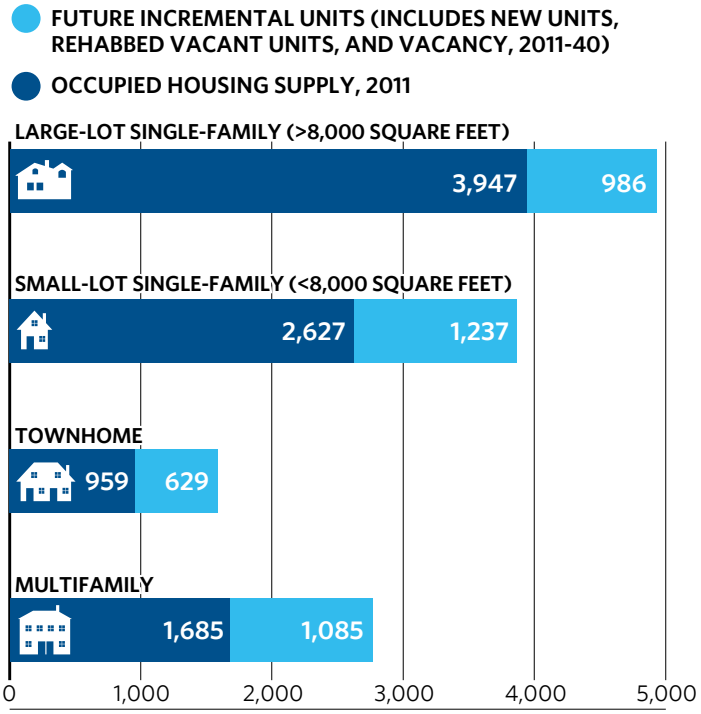


Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Housing Demand by Type of Unit

A forecast of demand for additional housing units in the year 2040 is shown in Figure 15. This data is based on the breakdown of projected future owners and renters in Batavia along with regional estimates of future demand for four broad housing types. This "balanced housing profile" shows demand for 3,937 additional units over the next 26 years (see Figure 15).[9] Almost 1,000 of these units would be large-lot single-family homes and 1,237 of these units would be small-lot single-family homes. The strong demand for single-family homes is reflective of the young resident owner demand across the income spectrum. It should be noted that a stronger future demand preference is indicated for small-lot, as opposed to large-lot single family homes. This is reflective of national and regional trends. The projected demand for 629 townhomes and 1,085 multifamily units demonstrate the increasing demand for denser unit types driven by the increasing number of low- and middle-income seniors along with the working-age rental population. As part of this project, the *Homes for a Changing Region* team reached out to residents, community leaders, officials, and others in two ways. On November 13, 2013, the team conducted a community workshop. Throughout the month of November, stakeholders participated in an on-line workshop utilizing a survey tool called MetroQuest. This profile is consistent with the feedback received through both methods.

Figure 15. Batavia future balanced housing profile



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

9. Note that this figure is higher than the projected increase in households between 2011 and 2040 (3,231) because of the inclusion of potential future vacant units. See the Appendix for more information about the methodology.

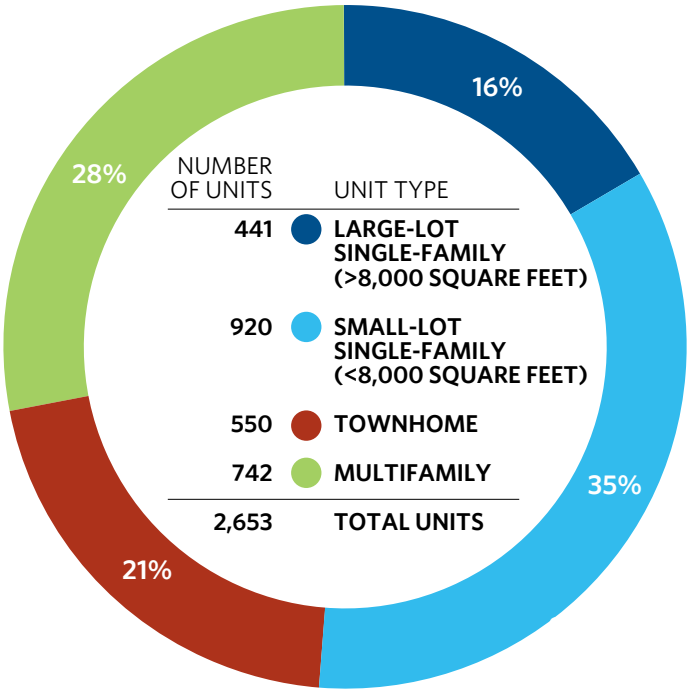
Capacity for Growth

Forecasted population and household growth is only one half of the equation in considering future housing needs. As a community with numerous assets, it is understandable why many people want to live in Batavia now and in the future. In order to plan for future households and housing, it is vital to look at the capacity for development. To understand the city's ability to accommodate projected growth, two key sources of capacity were reviewed — development/redevelopment and vacancy.[10]

Development/Redevelopment Analysis

The development/redevelopment analysis considers how Batavia could grow over the next 30 years based on the current land use regulations, development approvals, and key development sites. The *Homes* project team and City staff calculated the total square footage of vacant and redevelopable land in the City by reviewing Kane County Assessor data. Then, Batavia's current zoning and development standards were applied to those figures to calculate how many units could be built given the amount of vacant and redevelopable land within the various zoning districts. This analysis did not include the capacity for land in the City's planning area that could be later annexed.

Figure 16. Batavia maximum capacity by unit type



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of the Batavia zoning ordinance and Kane County assessor data.

10. See the Appendix for more information about the methodology.

Based on this analysis, the City has the capacity to increase its housing stock by between 2,372 and 2,653 housing units. But, to accommodate all of Batavia's projected demand, 3,573 new units would need to be added to the housing stock by the year 2040. The high estimate of Batavia's build-out capacity would allow for the City to accommodate 74 percent of the forecasted household growth. The high end of this range is based off of City staff's anticipation that certain lands would be rezoned in the near future. The low end of the range is considering the zoning in its current state. Figure 16 identifies what unit types Batavia's zoning will allow in terms of a percentage of all units. Table 3 shows the maximum amount of units able to be developed with the current zoning in place, while Table 3.1 shows this amount with the anticipated zoning considered.

Table 3. Batavia maximum capacity by unit type with existing zoning in place

TYPE	UNITS
Large-lot single-family (>8,000 square feet)	441
Small-lot single-family (<8,000 square feet)	920
Townhome	286
Multifamily	725
TOTAL	2,372

Source: Chicago Metropolitan Agency for Planning analysis of the Batavia zoning ordinance and Kane County assessor data.

Table 3.1. Batavia maximum capacity by unit type with anticipated zoning in place

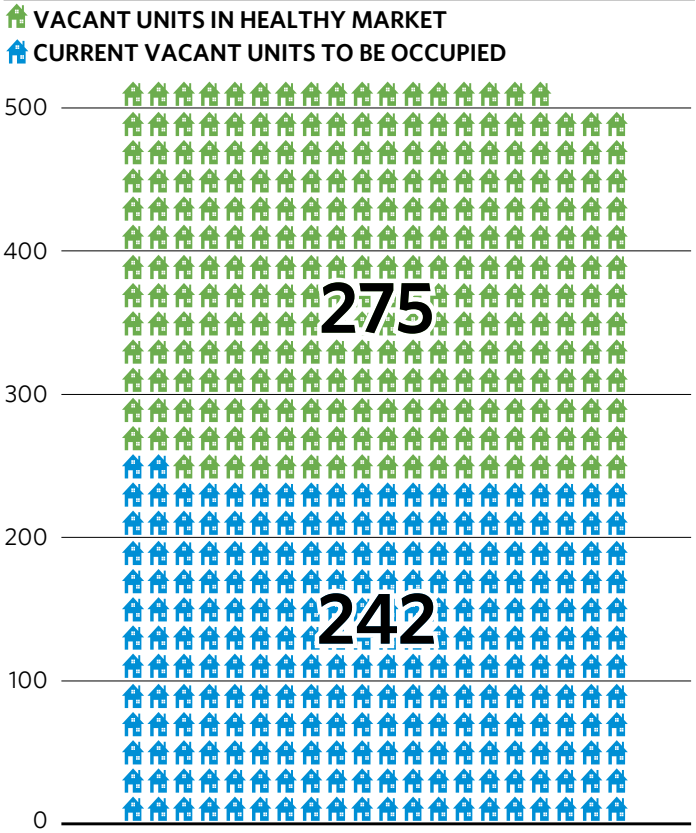
TYPE	UNITS
Large-lot single-family (>8,000 square feet)	441
Small-lot single-family (<8,000 square feet)	920
Townhome	550
Multifamily	742
TOTAL	2,653

Source: Chicago Metropolitan Agency for Planning analysis of the Batavia zoning ordinance and Kane County assessor data.

Vacancy Analysis

Due to the current housing market, many homes now vacant may not continue to be in the future. This allows Batavia to accommodate some growth without building new units. According to 2007-11 American Community Survey estimates, Batavia has approximately 517 vacant units, or about 5.3 percent of all homes in the city. Normal long-term vacancy rates for a strong community are 7.4 percent among rental units and 1.5 percent among owner-occupied units.[11] Utilizing this standard, Batavia could have approximately 275 total vacant units, or a 2.8 percent vacancy rate. Batavia has slightly fewer vacancies than what is considered normal for strong communities.

Figure 17. Batavia breakdown of current vacant units



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of American Community Survey 2007-11.

11. Belsky, E., Bogardus Drew, R., McCue, D., *Projecting the Underlying Demand for New Housing Units: Inferences from the Past, Assumptions about the Future.* (November, 2007). Joint Center for Housing Studies, Harvard University. http://tinyurl.com/mlwyddq.

Urban Design Focus Area

In November 2013, the Homes for a Changing Region team conducted a community workshop in Batavia. Residents, community leaders, officials, and others presented their views on a focus area selected by the City at the southwest corner of North Van Norwick Avenue and McKee Street.

Participants expressed their desire for development to include a mix of uses, with commercial development along Wilson Street, a variation of multifamily and attached single-family units throughout the site and a variety of amenities along McKee Street. These amenities, the possibilities of which included linear parks, trails, bike paths, pocket parks, plazas, etc., were identified here to create connectivity in the form of bike paths along McKee Street and also to preserve and enhance the existing green space north of McKee Street.

Southwest corner of North Van Norwick Avenue and McKee Street today. Source: Solomon Cordwell Buenz.

Southwest corner of North Van Norwick Avenue and McKee Street in the future. Source: Solomon Cordwell Buenz.

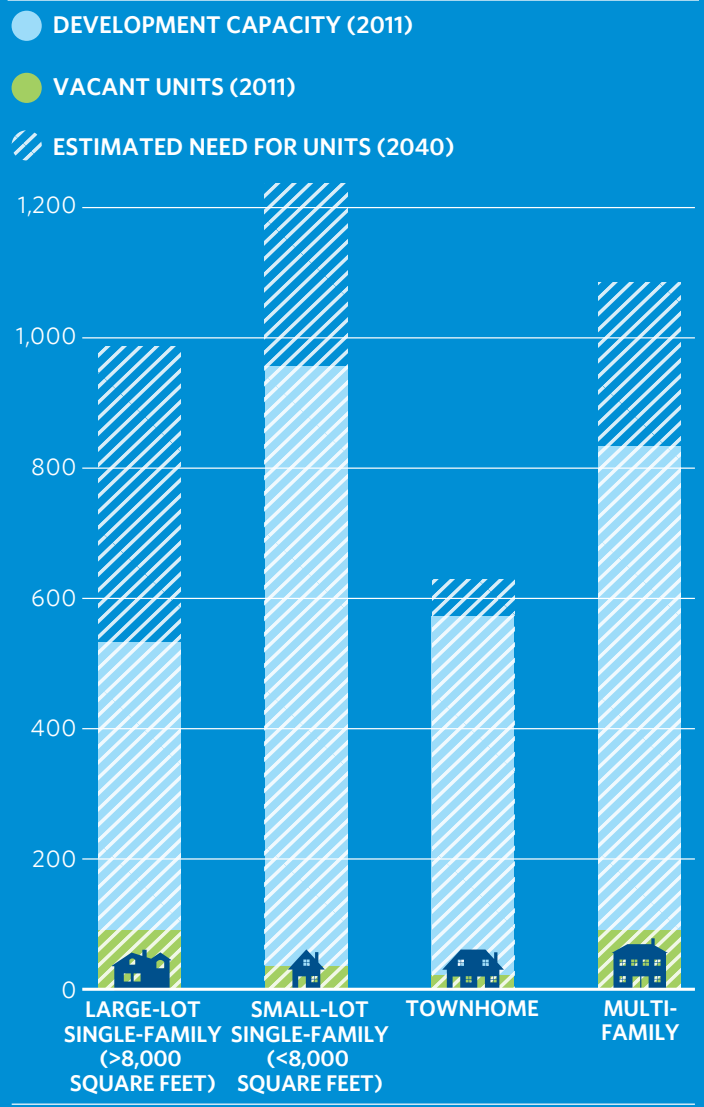
Conclusions & Recommendations

Taking into account the capacity available through development, redevelopment, and vacancy, demand for future housing will outstrip available capacity for new housing construction by over 900 units. The capacity analysis has projected future shortfalls in supply for all housing types by the year 2040 (see Figure 18). This data indicates the need for Batavia to continue developing a variety of housing types to meet the needs of an aging and diversifying population. While forecasts predict continued unmet demand for large lot single family housing, Batavia is a mature community. It will be near impossible to meet this demand without significant annexation. Can this demand be met through the development of other products? What will be the impact on existing large-lot home prices?

Should the current zoning be modified to accommodate this unmet demand? If so, where should this housing be located? Should Batavia annex additional land to accommodate growth or focus its efforts on redeveloping areas closer to its historic core?

Decisions regarding whether to grow by annexation or redevelopment will have the biggest impact on the City's current housing market. Regardless of the route chosen, maintaining existing units and fostering an open housing market will be tremendously important. The following policy recommendations describe housing strategies that will help the City best meet the demands of a changing population.

Figure 18. Batavia demand vs. vacancy and capacity, by housing type



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model, Kane County Property Assessor data, and U.S. Census Bureau inputs.

Recommended Housing Strategies

1. Meet forecasted increases in housing demand through a combination of targeted redevelopment and annexation.

Batavia is forecasted to have abundant housing demand out to the year 2040 and the City should be proactive in deciding if and how it chooses to meet this demand. The redevelopment of existing properties as well as the annexation of key areas will both be effective and important strategies and should be considered in planning for future population growth.

Batavia should work to identify and inventory underutilized City lands that would be appropriate for redevelopment. The City's built-out disposition, aging housing stock, high land values, and strong housing demand combine to produce an excellent opportunity for redevelopment. Once identified, the redevelopment of these lands can be enabled and promoted in various ways.

In cases unsuitable for redevelopment, annexation can be an effective strategy for meeting projected housing demand. Several options for future annexation were mentioned during discussions with City officials and through outreach with residents. Over time, Batavia should annex areas on the western perimeter of the city, as well as unincorporated areas encompassed by Batavia's city boundaries. On the western perimeter of the city, land should be annexed and zoned to provide the variety of housing types that are projected to be in short supply in the future. Projections show that Batavia will have future unmet demand for small and large lot single family homes as well as for multifamily units and townhomes. Data also show that Batavia will have increasing demand for senior style homes and homes attainable for residents with low to moderate incomes. Batavia should also use annexation to incorporate key redevelopment sites, which are currently unincorporated, and are encompassed by incorporated Batavia. This will enable and promote the rehabilitation of deteriorating housing stock and provide housing options that respond to forecasted future demand.

2. The City should adopt optional form-based code overlays for the Downtown Mixed Use and Mixed-Use Districts.

Form-based code overlays would allow developers the option to comply with either the existing zoning regulations or the new form-based regulations. Unlike conventional zoning regulations, which are focused on what uses are permitted, a form-based code is a method of development regulation that emphasizes the physical character of development (its form) and includes — but often de-emphasizes — the regulation of land uses. A form-based code overlay would allow developers greater flexibility on a variety of conventional requirements that add to the final cost of each unit built. Meanwhile, the implementation of a form-based code in these districts would help ensure a more predictable, high quality physical result in key areas of Batavia.

A form-based code focuses on how new development relates to the existing context of the surrounding community. An overlay could promote infill development that is compatible with the architecture and functionality of existing buildings, while also providing mobility options affordable to residents. Through proactively addressing aesthetics and performance, form-based codes can gain resident support and generate a higher comfort level with compact development, allowing developers to build more units per acre. This would decrease the price per unit for the developer, resulting in the provision of multifamily units that are lower-cost; not only does data indicate that the demand for such housing is currently unmet, it is expected to grow in the future.

Additionally, form-based codes can regulate development at the scale of an individual building or lot, which can encourage independent development by multiple property owners, eliminating the need for large land assemblies and the megaprojects that are frequently proposed for such parcels. This may be of particular importance at the Siemens and Campana sites, which are zoned Mixed Use. CMAP has a step-by-step guide that explains what form-based codes are and how they are created. Utilizing this guide will help Batavia understand the scope of work that is required in the creation of a form-based code overlay, assess existing conditions, and create appropriate regulations to achieve its goals.[12]

12. CMAP Form-Based Codes: a Step-by-Step Guide for Communities: http://www.cmap.illinois.gov/documents/10180/10715/CMAP+Form+Based+Codes+Guide+lowres.pdf/5a034e51-ffd5-4b71-b5f1-c068d0096293.

3. Create affordability incentives in key areas of the city.

The City of Batavia should incentivize the inclusion of workforce attainable housing units into new developments through the use of a density bonus and a parking requirement reduction. These incentives should be applicable only to targeted sites within the city, primarily locations with existing infrastructure and locations in close proximity to transit. The extent of these incentives should be managed to attract housing developers to these areas. When the density bonus is implemented effectively, the City will gain attainable workforce housing units, while the developers will also benefit from the additional revenue created as a result of the bonus units. A reduction in required parking will reduce costs to developers, compensating them for the difference between market rate and below market rate housing, therefore creating the incentive for building attainable units. Additionally, a reduction in parking will promote the use of transit, as well as walking and biking. The implementation of these incentives will create affordability directly through reducing housing costs and indirectly by providing the residents access to inexpensive transit options.

This recommendation is not new to Batavia; it is listed as a goal in their Comprehensive Plan, Land Use Element, Goal 4: Maintain a diversity of housing types, prices and styles for all segments of the community. *Policy: A. Permit a multifamily residential density bonus on key parcels for commitments to affordability*. This recommendation is also consistent with Homes data projections that show future unmet demand for multifamily units and also unmet demand for low-income residents. Shortfalls in supply are forecasted for renter-occupied housing affordable to households with annual incomes up to $50,000, while shortfalls in supply are forecasted for owner-occupied housing affordable to households with annual incomes up to $75,000. This recommendation can help provide attainable workforce housing in the City while also accomplishing other relevant goals, including the encouragement of infill development and the coordination of land use and transportation, which are goals outlined in the Batavia Comprehensive Plan.

Batavia can also benefit from proactively informing developers that Kane County incentivizes the construction of compact housing near Pace bus stops with their Transportation Impact Fee Discount Program. This discount is applicable within Batavia's city boundaries and it could work in conjunction with the other incentives highlighted in this strategy.[13]

13. Kane County Transportation Impact Fee Discount: http://www.co.kane.il.us/dot/impactFees/flexible/Section_Eighteen_Discount_Program.pdf.

4. Adopt a Kirk Road transit overlay zone.

Batavia should consider the adoption of a transit overlay zone along Kirk Road. Although no bus service exists on the corridor, Batavia should be proactive in working with Pace to establish service. The corridor has existing housing, including attainable workforce housing (Batavia Apartments), and provides connections with office, retail, and industrial uses within and outside the city limits of Batavia. However, these connections are currently made exclusively via the automobile as land uses are separated and connectivity features are limited, making walking, biking and transit use impractical. A Kirk Road transit overlay zone would proactively plan for the diverse land use mix, appropriate density and connectivity amenities that would be needed to support bus service on the corridor and it would incentivize Pace to establish this service.

Consistent with the City's Comprehensive Plan, Land Use Element: Goal 5, a transit overlay zone would coordinate land use and transportation planning. Coordination efforts could include modifying parking regulations, adjusting lot coverage standards, expanding sidewalk networks, enhancing streetscapes and requiring bike racks in an effort to more efficiently meet the transportation needs of the residents living, working and shopping on this corridor.

The Kirk Road Transit overlay zone would promote housing affordability in the City in multiple ways. First, it would support the development of compact housing, which would increase housing choices for residents in the City. Second, it would provide housing in proximity to transit options, therefore providing residents more affordable transportation choices.

The creation of a transit overlay zone on Kirk Road would be consistent with the Kane County 2040 Transit Plan, which identified a need for transit service on Kirk Road based on existing conditions, a travel demand model and stakeholder input. Additionally, the creation of an overlay zone would be consistent with the City's Comprehensive Plan, Economic Development & Redevelopment Element: Goal 8, which identifies the goal of adopting a specific area plan to attract/assist quality development and redevelopment for the Kirk Road corridor. Further, this recommendation would be consistent with multiple goals in the Transportation and Circulation element of the City's Comprehensive Plan. Proactively designing and adopting a transit overlay zone on this corridor would provide the housing and transportation related features needed to support fixed-route bus service, and it will help maximize the potential of this strategic corridor.

5. Create a downtown arts and culture overlay zone to promote affordable live/work units.

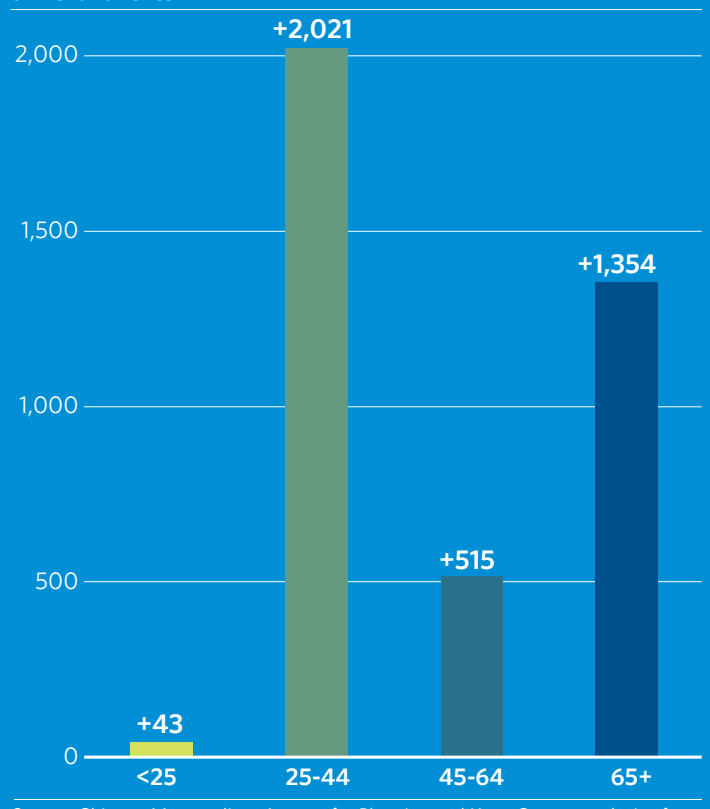
Batavia should consider creating and adopting an arts and culture overlay zone that builds off of the existing Water Street Studios and arts culture downtown. This overlay zone would promote the housing styles (such as live/work units), mobility options, and amenities that could make the area attractive for artists, young professionals, and entrepreneurs. This zone would draw people from around the area as a place to shop, eat and seek entertainment, thereby stimulating economic activity and supporting ongoing downtown redevelopment efforts. While arts and culture are sometimes marginalized and seen as a nice "extra," they are necessary ingredients for making communities unique, attractive, and vibrant places to live and work.

The overlay zone would assist in downtown revitalization efforts in multiple ways. First, residents who live downtown, in units that are affordable at their income level, will have more disposable income and will be likely to spend this income in the downtown area. Second, arts and culture efforts will bring attention and foot traffic to the downtown area, attracting visitors and increasing the length of time and money they spend, thereby contributing to continued development and redevelopment. Third, through utilizing potential live/work units and sharing ideas with imaginative neighbors, residents will be more likely to innovate, spurring new products and business opportunities in the downtown area.

Data indicate that young residents (ages 25-44) will be driving housing demand out to the year 2040. It is projected that these residents will account for more of the future housing demand than all of the other three demographic sectors combined (51 percent, see Figure 19).

Adopting an overlay zone that would allow the creation of live/work units will help Batavia provide the housing types desired by young residents in a location that will be advantageous to residents, business owners, and the City.

Figure 19. Batavia change in housing demand by age, 2011-40, owner and renter



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Alternatively, in lieu of creating an arts and culture overlay zone, the City may find it more efficient to amend the existing Downtown Mixed Use (DMU) zoning district to incorporate arts and culture concepts. The DMU boundaries already cover the downtown area, where the arts and culture concepts are recommended to be implemented. City staff and officials should look into the feasibility of both options and determine what will work best of the City.

CMAP has developed an Arts and Culture Planning Toolkit. Utilizing this toolkit will help Batavia assess, prepare, and implement art and culture strategies that are tailored to the City's existing resources and strengths. The live/work units that will be encouraged in this zone provide housing options affordable to people who will contribute economically, socially, and culturally to the city.

6. Expand the existing rental property licensing program.

Batavia should expand the existing rental property licensing program to include the inspection of single-family homes. In response to the recent surge in single-family rentals, more and more municipalities are developing effective code enforcement initiatives targeted at single-family rentals. Expanding the reach of the existing program will have its obstacles. Batavia will face more codes to enforce and a higher cost of enforcement in addition to potential community opposition. However, despite these obstacles, communities are finding that programs are effective in increasing surrounding property values and enhancing the perceptions of their neighborhoods.

Batavia should consider adopting several of the strategies included in the MPC's *Managing Single Family Rental Homes* white paper. In particular, the City should focus on creating a licensing structure that provides for frequent inspections balanced with incentives for landlord compliance. A good model is the system adopted by the Village of Addison in 2011. Under this system all local rental units, including single-family homes, are licensed annually. At the time of initial licensure, units are inspected and graded as "Very Good," "Satisfactory," and "Unsatisfactory" based on the number of code violations. Very Good units can waive inspections for the following year. Satisfactory units have one extra yearly inspection. Unsatisfactory units are inspected three additional times that year. The Village indicates that this tiered inspection structure has increased the percentage of Very Good rentals by 10 percent and decreased Unsatisfactory rentals by 10 percent.

If Batavia chooses to expand its rental licensing system, it should ensure that it is coupled with an effective fee structure, designed to cover some of the municipality's inspection costs without overburdening landlords.

7. Reaffirm the City's commitment to be an open community.

A key component for any community seeking to maintain an efficient and effective housing market is ensuring that local housing and service providers show openness to current and future residents of all backgrounds. The following strategies outline ways Batavia can continue fostering openness throughout the City.

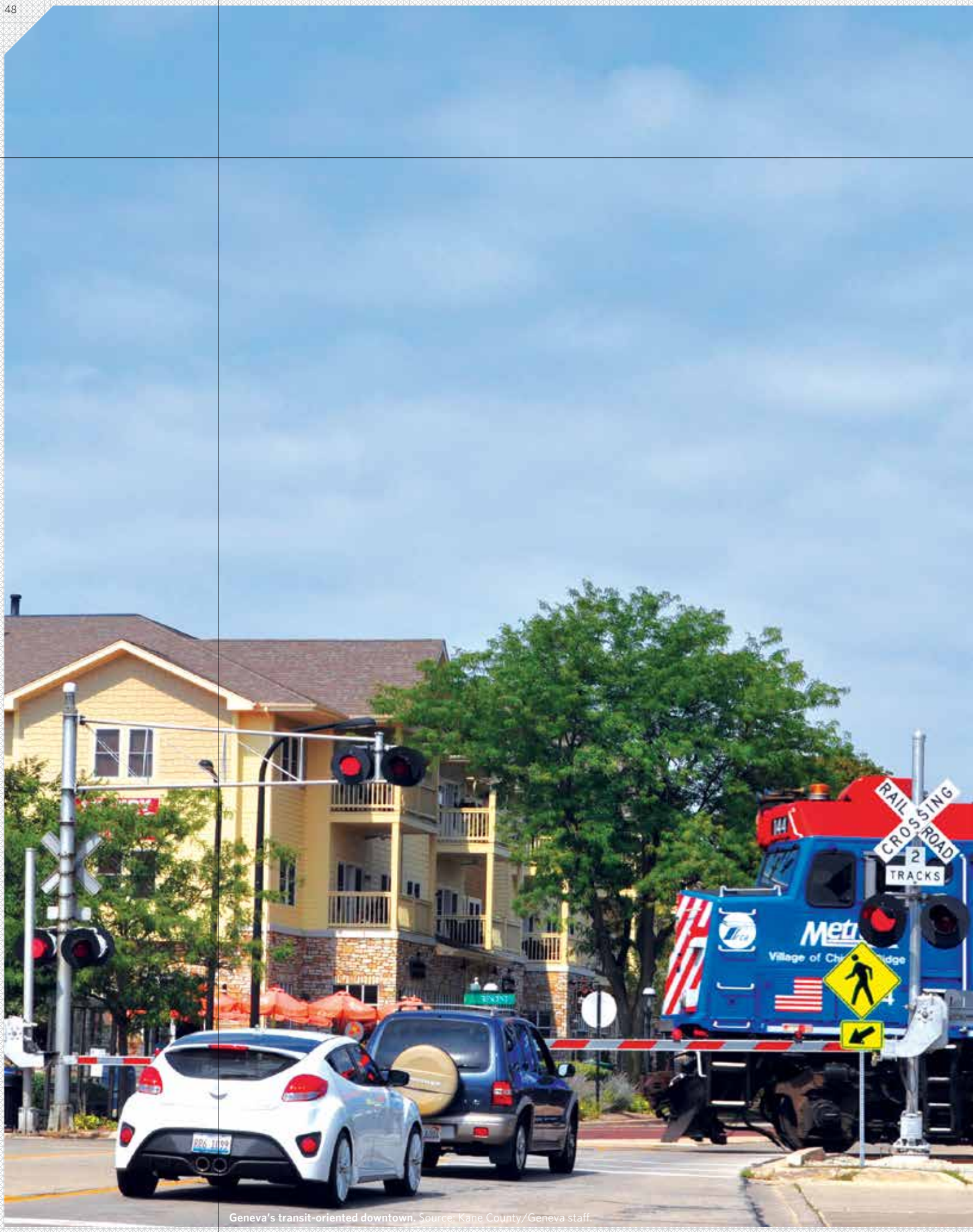
The City of Batavia website provides information to new and existing residents about services available in the City, including information on local, county, and state resources on many different web pages. The City's website does not appear to currently provide information about how residents can file complaints about housing discrimination. Therefore, Batavia should provide such contact information on its website. Moreover, the City should ensure that all of the service information reflects its commitment to openness by including a statement of welcome for people of all backgrounds and ensuring information is accessible to people with disabilities, including those with sight or hearing impairments.

Further, care should be taken to make sure that multifamily housing meets both the design standards of the Illinois Accessibility Code (IAC) and the Fair Housing Act. Statewide, the IAC requires that new residential housing be accessible to persons with disabilities. Under the IAC, prior to issuing permits, municipalities must evaluate whether the designs comply with the IAC. However, municipalities are not obligated to assess whether the plans comply with the federal Fair Housing Act under the IAC. The federal law requires that multifamily housing with four or more units include basic attributes of accessibility (e.g., accessible entrances, accessible routes, accessible kitchens and bathrooms, and accessible common areas). Holding new developments to this higher standard would be relatively easy to implement as the standards are already written and it would promote accessibility in the City, which will become more and more important as the City's population ages.

14. CMAP Arts and Culture Planning Toolkit for Communities: http://www.cmap.illinois.gov/documents/10180/12773/FY14-0006%20ARTS%20AND%20CULTURE%20TOOLKIT%20lowres.pdf/f276849a-f363-44d4-89e1-8c1f2b11332f.

8. Consider partnering with a non-profit to provide or refer a range of social services through a location near existing affordable housing.

Several stakeholders identified specific needs for these services near existing affordable housing developments. The City should consider analyzing the demand for and supply of various social service programs aimed at improving opportunities for low income youth, adults, and seniors. Working with existing public and non-profit service providers, the City should work to identify appropriate space for service provision, referral, and coordination based on the outcome of that analysis. Batavia straddles two townships, Batavia and Geneva. There may be an opportunity to work with the County and existing service providers to coordinate services or referrals between these two entities. Batavia should explore a partnership to provide these services in the most efficient manner.



Geneva's transit-oriented downtown. Source: Kane County/Geneva staff.

Housing Policy Plan: Geneva

Project Summary

Geneva elegantly balances its historic grandeur with stylish modern homes, shopping, and numerous restaurants. The city is enhanced by its scenic location on the Fox River and exceptional transportation options that provide both recreational opportunities and mobility throughout the region.

Geneva's many assets — from the thriving downtown district, to the burgeoning Randall corridor and the centrally located Metra rail station — have the city poised to meet the housing needs of an increasingly diverse and aging population. However, planning to meet this housing demand with attainable, accessible housing options, while maintaining the existing social, historical, economic, and political balance, will be a major challenge. With little space for new development, Geneva will need to identify appropriate infill sites and redevelopment opportunities that will be respectful of past and current generations while also being responsive to the needs of future residents.

Despite substantial previous efforts, some of Geneva's housing needs continue to go unmet. In 2010, Mayor Kevin Burns formed a Geneva Housing Task Force in an attempt to evaluate and identify opportunities to create affordable housing. Additionally, the task force is charged with identifying housing needs, community benefits, financial resources, housing program limitations due to the city's non-home rule status, and potential sites for affordable housing developments. These objectives, which aim to make Geneva a place where a resident can live comfortably in all stages of their life, will be addressed throughout this plan.

Between now and 2040, it is projected that Geneva could add more than 8,000 new residents. The City must address a number of key issues to determine the best way to accommodate such potential growth.

- **What can be done to preserve and upgrade existing neighborhoods, making them attractive for future residents?**
- **How can a balance be found between reinvestment in older areas and new development in key areas of the City?**
- **How can the City retain the historic character of the downtown while accommodating housing demand, increasing business opportunities, and maximizing the utility of the Metra rail station?**
- **How can Geneva successfully support a diverse community?**

This report provides a series of policy recommendations based on a detailed analysis of existing conditions and future needs. Geneva can use these recommendations to prepare for its projected population growth. This plan can be particularly beneficial in planning to accommodate the needs of low- to moderate-income seniors, a demographic that is rapidly increasing in size.

Demographic Trends

Located in central and eastern Kane County, the City of Geneva is bordered by St. Charles to the north, West Chicago and unincorporated land to the to the east, Batavia to the south, and unincorporated land to the west.

Geneva's population has grown by 10 percent over the past decade to approximately 21,550. The Chicago Metropolitan Agency for Planning (CMAP) produced population and household projections as part of GO TO 2040, the seven-county region's comprehensive plan for sustainable prosperity for the next 30 years.[1] These figures indicate that, if GO TO 2040 is implemented and if the City takes advantage of its numerous assets, its population could rise to 29,998 by 2040, an increase of 8,448 residents (see Table 1).[2]

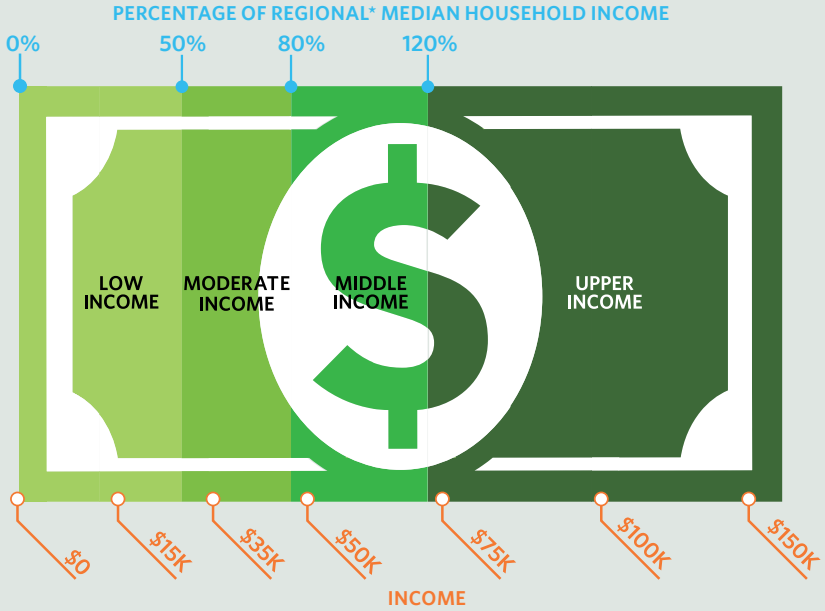
Table 1. Geneva general statistics

	POPULATION	HOUSEHOLDS
2000 Decennial Census	19,515	6,718
2011 American Community Survey	21,550	7,560
Change, 2000-11	2,034	842
Change as %, 2000-11	10.4%	12.5%
GO TO 2040 projection, 2040	29,998	11,328
Change, 2011-40	8,448	3,768
Change as %, 2011-40	39.2%	49.8%

Source: U.S. Census and Chicago Metropolitan Agency for Planning GO TO 2040 projections.

1. See http://www.cmap.illinois.gov/2040.
2. See the Appendix for more information about these projections.

Income



While household income is discussed throughout the Homes for a Changing Region plan, it's important to understand some of the definitions behind phrases like "low-" and "moderate-income." The U.S. Department of Housing and Urban Development (HUD) has established definitions for how the relationship between an area's median income and the income of an individual household can define what is a low (less than 50 percent of regional median income), moderate (50 percent to 80 percent), middle (80 percent to 120 percent), and upper income household (120+ percent). By comparing each income group to the regional* median household income ($61,045), readers can understand what constitutes low, moderate, middle, and upper income households.

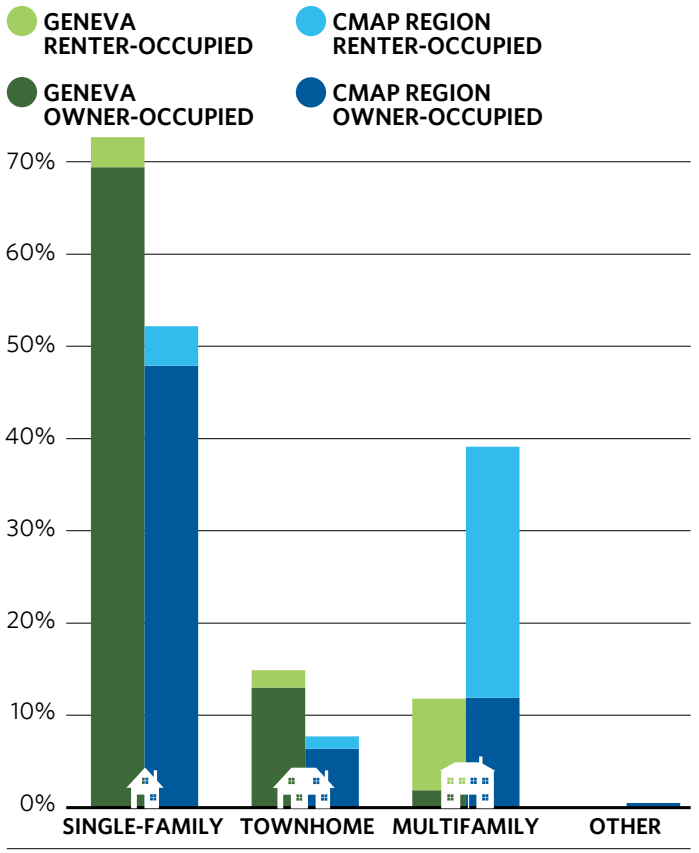
*Region defined as the Chicago-Naperville-Joliet, IL Metropolitan Division.
Source: Chicago Metropolitan Agency for Planning analysis of the American Community Survey 2007-11.

Current Housing Market

Geneva's earliest neighborhoods were developed around the downtown area along grid style streets both east and west of the Fox River. The City's current housing stock includes everything from historic 19th century homes to modern apartments, condos, and single-family subdivisions.

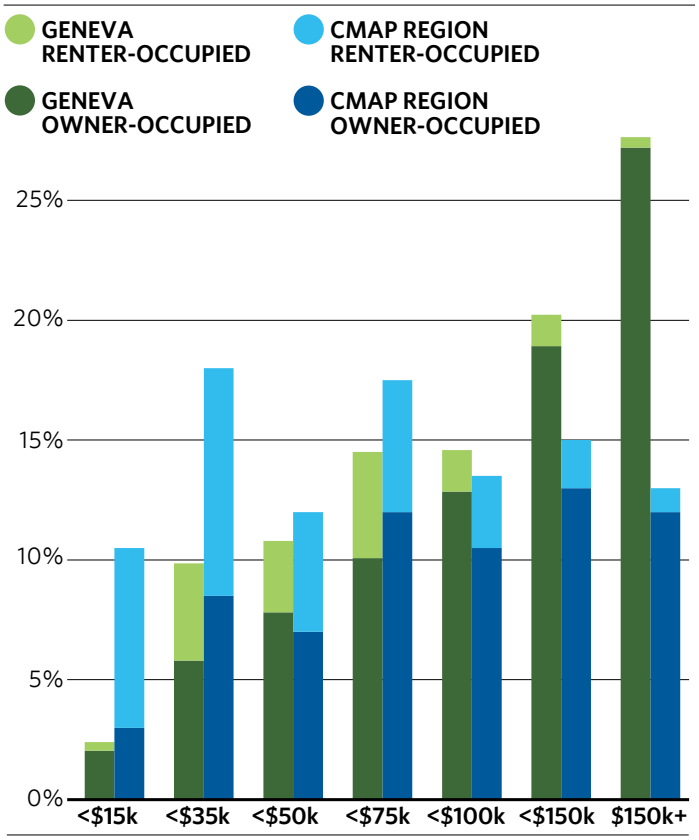
Eighty-five percent of Geneva residents own their households while 15 percent rent. Single-family homes account for over 70 percent of all local units in Geneva, compared to 51 percent regionally (see Figure 1). The relatively high percentage of single-family homes in the City is reflected in Geneva's atypical rental housing market. Unlike the greater Chicago metropolitan region, only 66 percent of local renters live in multifamily buildings, well below the regional average of 84 percent. Many Geneva renters are living in single-family homes (20 percent) and townhomes (14 percent), and these percentages are increasing. As highlighted in the *Managing Single Family Homes* white paper, many communities are struggling with the surge in single-family rentals.[3] Much like the region, the percentage of rental households falls as income rises (see Figure 2). For Geneva, this change is noticeable around the $75,000 threshold. Over 75 percent of local renter households make less than $75,000.

Figure 1. Housing type by owner/renter, Geneva and CMAP region



Source: U.S. Census Bureau (2000 Census and 2007-11 American Community Survey).

Figure 2. Owner/renter by household income, Geneva and CMAP region



Source: U.S. Census Bureau (2000 Census and 2007-11 American Community Survey).

3. *Managing Single-Family Rental Homes*. (June 2013). Metropolitan Planning Council. http://tinyurl.com/kjdjm2h.

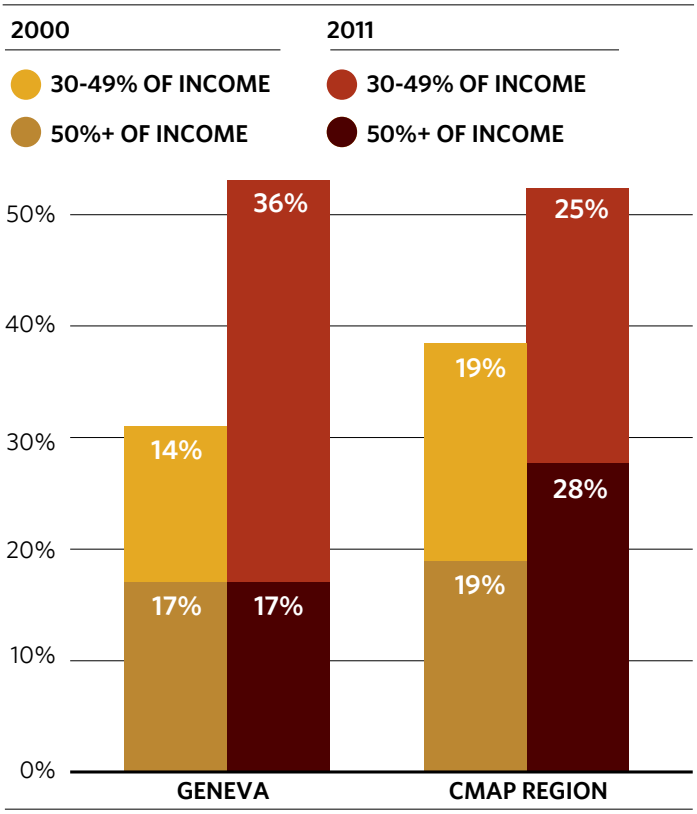
Housing Affordability

One of the most essential elements in understanding local housing dynamics is affordability. What constitutes "affordable housing" varies from household to household, as the measure is relative. A commonly used standard, and the one that is used in this plan, is that an affordable housing unit is one that a family can own or rent for no more than 30 percent of its income. This spending includes both housing (rent or mortgage) and housing-related costs, such as property taxes, insurance, and utilities. This time-tested standard is reflected in everything from the underwriting standards of private lenders to data from the U.S. Census Bureau.

What is "Affordable Housing?"

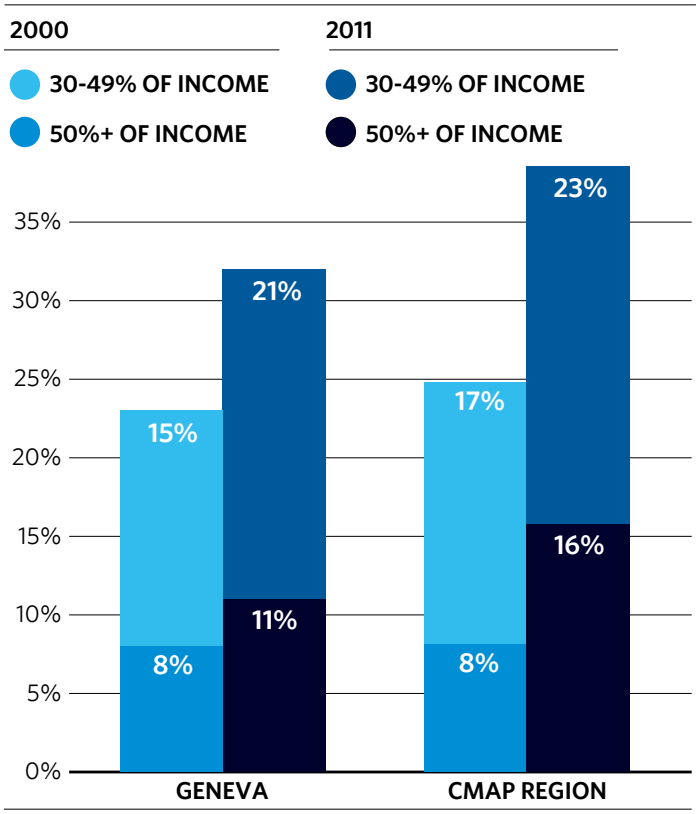
- **"Affordable housing"** is housing that costs no more than 30 percent of household income (including utilities, insurance, and taxes).
- **"Unaffordable housing"** is housing that costs between 30 percent and 50 percent of household income.
- **"Severely unaffordable housing"** is housing that costs more than 50 percent of household income.

Figure 3. Percent of renter-occupied households paying more than 30% of income on gross rent, Geneva and CMAP region



Source: U.S. Census Bureau (2000 Census and 2007-11 American Community Survey).

Figure 4. Percent of owner-occupied households paying more than 30% of income on monthly owner costs, Geneva and CMAP region



Source: U.S. Census Bureau (2000 Census and 2007-11 American Community Survey).

Over the last decade, rapidly rising property values accelerated far faster than incomes in the U.S., increasing the number of cost-burdened households. Since the recession, affordability issues have persisted despite declines in home values and mortgage rates due in part to declining incomes, slow employment growth, and stringent credit requirements.[4] As more and more households became renters, supply did not initially keep pace with the sudden spike in demand. Harvard University indicates that currently more than 10 percent of owners and 25 percent of renters in the U.S. pay more than 50 percent of their income on housing costs.[5]

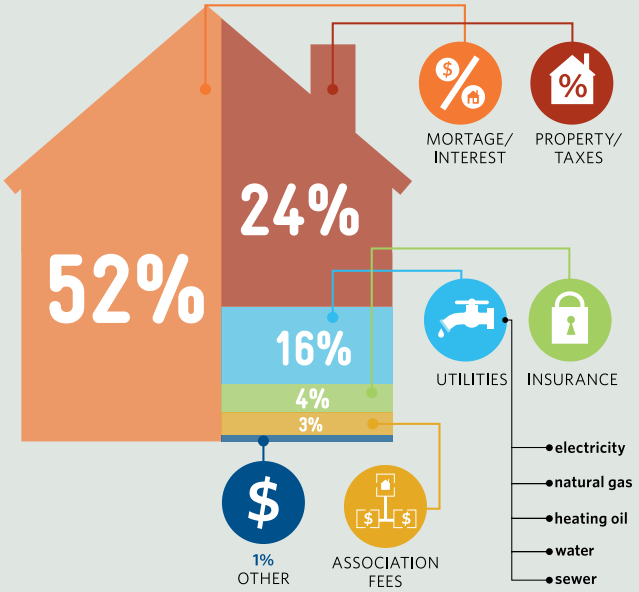
Similar to the CMAP region, the share of households paying more than 30% of their incomes in housing costs in Geneva has increased over the last 11 years. Currently, over half of renters pay more than 30 percent of their income on gross rent, up significantly from the year 2000 (see Figure 3). The preponderance of renters struggling with housing costs in Geneva are low-income. Analysis by Harvard University found that "according to the latest Consumer Expenditure Survey, severely burdened families in the bottom expenditure quartile (a proxy for low incomes) spend a third less on food, half as much on pensions and retirement, half as much on clothes, and three-quarters less on healthcare as families paying affordable shares of their incomes for housing."[6]

Approximately 32 percent of homeowners in Geneva are currently cost burdened (see Figure 4). Although 32 percent is lower than the regional average of 39 percent, Geneva's proportion of cost-burdened homeowners has increased significantly from the year 2000 when 23 percent of owners were paying 30 percent or more of their incomes on housing. Families whose housing costs exceed this threshold of affordability are more likely to struggle to pay for other basic needs, thus requiring difficult trade-offs. Individuals and families who are cost burdened are more likely to be constrained in what they can spend for health care, child care arrangements, and nutritious meals, which may result in deficient outcomes in other areas of well-being.

4. Joint Center for Housing Studies. *State of the Nation's Housing 2012*. (June, 2012). Harvard University.
5. Joint Center for Housing Studies. *State of the Nation's Housing 2013*. (June, 2013). Harvard University.
6. Ibid.

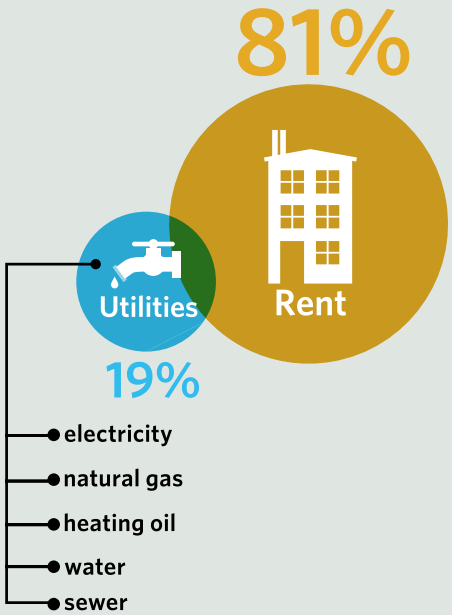
What is included in monthly owner costs?

Average monthly costs for renters in Chicago metropolitan area, 2009



What is included in gross rent?

Average monthly costs for renters in Chicago metropolitan area, 2009



Source: Chicago Metropolitan Agency for Planning analysis of the 2009 American Housing Survey (AHS).

The 2009 AHS data includes Cook, DuPage, Grundy, Kane, Kendall, Lake, McHenry, and Will Counties in the metropolitan area.

Utilities and Affordability

Utility costs contribute to gross housing costs and can therefore increase or decrease the number of cost-burdened households in a community. The Kane County 2040 Energy Plan provides 2008 data on energy use in Kane County's municipalities, including Geneva. For this report, we will focus on residential energy use by Geneva's households compared to Kane County as a whole.

Table 2 highlights residential natural gas and energy usage in the City and Kane County in 2008. At that time the average Geneva household spent $15 a month more on energy costs than the average Kane County household. Implementing energy efficient designs as part of rehabilitation and new construction in the coming years can further reduce local energy costs and help decrease the number of cost-burdened households. Although this can be a significant step towards increasing affordability, the lowering of utility costs will not solve the affordability issues in Geneva.

Table 2. Residential energy use in Geneva and Kane County

	GENEVA	KANE COUNTY
Average electricity use per household	10,464 kWh	10,324 kWh
Average annual $ for electricity per household*	$1,211	$1,191
Average natural gas use per household	1,668 Therms	1,518 Therms
Average annual $ for natural gas per household*	$1,693	$1,536
Average annual energy costs	$2,904	$2,727

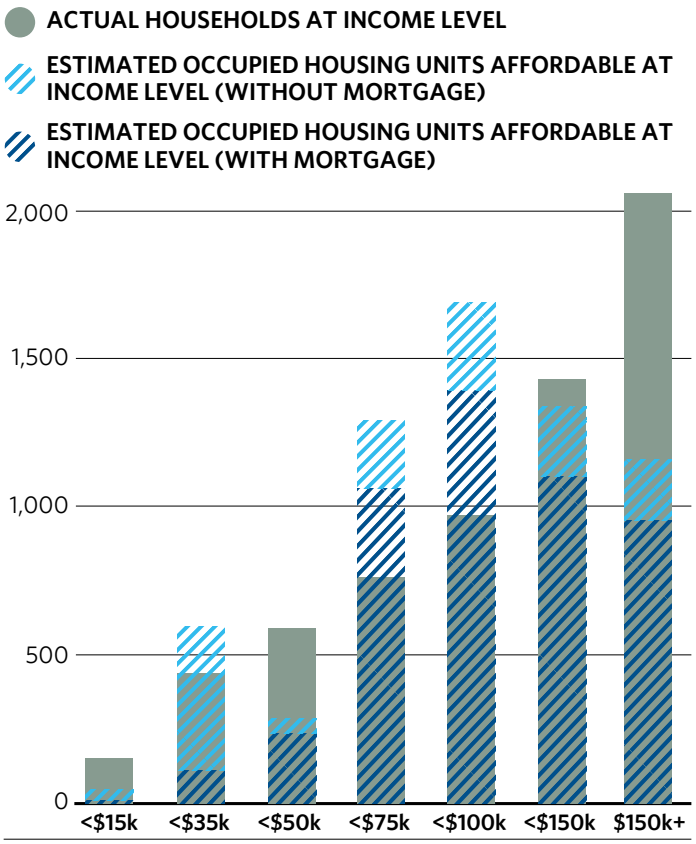
*Calculated using average residential sales per kilowatt hour (kWh) (Illinois Commerce Commission Utility Sales Statistics, 2007).

Source: Kane County 2040 Energy Plan.

Current Ownership Housing Market

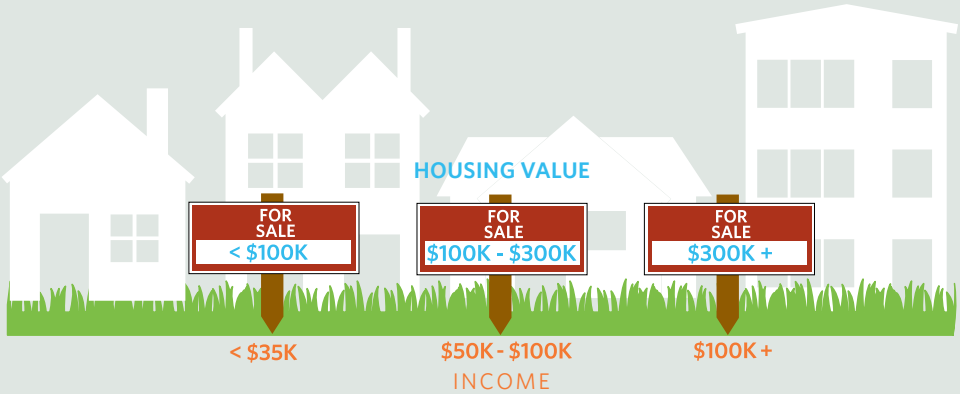
Mortgage and interest payments made up approximately 52 percent of the average regional homeowner's monthly housing costs in 2009. Therefore, it is not surprising that unit affordability depends greatly on whether a home is mortgaged. Units affordable to homeowners earning less than $35,000 annually are typically not mortgaged in Geneva (see Figure 5). Fundamentally this makes sense, as owners who do not carry a mortgage typically pay less in total housing costs. Unfortunately, these units are unlikely to remain available for lower income households once sold, and normally mortgaged upon purchase. The probability of owning a home with or without a mortgage depends in part on age. The bulk of local owner units affordable to households earning less than $35,000 per year are occupied by seniors, while the working age population occupies units affordable to households earning more than $35,000 per year. As these un-mortgaged units are sold, many will no longer be affordable to low- and moderate-income households.

Figure 5. Geneva comparison of owner household incomes with occupied units affordable at each income level



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 inputs.

Translating incomes into housing values



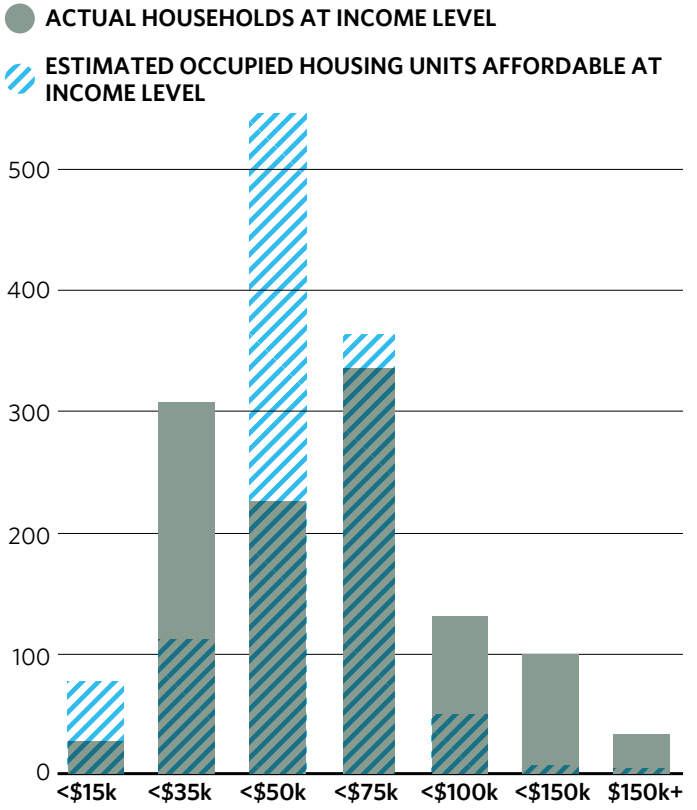
With so many factors influencing what home a household can afford to purchase (housing cost, income, downpayment, credit score, etc.), it can be difficult to figure out how the seven income groups analyzed in the Homes for a Changing Region report correspond to local housing values. A long-standing rule of thumb has been that households should buy units valued at no more than three times their annual income. Using this rough standard, these home values are generally affordable at each of the associated income levels.

Source: Chicago Metropolitan Agency for Planning.

Current Rental Housing Market

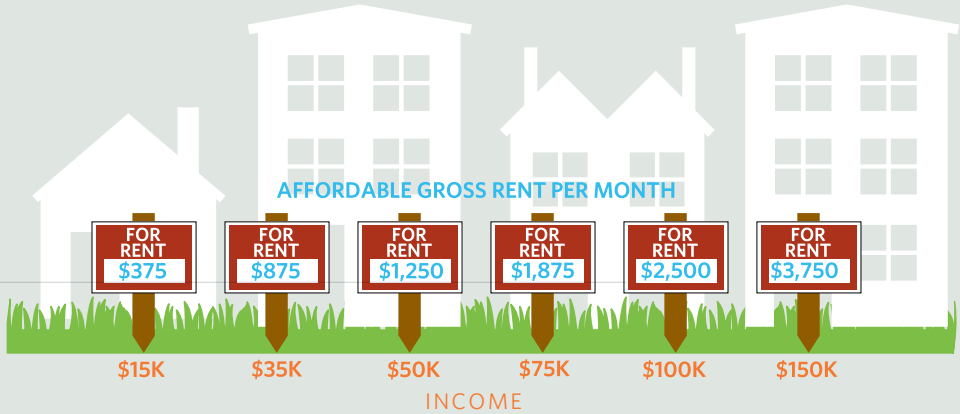
Analysis of Geneva's rental housing stock shows mismatches in resident incomes and affordable rental units. While 26 percent of renters earn between $15,000 and $35,000, only 9 percent of occupied units are affordable at this income level. Moreover, only 19 percent of Geneva renters earn between $35,000 and $50,000, but 47 percent of all rented units are in this price range (see Figure 6). It is notable that there is a modest surplus of units affordable to renters earning less than $15,000 per year.

Figure 6. Geneva comparison of rental household incomes with occupied units affordable at each income level



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 inputs.

Translating incomes into rents



Applying the previously discussed concept that households should spend no more than 30 percent of income on housing costs, these gross rents are generally affordable at each of the associated income levels.

Source: Chicago Metropolitan Agency for Planning.

Jobs, Transportation, and Housing

While Geneva offers a mix of single-family, townhome and multifamily units, a truly attractive housing stock is also driven by jobs. Geneva is the home of multiple shopping districts, various manufacturing enterprises, and Delnor Hospital. With 1.9 jobs for every local household, the City has built-in demand for its housing stock, as people who work in the community may want to live there as well, taking advantage of the potential to reduce their commute time and costs.

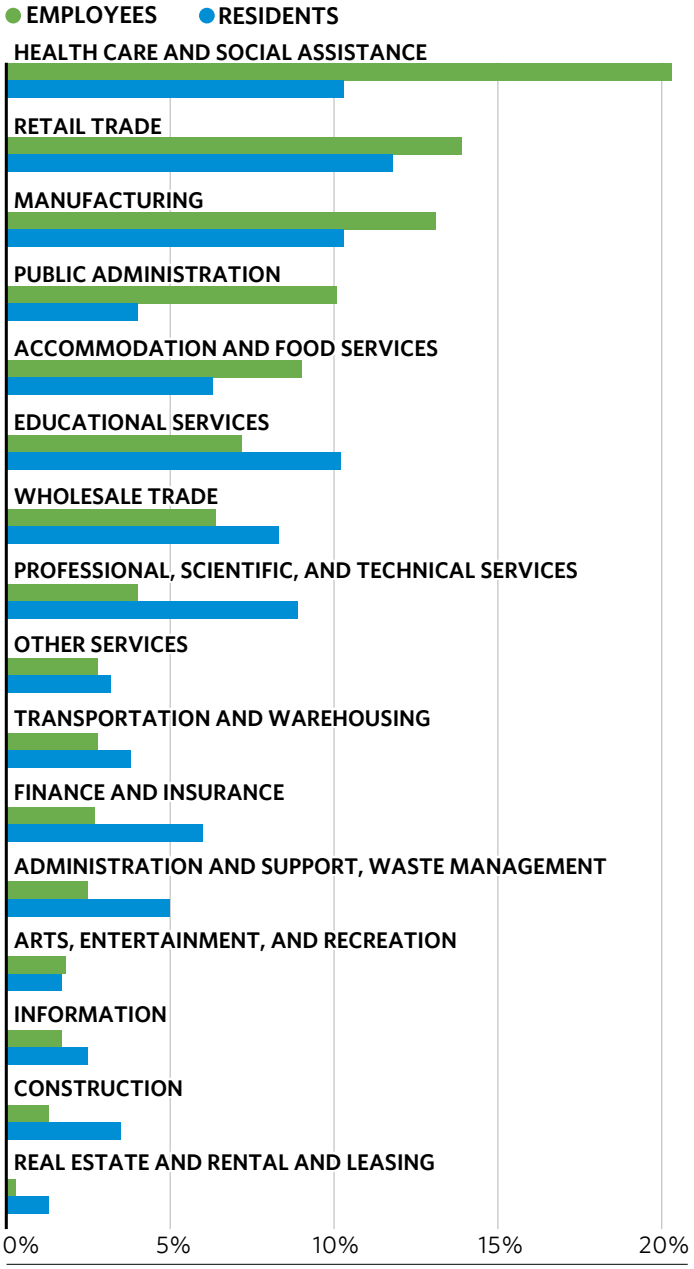
Matching jobs and housing, however, is more complicated. If the jobs in a community do not match the skills of the workforce, commute times will increase for both workers and residents. Likewise, if jobs are available but housing values do not mesh with what workers can afford, there is still a mismatch and workers must commute from elsewhere.

These potential issues highlight some of the ways transportation and affordability are linked. Some housing locations are inherently more or less costly due to their location. If a housing unit is located farther away from jobs or retail, the typical occupant will need to spend more time and money commuting, leaving less money for housing and other expenses. Further, a mismatch between the location of jobs and affordable housing reduces economic competitiveness as employers experience difficulty with employee recruitment and retention.[7] The following section explores how the local job base impacts the Geneva housing market.

Jobs

Health care, retail trade, and manufacturing are the three largest industry sectors in Geneva, and these sectors also employ the most Geneva residents (see Figure 7). Together these three industries make up 47 percent of all jobs in the city. The presence of Delnor Hospital is a major reason why 20 percent of all jobs are in health care. The retail trade sector accounts for an additional 14 percent of jobs in Geneva. Many of these jobs are found in the thriving downtown shopping district and on the Randall Road corridor, which is home to many national big-box retailers (Home Depot, Best Buy, Dick's Sporting Goods). Thirteen percent of all Geneva jobs are

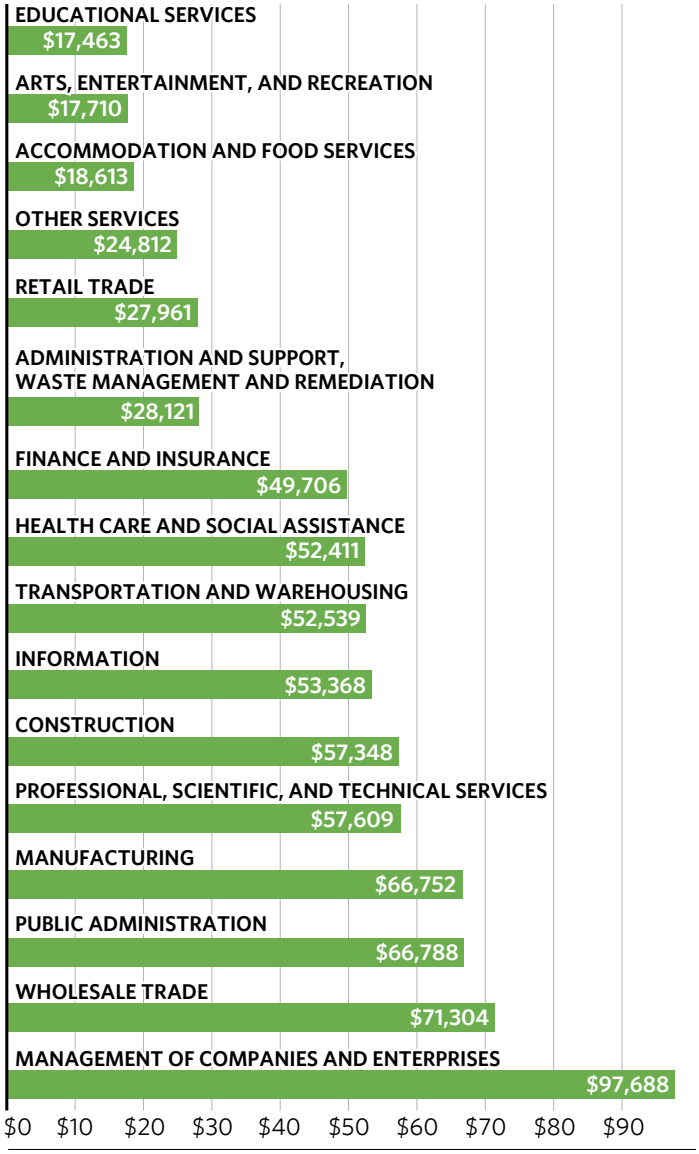
Figure 7. Industries of Geneva residents and employees, 2011



Source: U.S. Census Bureau, Local Employment Dynamics, On-the-Map data.

7. Pill, Madeleine. *Employer-Assisted Housing: Competitiveness Through Partnership.* (September, 2000). Joint Center for Housing Studies, Neighborhood Reinvestment Corporation. http://tinyurl.com/n73amvw.

Figure 8. Geneva subregion* earnings, scale in thousands of dollars



*Subregion includes the following ZIP Codes: 60134, 60174, 60175, 60510, and 60542.

**According to EMSI, the reported earnings include hourly wages, employer contributions for employee pensions and insurance funds, and employer contributions for government social insurance.

in the manufacturing sector. Peacock Engineering, Burgess-Norton, and Johnson Control Battery Group are three large manufacturing companies that call Geneva home.

Retail trade, health care, and manufacturing employ the most Geneva residents: 12 percent of all Geneva residents work in retail, 10 percent work in health care, and another 10 percent work in manufacturing. Figure 8 details the average subregional earnings for the industries in which most residents or employees work. Of the three industries in which most Geneva jobs are offered and most residents work, retail trade is a relatively low-earning profession, while both health care and manufacturing offer middle- to upper-income earnings.

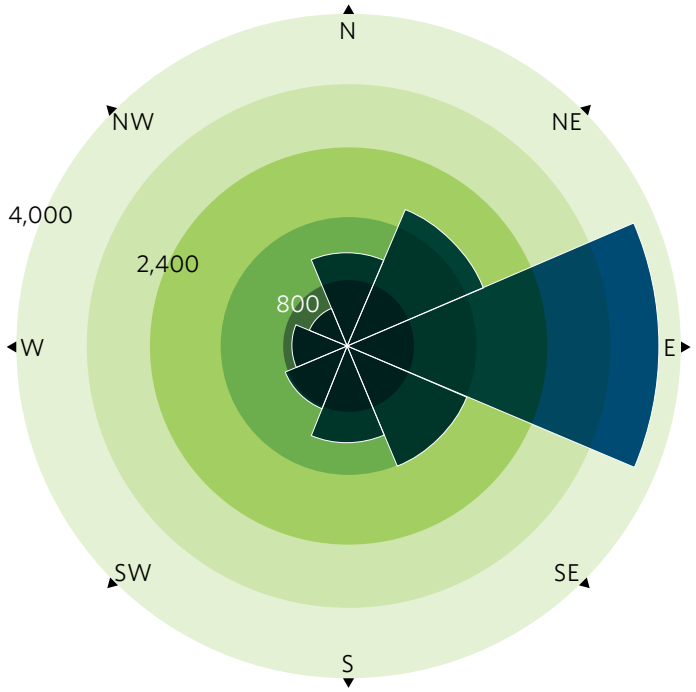
Transportation

Geneva contains job opportunities that generally match the industries in which residents work. A significantly high 12 percent of residents both live and work in the city. In these cases, commuting times are decreased. However, there are still many sectors in which mismatches between resident employment and offered employment exist (professional-scientific-technical, finance-insurance, and educational services). These local mismatches in jobs and housing drive the need for longer commutes for residents and employees.

Research by Reid Ewing and others in the *Journal of Urban Planning and Development* has shown that the biggest factor in reducing vehicle miles traveled comes from "putting offices, shops, restaurants, residences, and other codependent activities in close proximity to each other."[8] Building off of local and subregional employment concentrations by providing housing that meets the needs of employers can help decrease the number of cost-burdened owners and renters.

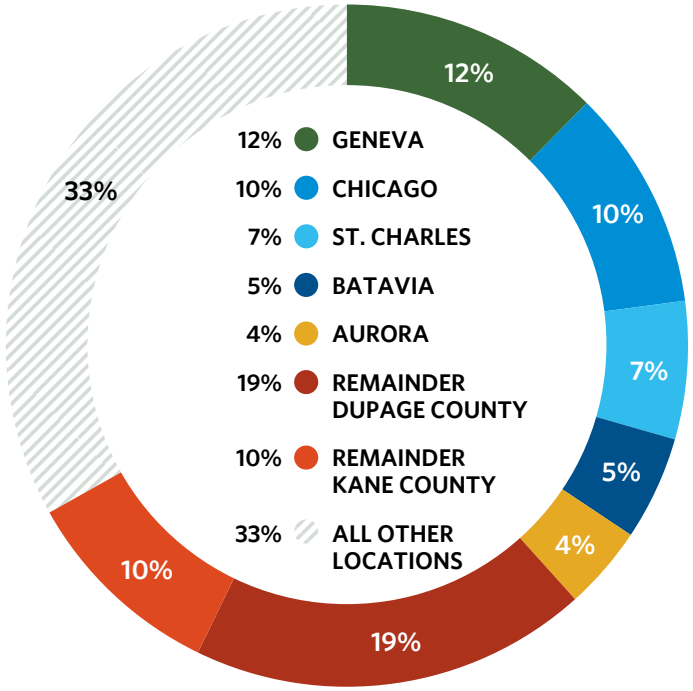
8. ASCE. "Traffic Generated by Mixed-Use Developments — Six-Region Study Using Consistent Built Environmental Measures." *Journal of Urban Planning*, October 2010.

Figure 9a. Where Geneva residents work
Job counts by distance/direction in 2011, all workers



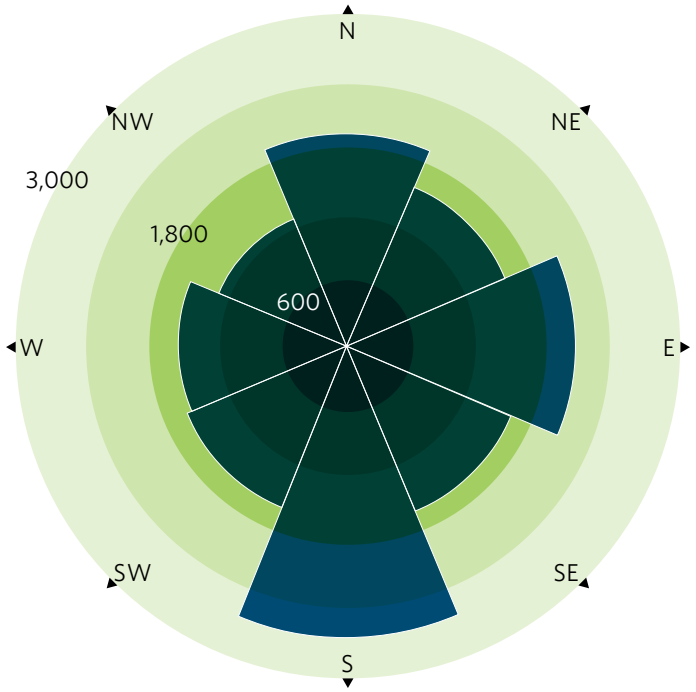
Source: U.S. Census Bureau, Local Economic Dynamics, On-the-Map data.

Figure 9b. Where Geneva residents work, 2011



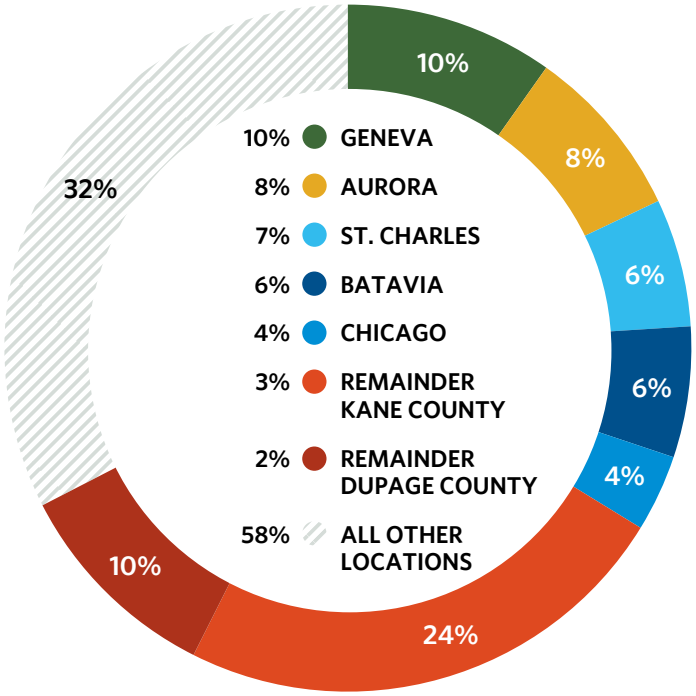
Source: U.S. Census Bureau, Local Economic Dynamics, On-the-Map data.

Figure 10a. Where Geneva workers live
Job counts by distance/direction in 2011, all workers



Source: U.S. Census Bureau, Local Economic Dynamics, On-the-Map data.

Figure 10b. Where Geneva workers live, 2011



Source: U.S. Census Bureau, Local Economic Dynamics, On-the-Map data.

Projected Future Housing Needs

Proactive housing planning needs to take into account those who might live in the community in the future. Merging together U.S. Census data, CMAP's local household and population projections for the year 2040, and national future housing preferences, some realistic estimates can be made about who will want to live in the City over the next 30 years. The following section outlines what types of housing will be necessary to meet the needs of current and future residents.

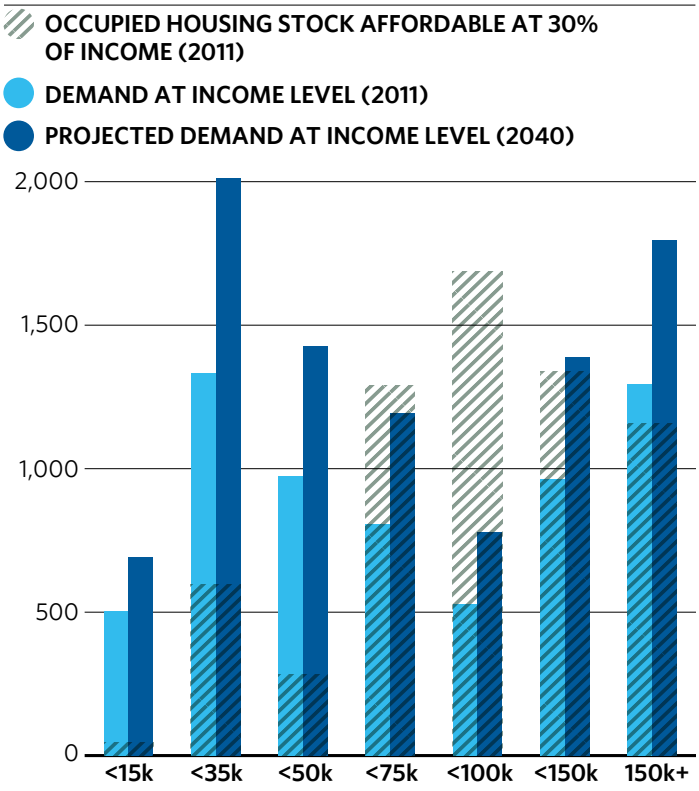
Future Ownership Needs

The number of households looking to own in Geneva is projected to grow by almost 2,900 over the next 26 years. The current supply of units affordable to households earning between $50,000 and $150,000 would be sufficient to meet projected growth (see Figure 11). However, shortages exist for all other income groups.

Projected shortfalls in supply for low-, moderate-, and middle-income households, particularly for households below $50,000, could increase the number of cost-burdened owners. For households earning less than $35,000, the financial realities of property acquisition, construction costs and financing, make development very difficult. Therefore, it is more likely that residents earning less than $35,000 a year will be renters. The projected shortfall of units for owners earning more than $150,000 indicates a potential market for upscale housing.

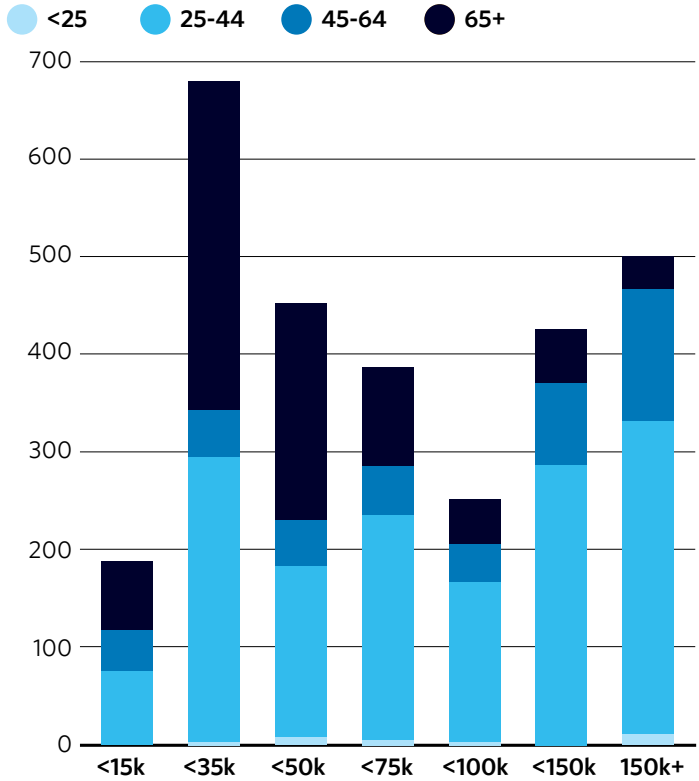
The age groups projected to drive growth play an important role in understanding the types of housing likely to be desired by future owners. Households headed by people over the age of 65 represent 36 percent of the future demand for owner units affordable to households earning below $50,000 a year (see Figure 12). Managing this increase will require thinking about how to build new housing attractive to seniors and rehabilitate existing units for those who want to remain in their homes. Households headed by people ages 25-44 are a key component of demand across the income spectrum. Most likely, these residents will drive the demand for single-family houses as many of these residents will look to start families.

Figure 11. Geneva 2011 households and housing stock compared with 2040 owner demand



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Figure 12. Geneva 2011-40 change in owner demand by age and income



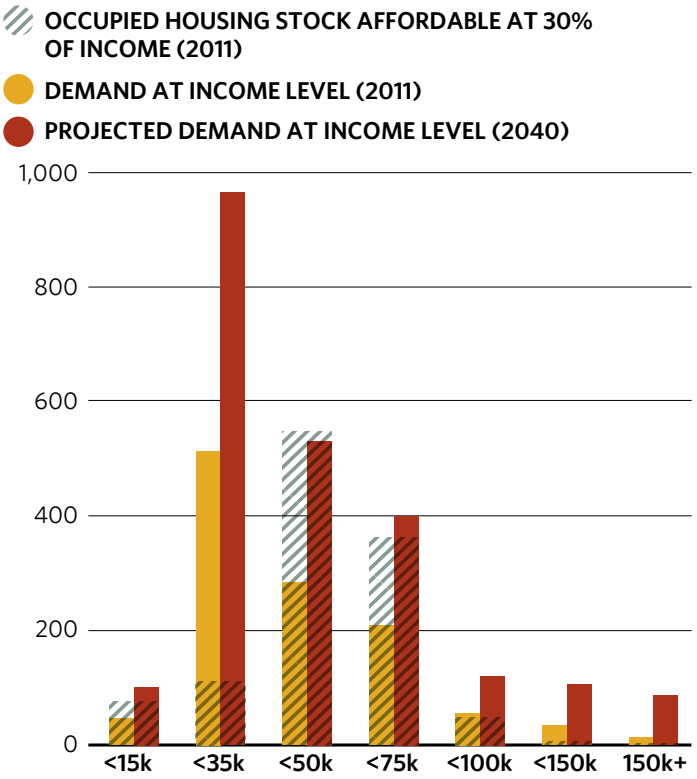
Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Future Rental Needs

The continued increase of rental demand could create shortages of affordable rental housing units in Geneva out to the year 2040 (see Figure 13). The largest potential shortage is for units affordable to households earning between $15,000 and $35,000. This data indicates a tremendous opportunity for Geneva as the City can guide development to accommodate the high demand for low- to moderate-income housing. The graph also indicates there may be shortfalls in housing supply for residents with income levels over $75,000. Proactively planning for high quality rental options can help address the projected unmet demand for income ranges above $75,000.

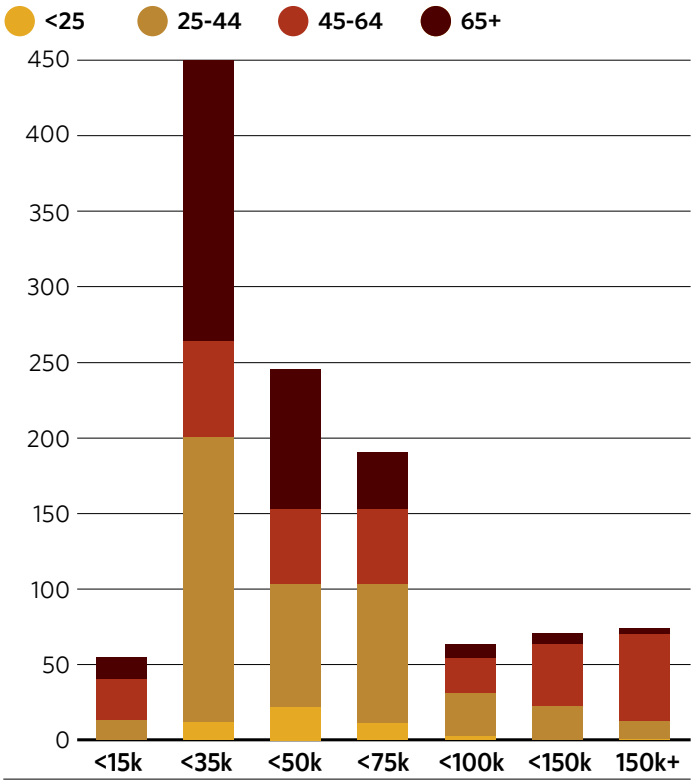
Eighty-two percent of future rental demand will be driven by residents earning less than $75,000 annually. Seniors and residents aged 25-44 are primarily responsible for the demand below $75,000, comprising 76 percent of demand. Residents aged 45-65 are projected to drive rental demand for housing affordable to those earning over $75,000 annually. Residents of this age typically find themselves as "empty nesters" that are looking to downsize to a smaller property within the community. This population segment is often looking for high-quality rental options.

Figure 13. Geneva 2011 households and housing stock compared with 2040 renter demand



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Figure 14. Geneva 2011-40 change in renter demand by age and income

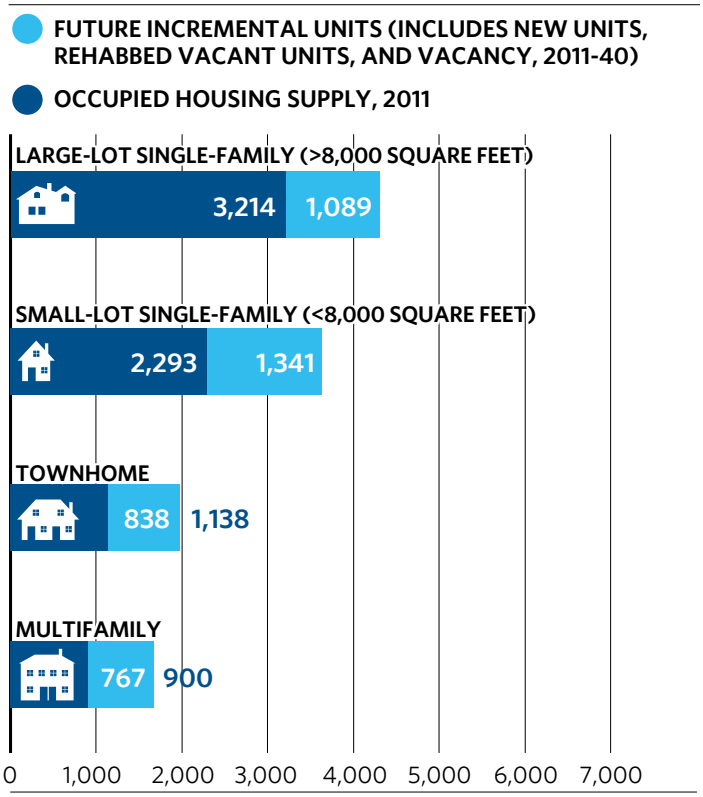


Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Housing Demand by Type of Unit

Based on the breakdown of projected future owners and renters in Geneva, along with national estimates of future demand for four broad housing types, a forecast of demand for additional housing in 2040 arises. This "balanced housing profile" shows demand for 4,035 additional units between now and 2040 (see Figure 15).[9] Over 2,400 of these new homes would be single-family homes (1,089 large-lot and 1,341 small-lot). It should be noted that a stronger future demand preference is indicated for small-lot, as opposed to large-lot single family homes. This is reflective of national and regional trends. The additional 838 townhome units and 767 multifamily units demonstrate the demand for denser housing types driven by the increasing number of low-, moderate-, and middle-income seniors along with the working age rental population. As part of this project, the Homes for a Changing Region team reached out to residents, community leaders, officials, and others in two ways. On November 7, 2013 the team conducted a community workshop. Throughout the month of November, stakeholders participated in an on-line workshop utilizing a survey tool called MetroQuest. This profile is consistent with the feedback received through both methods.

Figure 15. Geneva future balanced housing profile



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

9. Note that this figure is higher than the projected increase in households between 2011 and 2040 (3,768) because of the inclusion of potential future vacant units. See the Appendix for more information about the methodology.

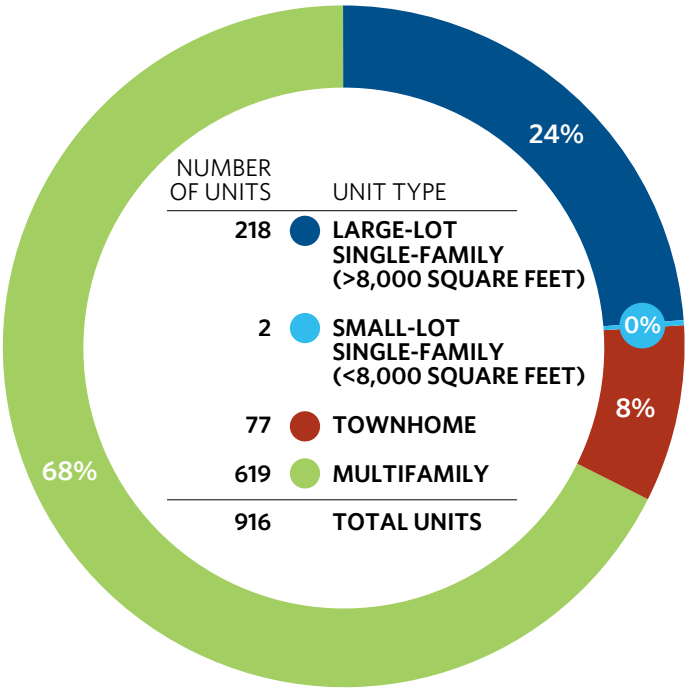
Capacity for Growth

Forecasted population and household growth is only one half of the equation in considering future housing needs. As a community with numerous assets, it is understandable why many people want to live in Geneva currently and in the future. To plan for future households and housing, it is also important to look at capacity. In order to understand the City's ability to accommodate projected growth, two key sources of capacity were reviewed: development/redevelopment and vacancy.[10]

Development/Redevelopment Analysis

The development/redevelopment analysis considers how Geneva could grow over the next 30 years based on current land use regulation, development approvals and key development sites. CMAP, Kane County, and City staff calculated the total square footage of vacant and redevelopable land in the City by reviewing Kane County Assessor data. Then, Geneva's current zoning and development standards were applied to those figures in order to calculate how many units could be built given the amount of vacant and redevelopable land within the various zoning districts. This analysis did not include the City's unincorporated land within its planning area.

Figure 16. Geneva maximum capacity by unit type



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of the Geneva zoning ordinance and Kane County assessor data.

10. See the Appendix for more information about the methodology.

Based on this analysis, the City has the capacity for approximately 916 additional dwelling units compared to the 3,768 units that would be needed should the City decide to plan for the estimated increase in its population possible by 2040. This capacity would allow the city to accommodate 24 percent of the forecasted household growth. Figure 16 identifies what unit types Geneva's zoning will allow in terms of a percentage of all units. Table 3 shows the maximum amount of units able to be developed with the current zoning in place.

Table 3. Geneva maximum capacity by unit type with existing zoning in place

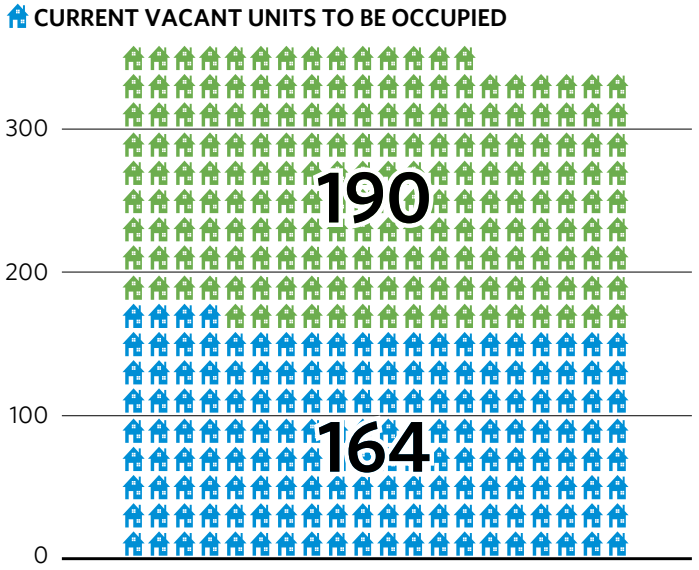
TYPE	UNITS
Large-lot single-family (>8,000 square feet)	619
Small-lot single-family (<8,000 square feet)	218
Townhome	77
Multifamily	2
TOTAL	916

Source: Chicago Metropolitan Agency for Planning analysis of the Geneva zoning ordinance and Kane County assessor data.

Vacancy Analysis

Partly due to the insecure current housing market, there are many vacant homes in the community. The homes that are now vacant will allow people to move in without requiring the construction of new units. According to 2007-11 American Community Survey estimates, Geneva has approximately 354 vacant units, or about 4.5 percent of all homes in the City. Normal long-term vacancy rates for a strong community are 7.4 percent among rental units and 1.5 percent among owner-occupied units.[11] Given the number of local owner and rental units and a healthy housing market, the City should have approximately 190 vacant units, a vacancy rate of approximately 2.4 percent. Geneva has 164 more vacant units than would be considered ideal. Therefore, 164 currently vacant units could be occupied in the future as Geneva grows and the market stabilizes, and Geneva would maintain a healthy number of vacant units (see Figure 17). This capacity would allow the City to accommodate a relatively small share of projected growth (about 4 percent).

Figure 17. Geneva breakdown of current vacant units



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of American Community Survey 2007-11.

11. Belsky, E., Bogardus Drew, R., McCue, D., *Projecting the Underlying Demand for New Housing Units: Inferences from the Past, Assumptions about the Future.* (November, 2007). Joint Center for Housing Studies, Harvard University. http://tinyurl.com/mlwyddq.

Urban Design Focus Area

In November 2013, the Homes for a Changing Region team conducted a community workshop in Geneva. Residents, community leaders, officials, and others presented their views on a focus area selected by the City: the land southeast of the intersection of State Street and Illinois Route 25. As a prominent but underutilized corner in the City's downtown area, the community would like to see the adjacent and aging buildings revitalized.

Stakeholders at the meeting discussed a number of different visions for the area. Many of the participants expressed their desire for mixed-use, multifamily development for the majority of the focus area site. Buildings can effectively incorporate both of these uses by having first floor commercial and upper-story residential. Commercial spaces, such as a restaurant, bakery, or coffee shop, could effectively draw foot traffic to the east side of the Fox River. Participants discussed the idea of staggering development to contend with the site's significant slope. Strong consideration will also need to be given to the architecture, as the style of the building or buildings should be consistent with historic downtown Geneva and the immediate surrounding area.

Southeast corner of State Street and Illinois Route 25 (Bennett Street) today.
Source: Solomon Cordwell Buenz.

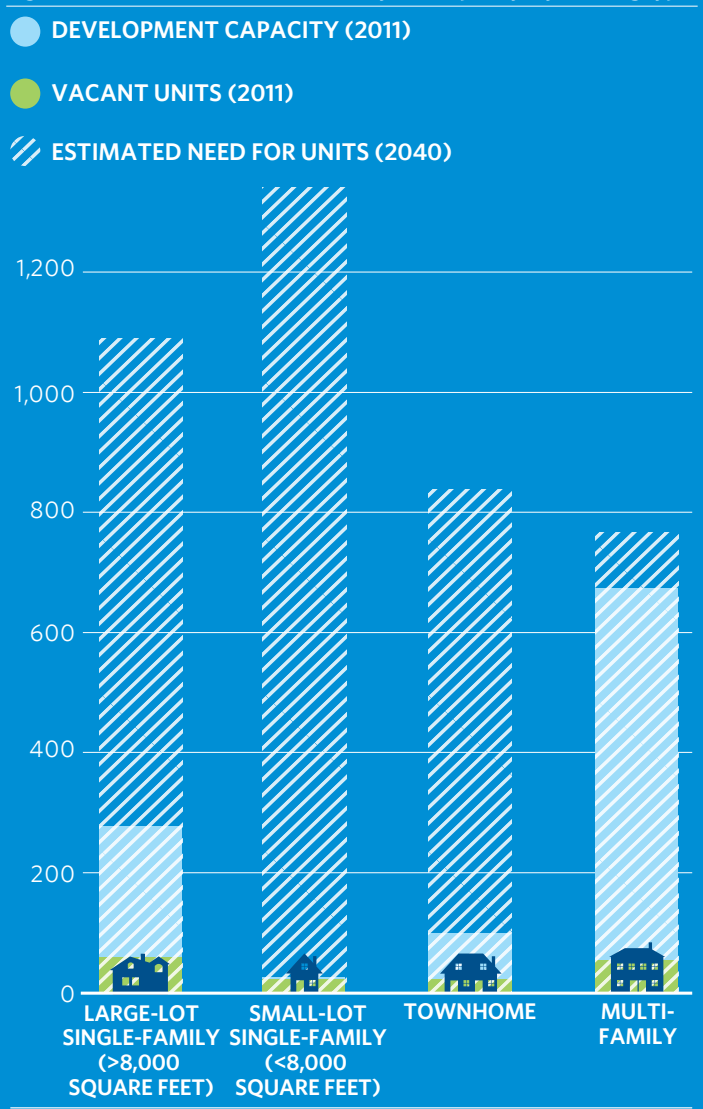
Southeast corner of State Street and Illinois Route 25 (Bennett Street) in the future.
Source: Solomon Cordwell Buenz.

Conclusions & Recommendations

Taking into account the capacity available through development, redevelopment, and vacancy, demand for future housing will outstrip available capacity for new housing construction by almost 2,900 units. Available capacity, with the existing zoning in place, provides little growth for the townhome and large- and small-lot single-family housing likely to be sought in the future (see Figure 17). While forecasts predict continued unmet demand for large lot single family housing, Geneva is already built out. So it will be near impossible to meet this demand without significant annexations. What is the potential for such annexation? Can this demand be met through the development of other products? What will be the impact on existing large-lot home prices? Finally, as will be discussed on the next page, what will be the impact on the availability of homes affordable to low- and moderate income families?

Decisions about if and how to accommodate Geneva's abundant forecasted demand have the potential to drastically change the way the City looks in 20 to 30 years. Regardless of how the City chooses to grow, maintaining existing units and fostering an open housing market will be very important. The following policy recommendations reflect opportunities and challenges facing the City and provide some direction in terms of how to best provide housing for Geneva's aging and diversifying demographics.

Figure 18. Geneva demand vs. vacancy and capacity, by housing type



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model, Kane County Property Assessor data, and U.S. Census Bureau inputs.

Illinois Affordable Housing Planning and Appeals Act Compliance

The Affordable Housing Planning and Appeal Act (AHPAA) was signed into law in 2003 to encourage local governments to incorporate affordable housing into their communities. The act requires that municipalities in which affordable housing represents less than 10 percent of the entire housing stock prepare, approve, and submit affordable housing plans to the Illinois Housing Development Authority (IHDA). It is important to understand that the statute defines affordable housing differently than previously defined in this report. Based on guidance provided by IHDA, under the act a three bedroom rental unit is affordable at no more than $994 per month while a home valued at no more than $147,361 is considered affordable to a three-person household.[12]

In December of 2013, IHDA updated the list of municipalities that do not meet the 10 percent threshold. These communities are considered not to be exempt from the act. Geneva was identified as a non-exempt community at that time with 386 out of 7,484 housing units considered affordable. This represents 5.2 percent of the city's total housing stock. The city would need to add an additional 363 affordable units to meet the 10 percent threshold and automatically become exempt from the act.

Once adopted and submitted, this plan will meet Geneva's requirements to comply with AHPAA. However, the act can also be enforced if an affordable development proposal is rejected or approved by the City with conditions that render the project infeasible. In these cases, the developer may appeal to the state Housing Appeals Board. The board can then conduct an appeals process, the result of which may result in dismissing the appeal or affirming, reversing, or modifying the conditions of, the decision made by the local government.

Recommended Housing Strategies

1. Establish a goal that 15 percent of all new housing units will be affordable housing

As noted, forecasted demand indicates a strong preference for the development or redevelopment of single family detached housing. The City will need to act intentionally to diversify its housing stock and comply with AHPAA. The City should establish the goal of having 15 percent of all new housing units designated as affordable housing. The measure of affordable housing would be based on housing that is affordable to households earning a certain percentage of the region's area median income ($52,150 for a family of three).[13] This goal would encourage the development of new affordable housing units, thereby making Geneva's entire housing stock more diverse over time. These units will help make living in Geneva possible for those who work in the City, such as public servants, teachers, and first responders, and it will provide the opportunity for many existing residents, who have deep-rooted community ties, to remain in the City they call home. Consider a recent college graduate who has friends and family in the area and wants to purchase their first home; or consider a lifelong resident looking to retire in Geneva, the community to which they are accustomed and have supported. In both of these cases, affordable housing units will be important as they will allow these residents the opportunity to remain in the City as they age and their lifestyles and financial situations change. Strategies 2 through 9 outlined in the remainder of this memorandum, if implemented aggressively and intentionally, can meet this goal.

12. The methodology for calculating the share of affordable housing in each municipality is more complex and based on Area Median Income. To learn more, please read the 2013 Non-Exempt Local Government Handbook at http://www.ihda.org/government/documents/Final2013AHPAANELGHandbook.pdf.

13. Ibid.

2. Amend the zoning ordinance to allow for compact residential development in key areas of the City.

Geneva should begin the process of revising its zoning code to allow for more compact, residential development downtown and in other parts of the city. This recommendation is consistent with the Downtown/Station Area Master Plan and the City's Comprehensive Plan, which identified specific areas for more compact (higher density) residential development. Updating the zoning ordinance will accommodate the density levels that promote housing affordability and will foster the development of the "Opportunity Sites" highlighted in the plans.

Allowing developers to build more units per acre on appropriate sites will decrease the price per unit for the developer, which will result in the provision of lower cost units; the demand for which data show is currently unmet and is expected to grow in the future. Specifically, forecasts predict that millennials and working age families will increasingly seek ownership and rental options in walkable, transit-oriented, downtown areas like Geneva's that are attainable at the moderate incomes more common in the current economy. Strategically locating compact residential development in areas well served by the existing Metra station or along arterials where Pace Routes exist (State Street, Illinois Route 31, Third Street) can provide household cost reductions through providing access to inexpensive travel options. Provisions should be made to ensure aesthetically pleasing, functional, compact residential development fits into the context of Geneva's existing single-family neighborhoods and historic downtown area.

In conjunction with these updates, Geneva should also create zoning regulations that allow more by-right development (along with standards to ensure development quality and compatibility with surrounding areas) and place less reliance on the use of the open-ended planned unit development public hearing review process. By-right development refers to projects that are approved administratively, without requiring a formal plan commission public hearing. Allowing more by-right development would add consistency and punctuality to the entitlement process, saving property owners/developers time and money and ensuring a quality, predictable product for the City of Geneva.

3. Create an incentive-based overlay zoning district that encourages the development of affordable housing.

The City of Geneva should consider creating an incentive-based overlay zoning regulation that provides dwelling unit density bonuses, maximum building height flexibility, and construction-related fee waivers to builders/developers, in return for providing affordable housing units. This incentive will help the City facilitate the construction of affordable housing units by designating a percentage of a new development's units as attainable to persons with low to moderate incomes. Providing compact housing in selected areas of the city will also lower housing related costs for residents by providing them with access to inexpensive mobility options.

The specific geography of the incentive-based affordable housing overlay zone should be determined by an ad hoc advisory committee comprised of aldermen and citizens. The overlay zone should encourage affordable housing at carefully selected sites. Affordable senior housing developments, in particular, should be encouraged along the East State Street corridor extending from the Fox River to the city's eastern boundary. Senior housing along the corridor would not strain the enrollment capacity of Harrison Street (elementary) School. Data show seniors are a major reason for the current and future unmet demand for attainable housing units in Geneva.

Affordable senior housing along the East State Street Corridor would complement the East State Street (Illinois Route 38) Streetscape Enhancement Plan, which will widen East State Street, improve sidewalks, and add both functional and aesthetic features that will enhance traffic and pedestrian flow and add value and desirability to the corridor. The project is part of the Illinois Transportation Enhancement Program, with matching funds provided by the City of Geneva.

The City should also explore the establishment of a tax increment financing (TIF) district as a way to incentivize the construction of affordable senior housing units. The corridor already includes one TIF district, which could be leveraged to support the development of housing for low income seniors. TIF funds can support up to 100 percent of rehabilitation costs for the purpose of housing households earning less than 80 percent of the area median income. The City has also considered expanding the existing TIF district or creating new ones.

4. Commission a downtown parking study.

Geneva should commission a parking study that would analyze the existing zoning ordinance and help determine the ideal parking requirements for residential and mixed-use buildings in the downtown area. The downtown parking space supply/demand relationship is complex as it includes multiple transit options, high-development demand, various business interests, sensitive nearby neighborhoods, and an existing moratorium on requiring additional parking spaces for new commercial uses. The complexity of the downtown parking environment necessitates further analysis. Providing excess parking for downtown residential development can increase development costs while wasting land and other resources. A shortage of parking for downtown residential development can put pressure on commercial parking needs and may produce negative impacts on nearby neighborhoods.

The zoning regulations on parking will be addressed as part of the Downtown Zoning Update, but the City should consider conducting a detailed parking study if major downtown redevelopment projects surface. A detailed parking study, including primary data collection, will ensure Geneva identifies the appropriate parking ratios to provide the most efficient, equitable parking policy for the downtown area. CMAP has also produced a report, "Parking Strategies to Support Livable Communities," that can help the City conduct its own study.

5. Consider a foreclosure redevelopment program.

Public funding continues to be made available for the acquisition and rehabilitation of foreclosed properties. Geneva should commission a foreclosure study that will identify and map foreclosure activity within the city to inform opportunities for a foreclosure redevelopment program. This study will help Geneva understand foreclosure activity in the city to determine the best course of action for the program. Such a program would involve purchasing foreclosed properties, completing necessary renovations, and selling the properties to income-qualified families. Doing so would provide additional affordable housing units in the city and preserve the character and stability of existing neighborhoods.

As a non-home rule municipality, the revenue streams for funding a foreclosure redevelopment program are limited, so the City will need to explore a wide range of options and grant programs. In the meantime, the City should identify an experienced non-profit partner to administer the foreclosure redevelopment program on its behalf. As the City continues to consider various programs to preserve existing housing stock, it will be increasingly important to identify a partner with the capacity to administer such programs. It should be noted that Geneva will also need to identify sustainable funding streams to build the capacity that such an organization would need to take on program administration on its behalf.

6. Create and market materials to citizens that describe housing trends, data, and related goals.

It is important to provide residents with clear information that demonstrates the importance of supplying a range of housing options that respond to market demand and meet the needs of families and people at all stages of life. Geneva's planning and outreach staff should collaborate with the Kane County Planning Cooperative and local developers to create engaging informational materials that can be posted online and distributed to residents. These materials should include and expand on *Homes* data and recommendations and include private sector input to inform the public on housing trends and local goals. Private developers have expressed interest in communicating the changes in housing demand that they are seeing locally, including the newfound demand for smaller lots, smaller units, and rental. A joint public/private effort would add credibility to these materials and successfully inform residents on the state of the housing market.

7. Register and inspect rental properties.

Over the course of the recession and continuing recovery, the region has seen an increase in both the demand for and supply of rental housing. Local forecasts and national trends show that this will likely continue. To provide for the safety of the City's residents and maintain the quality of the City's housing stock, an inspection program will be important. Geneva could require that landlords register with the City and set requirements for building maintenance that include landlord restrictions. While non-home rule municipalities may not be able to issue and revoke a license from a bad landlord and put him/her out of business in the community, they can monitor, inspect, and fine the landlord for any violations of code. If the landlord has a certain number of violations, then the City could conduct more frequent inspections. The City should start a pilot rental inspection program that will help ensure the program has an effective fee structure — one that is designed to cover inspection costs without overburdening landlords.

8. Reaffirm the City's commitment to be an open community.

A key component for any community seeking to maintain an efficient and effective housing market is ensuring that local housing and service providers show openness to current and future residents of all backgrounds. Vision 3 in the City's adopted Strategic demonstrates Geneva's commitment to these principles. It reads, "promote and amplify community unity and diversity through actions and programs that encourage inclusion, vitality, and wholeness." The following strategies outline ways Geneva can continue fostering openness throughout the City.

The Geneva website provides information to new and existing residents about services available in the city, including information on local, county, and state resources. Geneva should provide such contact information on its website. Moreover, the City should ensure that all of the service information reflects its commitment to openness. This can be done by including a statement of welcome for people of all backgrounds, providing City materials in a variety of languages and ensuring materials are accessible to persons with disabilities, including those with sight or hearing impairments.

As an additional step to foster openness in the City, care should be taken to ensure that multifamily housing meets both the design standards of the Illinois Accessibility Code (IAC) and the Fair Housing Act. Statewide, the IAC requires that new residential housing be accessible to persons with disabilities. Municipalities must evaluate whether designs comply with the IAC prior to issuing permits. However, under the IAC, municipalities are not obligated to assess whether the plans comply with the federal Fair Housing Act. The Fair Housing Act requires that multifamily housing with four or more units include basic attributes of accessibility (e.g., accessible entrances, accessible routes, accessible kitchens and bathrooms, and accessible common areas). By holding new developments to the standards outlined in the Fair Housing Act, the City can ensure its residents have equal access to the housing of their choice.

9. Additional measure: consider creating an inclusionary zoning ordinance.

In addition to setting the goal of providing 15 percent of all new housing units as affordable housing (Recommended Strategy 1), the City could also consider adopting an inclusionary zoning (IZ) ordinance. Both St. Charles and Highland Park have approved IZ ordinances. An IZ ordinance requires that all new developments over a certain threshold number of units (5, for example) set aside a certain percentage as affordable to people earning a certain percentage of the region's area median income (http://www.huduser.org/portal/datasets/il/il14/il.pdf). Please note: Most IZ ordinances give the housing developer an option to actually build the required number of affordable units, or pay a fee in-lieu. Since Geneva is a non-home rule municipality under Illinois law, if the city adopted an IZ ordinance, it would not be able to provide a fee in-lieu option.

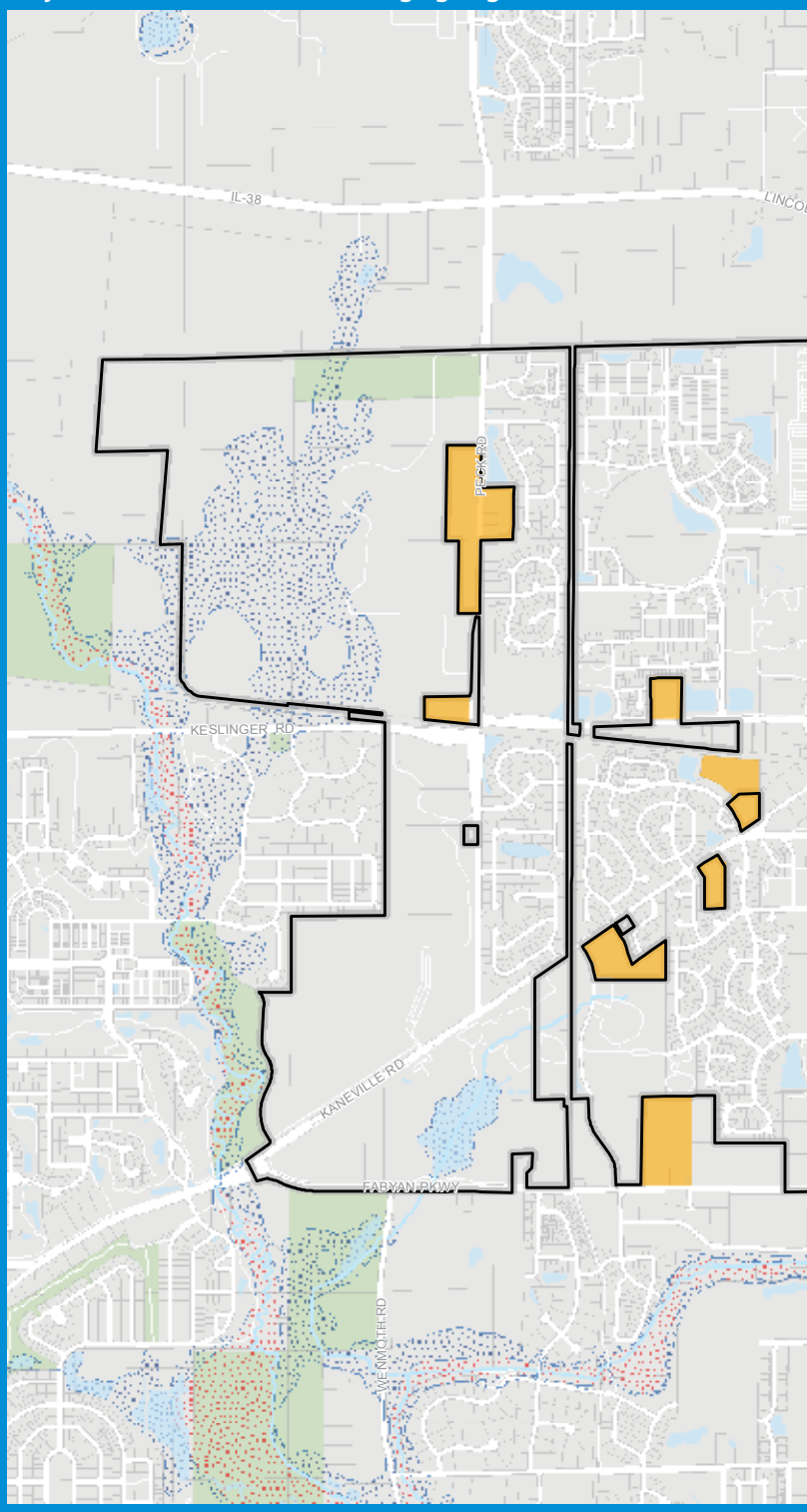
Map of lands and structures appropriate for affordable housing

As a part of the Affordable Housing Plan required for AHPAA compliance, non-exempt local governments are required to identify lands and structures within the jurisdiction that:

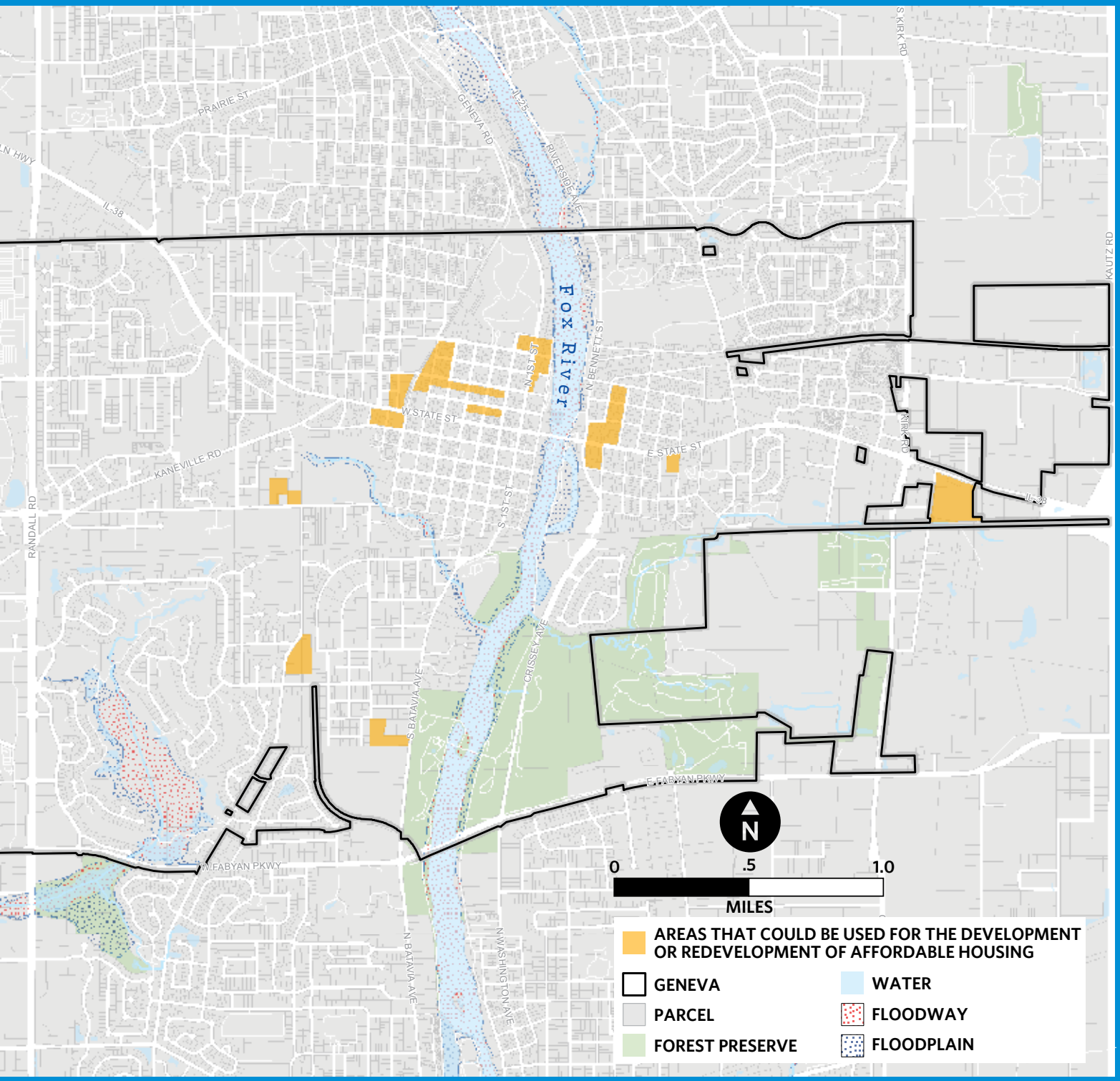
- Are most appropriate for construction of affordable housing
- Are most appropriate for rehabilitation or conversion to affordable housing
- Have been identified by developers who have expressed a commitment to provide affordable housing
- Are publicly owned

The map on the facing page identifies these lands and structures.

City of Geneva Homes for A Changing Region



Source: City of Geneva, Kane County, Chicago Metropolitan Agency for Planning, 2014.


Fox River
PRAIRIE ST
GENEVA RD
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S KIRK RD
KAUTZ RD
IL 38
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N BENNETT ST
W STATE ST
E STATE ST
KANEVILLE RD
RANDALL RD
S 1ST ST
CRISSEY AVE
S BATAVIA AVE
E FABYAN PKWY
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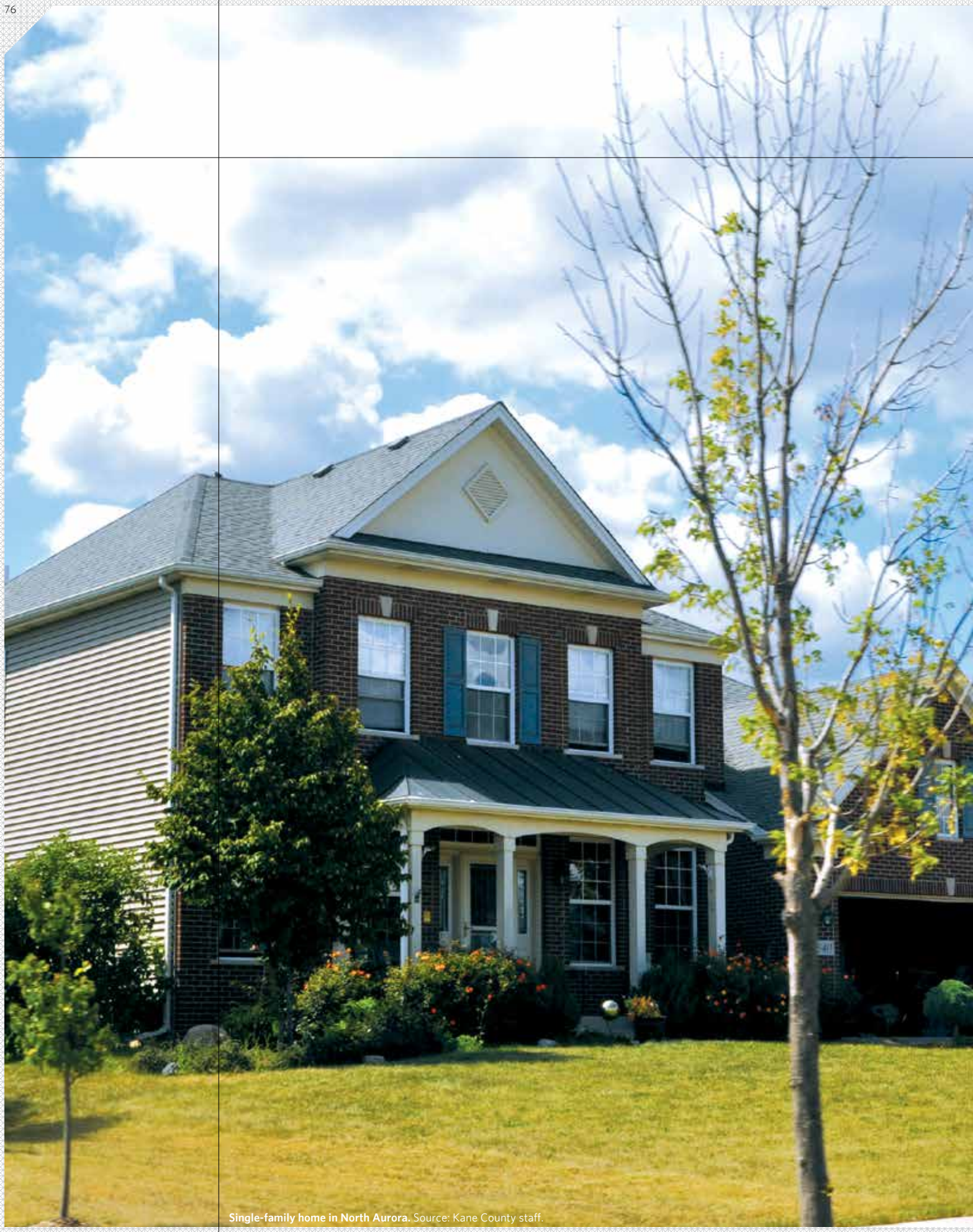
MILES
AREAS THAT COULD BE USED FOR THE DEVELOPMENT OR REDEVELOPMENT OF AFFORDABLE HOUSING
GENEVA
PARCEL
FOREST PRESERVE
WATER
FLOODWAY
FLOODPLAIN



Single-family home in North Aurora. Source: Kane County staff.

Housing Policy Plan: North Aurora

Project Summary

Centrally located in the Fox Valley and benefiting from excellent transportation access via U.S. Interstate 88, as well as Illinois Routes 25, 30, and 31, North Aurora is a prosperous, fast-growing community. Its peaceful tree-lined residential neighborhoods provide a range of housing options for individuals and families, from small, affordable starter homes to large upscale homes in newer subdivisions. It strong retail base along Orchard Road provides tax revenue and shopping opportunities for area residents. Neighborhoods along the Fox River offer bike trails and other recreational activities.

This Housing Policy Plan, supported by city leadership and conforming to North Aurora's 2011 Vision Statement, is designed to guide future growth and help city leadership assess development proposals as they come up in the future.

Between now and 2040, North Aurora could add more than 5,000 new residents depending on what the Village chooses to pursue. In the process of charting its future growth, the village must address a number of key issues:

- **What types of new housing should be built in the future?**
- **How can development opportunities in unfinished developments and at the periphery meet the needs of future residents?**
- **What can be done to preserve existing neighborhoods, making them attractive for future residents?**
- **What can be done to address stalled development in newer subdivisions?**
- **How can residents remain in the community through all stages of life?**

This report provides a series of policy recommendations based on a detailed analysis of existing conditions and future needs. As North Aurora embarks on an update of its comprehensive plan, care should be taken to use these findings and recommendations to help the Village plan for the type of residential growth that will meet the needs of current and future residents.

Demographic Trends

Located in southeastern Kane County, the Village of North Aurora is bordered by Batavia and unincorporated Kane County to the north, Aurora to the east and south, and unincorporated Kane County, as well as Kane County Forest Preserve holdings, to the west.

The village's population increased by over 50 percent since 2000 to over 16,000 in 2011, making it the fastest growing community in the Central Fox Valley subregion (see Table 1). This trend reflects westward annexation and subsequent development of new housing that took place in North Aurora during the first decade of the 21st Century. The Chicago Metropolitan Agency for Planning (CMAP) produced population and household projections as part of GO TO 2040, the seven-county region's comprehensive plan for sustainable prosperity for the next 30 years.[1] These figures indicate that if GO TO 2040 is implemented and if the Village works to accommodate growth, its population could increase 33 percent to over 21,000 people.[2]

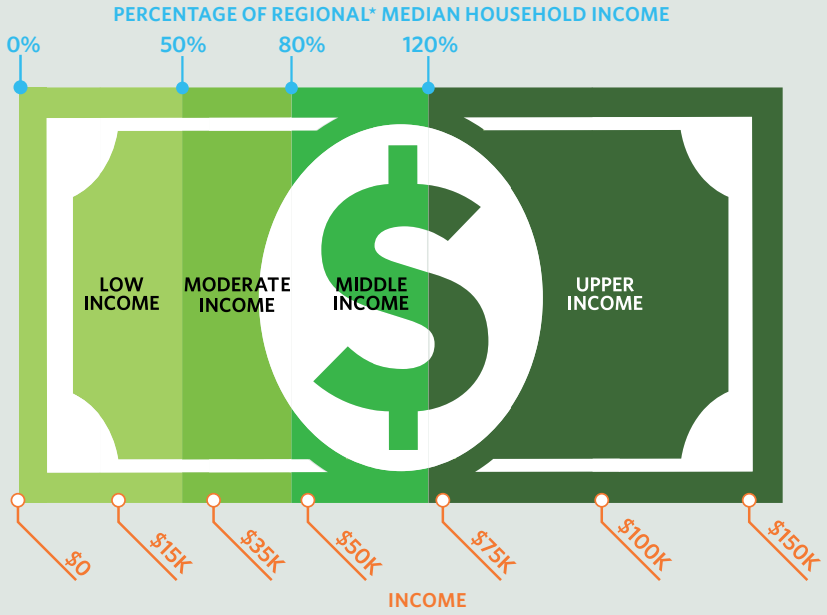
Table 1. North Aurora general statistics

	POPULATION	HOUSEHOLDS
2000 Decennial Census	10,585	4,077
2011 American Community Survey	16,040	5,847
Change, 2000-11	5,455	1,770
Change as %, 2000-11	52%	43%
GO TO 2040 projection, 2040	21,307	7,643
Change, 2011-40	5,267	1,796
Change as %, 2011-40	33%	31%

Source: U.S. Census and Chicago Metropolitan Agency for Planning GO TO 2040 projections.

1. See http://www.cmap.illinois.gov/2040.
2. See the Appendix for more information about these projections.

Income



While household income is discussed throughout the Homes for a Changing Region plan, it's important to understand some of the definitions behind phrases like "low-" and "moderate-income." The U.S. Department of Housing and Urban Development (HUD) has established definitions for how the relationship between an area's median income and the income of an individual household can define what is a low (less than 50 percent of regional median income), moderate (50 percent to 80 percent), middle (80 percent to 120 percent), and upper income household (120+ percent). By comparing each income group to the regional* median household income ($61,045), readers can understand what constitutes low, moderate, middle, and upper income households.

*Region defined as the Chicago-Naperville-Joliet, IL Metropolitan Division.
Source: Chicago Metropolitan Agency for Planning analysis of the American Community Survey 2007-11.

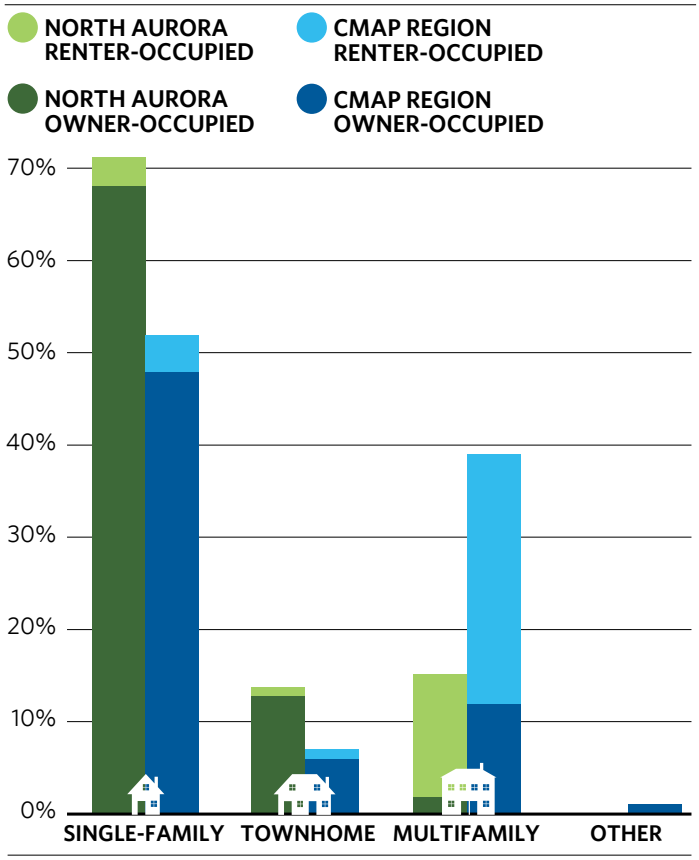
Current Housing Market

A vast majority of North Aurora's housing stock was constructed after 1950 when the village population was just 900 people. Homes built prior to this period are predominately centered on the Fox River and IL Route 56 (Main Street/Butterfield Road), which forms the primary east-west corridor through the village. Housing construction in subsequent decades expanded eastward and westward. The village experienced the most rapid growth in housing during the 1990s and 2000s, during which time multiple annexations shifted Village boundaries west. Much of this development was dominated by neighborhoods of large-lot, single-family homes, such as Tanner Trails.

Over 70 percent of North Aurora's housing stock is made up of single-family homes, nearly all of which are owner-occupied (see Figure 1). Most local renters live in multifamily housing units, which make up the next most prevalent housing type. Townhomes, mostly owner-occupied, account for almost 15 percent of the Village's housing stock. Compared to the seven-county CMAP region, the local housing supply is less diverse and contains a greater percentage of homeowners.

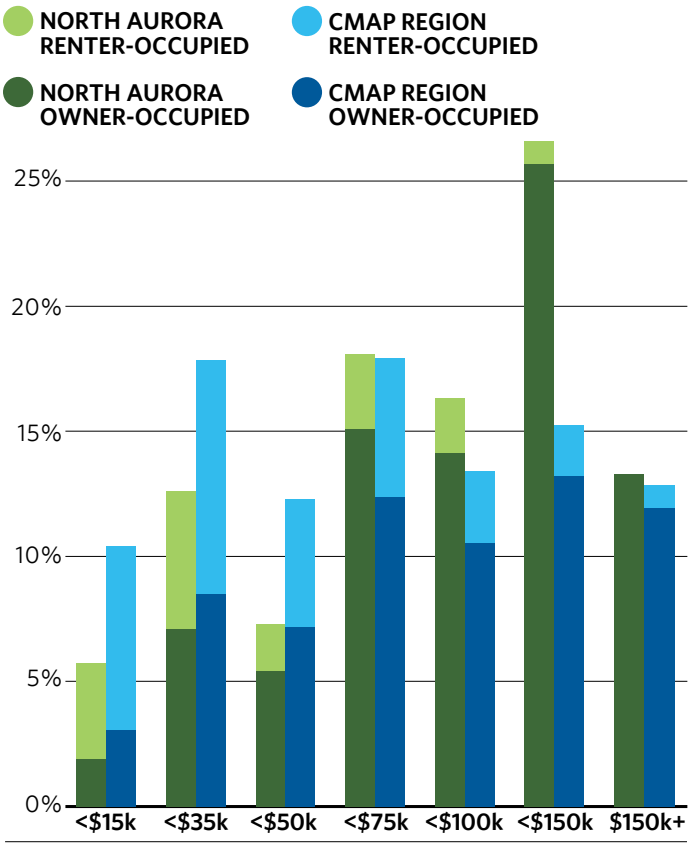
Mirroring a regional trend, the percentage of rental households generally falls as income rises, though fewer owners and renters in North Aurora have household incomes at the lower end of the income spectrum (see Figure 2). Over half of North Aurora households make over $75,000, while over a quarter earn between $100,000 and $150,000.

Figure 1. Housing type by owner/renter, North Aurora and CMAP region



Source: U.S. Census Bureau (2000 Census and 2007-11 American Community Survey).

Figure 2. Owner/renter by household income, North Aurora and CMAP region



Source: U.S. Census Bureau (2000 Census and 2007-11 American Community Survey).

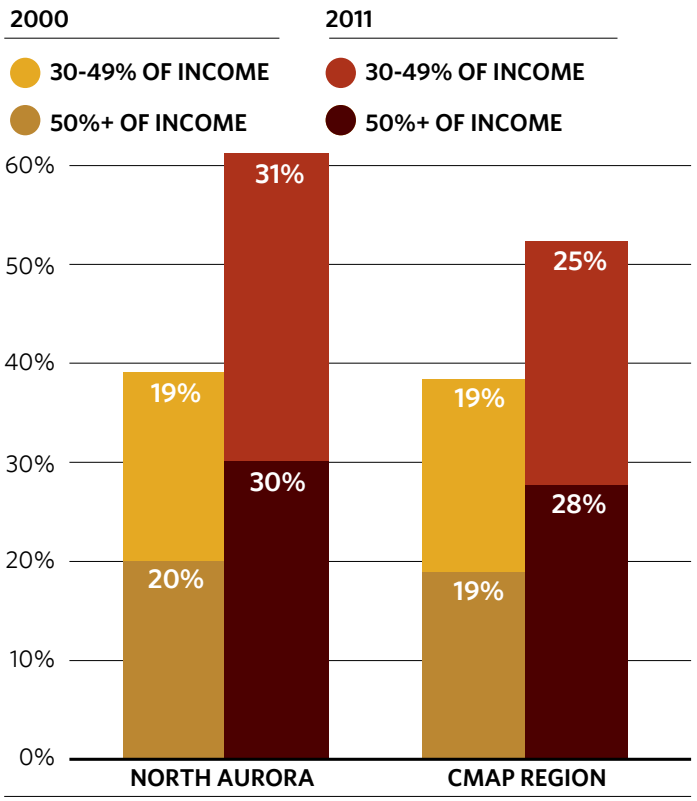
Housing Affordability

One of the most essential elements in understanding local housing dynamics is affordability. What constitutes "affordable housing" varies from household to household, as the measure is relative. An affordable housing unit is one that a family can own or rent for no more than 30 percent of its income. This spending includes both housing (rent or mortgage) and housing-related costs, such as property taxes, insurance, and utilities. This time-tested standard is reflected in everything from the underwriting standards of private lenders to data from the U.S. Census Bureau.

What is "Affordable Housing?"

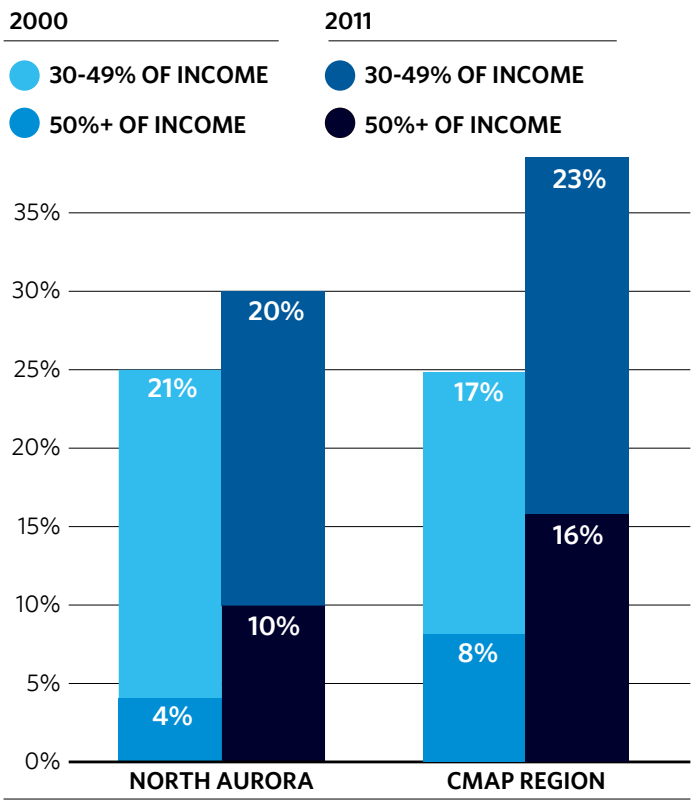
- **"Affordable housing"** is housing that costs no more than 30 percent of household income (including utilities, insurance, and taxes).
- **"Unaffordable housing"** is housing that costs between 30 percent and 50 percent of household income.
- **"Severely unaffordable housing"** is housing that costs more than 50 percent of household income.

Figure 3. Percent of renter-occupied households paying more than 30% of income on gross rent, North Aurora and CMAP region



Source: U.S. Census Bureau (2000 Census and 2007-11 American Community Survey).

Figure 4. Percent of owner-occupied households paying more than 30% of income on monthly owner costs, North Aurora and CMAP region



Source: U.S. Census Bureau (2000 Census and 2007-11 American Community Survey).

Over the last decade, rapidly rising property values accelerated far faster than incomes in the U.S., increasing the number of cost-burdened households. Since the recession, affordability issues have persisted despite declines in home values and mortgage rates, which was due in part to declining incomes, slow employment growth, and stringent credit requirements.[3] As households became renters, supply did not initially keep pace with the sudden spike in demand. Harvard University indicates that currently more than 10 percent of owners and 25 percent of renters in the U.S. pay more than 50 percent of their income on housing costs.[4]

In North Aurora, housing affordability for both renters and owners mirrors regional and national trends of decreasing affordability over the past eleven years. Currently, over 60 percent of renters pay more than 30 percent of their income on gross rent, and about 30 percent pay over half of their income (see Figure 3). The majority of North Aurora's renters struggling with housing costs are low-income. Analysis by Harvard University found that "according to the latest Consumer Expenditure Survey, severely burdened families in the bottom expenditure quartile (a proxy for low incomes) spend a third less on food, half as much on pensions and retirement, half as much on clothes, and three-quarters less on healthcare as families paying affordable shares of their incomes for housing."[5]

The percentage of cost-burdened homeowners is lower than that of renters, with 30 percent of owners paying an unaffordable amount on housing; about 10 percent of these homeowners pay over half their income (see Figure 4). While a greater percentage of North Aurora's renters are cost-burdened than the region as a whole, the opposite is true for the Village's owners; about 10 percent fewer homeowners in North Aurora pay an unaffordable amount on housing compared to the region.

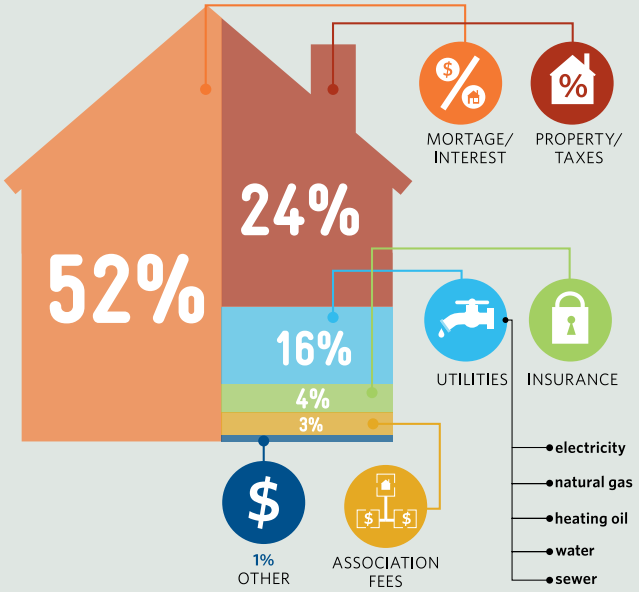
3. Joint Center for Housing Studies. *State of the Nation's Housing 2012*. (June, 2012). Harvard University.

4. Joint Center for Housing Studies. *State of the Nation's Housing 2013*. (June, 2013). Harvard University.

5. Ibid.

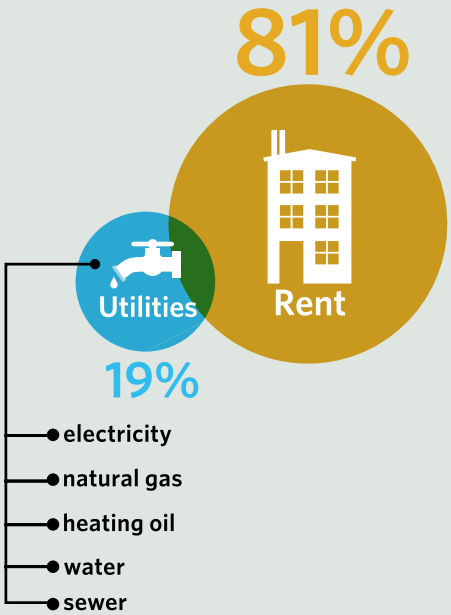
What is included in monthly owner costs?

Average monthly costs for renters in Chicago metropolitan area, 2009



What is included in gross rent?

Average monthly costs for renters in Chicago metropolitan area, 2009



Source: Chicago Metropolitan Agency for Planning analysis of the 2009 American Housing Survey (AHS).

The 2009 AHS data includes Cook, DuPage, Grundy, Kane, Kendall, Lake, McHenry, and Will Counties in the metropolitan area.

Utilities and Affordability

Utility costs contribute to gross housing costs and can therefore increase or decrease the number of cost-burdened households in a community. The Kane County 2040 Energy Plan provides 2008 data on energy use in Kane County's municipalities, including North Aurora. For this report, we will focus on residential energy use by North Aurora's households compared to Kane County as a whole.

Table 2 highlights residential electricity and natural gas usage in North Aurora and Kane County in 2008. At that time, the average North Aurora household spent $562 less during the course of the year on energy costs than the average Kane County household, or $47 less per month. While the average North Aurora household spends less than the County as a whole, energy efficient design as part of rehabilitation and new construction in the coming years can further reduce local energy costs and help decrease the number of cost-burdened households.

Table 2. Residential energy use in North Aurora and Kane County

	NORTH AURORA	KANE COUNTY
Average electricity use per household	9,162 kWh	10,324 kWh
Average annual $ for electricity per household*	$1,060	$1,191
Average natural gas use per household	1,089 Therms	1,518 Therms
Average annual $ for natural gas per household*	$1,105	$1,536
Average annual energy costs	$2,165	$2,727

*Calculated using average residential sales per kilowatt hour (kWh) (Illinois Commerce Commission Utility Sales Statistics, 2007).

Source: Kane County 2040 Energy Plan.

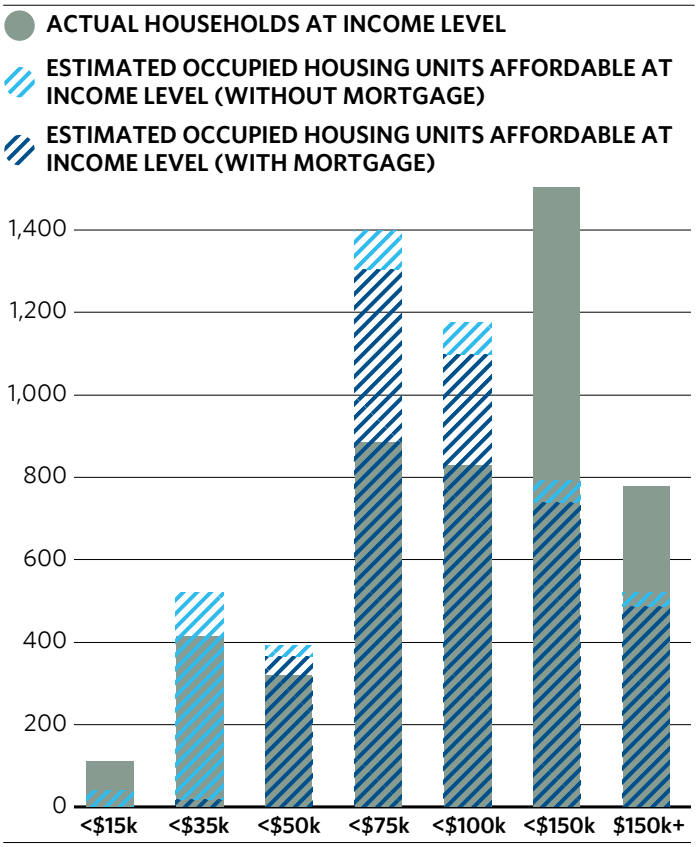
Current Ownership Housing Market

North Aurora has a significant supply of housing units affordable to middle-income homeowners, creating a surplus of housing to meet the needs of families with incomes between $35,000 and $100,000 (see Figure 5). The shortage of housing units meeting the needs of families with incomes below $35,000 is contributing to the 30 percent of North Aurora homeowners that are cost-burdened.

At the higher end of the income spectrum there is an apparent shortage of homes that could be affordable to upper income families. This fact suggests that many North Aurora families choose to save on housing costs and allocate their income for other uses. It also suggests that this income group is inflating demand for housing affordable to middle-income homeowners. It underscores the potential market for upscale homes in the future with the demand coming from existing residents and newcomers to the community.

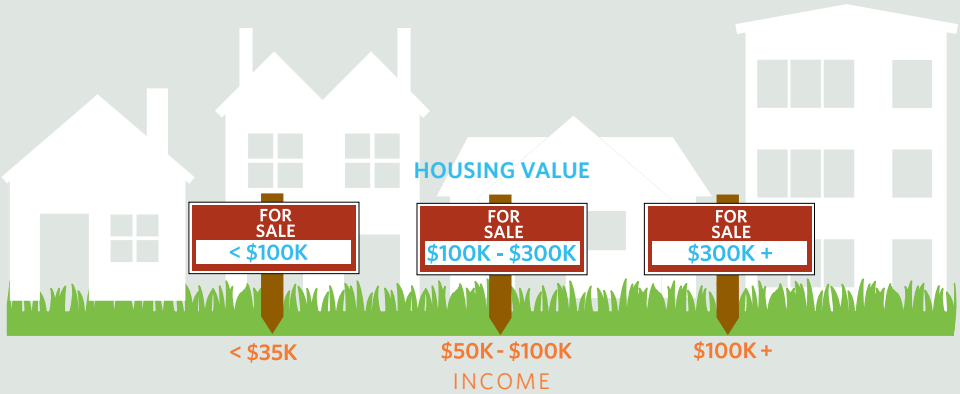
The average household in the region spent 52 percent of monthly homeownership costs on mortgage and interest payments in 2009. Thus housing affordability is greatly impacted on whether or not a home is mortgaged; owners who do not carry a mortgage usually pay less in totally monthly housing costs. In North Aurora, owner-occupied housing units affordable to households earning less than $50,000 are typically not mortgaged. Most of these units are occupied by seniors, while the working age population typically occupies units affordable to households earning more than $50,000 per year. As these un-mortgaged units are sold, many will no longer be affordable to low- and moderate-income households.

Figure 5. North Aurora comparison of owner household incomes with occupied units affordable at each income level



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 inputs.

Translating incomes into housing values



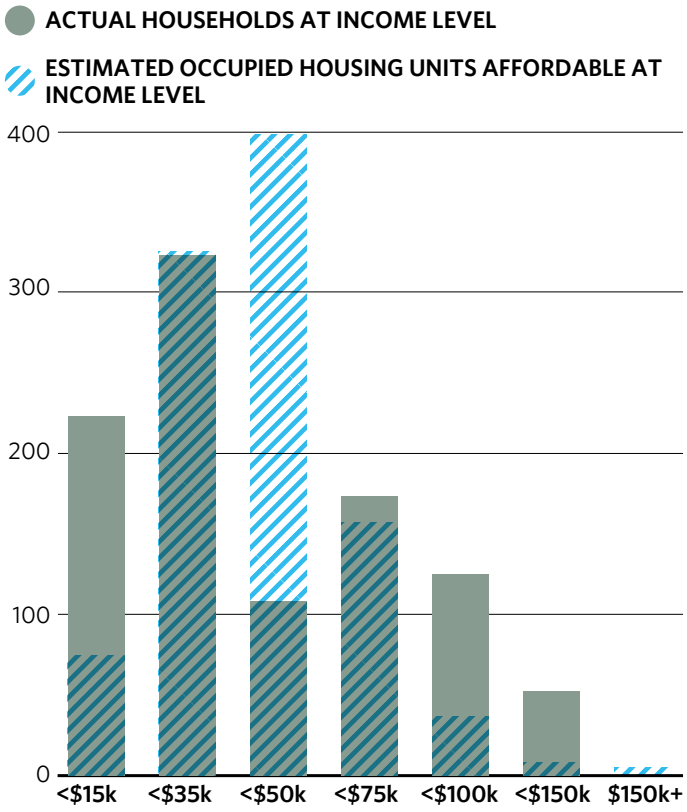
With so many factors influencing what home a household can afford to purchase (housing cost, income, downpayment, credit score, etc.), it can be difficult to figure out how the seven income groups analyzed in the Homes for a Changing Region report correspond to local housing values. A long-standing rule of thumb has been that households should buy units valued at no more than three times their annual income. Using this rough standard, these home values are generally affordable at each of the associated income levels.

Source: Chicago Metropolitan Agency for Planning.

Current Rental Housing Market

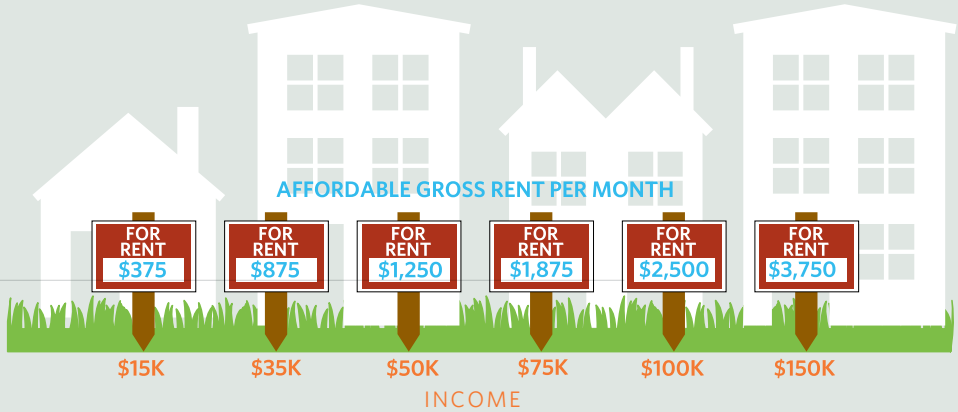
From an affordability standpoint, the rental market in North Aurora currently provides a surplus of rental housing units affordable to households earning between $35,000 and $50,000, and a nearly balanced amount of units for households with incomes between $15,000 and $35,000 (see Figure 6). A shortage exists for units affordable to families whose incomes are under $15,000. These lower income families are likely living in more expensive units and paying more than 30 percent of their income on housing costs.

Figure 6. North Aurora comparison of rental household incomes with occupied units affordable at each income level



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 inputs.

Translating incomes into rents



Applying the previously discussed concept that households should spend no more than 30 percent of income on housing costs, these gross rents are generally affordable at each of the associated income levels.

Source: Chicago Metropolitan Agency for Planning.

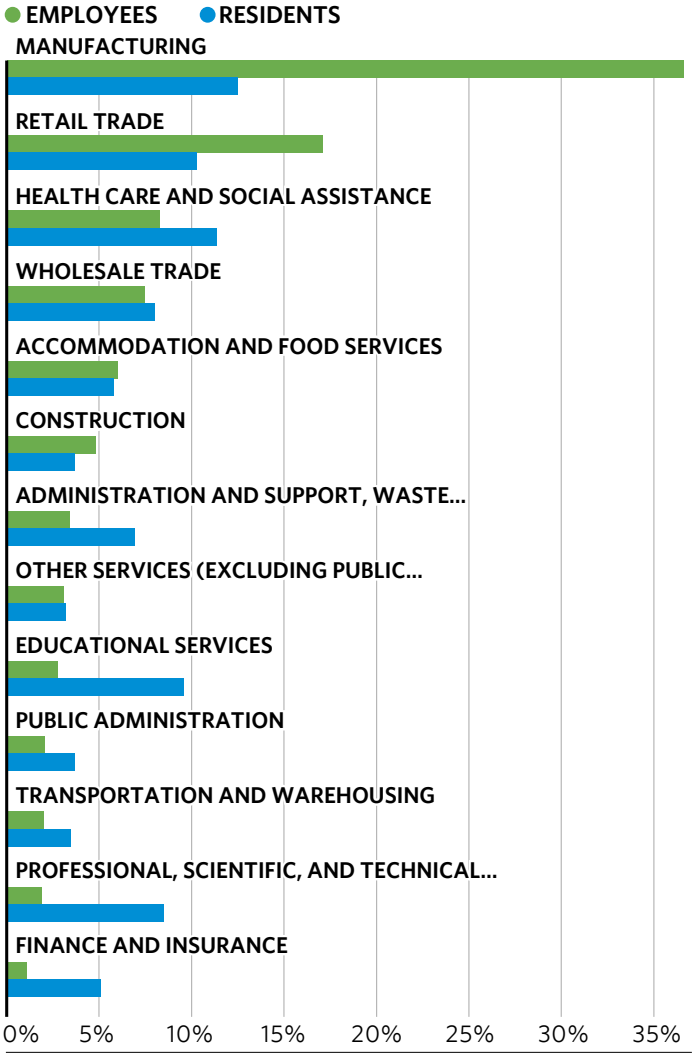
Jobs, Transportation, and Housing

In addition to a mix of housing types, jobs provided within a community contribute significantly to the desirability of that community's housing stock. People employed in North Aurora represent built-in demand for housing. Currently, there are more households than jobs in North Aurora, with local employers providing less than one job for every household. By increasing this ratio, the Village's housing stock would become more desirable due to the fact that housing becomes less costly for a household when it is located in close proximity to a workplace. If a housing unit is located farther away from job centers, the typical occupant will need to spend more time and money commuting, leaving less money for housing and other expenses. Moreover, a mismatch between the location of jobs and affordable housing reduces economic competitiveness as employers experience difficulty with employee recruitment and retention.[6] This section explores how the local job base impacts the North Aurora housing market.

Jobs

North Aurora's employment base is driven by the manufacturing sector, followed by retail trade, then health care and social assistance (see Figure 7). In total, 4,612 were employed by these industries in the Village as of 2011. Residents tend to be employed across a wider range of industries, though the greatest share work in the manufacturing sector, followed closely by health care and social assistance, retail trade, and educational services. Figure 8 on the following page shows the average earnings in the four-community sub-region for the industries in which most employees or residents work. Local employment opportunities mix lower earning industries like retail trade and better paying industries like manufacturing and health care and social assistance. However, existing gaps between local employment and residents' employment illustrate the opportunity for the Village to heave more local workers live in North Aurora.

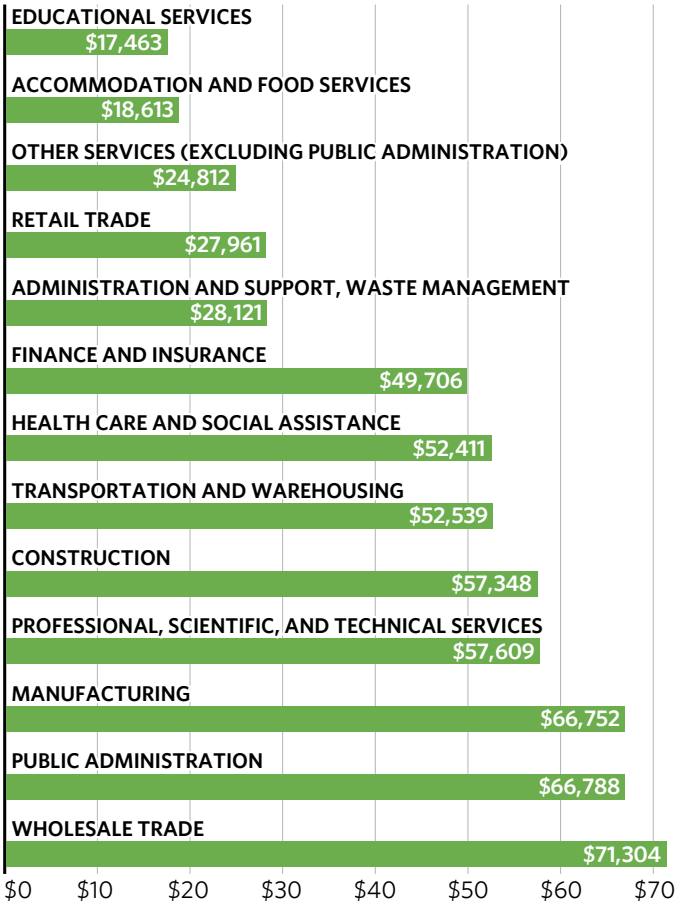
Figure 7. Industries of North Aurora residents and employees, 2011



Source: U.S. Census Bureau, Local Employment Dynamics, On-the-Map data.

6. Pill, Madeleine. *Employer-Assisted Housing: Competitiveness Through Partnership.* (September, 2000). Joint Center for Housing Studies, Neighborhood Reinvestment Corporation. http://tinyurl.com/n73amvw.

Figure 8. North Aurora subregion* earnings,
scale in thousands of dollars



*Subregion includes the following ZIP Codes: 60134, 60174, 60175, 60510, and 60542.

**According to EMSI, the reported earnings include hourly wages, employer contributions for employee pensions and insurance funds, and employer contributions for government social insurance.

Source: Economic Modeling Specialists International (EMSI).

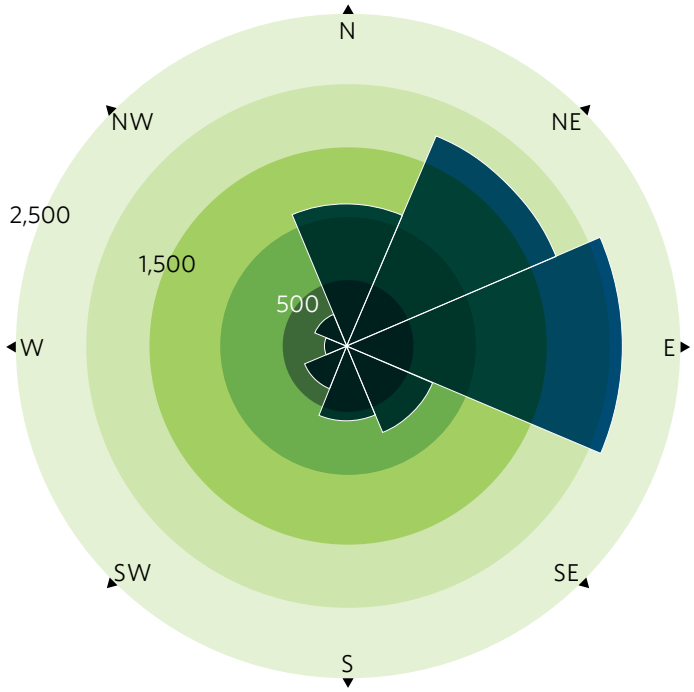
Transportation

The vast majority of North Aurora's working residents work elsewhere (96 percent), while most people employed in North Aurora live elsewhere (95 percent — see Figures 9 and 10). Therefore, most local employees and residents commute to work, often significant distances. This commute adds transportation costs on top of housing costs, decreasing housing affordability for some households. Residents working outside of North Aurora predominately commute to the east and northeast, as well as directly south to Aurora (see Figure 9). Local employees commute in to North Aurora from a wider range of locations. The largest portion comes from Aurora and other locations in Kane and Dupage Counties. (see Figure 10). Less expensive housing options available further out is a likely explanation for this pattern.

Research by Reid Ewing and others in the *Journal of Urban Planning and Development* has shown that the biggest factor in reducing vehicle miles traveled, a major driver of transportation costs, comes from "putting offices, shops, restaurants, residences, and other codependent activities in close proximity to each other."[7] In North Aurora, focusing development in close proximity to the Village's existing neighborhoods and places of work can help create the interactions that reduce the number of cost-burdened households. Polling local employees on why they don't live in the Village may provide additional guidance on how to address this imbalance.

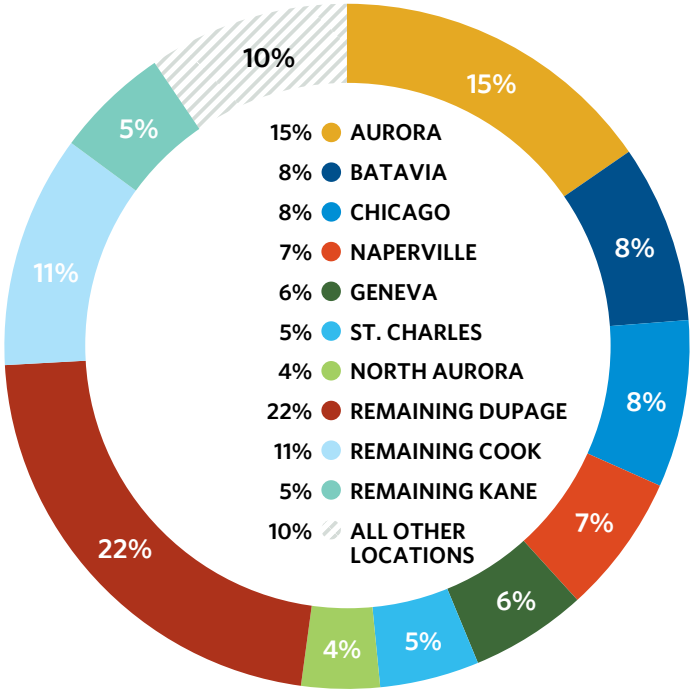
7. ASCE. "Traffic Generated by Mixed-Use Developments - Six-Region Study Using Consistent Built Environmental Measures." *Journal of Urban Planning*, October 2010.

Figure 9a. Where North Aurora residents work
Job counts by distance/direction in 2011, all workers



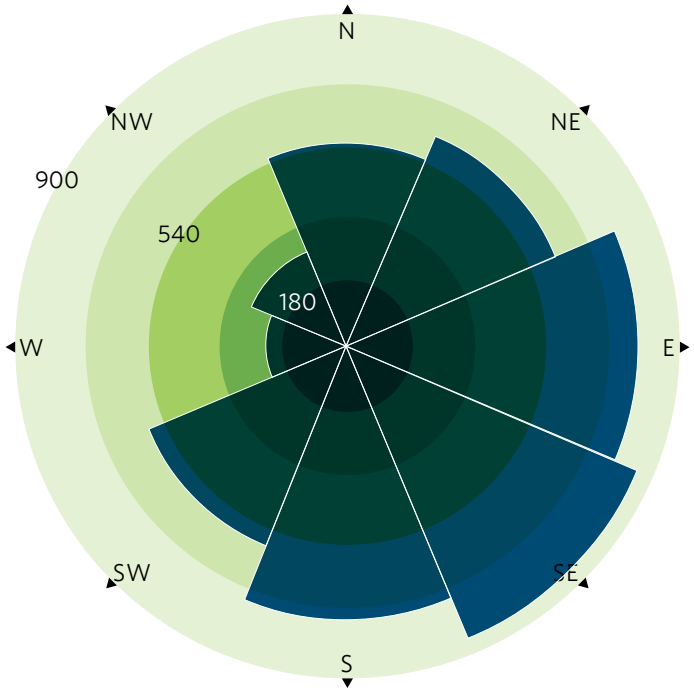
Source: U.S. Census Bureau, Local Economic Dynamics, On-the-Map data.

Figure 9b. Where North Aurora residents work, 2011



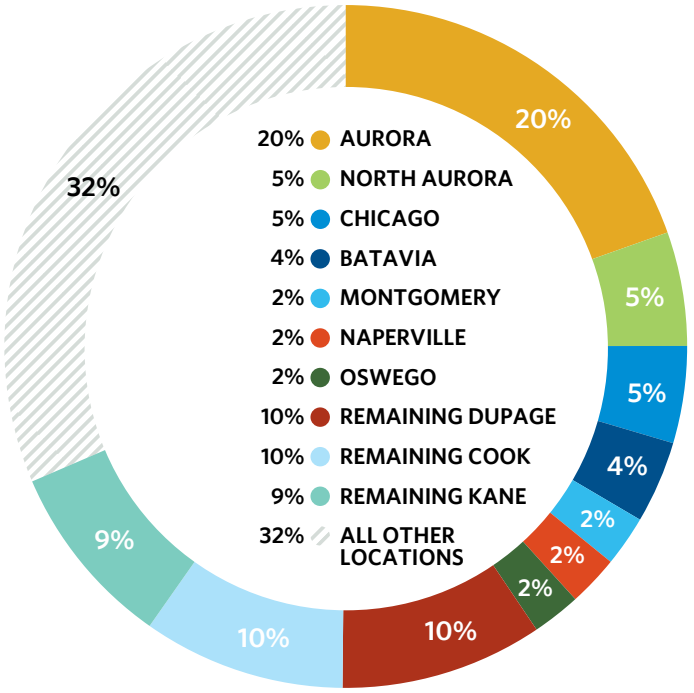
Source: U.S. Census Bureau, Local Economic Dynamics, On-the-Map data.

Figure 10a. Where North Aurora workers live
Job counts by distance/direction in 2011, all workers



Source: U.S. Census Bureau, Local Economic Dynamics, On-the-Map data.

Figure 10b. Where North Aurora workers live, 2011



Source: U.S. Census Bureau, Local Economic Dynamics, On-the-Map data.

Projected Future Housing Needs

Proactive housing planning must take into account those who might live in the community in the future. Blending together U.S. Census data, CMAP's local household and population projections for the year 2040, and national future housing preferences, some realistic estimates can be made of who will want to live in the Village over the next 30 years. Based on these projections, this section identifies the types of housing necessary to meet the needs of current and future residents.

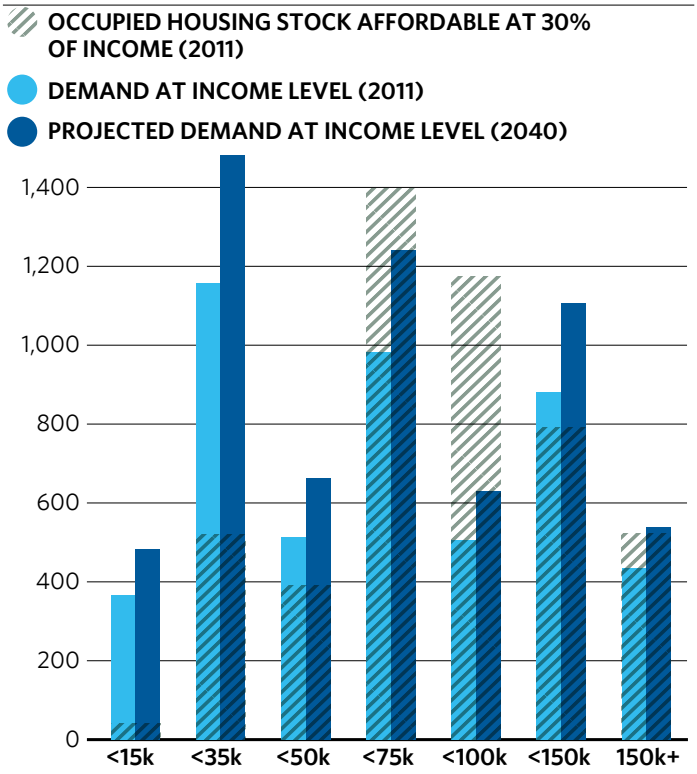
Future Ownership Needs

Out to the year 2040, North Aurora will experience an increase in demand for owner-occupied housing affordable to households at all income levels (see Figure 11). The greatest increase in demand is expected for housing affordable to families whose incomes are between $15,000 and $35,000. North Aurora will have a modest surplus of housing affordable for households with incomes between $50,000 and $100,000. However, a shortage of affordable housing for families whose incomes are below $50,000 and above $100,000 is expected.

Meeting the needs of present and future middle- and upper-income owners will require maintenance of existing units. Projected shortfalls in supply for low- and moderate-income households could further increase the number of cost-burdened owners, as buyers attempt to purchase homes affordable to middle- and upper-income households. For households earning less than $35,000, the financial realities of property acquisition, construction costs, and financing make development very difficult. In total, about 1,300 additional ownership housing units would be required to meet the anticipated growth in demand.

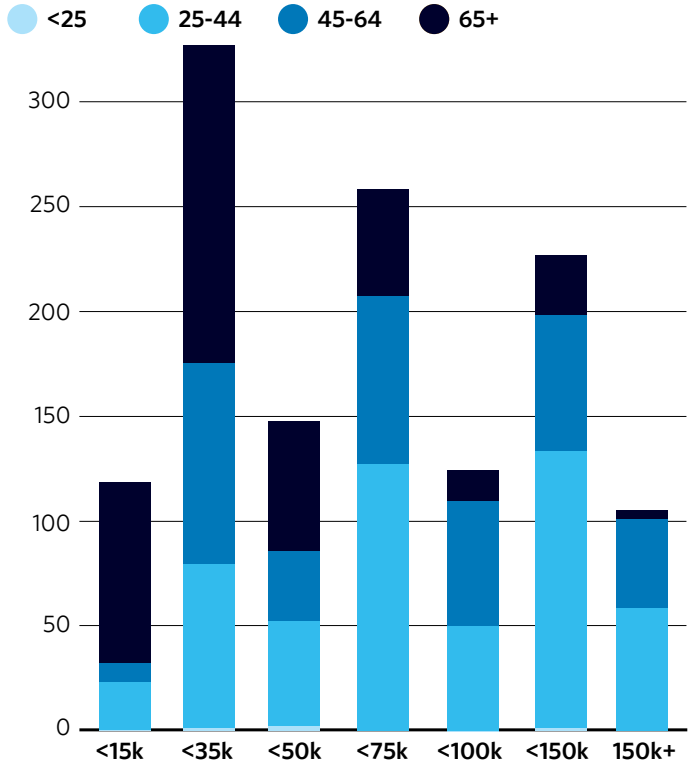
As Figure 12 indicates, seniors are likely to be buyers of moderately priced housing, so long as their assets are sufficient to purchase smaller homes, town homes, or condominiums. Younger adults (ages 25-44) and those in their middle ages (45-64) will also drive much of the increase in demand, particularly at the middle- and higher-income ranges.

Figure 11. North Aurora 2011 households and housing stock compared with 2040 owner demand



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Figure 12. North Aurora 2011-40 change in owner demand by age and income

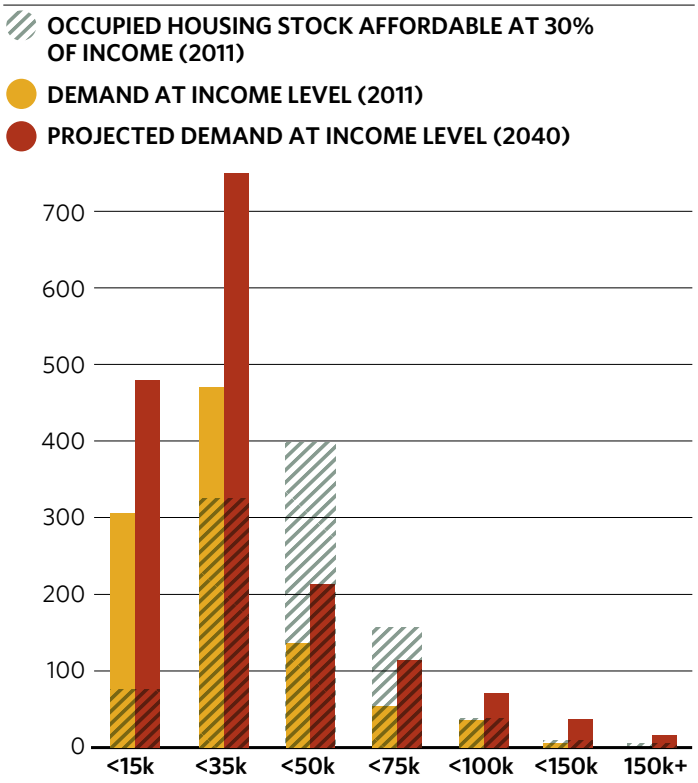


Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Future Rental Needs

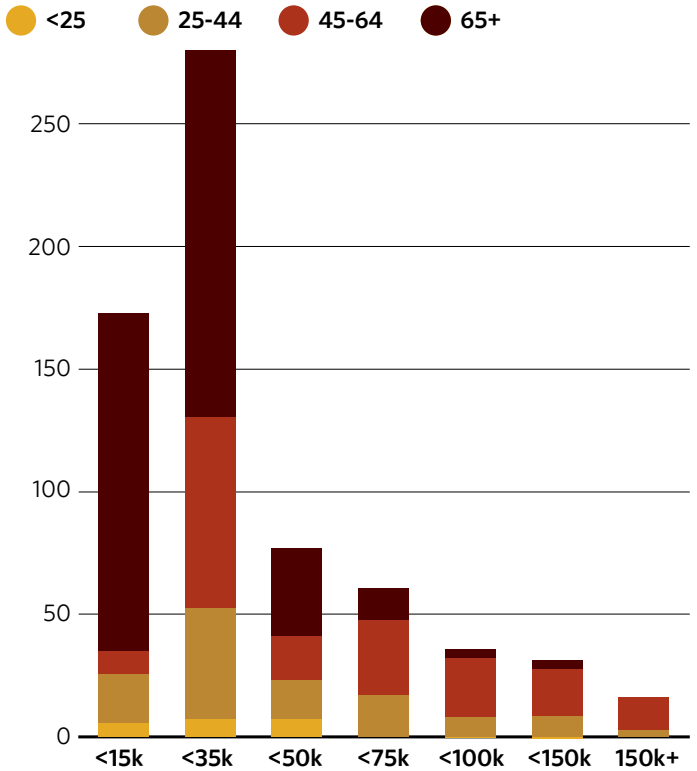
Like ownership housing, demand for rental housing is expected to grow across income levels out to 2040. The most growth will be for families whose incomes are under $50,000 (see Figure 13). A shortage of rental housing supply for housing affordable for the lower income ranges, as well as for incomes over $100,000 is expected. There will be a moderate surplus in rental housing supply affordable to families with incomes between $35,000 and $75,000. Like for ownership housing, seniors will drive much of the demand at the lower income ranges, while higher end rental demand will come from renters in their middle ages (see Figure 14). In order to accommodate the growth in demand for rental housing, about 670 units would need to be added to the Village. Serious thought should be given to creating several multifamily senior developments.

Figure 13. North Aurora 2011 households and housing stock compared with 2040 renter demand



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Figure 14. North Aurora 2011-40 change in renter demand by age and income

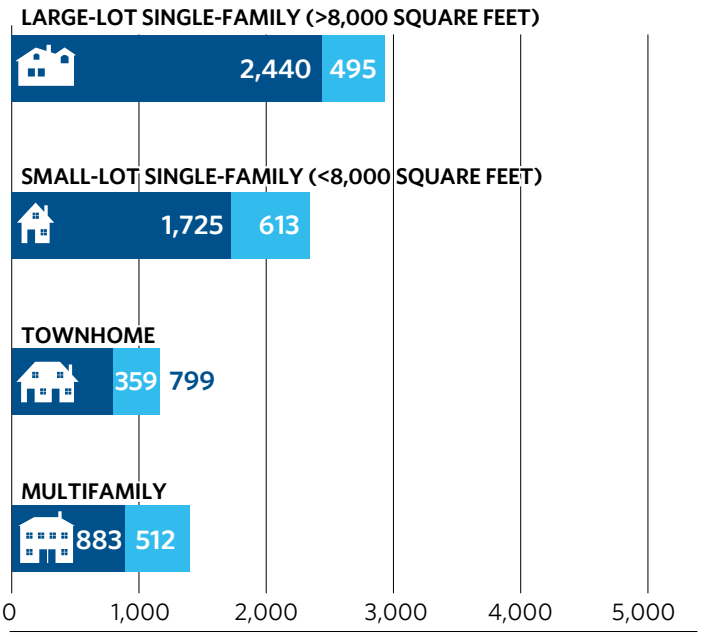


Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Housing Demand by Type of Unit

Based on the breakdown of projected future owners and renters in North Aurora along with national estimates of future demand for four broad housing types, a forecast of demand for additional housing units in 2040 arises. This "balanced housing profile" shows demand for 1,979 additional units between now and 2040 (see Figure 15).[8] These additional units will be split between housing types, with demand for 495 additional large-lot, single-family homes, 613 small-lot, single-family homes, 359 townhomes, and 512 multifamily units.

Figure 15. North Aurora future balanced housing profile



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

8. Note that this figure is higher than the projected increase in households between 2011 and 2040 (3,231) because of the inclusion of potential future vacant units. See the Appendix for more information about the methodology.

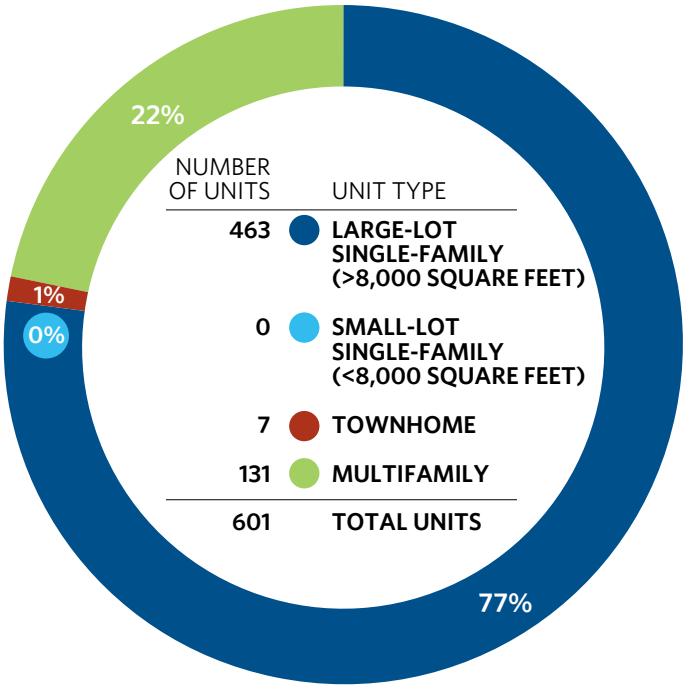
Capacity for Growth

Forecasted population and household growth is only half of the equation when considering a community's future housing needs. It is also important to look at growth capacity. To understand the Village's ability to accommodate project growth, two key sources of capacity were reviewed: development/redevelopment and vacancy.[9]

Development/Redevelopment Analysis

The development/redevelopment analysis considers how North Aurora could grow over the next 30 years based on current land use regulations, development approvals, and key development sites. The *Homes* team and Village staff calculated the total square footage of vacant and redevelopable land in the Village by reviewing Kane County assessor data. Then, North Aurora's current zoning and development standards were applied to those figures to calculate how many units could be built given the amount of vacant and redevelopable land within the various zoning districts. Although Village staff identified land in the Village's planning area that could be annexed for residential use in the future, this analysis does not include that acreage.

Figure 16. North Aurora maximum capacity by unit type



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of the North Aurora zoning ordinance and Kane County assessor data.

9. See the Appendix for more information about the methodology.

Based on this analysis, the Village has the capacity for approximately 601 additional dwelling units, compared to the 1,979 units that would be needed to meet the projected increase in population possible by 2040, should the Village choose to do so (see Figure 16 and Table 3). Building out to the potential capacity would satisfy 30 percent of the forecasted household growth, meeting nearly all of the projected demand for large-lot, single-family homes and a quarter of the demand for multifamily units, but almost none of the demand for townhomes or small-lot single-family homes.

Table 3. North Aurora maximum capacity by unit type with existing zoning in place

TYPE	UNITS
Large-lot single-family (>8,000 square feet)	463
Small-lot single-family (<8,000 square feet)	0
Townhome	7
Multifamily	131
TOTAL	601

Source: Chicago Metropolitan Agency for Planning analysis of the North Aurora zoning ordinance and Kane County assessor data.

Table 3.1. North Aurora maximum capacity by unit type with anticipated zoning in place

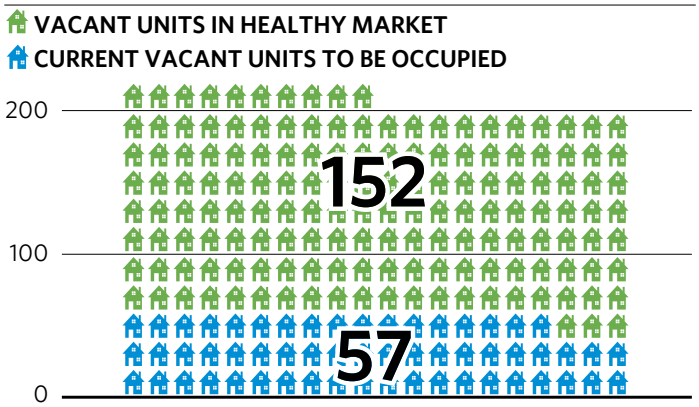
TYPE	UNITS
Large-lot single-family (>8,000 square feet)	598
Small-lot single-family (<8,000 square feet)	0
Townhome	7
Multifamily	915
TOTAL	1,520

Source: Chicago Metropolitan Agency for Planning analysis of the North Aurora zoning ordinance and Kane County assessor data.

Vacancy Analysis

Because of the current housing market, some homes that are now vacant may not be so in the future, allowing people to move to North Aurora without building new units. The Village has approximately 209 vacant units, or about 3.5 percent of all homes. Normal long-term vacancy rates for a strong community are 7.4 percent among rental units and 1.5 percent among owner-occupied units.[10] Given the number of local owner and rental units and a healthy housing market, the Village should only have approximately 152 vacant units, a vacancy rate of approximately 2.6 percent. Therefore, 57 currently vacant units could be occupied in the future as North Aurora grows and the market stabilizes (see Figure 17). This capacity would allow the Village to accommodate a small share of projected growth (about 3 percent).

Figure 17. North Aurora breakdown of current vacant units



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of American Community Survey 2007-11.

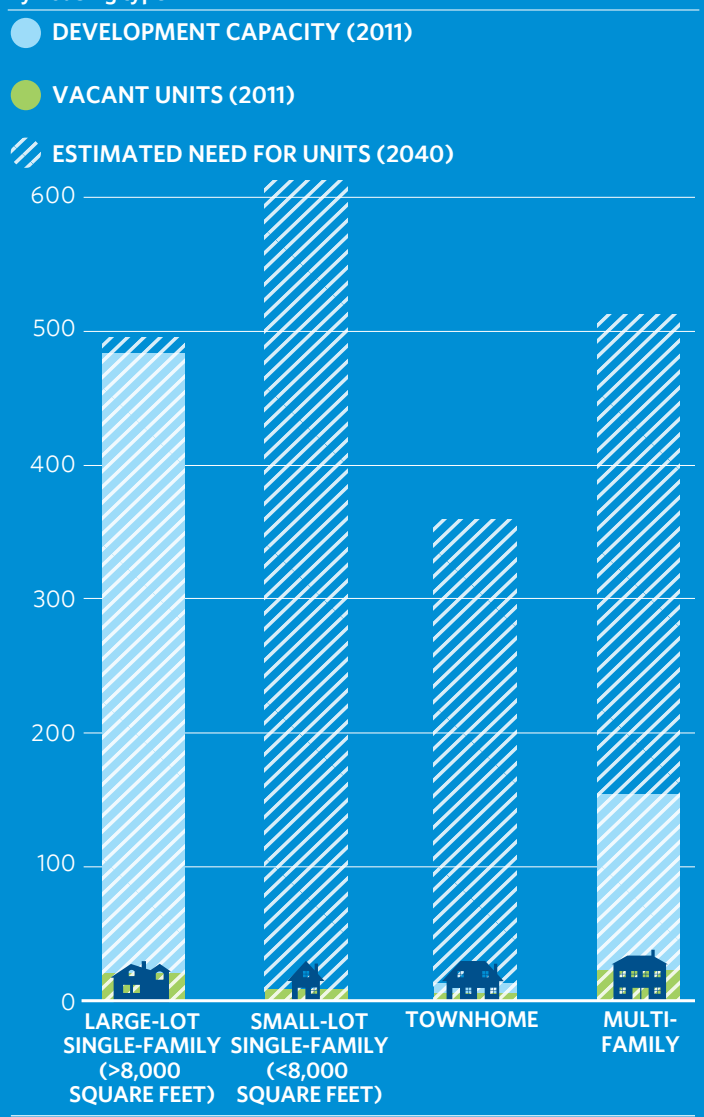
10. Belsky, E., Bogardus Drew, R., McCue, D., *Projecting the Underlying Demand for New Housing Units: Inferences from the Past, Assumptions about the Future.* (November, 2007). Joint Center for Housing Studies, Harvard University. http://tinyurl.com/mlwyddq.

Conclusions & Recommendations

Taking into account the capacity available through development, redevelopment, and vacancy, demand for future housing will outstrip available capacity for new housing construction by roughly 1,300 units (see Figure 18). While available capacity will nearly meet projected demand for large-lot, single-family homes, significant gaps are expected for higher-density and lower maintenance housing types that will desired by a growing senior population.

Decisions regarding whether to grow by annexation or redevelopment will have the biggest impact on the Village's current housing market. Regardless of the route chosen, maintaining existing units and fostering an open housing market will be very important. The following policy recommendations will help the Village meet the housing needs of its current and future residents.

Figure 18. North Aurora demand vs. vacancy and capacity, by housing type



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model, Kane County Property Assessor data, and U.S. Census Bureau inputs.

Recommended Housing Strategies

1. Address stalled subdivision development in recently annexed areas.

The Village should consider a range of options to reduce the number of vacant properties in residential subdivisions located in recently annexed areas of North Aurora. Already, Village planning staff has engaged in a campaign to work directly with developers and potential residents to promote the completion of subdivisions as originally planned. In one case, the Village approved the construction of a 144-unit rental townhome development where an owner-occupied development was originally planned in order to accommodate market demand for rental units. Village staff and elected officials should continue to be flexible in allowing developers to respond to local market demand where it may differ from approved subdivision plans. For example, smaller single-family units or townhomes may be easier to sell in the short term and in higher demand over the long run, as forecasts show.

In subdivisions where multiple vacant parcels are located adjacent to commercially-zoned properties, the Village should consider allowing higher density residential development or mixed-use development that incorporates both commercial and residential uses. For example, the Village could consider multifamily products similar to the Georgetown Quads, located in Batavia. These are modestly priced, four-family, two-story homes separated by vertical walls with separate first-floor entrances. Another option, where land assembly will allow it, would be to consider the development of multifamily rental housing that is affordable to forecasted senior demand.

As this protracted recovery continues into the next five, perhaps ten years, the Village may also want to consider adaptive reuse of vacant parcels in these subdivisions. Community gardens, urban agriculture, playgrounds, community parks, dog parks, and other open space amenities can all have positive impacts on surrounding residential communities. Over the course of the next year, CMAP will be funding the update of North Aurora's comprehensive plan. This will provide an excellent opportunity to reconsider land use configurations and increase housing diversity in each of these subdivisions.

2. Incorporate a variety of housing options on and near the Orchard Road corridor.

The Village should explore options to allow a variety of residential housing types on and near the Orchard Road corridor. Currently, a number of properties along the Orchard Road corridor have underlying entitlement for residential uses. During its upcoming comprehensive planning process, the Village should explore options for transitional residential uses adjacent to commercial uses along Orchard Road, where single-family residential is currently identified. This would be a beneficial strategy to diversify the Village's housing stock. The Village should consider incentivizing the inclusion of a variety of housing types that are attainable to the local workforce on and near Orchard Road through measures such as density bonuses and parking requirement reductions. These incentives could reduce the per-unit cost for the developer, thereby promoting affordability for residents.

The inclusion of residential uses along the Orchard corridor is consistent with Kane County's Randall/Orchard Corridor Bus Rapid Transit Feasibility Study that shows the need for housing developments on transit routes, and particularly on the Randall and Orchard Roads corridors, to reduce traffic congestion and provide affordability for residents. North Aurora should also consider recommendations from the forthcoming joint CMAP/Kane County Primary Transit Network Study. Housing along transit routes promotes affordability indirectly by providing inexpensive transit options. Also, Kane County currently incentivizes the construction of dense housing near Pace bus stops with the Transportation Impact Fee Discount Program which is applicable within North Aurora's Village boundaries.

3. Encourage housing options for seniors.

North Aurora understands the need to provide senior housing options in the community. Supportive senior living facilities including Eden and Asbury Gardens currently exist in the Village. Given the projected increases in the local senior population out to the year 2040, the Village should support additional senior housing developments including independent living, assisted living, and continuum of care facilities. The Village should encourage a mix of senior housing options through the following efforts:

- Actively seek to attract senior housing development(s) by working to market North Aurora as an attractive location for senior development and forming relationships with potential developers.
- Consider creating an incentive package to attract the type of senior housing the Village desires. Incentives could include density bonuses and reduced parking requirements.
- The Village should work with the Central Fox Valley Subregion to develop "aging in place" information for residents, which would identify important modifications needed to improve accessibility, eliminate barriers, and create safer spaces for seniors who wish to remain in their current home.

4. Monitor single-family rental conversions.

North Aurora should review the strategies included in MPC's "Managing Single Family Rental Homes" white paper. The goal of municipal rental housing regulations should be to protect the rights of tenants and landlords and maintain the quality of the Village's housing stock and the livability of its neighborhoods overall. North Aurora could require that landlords register and set requirements for building maintenance that include landlord restrictions. While non-home rule municipalities may not be able to issue and revoke a license from a bad landlord and put him/her out of business in the community, the Village can monitor, inspect, and fine the landlord for any violations of code. If the landlord has a certain number of violations, then the Village could conduct more frequent inspections.

Based on analysis of current data and conversations with staff and residents, the Village would benefit from monitoring conversions of single-family owner-occupied housing to rental. This can be done simply using data from the U.S. Census Bureau, but the Village could collect its own data through the registration process. Currently, 21 homeowners associations serve North Aurora's subdivisions. The Village should also consider coordinating with HOAs to notify new landlords of the registration requirement.

5. Track and monitor foreclosures to proactively address property maintenance issues.

The Village should track foreclosure activity in order to proactively address property maintenance issues. Data indicates that North Aurora has had a slightly higher rate of foreclosures than the other Central Fox Valley communities and a rate about equal to that of the county as a whole. The Kane County Circuit Clerk's office generates a weekly list of new foreclosure cases within Kane County. The Village may be added to the distribution list by request in order to identify new foreclosures within the Village.

By knowing which properties are under foreclosure, Village code enforcement officials can monitor those properties to efficiently enforce property maintenance standards, while also identifying newly vacant properties. This would assist the Police Department in ensuring the required Vacant Property Notification form has been filed for vacancies due to foreclosure.

Over the next few years, CMAP, the Metropolitan Mayors Caucus, and MPC will be working to support Kane County and the Community Foundation of the Fox River Valley to rehabilitate and resell a number of recently foreclosed homes. These efforts were made possible through a grant from the Illinois Attorney General through the National Foreclosure Settlement Awards. One of the goals of this effort is to identify and ultimately build capacity in the county's residential rehabilitation sector.

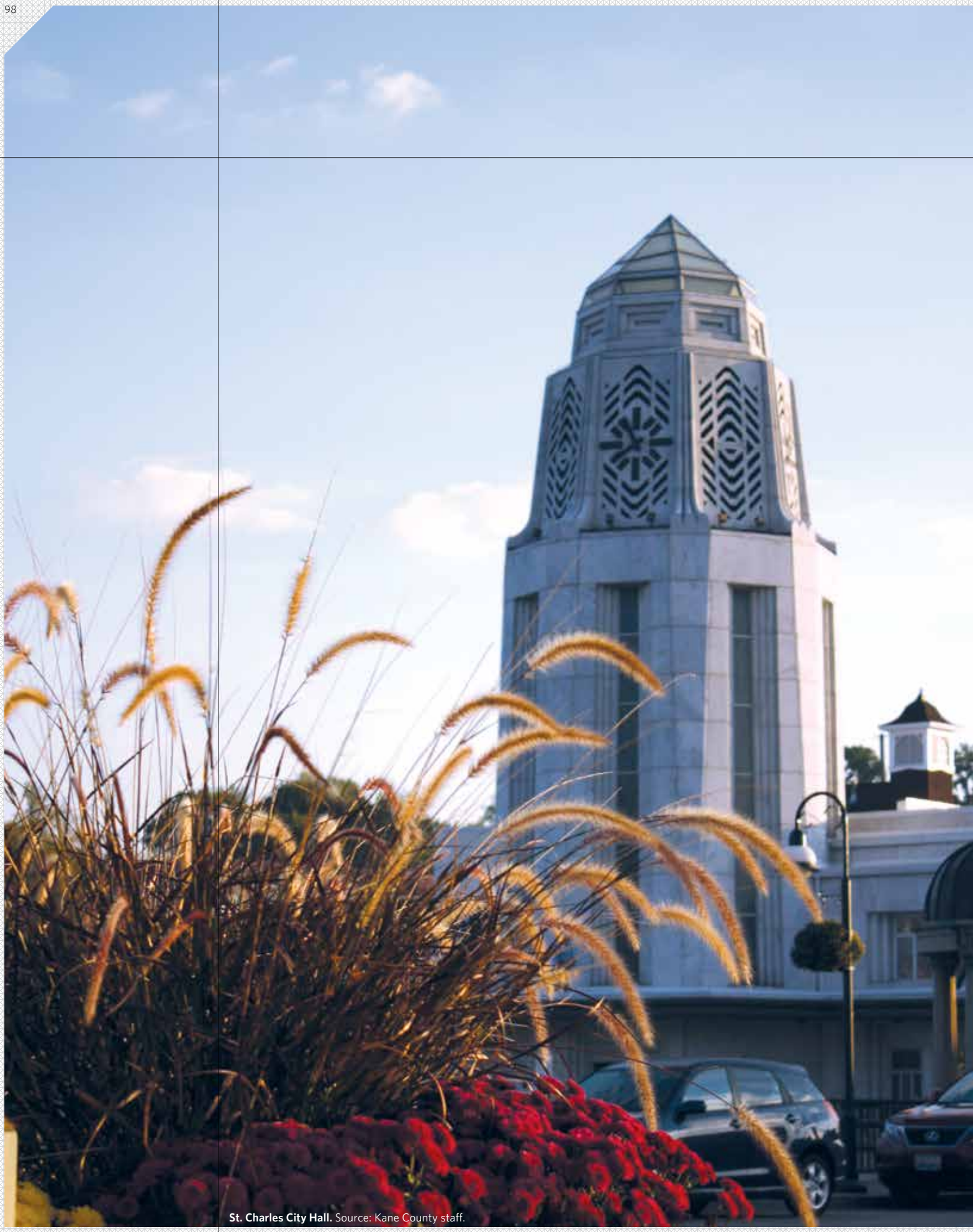
6. Reaffirm the Village's commitment to be an open community.

A key component for any community seeking to maintain an efficient and effective housing market is ensuring that local housing and service providers show openness to current and future residents of all backgrounds. The following strategies outline ways North Aurora can continue fostering openness throughout the Village.

The Village provides a welcome packet to all new North Aurora residents. This resource is a wonderful method for the Village to demonstrate its interest in community members of all backgrounds. The Village should ensure that this packet reflects the community's commitment to openness by including a statement of welcome for people of all backgrounds. Additionally, this document, along with all other Village materials, should be made available in a variety of languages and should be accessible to persons with disabilities, including those with sight or hearing impairments.

An important part of demonstrating openness is ensuring residents can communicate about local issues. The Village website does not appear to currently provide information about how residents can file complaints about housing discrimination. Therefore, North Aurora should provide such contact information on its website along with including the information in the welcome packet.

Care should be taken to make sure that multifamily housing meets both the design standards of the Illinois Accessibility Code (IAC) and the Fair Housing Act. Statewide, the IAC requires that new residential housing be accessible to persons with disabilities. Under the IAC, prior to issuing permits, municipalities must evaluate whether the designs comply with the IAC. However, municipalities are not obligated to assess whether the plans comply with the federal Fair Housing Act under the IAC. The federal law requires that multifamily housing with four or more units include basic attributes of accessibility (e.g., accessible entrances, accessible routes, accessible kitchens and bathrooms, and accessible common areas).



St. Charles City Hall. Source: Kane County staff.

Housing Policy Plan: St. Charles

Project Summary

Located in eastern Kane County's Fox River Valley, St. Charles is recognized throughout the region for the quality of life its residents enjoy. Known as the *Pride of the Fox*, St. Charles' assets have attracted steady growth and development over its 180 year history. The heart of the City is its historic downtown, centered on Illinois Route 64 and the Fox River, where boutique shopping options, entertainment, and night life opportunities, as well as necessary services for residents and visitors are provided. While the variety of architectural styles and several buildings listed on the National Register of Historic Places are vital to the downtown's character, redevelopment projects in recent years have helped maintain its vitality, including the addition of new housing units.

Another of St. Charles' many assets is its accessibility to major arterial roadways, including Illinois Routes 64, 25, and 31, Randall Road, and Kirk Road. This regional connectivity has attracted large employers, including those located in the thriving East Gateway Industrial Park. Residents also benefit from convenient connections to nearby communities and the Chicago region through these major arterials, as well as the Metra rail station in neighboring Geneva.

Contributing to the City's family-oriented reputation is the plethora of outdoor recreation opportunities and large network of parks, trails, and open space, as well as the strong local school district that provides the educational opportunities young families seek.

Without a diverse range of well-maintained housing options however, the community's assets would not be sufficient to attract and retain residents. St. Charles boasts a diverse housing stock of historic homes, modest single-family homes, upscale residential subdivisions, townhomes, apartment complexes, and senior housing that accommodates residents through all stages of life. In order to maintain the city's reputation as a great place to live, work, and play, its housing stock must continue to meet the needs of current and prospective residents.

"Preserving our heritage, fostering opportunity, building community, and enhancing quality of life for all" is the mission statement of the City of St. Charles. The City's recently updated comprehensive plan is meant to uphold this mission, and those efforts are further supported through this *Homes for a Changing Region* study.

Between now and 2040, St. Charles could add almost 9,000 new residents. The City must address a number of key issues to determine the best way to address such potential growth, while preserving and enhancing quality of life.

- **What types of new housing should be built in the future?**
- **How can development at the periphery meet the needs of future residents?**
- **What can be done to preserve and upgrade existing neighborhoods, making them attractive for future residents?**
- **How can existing neighborhoods be modified to accommodate changing demand?**
- **How can residents remain in the community through all stages of life?**

This report provides a series of policy recommendations based on a detailed analysis of existing conditions and future needs. St. Charles should use these recommendations to prepare for projected population growth and changing housing demand.

Demographic Trends

The City of St. Charles is located in eastern Kane County, with a small portion in western DuPage County. The City is bordered by Wayne to the north, West Chicago to the east, and Geneva to the south. Mostly unincorporated land borders St. Charles to the west, though a small portion of Campton Hills abuts the City's far western boundary.

St. Charles' population grew moderately over the first decade of the 21st century, with a 2010 population of nearly 33,000 residents (see Table 1). The Chicago Metropolitan Agency for Planning (CMAP) produced population and household projections as part of GO TO 2040, the seven-county region's comprehensive plan for sustainable prosperity for the next 30 years.[1] These projections indicate that if GO TO 2040 is implemented and the City permits new development, the City's population could increase by over 8,900 residents by 2040, to nearly 41,800, an increase of almost 30 percent. This rise in population would add roughly 4,000 new households, increasing the need for housing units. How should St. Charles address this potential growth, now and in the future?

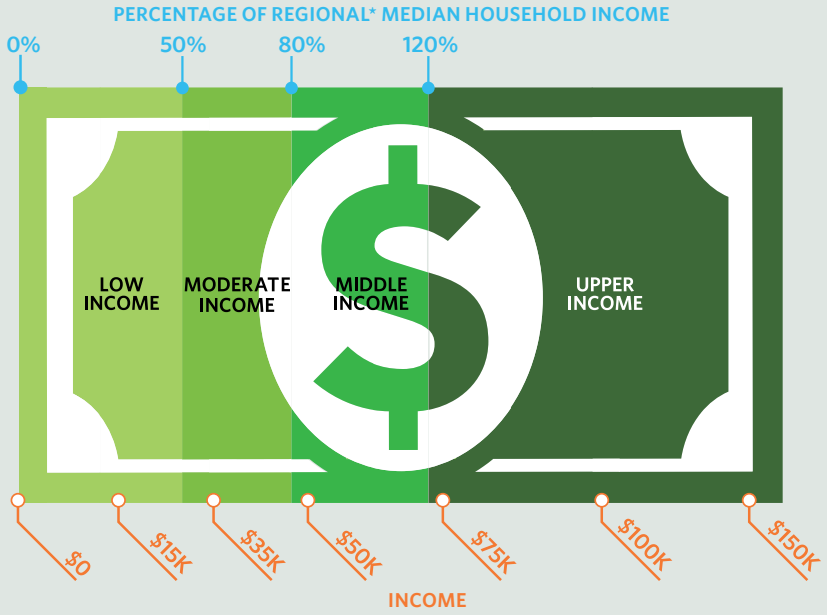
Table 1. St. Charles general statistics

	POPULATION	HOUSEHOLDS
2000 Decennial Census	27,896	12,424
2011 American Community Survey	32,792	10,351
Change, 2000-11	4,896	2,073
Change as %, 2000-11	17.6%	20.0%
GO TO 2040 projection, 2040	41,726	16,211
Change, 2011-40	8,934	4,010
Change as %, 2011-40	27.2%	32.9%

Source: U.S. Census and Chicago Metropolitan Agency for Planning GO TO 2040 projections.

1. See http://www.cmap.illinois.gov/2040.

Income



While household income is discussed throughout the Homes for a Changing Region plan, it's important to understand some of the definitions behind phrases like "low-" and "moderate-income." The U.S. Department of Housing and Urban Development (HUD) has established definitions for how the relationship between an area's median income and the income of an individual household can define what is a low (less than 50 percent of regional median income), moderate (50 percent to 80 percent), middle (80 percent to 120 percent), and upper income household (120+ percent). By comparing each income group to the regional* median household income ($61,045), readers can understand what constitutes low, moderate, middle, and upper income households.

*Region defined as the Chicago-Naperville-Joliet, IL Metropolitan Division.
Source: Chicago Metropolitan Agency for Planning analysis of the American Community Survey 2007-11.

Current Housing Market

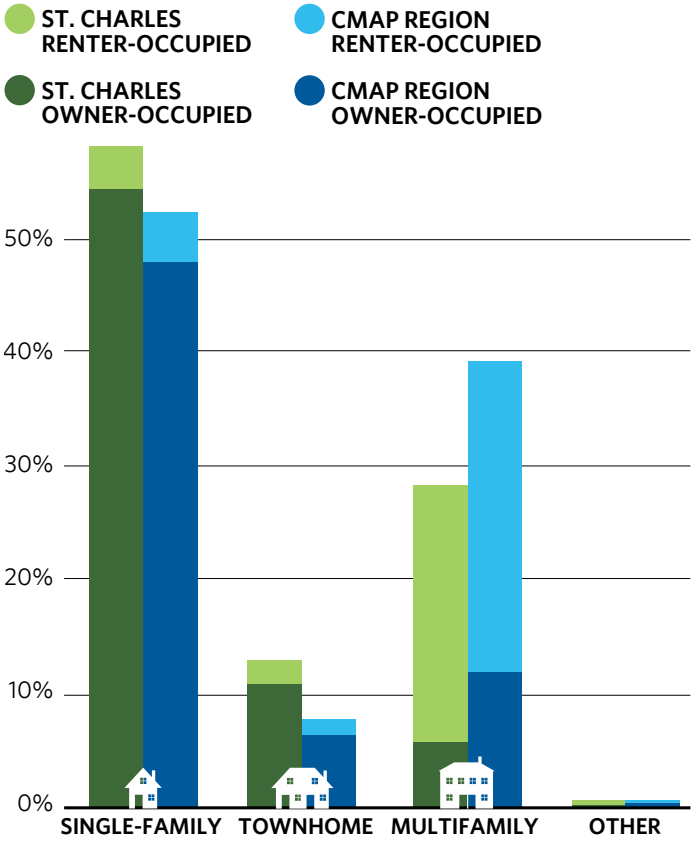
Incorporated in 1834, early residential growth in St. Charles centered on Illinois Route 64 and the Fox River. The City's population grew slowly but steadily until the middle of the 20th century when the creation of three manufacturing districts, which located outside of downtown, resulted in more rapid population growth. In the 1980s and 1990s, residential development became more intensive, moving westward towards Randall Road and north of Illinois Route 64.

Today, St. Charles' housing stock reflects its history. Older, historic homes make up the traditional grid pattern neighborhoods on both the east and west sides of the river adjacent to downtown. Moving out from these core neighborhoods, housing styles reflect the periods in which they were built, with the newest homes forming the western-most portion of St. Charles.

Currently, single-family homes, which are predominately occupied by owners, constitute almost 60 percent of St. Charles' housing units (see Figure 1). Multifamily units are the next most prevalent housing type, making up almost 30 percent of housing units. Most local renters live in multifamily buildings. St. Charles also has a significant supply of townhomes, most of which are owner-occupied. St. Charles' housing supply and owner/renter split is similar to the seven-county CMAP region, although the city has a slightly higher percentage of single-family homes and townhomes and lower percentage of multifamily units than the region as a whole.

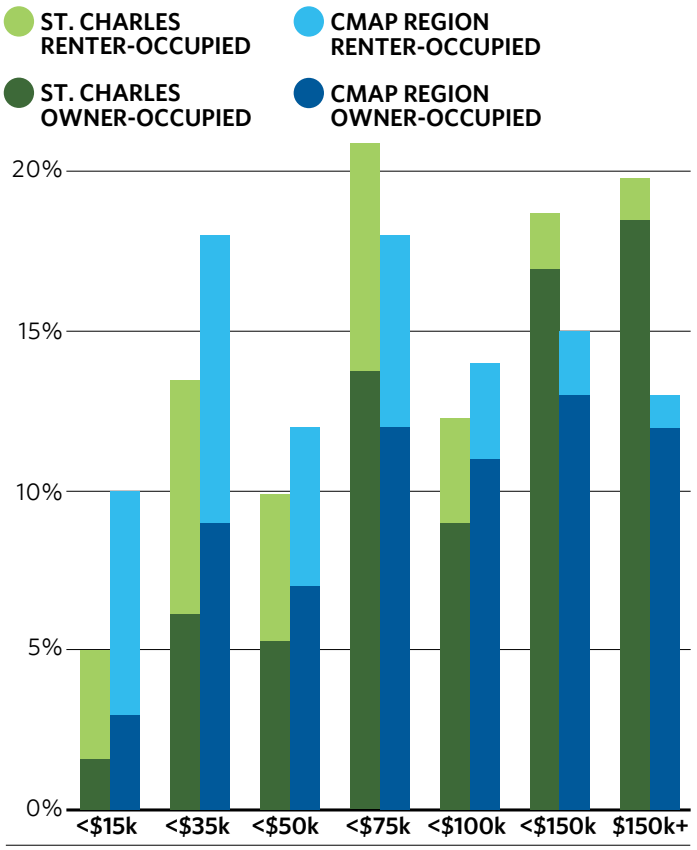
Almost three-quarters of St. Charles' households earn greater than $50,000 per year (see Figure 2), making the City more affluent than the CMAP region as a whole. However, like the region, the percentage of rental households falls as income rises. While only 37 percent of homeowners households earn less than $75,000, 79 percent of renter households earn less than that amount.

Figure 1. Housing type by owner/renter, St. Charles and CMAP region



Source: U.S. Census Bureau (2000 Census and 2007-11 American Community Survey).

Figure 2. Owner/renter by household income, St. Charles and CMAP region



Source: U.S. Census Bureau (2000 Census and 2007-11 American Community Survey).

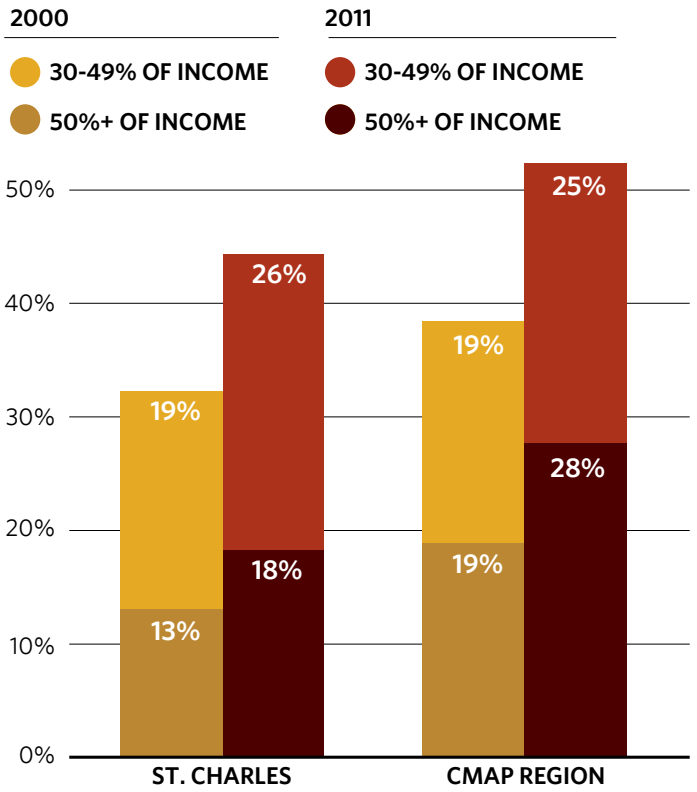
Housing Affordability

One of the most essential elements in understanding local housing dynamics is affordability. What constitutes "affordable housing" varies from household to household, as the measure is relative. An affordable housing unit is one that a family can own or rent for no more than 30 percent of its income. This spending includes both housing (rent or mortgage) and housing-related costs, such as property taxes, insurance, and utilities. This time-tested standard is reflected in everything from the underwriting standards of private lenders to data from the U.S. Census Bureau.

What is "Affordable Housing?"

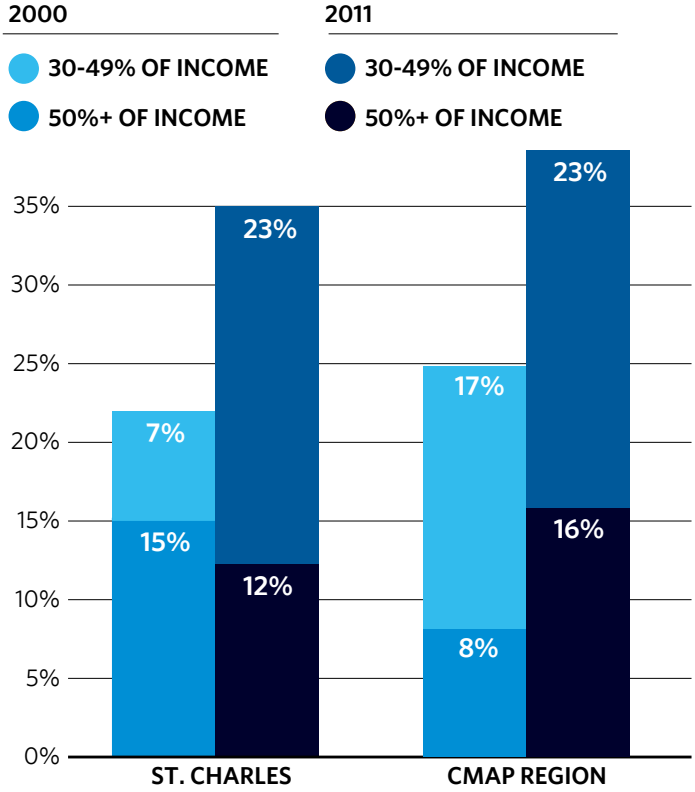
- **"Affordable housing"** is housing that costs no more than 30 percent of household income (including utilities, insurance, and taxes).
- **"Unaffordable housing"** is housing that costs between 30 percent and 50 percent of household income.
- **"Severely unaffordable housing"** is housing that costs more than 50 percent of household income.

Figure 3. Percent of renter-occupied households paying more than 30% of income on gross rent, St. Charles and CMAP region



Source: U.S. Census Bureau (2000 Census and 2007-11 American Community Survey).

Figure 4. Percent of owner-occupied households paying more than 30% of income on monthly owner costs, St. Charles and CMAP region



Source: U.S. Census Bureau (2000 Census and 2007-11 American Community Survey).

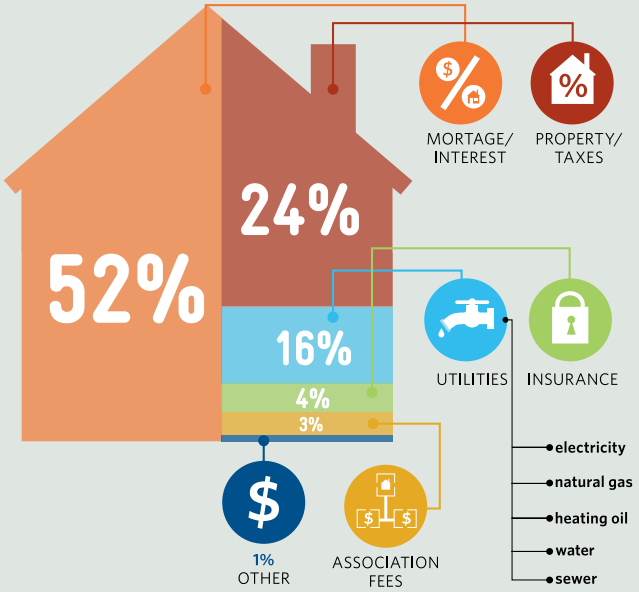
Over the last decade, rapidly rising property values accelerated far faster than incomes in the U.S., increasing the number of cost-burdened households. Since the recession, affordability issues have persisted despite declines in home values and mortgage rates due in part to declining incomes, slow employment growth, and stringent credit requirements.[2] As more households became renters, supply did not initially keep pace with the sudden spike in demand. Harvard University indicates that currently more than 10 percent of owners and 25 percent of renters in the U.S. pay more than 50 percent of their income on housing costs.[3]

In St. Charles, housing affordability for both renters and owners mirrors regional and national trends of decreasing affordability over the past eleven years. More than half of renters in the seven-county CMAP region currently pay over 30 percent of their income on gross rent, while about 42 percent of St. Charles renters are similarly cost burdened (see Figure 3). Many St. Charles renters burdened by housing costs are lower-income. Analysis by Harvard University found that "according to the latest Consumer Expenditure Survey, severely burdened families in the bottom expenditure quartile (a proxy for low incomes) spend a third less on food, half as much on pensions and retirement, half as much on clothes, and three-quarters less on healthcare as families paying affordable shares of their incomes for housing."[4]

Like within the greater CMAP region, fewer owners in St. Charles pay over 30 percent of their income on housing costs than renters (see Figure 4). Currently 35 percent of St. Charles owners are cost-burdened, compared to the region's average of 39 percent. Future sections of this report will look at those income groups among owners and renters that are most burdened by housing costs.

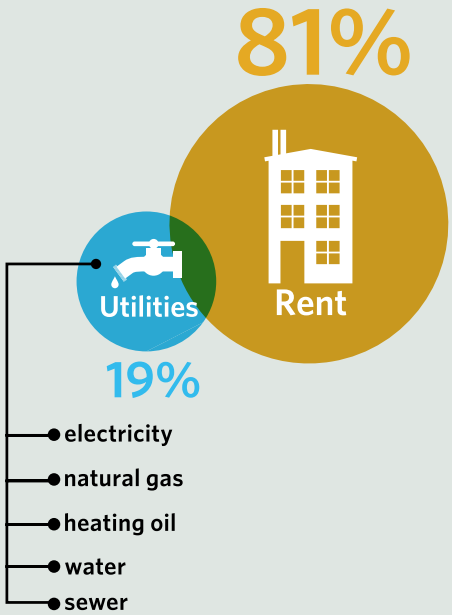
What is included in monthly owner costs?

Average monthly costs for renters in Chicago metropolitan area, 2009



What is included in gross rent?

Average monthly costs for renters in Chicago metropolitan area, 2009



Source: Chicago Metropolitan Agency for Planning analysis of the 2009 American Housing Survey (AHS).

The 2009 AHS data includes Cook, DuPage, Grundy, Kane, Kendall, Lake, McHenry, and Will Counties in the metropolitan area.

2. Joint Center for Housing Studies. *State of the Nation's Housing 2012*. (June, 2012). Harvard University.
3. Joint Center for Housing Studies. *State of the Nation's Housing 2013*. (June, 2013). Harvard University.
4. Ibid.

Utilities and Affordability

Utility costs contribute to gross housing costs and can therefore increase or decrease the number of cost-burdened households in a community. The Kane County 2040 Energy Plan provides 2008 data on energy use in Kane County's municipalities, including St. Charles. For this report, we will focus on residential energy use by St. Charles' households compared to Kane County as a whole.

Table 2 highlights residential electricity and natural gas usage in St. Charles and Kane County in 2008. At that time, the average St. Charles household spent $91 less during the course of the year on energy costs than the average Kane County household, or $7.58 less per month. The City of St. Charles operates as an electric utility, providing electric services to residential and business customers on a not-for-profit basis. Implementing energy efficient design as part of rehabilitation and new construction in the coming years can further reduce local energy costs and help decrease the number of cost-burdened households.

Table 2. Residential energy use in St. Charles and Kane County

	ST. CHARLES	KANE COUNTY
Average electricity use per household	10,053 kWh	10,324 kWh
Average annual $ for electricity per household*	$1,163	$1,191
Average natural gas use per household	1,451 Therms	1,518 Therms
Average annual $ for natural gas per household*	$1,473	$1,536
Average annual energy costs	$2,636	$2,727

*Calculated using average residential sales per kilowatt hour (kWh) (Illinois Commerce Commission Utility Sales Statistics, 2007).

Source: Kane County 2040 Energy Plan.

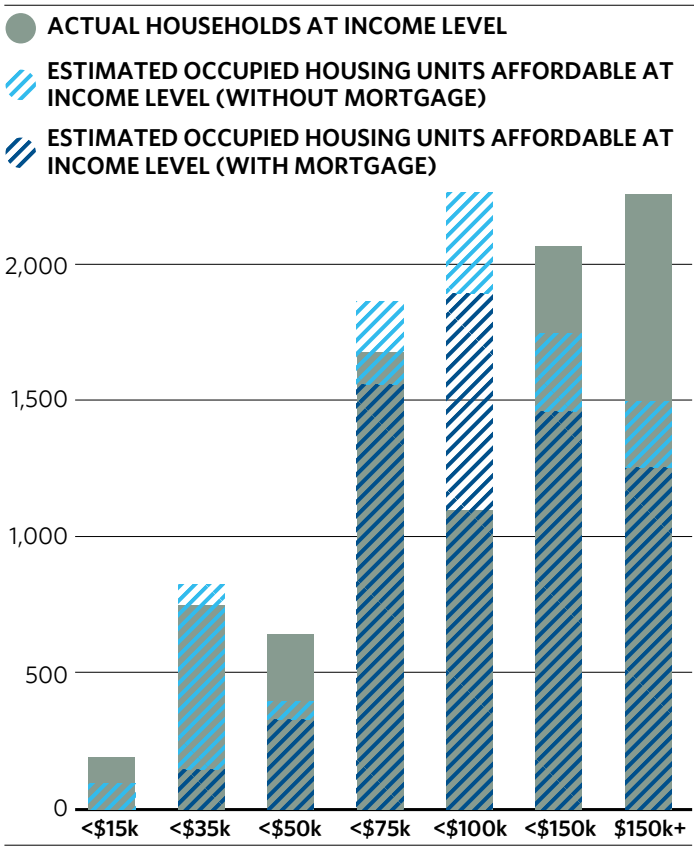
Current Ownership Housing Market

St. Charles currently has a surplus in supply of housing units affordable to middle-income homeowners with household incomes between $50,000 and $100,000 (see Figure 5). However, shortages of housing units affordable to families with incomes under $50,000 is contributing to the 35 percent of St. Charles homeowners that are cost-burdened.

At the higher end of the income spectrum, there is an undersupply of housing units that would require households with incomes over $100,000 to pay at least 30 percent of their income. This means families that could afford a more expensive mortgage are purchasing housing well under their price range, decreasing affordable buying opportunities for middle-income families.

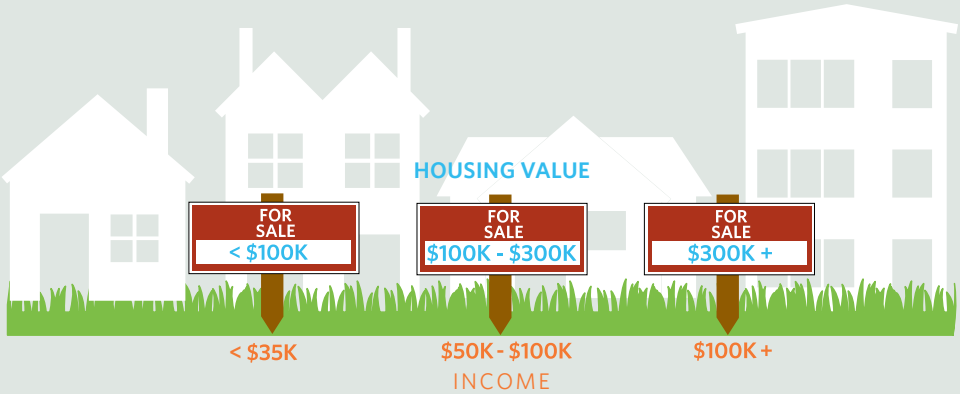
The average household in the region spent 52 percent of monthly homeownership costs on mortgage and interest payments in 2009. This means that housing affordability is greatly impacted on whether or not a home is mortgaged. In St. Charles, ownership units affordable to households earning less than $35,000 are typically not mortgaged. Owners who do not carry a mortgage usually pay less in total monthly housing costs. Most local owner units affordable to households earning less than $35,000 per year are occupied by seniors, while the working age population typically occupies units affordable to households earning more than $35,000 per year. As these un-mortgaged units are sold, many will no longer be affordable to low- and moderate-income households.

Figure 5. St. Charles comparison of owner household incomes with occupied units affordable at each income level



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 inputs.

Translating incomes into housing values



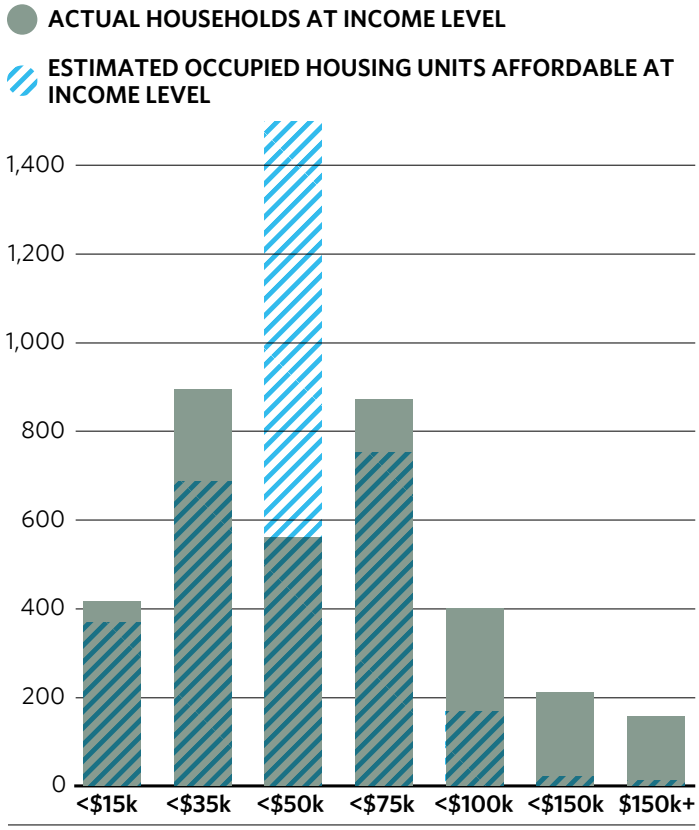
With so many factors influencing what home a household can afford to purchase (housing cost, income, downpayment, credit score, etc.), it can be difficult to figure out how the seven income groups analyzed in the Homes for a Changing Region report correspond to local housing values. A long-standing rule of thumb has been that households should buy units valued at no more than three times their annual income. Using this rough standard, these home values are generally affordable at each of the associated income levels.

Source: Chicago Metropolitan Agency for Planning.

Current Rental Housing Market

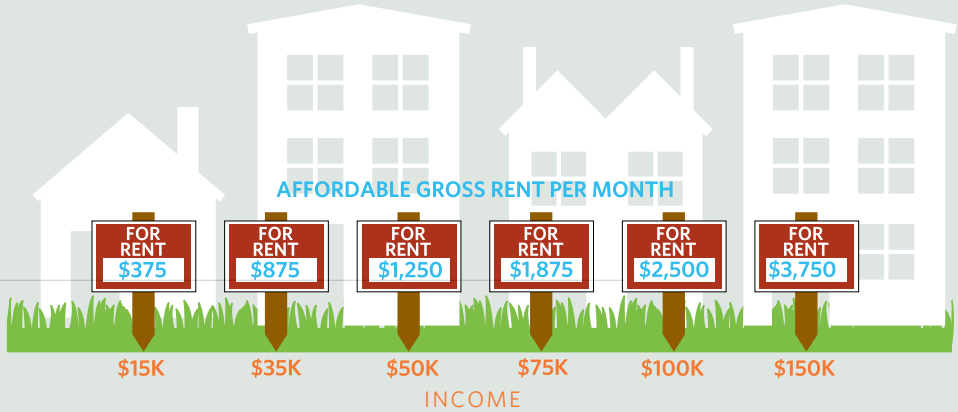
St. Charles' rental market currently provides a plethora of units affordable to households earning between $35,000 and $50,000 (see Figure 6). A shortage of affordable units for families whose incomes are under $35,000 exists. It is likely that these lower income families are living in more expensive units and paying more than 30 percent of their incomes on housing.

Figure 6. St. Charles comparison of rental household incomes with occupied units affordable at each income level



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 inputs.

Translating incomes into rents



Applying the previously discussed concept that households should spend no more than 30 percent of income on housing costs, these gross rents are generally affordable at each of the associated income levels.

Source: Chicago Metropolitan Agency for Planning.

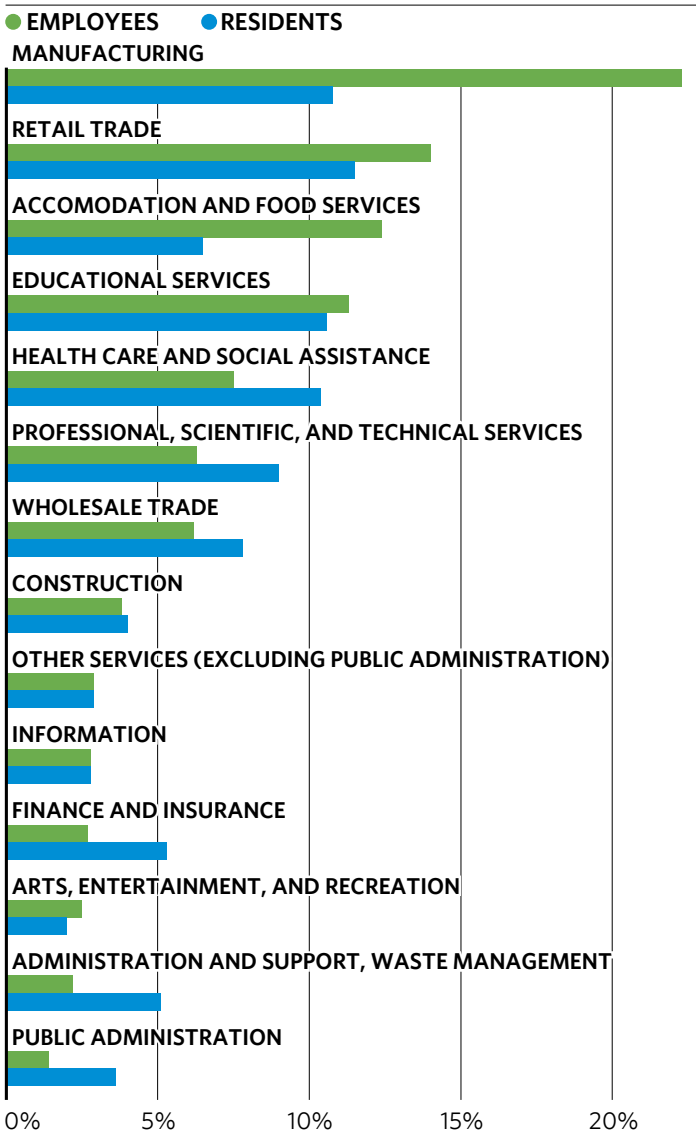
Jobs, Transportation, and Housing

St. Charles offers a mix of single-family, townhome, and multifamily units, as well as a large number of jobs. People working in St. Charles represent built-in demand for housing. There are currently more jobs in the community (20,686) than households (12,201), meaning there are nearly two jobs per household in St. Charles. This may be one reason why St. Charles has been and continues to be an attractive place for households to locate. However, data show that most people employed in St. Charles live elsewhere, and most residents of St. Charles work elsewhere. If a housing unit is located farther away from jobs, the typical occupant will need to spend more time and money on commuting, leave less money for housing and other expenses. This section explores how the local job base impacts the St. Charles housing market.

Jobs

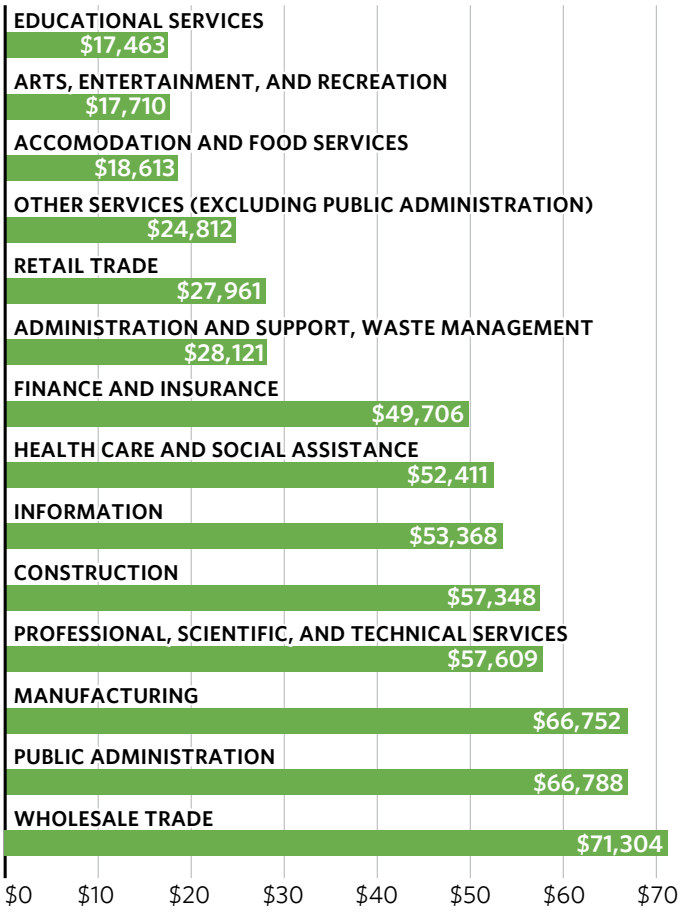
St. Charles offers a large, diverse employment base. Manufacturing, retail trade, and accommodation and food services make up the three largest local industries (see Figure 7), contributing to the total of 20,686 jobs provided in St. Charles. Residents tend to be employed across a wider range of industries, the largest being retail trade, followed by manufacturing and educational services. Figure 8 on the following page shows the average earnings in the four-community subregion for the industries in which most residents or employees work. Local employment opportunities include a mixture of lower earning occupations like retail trade and accommodation and food services and better paying industries like manufacturing and health care. Existing gaps between local employment and residents' employment illustrate the opportunity to have more local residents employed within St. Charles, and more local employees living in the community.

Figure 7. Industries of St. Charles residents and employees, 2011



Source: U.S. Census Bureau, Local Employment Dynamics, On-the-Map data.

Figure 8. St. Charles subregion* earnings,
scale in thousands of dollars



*Subregion includes the following ZIP Codes: 60134, 60174, 60175, 60510, and 60542.

**According to EMSI, the reported earnings include hourly wages, employer contributions for employee pensions and insurance funds, and employer contributions for government social insurance.

Source: Economic Modeling Specialists International (EMSI).

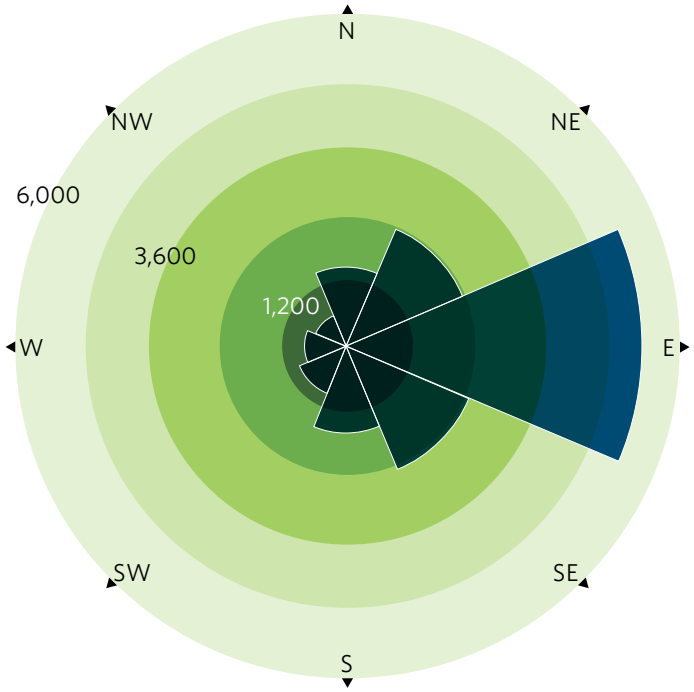
Transportation

The fact that a majority of people employed in St. Charles live elsewhere (87 percent) and a majority of St. Charles' working residents work elsewhere (84 percent) means that most local employees and residents commute to work, sometimes long distances (see Figures 9 and 10). This commute adds transportation costs on top of housing costs, increasing housing unaffordability for some households. Residents working outside of St. Charles predominately commute to the east, including a large portion in DuPage County and Chicago (see Figure 9). Local employees are drawn from a wider range of locations. Employees commute in nearly equally from all directions, and a large portion (28 percent) commute from outside of Kane, Cook, and DuPage Counties (see Figure 9). Less expensive housing options available in areas further out may be one reason for this pattern.

Research by Reid Ewing and others in the *Journal of Urban Planning and Development* has shown that the biggest factor in reducing vehicle miles traveled, a major driver of transportation costs, comes from "putting offices, shops, restaurants, residences, and other codependent activities in close proximity to each other."[5] The existing mixture of land uses within St. Charles create the interactions that allow those living and working in the city to drive relatively little to meet their daily needs. However, the fact that so many local employees chose not to, or are not able to, live where they work points to the opportunity for pursuing strategies to incorporate more housing in the city that is attainable to the local workforce, therefore reducing vehicle miles traveled and promoting housing affordability.

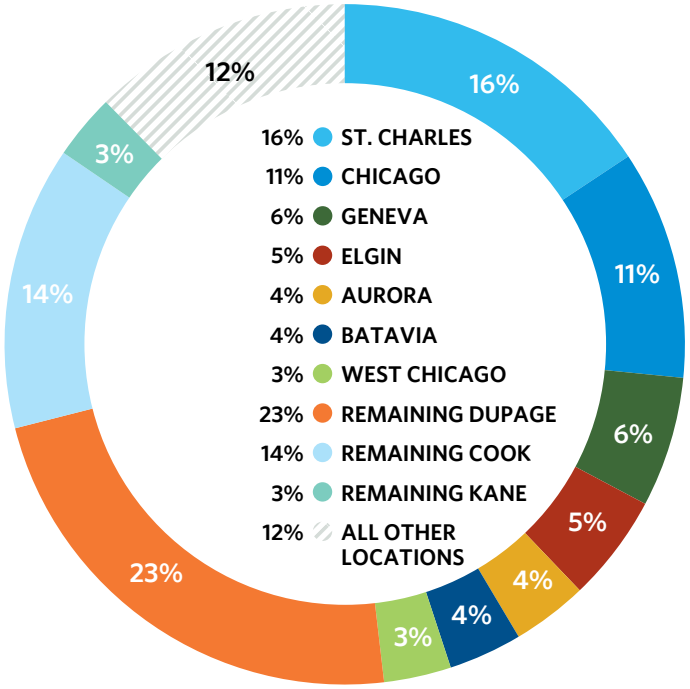
5. ASCE. "Traffic Generated by Mixed-Use Developments - Six-Region Study Using Consistent Built Environmental Measures." *Journal of Urban Planning*, October 2010.

Figure 9a. Where St. Charles residents work
Job counts by distance/direction in 2011, all workers



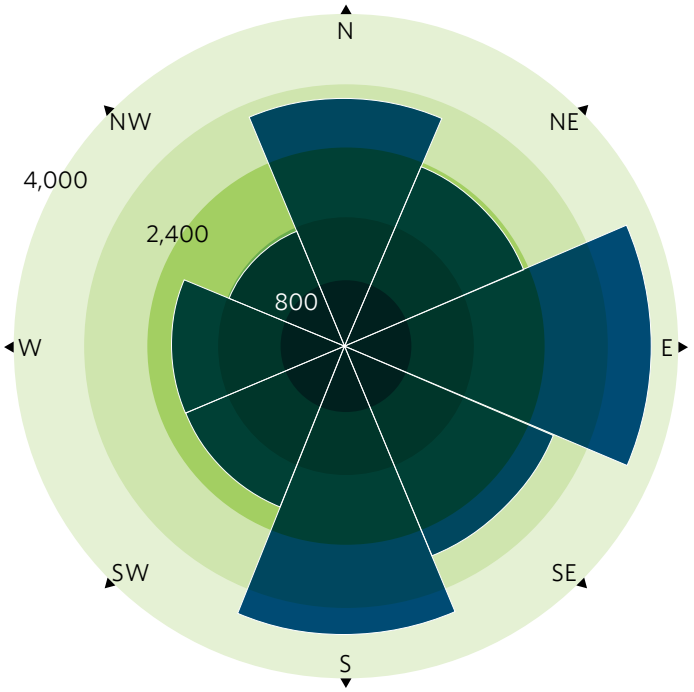
Source: U.S. Census Bureau, Local Economic Dynamics, On-the-Map data.

Figure 9b. Where St. Charles residents work, 2011



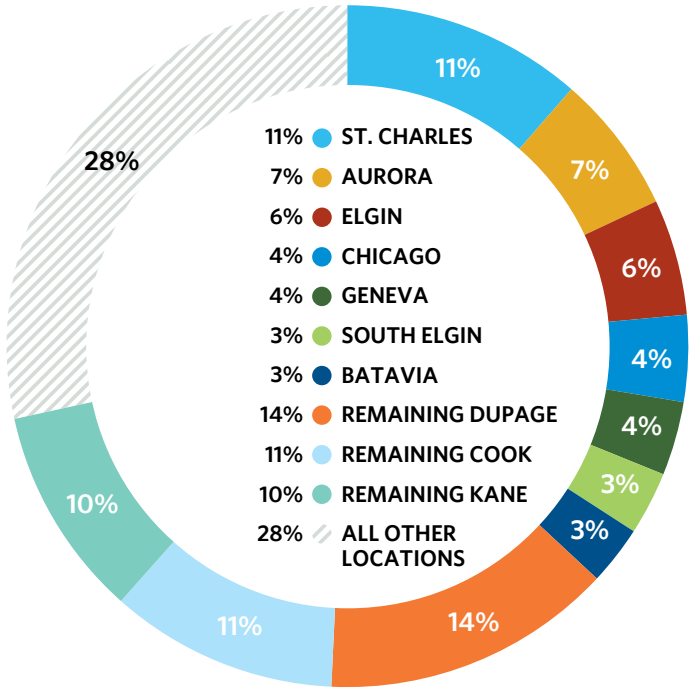
Source: U.S. Census Bureau, Local Economic Dynamics, On-the-Map data.

Figure 10a. Where St. Charles workers live
Job counts by distance/direction in 2011, all workers



Source: U.S. Census Bureau, Local Economic Dynamics, On-the-Map data.

Figure 10b. Where St. Charles workers live, 2011



Source: U.S. Census Bureau, Local Economic Dynamics, On-the-Map data.

Projected Future Housing Needs

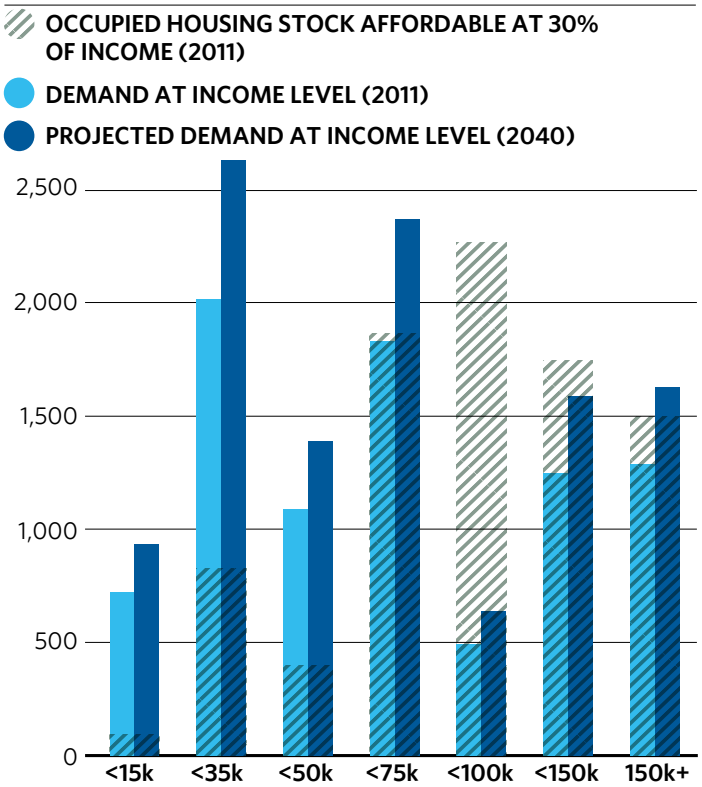
Proactive housing planning needs to take into account those who might live in the community in the future. Blending together U.S. Census data, CMAP's local household and population projections for the year 2040 and national future housing preferences, some realistic estimates can be made of who will want to live in the city over the next 30 years. What types of housing would be necessary to meet the needs of current and future residents?

Future Ownership Needs

Demand for owner-occupied housing in St. Charles is expected to increase across income levels out to 2040 (see Figure 11). St. Charles will have a shortage of owner-occupied housing units affordable to families with incomes below $75,000, while a surplus of affordable units for families with incomes between $75,000 and $150,000 is expected. Projected shortfalls in supply for low-, moderate-, and middle-income households could further increase the number of cost-burdened owners, as buyers attempt to purchase the surplus of homes affordable to middle- and upper-income households. For households earning less than $35,000, the financial realities of property acquisition, construction costs, and financing make development very difficult. In total, approximately 2,500 additional ownership housing units would be required to meet the growth in demand out to 2040.

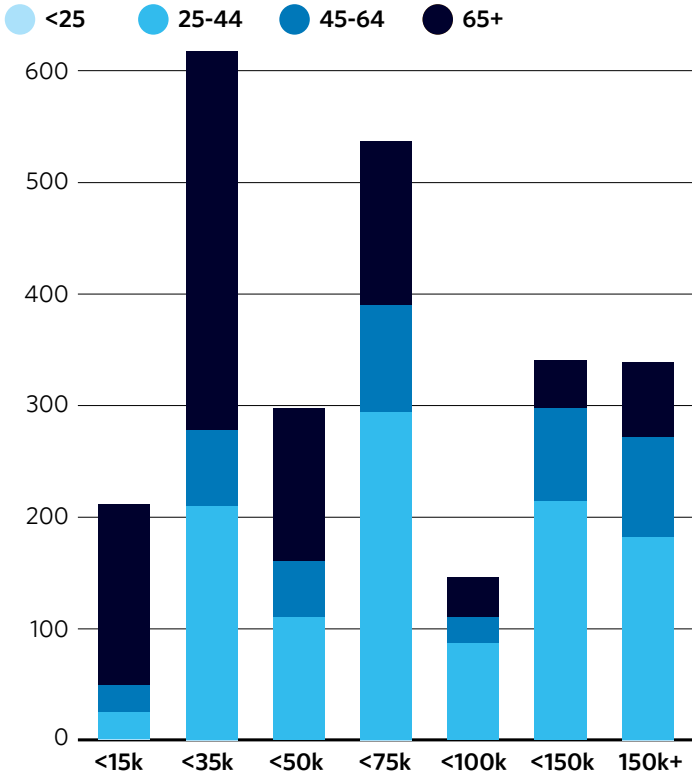
Across income levels, seniors (age 65+) are expected to drive a significant portion of future demand, particularly at the lower income levels (see Figure 12). This growth signifies the importance of new senior-oriented development in the city, as well as resources for seniors to comfortably age in place. Younger adults (ages 25-44) will drive much of the growth in demand at the middle to upper income levels, signifying that the community will continue to attract households with families.

Figure 11. St. Charles 2011 households and housing stock compared with 2040 owner demand



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Figure 12. St. Charles 2011-40 change in owner demand by age and income

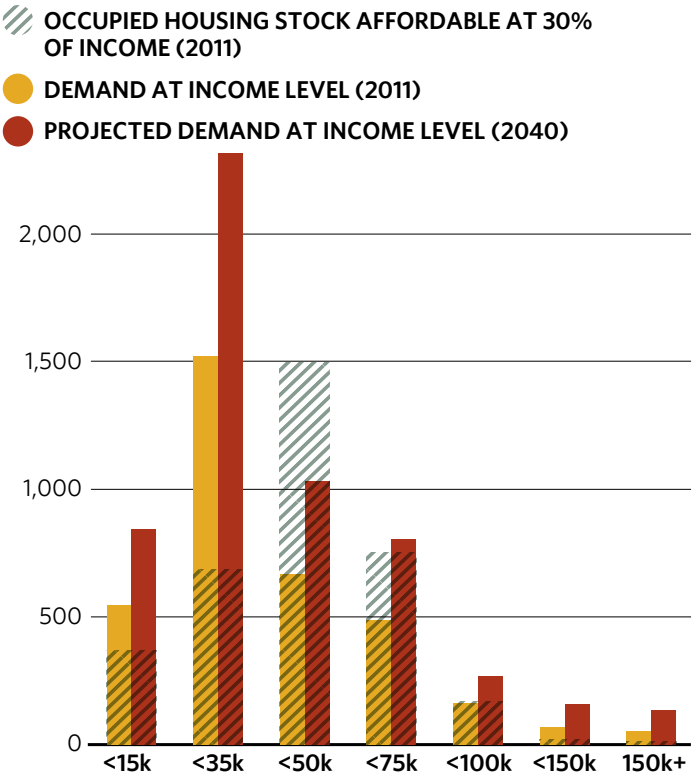


Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Future Rental Needs

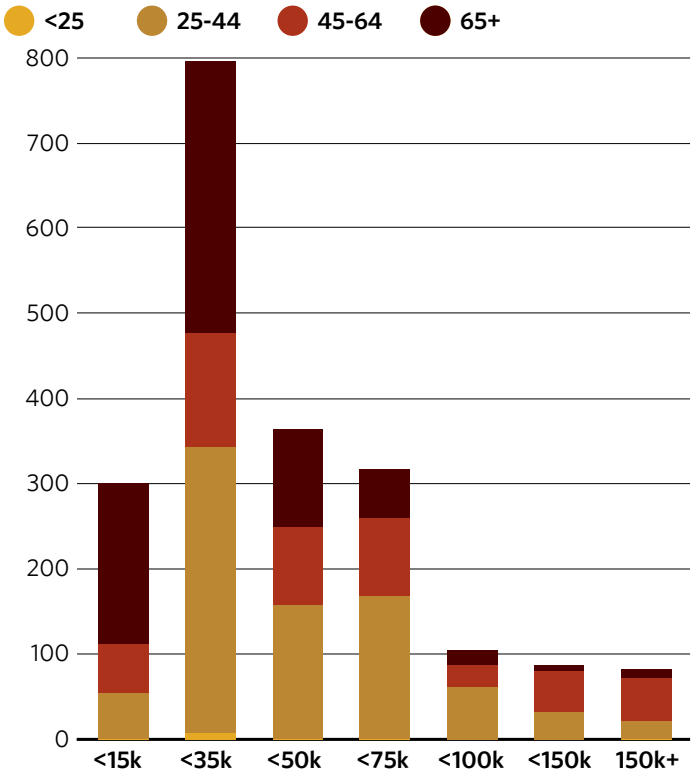
Like for ownership housing, rental housing demand is expected to grow for all income levels (see Figure 13). The most growth will be for rentals affordable to lower-income households with incomes between $15,000 and $35,000. A shortage of supply for housing affordable for that income range is anticipated, as well as for all incomes other than those falling between $35,000 and $50,000. Much like with owners, the age groups driving the growth in demand will be predominantly seniors and younger adults (see Figure 14). Accommodating this growth would require approximately 2,000 additional units in St. Charles. Without the development of additional housing for low-income renters, the number of cost-burdened renters has the potential to increase further.

Figure 13. St. Charles 2011 households and housing stock compared with 2040 renter demand



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Figure 14. St. Charles 2011-40 change in renter demand by age and income



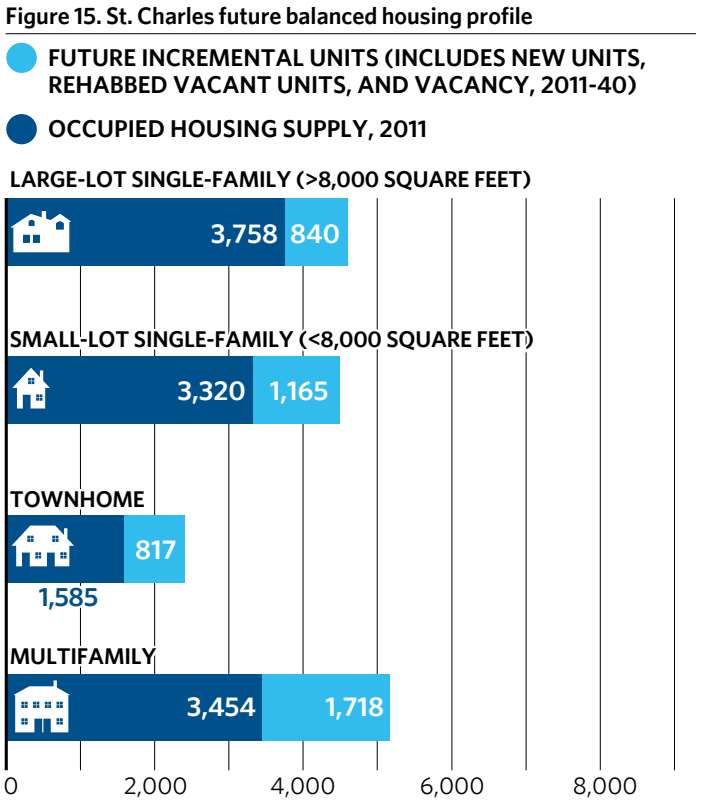
Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Housing Demand by Type of Unit

Based on the breakdown of projected future owners and renters in St. Charles along with national estimates of future demand for four broad housing types (large- and small-lot, single-family, townhome, multifamily), a forecast of demand for additional housing units in 2040 arises. This "balanced housing profile" shows demand for 4,540 additional units between now and 2040 (see Figure 15).[6]

Much of these additional units will be for denser unit types, influenced by strong senior demand (1,640 of the 4,540 additional units), and by changing housing preferences. By unit type, there will be demand for 840 large-lot single-family homes, 1,165 small-lot single-family homes, 817 townhomes, and 1,718 multifamily units between now and 2040.

Figure 15. St. Charles future balanced housing profile



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

6. Note that this figure is higher than the projected increase in households between 2011 and 2040 (3,231) because of the inclusion of potential future vacant units. See the Appendix for more information about the methodology.

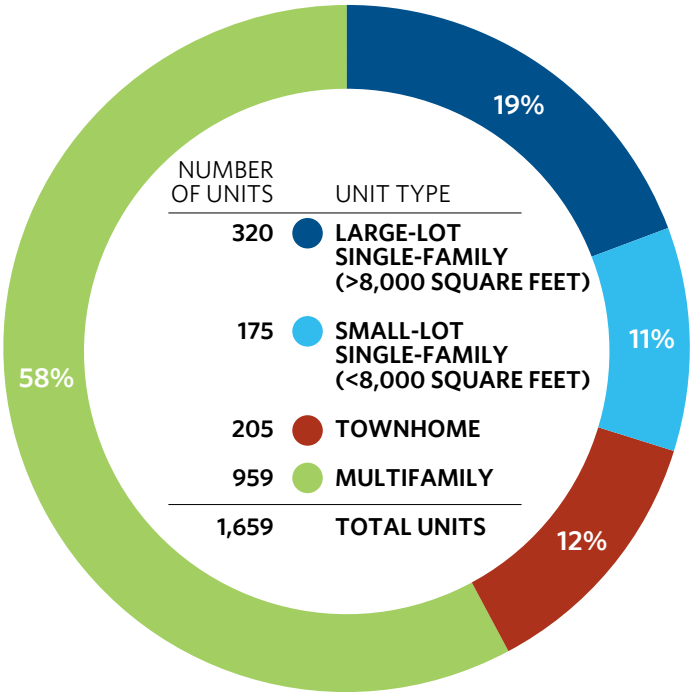
Capacity for Growth

Forecasted population and household growth is only one half of the equation when considering future housing needs. To plan for future households and housing, it is imperative to consider St. Charles' capacity to add additional units. To understand the City's ability of accommodate projected growth, two key sources of capacity were reviewed: development/redevelopment and vacancy.[7]

Development/Redevelopment Analysis

The development/redevelopment analysis considers how St. Charles could grow over the next 30 years based on current land use regulations, development approvals, and key development sites. Kane County and City staff calculated the total square footage of vacant and redevelopable land in the City by reviewing Kane County Assessor data. After that, the City's current zoning and development standards were applied to those figures to calculate how many units could be built, given the amount of vacant and redevelopable land within the various zoning districts. While this analysis did not include the capacity to develop land in the City's planning area that could be later annexed, City staff identified between 53 and 103 undeveloped acres adjacent to the City's current boundary that could be annexed in the short term.

Figure 16. St. Charles maximum capacity by unit type



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of the North Aurora zoning ordinance and Kane County assessor data.

7. See the Appendix for more information about the methodology.

Based on this analysis, St. Charles has the capacity to add approximately 1,659 additional dwelling units (see Figure 16). Should the City decide to plan for the estimated increase in its population possible by 2040, this would account for 36 percent of the 4,540 additional units needed to meet demand. By unit type, maximum capacity would not be sufficient to meet the increase in demand for any of the four housing types.

Table 3. St. Charles maximum capacity by unit type with existing zoning in place

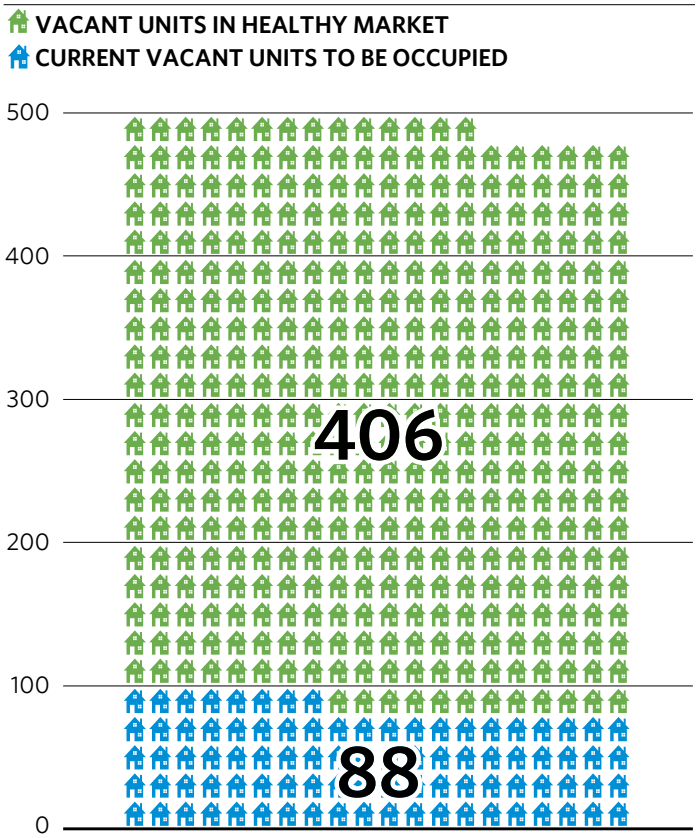
TYPE	UNITS
Large-lot single-family (>8,000 square feet)	320
Small-lot single-family (<8,000 square feet)	175
Townhome	205
Multifamily	959
TOTAL	1,659

Source: Chicago Metropolitan Agency for Planning analysis of the St. Charles zoning ordinance and Kane County assessor data.

Vacancy Analysis

Because of the current housing market, many homes now vacant may not be in the future, allowing people to move in without building new units. According to 2007-11 American Community Survey (ACS) estimates, St. Charles has approximately 494 vacant units, making up about 3.9 percent of the City's housing stock. Normal long-term vacancy rates for a strong community are 7.4 percent among rental units and 1.5 percent among owner-occupied units.[8] Given the number of local owner and rental units and a healthy housing market, the City should only have approximately 406 vacant units, a vacancy rate of approximately 3.2 percent. Therefore, 88 currently vacant units could be occupied in the future as St. Charles grows and the market stabilizes (see Figure 17). This capacity would allow the City to accommodate a small share of projected growth (about 2 percent).

Figure 17. St. Charles breakdown of current vacant units



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of American Community Survey 2007-11.

8. Belsky, E., Bogardus Drew, R., McCue, D., *Projecting the Underlying Demand for New Housing Units: Inferences from the Past, Assumptions about the Future.* (November, 2007). Joint Center for Housing Studies, Harvard University. http://tinyurl.com/mlwyddq.

Urban Design Focus Area

In November 2013, the Homes for a Changing Region team conducted a community workshop in St. Charles where residents, community leaders, officials, and others shared their views on five sites that make up the focus area selected by the City (see Figure 18). These five sites are located on and near Randall Road in St. Charles and present the opportunity to incorporate residential uses along the commercial-dominated corridor. The sites include the vacant former St. Charles Mall site, a commercial area, an apartment complex, acreage currently used for agriculture, and a large vacant area that includes parking for the Kane County Fairgrounds.

Figure 18. St. Charles urban design focus area

Source: Kane County.

Figure 19. Charles urban design focus area visualization 1

Source: Solomon Cordwell Buenz.

Figure 20. Charles urban design focus area visualization 2

Source: Solomon Cordwell Buenz.

Figure 21. Charles urban design focus area visualization 3

Source: Solomon Cordwell Buenz.

At the workshop, stakeholders discussed a number of development options for the five areas. A mixture of uses was identified for most sites, incorporating single and multifamily housing, large- and small-scale commercial uses, and a multitude of amenities like bike paths, community gardens, and parks, as well as the use of landscape buffering between adjacent uses.

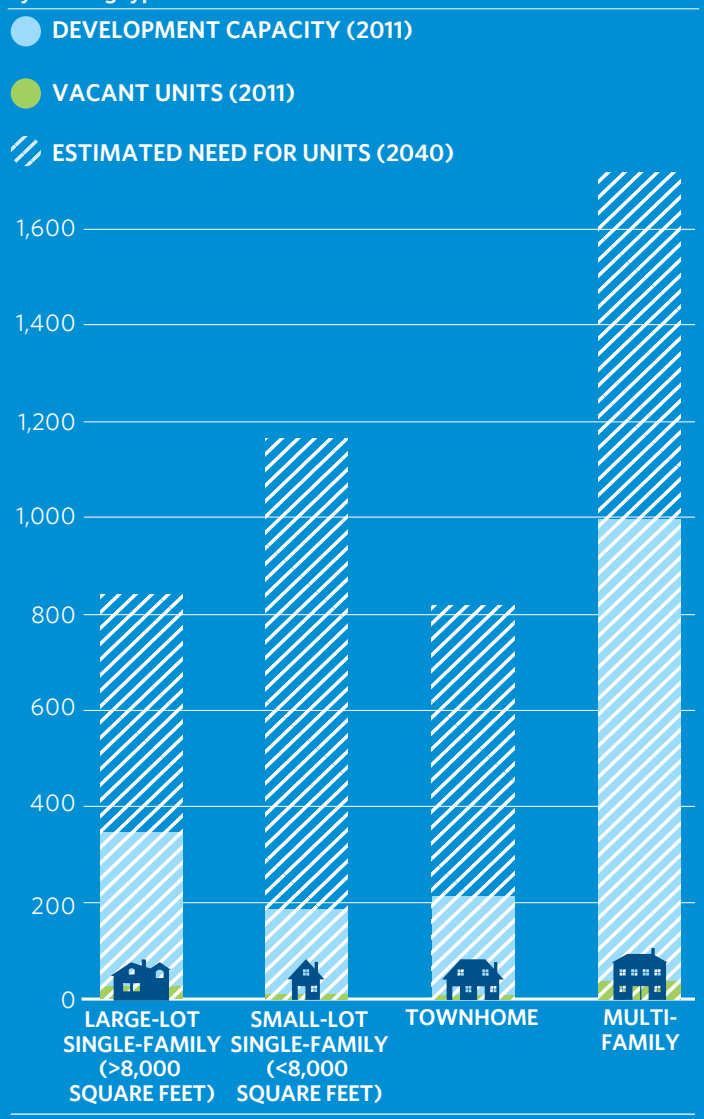
Based on this feedback, a potential development layout was created which incorporates a variety of uses on the focus area sites while adding significantly to the City's housing stock (see Figures 19-21). The following image shows potential mixed-use development layouts on each of the five sites. Single-family and/or multifamily residential uses are incorporated on each site, with landscape buffering between the residential uses and mixed-use/commercial structures fronting Route 38, where applicable.

Conclusions & Recommendations

Taking into account the capacity available through development, redevelopment, and vacancy, demand for future housing will outstrip available capacity for new housing construction by roughly 2,800 units (see Figure 22). Available capacity will not be sufficient to meet demand for any of the housing types, though the greatest gap is expected for small-lot single-family homes, followed by multifamily units. While forecasts predict continued unmet demand for large lot single family housing, St. Charles is a mature community. It will be near impossible to meet this demand without significant annexation. Can this demand be met through the development of other products? What will be the impact on existing large-lot home prices?

Decisions regarding whether to grow by annexation or redevelopment will have the biggest impact on the City's current housing market. Regardless of the route chosen, maintaining existing units and fostering an open housing market will be very important. The following policy recommendations will help the City meet the housing needs of its current and future residents.

Figure 22. St. Charles demand vs. vacancy and capacity, by housing type



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model, Kane County Property Assessor data, and U.S. Census Bureau inputs.

Recommended Housing Strategies

1. Consider zoning and rezoning redevelopable and newly annexed land to accommodate current and future housing demand.

St. Charles staff and *Homes* data have identified multiple parcels that may be suitable for annexation and redevelopment within the City's planning area. These areas present the opportunity for the development of diverse housing types within and directly adjacent to the city's current boundary. City staff has identified up to 103 acres that could be annexed in the short-term. This acreage is immediately adjacent to St. Charles' existing municipal boundary and is within the city's planning area.

Additionally, the *Homes* capacity analysis identified 98 acres of currently redevelopable land within the City's incorporated area. Data indicates that there is, and will continue to be, high demand for a variety of housing types in the city, affordable to a range of incomes. The most significant unmet demand is expected for multifamily units, including mixed-use development, and for small-lot, single-family units. The zoning of any newly annexed land and the rezoning of redevelopable parcels can help accommodate anticipated gaps in the city's housing supply.

2. Consider options to increase residential density in downtown St. Charles through context and design-sensitive development.

The City of St. Charles should consider zoning code amendments and policies to encourage increased residential density in the downtown. The existing downtown infrastructure, including retail stores, services, entertainment destinations, restaurants, jobs, and mobility options, makes the downtown area an ideal location to increase population density. Increasing the downtown population would also result in more foot traffic to support downtown businesses. Through the First Street Redevelopment Planned Unit Development, progress has been made to add housing to the downtown area. This has resulted in the construction of new apartment and townhome units, with subsequent phases anticipated to add more housing. Additional policies to encourage downtown residential development will expand on this success.

Methods to consider include creating a downtown building height overlay district, reducing parking standards, and amending per unit area requirements. Special attention should be given to architectural and public space design.

- A downtown building height overlay district could cover all or parts of the CBD-1 (Central Business District) and CBD-2 zoning districts, as deemed appropriate, without impairing important sightlines and harming the historic character of the downtown. Currently, the highest permitted multifamily structures in the downtown area are five stories. Allowing for the development of slightly taller buildings would decrease the price per unit for the developer, resulting in the provision of lower cost multifamily units, the demand for which data show is currently unmet and is expected to grow in the future. Increasing the height of downtown St. Charles would create the potential for increased mixed use development, including restaurants and entertainment, and multifamily housing, which appeals to the younger population the City wishes to attract. The City of Batavia has adopted a building height overlay district in their downtown and can be used as a resource.
- The City should also consider examining its parking standards for residential development in the CBD-1 and CBD-2 zoning districts to determine whether the existing standards could be revised to meet parking demand while avoiding unnecessary costs to developers, which in turn increases per-unit prices to renters and owners. CMAP has developed "Parking Strategies to Support Livable Communities," a toolkit to help communities address their parking concerns, which may be a good starting point for exploring changes to parking requirements. The City may consider applying to CMAP for completion of a parking study. This study would help the City analyze the existing zoning code and determine the ideal parking requirements for the downtown area.
- The City should explore options for reducing the lot size requirements for residential units in the CBD-1 and CBD-2 zoning districts in order to provide new opportunities for higher density residential development. The lot size requirement for the CBD-1 district, 1,000 sq. ft. per residential unit, results in a maximum density of 43 units per acre. For the CBD-2 district, 2,200 sq. ft. per residential unit is required, for a maximum density of 19 units per acre. Reducing the per unit lot size requirements would allow for increased residential density, create new opportunities for adding residential units, encourage the adaptive reuse of existing buildings, and would help developers to reduce per-unit costs, dropping the unit price or rent for consumers.
- While encouraging new downtown residential and mixed-use development, the City should ensure the architecture of new structures is compatible with the historic character of the downtown, taking cues from architectural elements present among the City's iconic downtown buildings. While architectural design itself is important, elements of surrounding public spaces should be given special consideration. This includes supporting open space, particularly along and connecting to the riverfront, and sidewalk width able to accommodate outdoor café seating, inviting benches, and increased foot traffic and street life. Through good urban design that creates a "living room" of sorts for residents and patrons of downtown, the area will become a more attractive place to live, work, play, and invest.

3. Explore options for employer-assisted housing programs.

The City should educate St. Charles employers about opportunities for employer-assisted housing (EAH). Through EAH, companies provide financial counseling and assistance to their employees to purchase or rent homes in close proximity to where they work. In St. Charles, where demand for housing affordable to moderate-income households exceeds supply, and where many of the jobs provided in the community pay moderate wages, EAH benefits could help those working in St. Charles to obtain affordable housing within the community.

EAH not only benefits employees; employers benefit, as employers can attest to lower turnover rates and increased success in recruitment, while communities reap the benefits of the subsequent investment made by homebuyers. An additional employer benefit is the significant reductions in employee travel times to work, creating a workforce that is more invested in their workplace and the communities in which they now live (which are typically the communities that the employers sought to impact in the first place).

St. Charles has a strong base of manufacturing jobs, with 4,613 (22.3 percent) of jobs provided in St. Charles in the manufacturing sector, as well as a large percentage of jobs in educational services (2,331; 11.3 percent). Employers working in these sectors generally earn modest incomes, and may have difficulty finding attainable housing within St. Charles. EAH can help bridge the housing affordability gap faced by this sector.

Metropolitan Planning Council (MPC) recommends that employers connect with nonprofit housing counselors to assist in starting and managing EAH programs. MPC is currently developing an EAH guide that the City could reference to administer the program.

4. Incorporate attainable workforce housing along major transportation corridors.

St. Charles should consider residential uses as a component of redevelopment projects along primary transportation corridors within the city. Developers should be encouraged to utilize the density bonus provisions established in Chapter 17.18 “Inclusionary Housing” for providing affordable housing units, as well as Kane County’s Transportation Impact Fee Discount Program for dense housing constructed near Pace bus stops within St. Charles’ city limits. Along the Randall Road corridor in particular, the inclusion of residential uses is consistent with Kane County’s Randall/Orchard Corridor Bus Rapid Transit (BRT) Feasibility Study that shows the need for housing developments on transit routes to reduce traffic congestion and provide affordability for residents through decreased transportation costs. St. Charles should also consider recommendations from the forthcoming joint CMAP/Kane County Primary Transit Network Study. Long-term plans for BRT on Randall Road will lead to increased pressure for residential development along the corridor.

5. Encourage housing options for seniors.

St. Charles understands the need to provide senior housing options in the community. A variety of senior housing options currently exist in the City, such as Hunt Club Village, Carriage Oaks, and Carol Towers independent living apartments, as well as Delnor Glen which offers independent living townhomes, memory care, and assisted living. Given the projected increases in the local senior population out to the year 2040, the City should continue to support senior housing developments, including continuum of care facilities. These facilities offer a range of housing types and services for seniors depending on need. The City should continue to encourage a mix of senior housing options through the following efforts:

- Actively seek to attract senior housing development, particularly a continuum of care facility, by working to market St. Charles as an attractive location for senior development and forming relationships with potential developers. Special consideration should be given to affordable senior housing/continuum of care developments.
- Consider creating an incentive package to attract the type of senior housing the City desires. Incentives could include density bonuses, reduced permitting fees, and reduced parking requirements.
- The City should work with the Central Fox Valley subregion to develop “aging in place” information for residents, which would identify important modifications needed to improve accessibility, eliminate barriers, and create safer spaces for seniors who wish to remain in their current home.

6. Reexamine options for establishing a residential rental licensing and inspection program

The City in the past has considered creating a residential rental licensing and inspection program to ensure rental units comply with housing standards and City ordinances and to enable the enforcement of such standards

St. Charles should revisit this concept in the future to ensure that all rental housing in the City is safe for occupants and well-maintained so as to protect the long term viability of the unit as well as surrounding property values.

7. Reaffirm the City's commitment to be an open community.

A key component for any community seeking to maintain an efficient and effective housing market is ensuring that local housing and service providers show openness to current and future residents of all backgrounds. The following strategies outline ways St. Charles can continue fostering openness throughout the City.

The St. Charles website provides information to new and existing residents about services available in the City, including information on local, county, and state resources. The City's website does not appear to currently provide information about how residents can file complaints about housing discrimination. St. Charles should provide such contact information on its website. Moreover, the City should ensure that all of the service information reflects its commitment to openness by including a statement of welcome for people of all backgrounds. The City should also consider installing a translation widget like Google Translate to its website to provide a variety of language options in which City materials can be viewed. City materials should also be accessible to persons with disabilities, including those with sight or hearing impairments.

Care should be taken to make sure that multifamily housing meets both the design standards of the Illinois Accessibility Code (IAC) and the Fair Housing Act. Statewide, the IAC requires that new residential housing be accessible to persons with disabilities. Under the IAC, prior to issuing permits, municipalities must evaluate whether the designs comply with the IAC. However, municipalities are not obligated to assess whether the plans comply with the federal Fair Housing Act under the IAC. The federal law requires that multifamily housing with four or more units include basic attributes of accessibility (e.g., accessible entrances, accessible routes, accessible kitchens and bathrooms, and accessible common areas).

The City should make a concerted effort to actively partner with non-profit organizations that assist lower-income individuals and households obtain, retain, and maintain housing in the community. Partnerships with organizations serving St. Charles, including Habitat for Humanity of Northern Fox Valley, Mercy Housing, Lazarus House, and Community Contacts, Inc. should be pursued and supported.

Appendix

Approach and Methodology

The analysis in this report is based, in part, on a model that helps project future housing needs in studied communities. The *Homes* model is part of a suite of open source regional planning tools (*Envision Tomorrow*) created by Fregonese Associates, a consulting firm based in Portland, Oregon.[1] As described by Fregonese Associates, the model "is a tool that leverages demographic data and the power of scenarios to estimate a community's future housing needs." Since becoming involved in the project in 2010, CMAP has made modifications to the open source version, in particular the addition of CMAP's population and household growth projections. This technical appendix provides an overview of the three analytical components of the model used in this report to determine housing needs for the four communities individually and combined: a housing needs analysis, a capacity analysis, and a future housing type analysis.

1. See http://www.frego.com/services/envision-tomorrow/.

Housing Analysis

Housing needs are driven by a combination of current housing choices and projected future demographic trends. In many areas around the country, housing planning builds future recommendations off existing housing needs, simply extrapolating current conditions into the future. This process often fails to address larger population and household dynamics (and by extension the true housing "needs") not immediately obvious from a review of the most recent Census tables.

The model's approach was based on research showing that two variables — age of head of household (Age=A) and household income (Income=I) — demonstrated significantly stronger correlation with housing tenure than other variables, including household size. Fregonese Associates selected these two variables as the primary demographic components of the model. As expected, data gathered during research showed that different Age/Income (AI) cohorts make significantly different housing tenure choices. For example, a household headed by a 53 year-old and earning $126,000 is likely to make a different housing choice than one headed by a 29 year-old and earning $43,000.

Beyond age and income for the current and future projected population, the model also focuses on the issue of "affordability." This concept does not refer to low-income housing, but rather to the relationship between incomes and housing costs. The "30 percent rule" assumes that housing is only affordable for a household if it spends less than 30 percent of its gross income on housing expenses. The model is built around the assumption that households should spend no more than 30 percent of their income on housing costs. In reality, many owners and renters spend less than 30 percent of their income on housing, particularly higher income households. Therefore, the model includes an adjustment that reflects this reality.

The model is first used to calculate the total number of housing units needed for the planning period based on:

- CMAP GO TO 2040 population and household projections for the year 2040.
- The current number of people in group quarters.
- The current number of occupied housing units (number of households).
- The current average household size.
- An assumed long-term vacancy rate for the study area in a healthy housing market.

The data sources for the population estimates, people in group quarters, and occupied housing units come from the U.S. Census Bureau's most recent 5-year American Community Survey (ACS) data. The households in each AI cohort are calculated by utilizing ACS data to determine the percentage of households that are in the 28 AI cohorts (4 age cohorts and 7 income cohorts).

Age and income cohorts for analysis

AGE COHORT	INCOME COHORT
<25	**<$15K**
25-44	**<$15K<$35K**
45-64	**$35K<$50K**
65+	**$75K<$75K**
	$100K<$100K
	$150K<$150K
	$150K+

The ACS-generated tenure parameters used in the model represent the probability of being a renter or homeowner for each of the 28 AI cohorts. Based on these tenure parameters, the model allocates those households in each AI cohort to an indicated number of rental and ownership units that is affordable for the income range for that cohort. The model then aggregates the units demanded within each income range to show the total units that could be afforded at each income range by tenure. To estimate the future AI cohorts, the current AI percentages were adjusted to reflect demographic forecasts for the nation by the U.S. Census Bureau.

CMAP GO TO 2040 Population and Household Projections

A key component of the model is the projected population and households for each of the studied municipalities in 2040. The Chicago Metropolitan Agency for Planning 2040 ***Forecast of Population, Households and Employment*** was developed in support of the GO TO 2040 comprehensive regional plan adopted on October 13, 2010. This forecast was developed through the creation of a "reference scenario" based on current population and land use trends. Mathematical modeling techniques were then employed to evaluate how the distribution of population and employment would change in response to different planning strategies that might increase or dampen the amount of socioeconomic activity within a given area. The data in this forecast reflect the CMAP Preferred Regional Scenario, which was developed in part through a series of Invent the Future workshops held throughout the region between May and September 2009. Because of the connection between the projections and the Preferred Regional Scenario, the projections reflect a region where the GO TO 2040 plan has been successfully implemented.

Future Housing Demand by Type

The age and income projections that come out of the housing analysis were translated into a future balanced housing profile for each community using national projections of future residential preference for single-family, townhome, and multi-family units. The surveys, compiled by the University of Utah's Dr. Arthur C. Nelson, include information from the Robert Charles Lesser and Company (RCLCO) and Dr. Nelson's own projections from his recent book *Reshaping Modern America: Development Trends and Opportunities to 2030*.[2] These surveys are then compared to the current national housing type distribution from the U.S. Census Bureau's 2011 American Housing Survey (AHS). The change between the AHS data and average of the future housing type projections was then applied to each community's current housing type distribution and the estimated increase households from the housing analysis section.

2. Nelson, Arthur C. *Reshaping Modern America: Development Trends and Opportunities to 2030*. Island Press, 2013.

Capacity Analysis

While the housing analysis section provides information on demand by future housing by age, income, and housing type, a complete analysis must compare these figures to the present capacity for growth in each community. A capacity analysis was conducted for Batavia, Geneva, North Aurora, and St. Charles. The capacity analysis contained two major components.

- An estimate of the amount of development potential remaining under the existing zoning based on developable and/or redevelopable land or long-term planning. This approach uses Geographic Information Systems (GIS) and the calculated development capacity of land is based on standardized buildable land assumptions.
- The number of currently vacant housing units that may be occupied by future households as the local housing markets stabilize. This approach is based on both nationwide research on the vacancy rates typically associated with rental and owner housing along with ACS data on the current local vacancy rate.

When these sources of capacity are combined, they illustrate each community's ability to accommodate projected future growth without adjustments to local zoning ordinances.

Geographic Information Systems

GIS was used to calculate vacant and redevelopable land, after environmentally constrained lands were removed. The basic GIS process involved several steps.

- Kane County and Cook County Assessor parcel data was used to summarize vacant acres of land by zone (this includes removal of environmentally constrained land – e.g. wetlands, flood plains, and steep slopes).
- Kane County and Cook County Assessor parcel data was used to summarize redevelopable acres of land by zone, based on the ratio of land value to improvement value, with redevelopable acres being those with a land value greater than the improvement value.
- The maximum density allowed in the zoning code for each zone was calculated using municipal zoning codes.
- The development potential of vacant land by zone was calculated by multiplying maximum density by vacant acres.
- The development potential of redevelopable land by zone was calculated by multiplying maximum density by non-vacant acres.
- The initial capacity estimates were submitted to the municipalities for review and refinement.
- Based on municipal input, necessary adjustments were made.

Advisory Group: CMAP Housing Committee

Alan Banks	Office of Congresswoman Robin Kelly
Nora Boyer	Village of Arlington Heights
Rob Breymaier	Oak Park Regional Housing Center
Sarah Ciampi	Lake County Community Development Division
Allison Clements	Metropolitan Mayors Caucus
Paul Colgan	PSColgan & Co.
Spencer Cowan	Woodstock Institute
Adam Dontz	LakeStar Advisors
Nancy Firfer	Metropolitan Planning Council
Andy Geer	Enterprise Community Partners
Becca Goldstein	Neighborhood Housing Services of Chicago, Inc.
Sharon Gorrell	Illinois Association of Realtors
Adam Gross	Business and Professional People for the Public Interest (BPI)
Tammie Grossman	Village of Oak Park
Calvin Holmes	Chicago Community Loan Fund
Jane Hornstein	Cook County Bureau of Economic Development
Kevin Jackson	Chicago Rehab Network
Paul Leder	Manhard Consulting, Ltd.
Anthony Manno	Regional Transportation Authority
Thomas Moes	Chicago House
Janice Morrissy	South Suburban Housing Collaborative
Lisa Pugliese	Affordable Housing Corporation of Lake County
Carrol Roark	DuPage County Community Development
Geoff Smith	DePaul University Institute for Housing Studies
Andrea Traudt	Illinois Housing Council
Aisha Turner	Illinois Housing Development Authority
Kim Ulbrich	McHenry County Planning and Development
Stacie Young	The Preservation Compact

Central Fox Valley Subregion Housing Factsheet

Estimated 2040 Housing Demand by Income

The tables in this section compare the number of dwelling units in 2011 (ACS data) that were "affordable" to households within an income category with the projected demand for such units in 2040. A unit is defined as "affordable" if a household can live in it by allocating no more than 30% of its income for housing-related costs (rent, mortgage payments, utilities, etc.). If the 2011 housing stock for an income category exceeds the 2040 demand projections, it means that a municipality may already have units beyond its forecasted need. If, however, 2040 demand is higher than the 2011 housing stock, additional units may be needed to meet projected demand.

Central Fox Valley Subregion population and household forecast 2007/2011-40

	2007-11 ACS	2040 CMAP	% CHANGE
Households	**34,861**	**48,010**	**38%**
Population	**96,210**	**126,898**	**32%**

Source: U.S. Census American Community Survey and Chicago Metropolitan Agency for Planning GO TO 2040 projections.

The data for 2007-11 average comes directly from the U.S. Census Bureau's American Community Survey. The projections for 2040 reflect a forecast of each community's potential population and household growth if CMAP's GO TO 2040 plan is implemented.

Central Fox Valley Subregion rental housing

	<$15k	<$35k	<$50k	<$75k	<$100k	<$150k	$150k+	TOTAL
Occupied housing stock affordable at 30% of income (2011)	**878**	**1,545**	**3,171**	**1,602**	**402**	**89**	**54**	**7,740**
Demand at income level (2011)	**1,559**	**3,460**	**1,425**	**813**	**257**	**152**	**73**	**7,740**
Projected demand at income level (2040)	**2,470**	**5,607**	**2,338**	**1,456**	**486**	**420**	**310**	**13,087**
Target units needed to meet projected demand by income	**1,593**	**4,063**	**n/a**	**n/a**	**84**	**331**	**256**	**5,347**
Additional units beyond forecasted need within this income range	**n/a**	**n/a**	**833**	**146**	**n/a**	**n/a**	**n/a**	**n/a**

Please note that housing units may not add up exactly to 100 percent due to rounding.

Source: Chicago Metropolitan Agency for Planning analysis of Fregonese Envision Tomorrow Balanced Housing model using 2007-11 American Community Survey and GO TO 2040 household growth projections as inputs.

Central Fox Valley Subregion owner housing

	<$15k	<$35k	<$50k	<$75k	<$100k	<$150k	$150k+	TOTAL
Occupied housing stock affordable at 30% of income (2011)	**259**	**2,411**	**1,506**	**6,103**	**7,355**	**5,296**	**4,191**	**27,121**
Demand at income level (2011)	**2,442**	**6,124**	**3,337**	**4,483**	**2,214**	**4,283**	**4,237**	**27,121**
Projected demand at income level (2040)	**3,266**	**8,375**	**4,491**	**5,997**	**2,971**	**5,740**	**5,498**	**36,338**
Target units needed to meet projected demand by income	**3,007**	**5,964**	**2,985**	**n/a**	**n/a**	**444**	**1,307**	**9,217**
Additional units beyond forecasted need within this income range	**n/a**	**n/a**	**n/a**	**106**	**4,384**	**n/a**	**n/a**	**n/a**

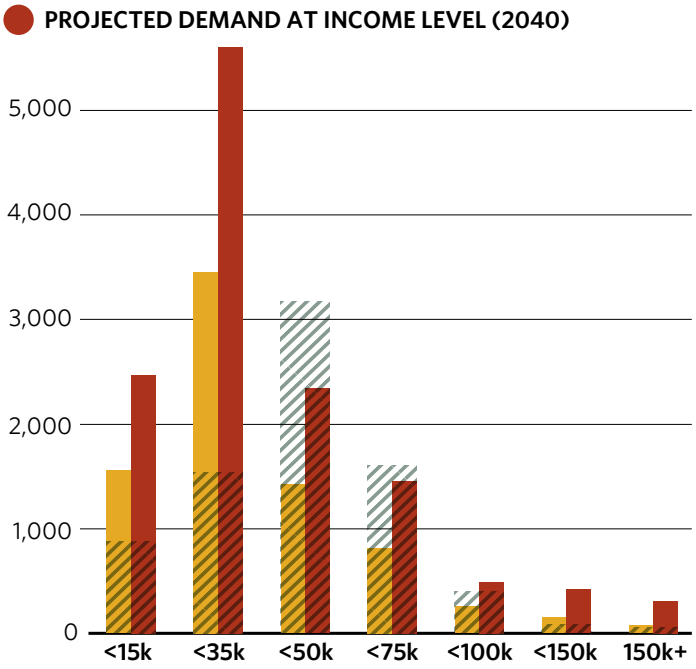
Please note that housing units may not add up exactly to 100 percent due to rounding.

Source: Chicago Metropolitan Agency for Planning analysis of Fregonese Envision Tomorrow Balanced Housing model using 2007-11 American Community Survey and GO TO 2040 household growth projections as inputs.

Estimated 2040 Affordable Housing Demand Compared to 2007-11 Housing Stock

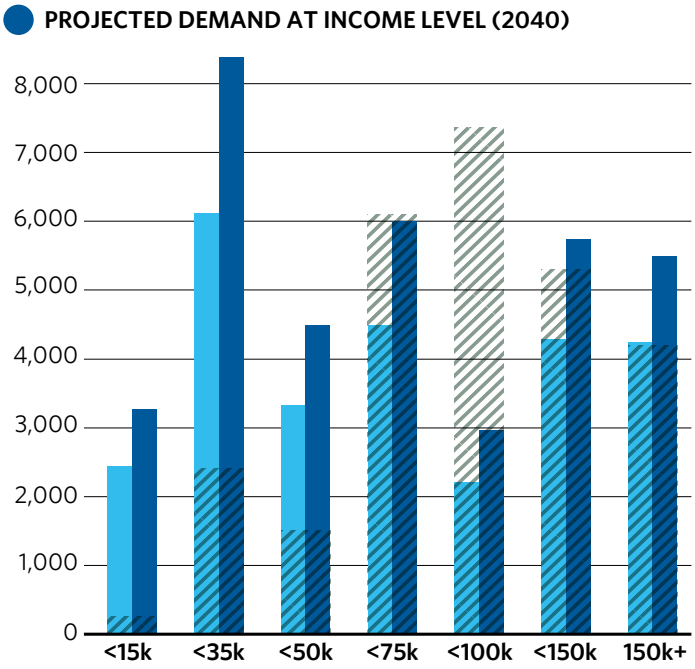
This section contains the charts that illustrate the data from the preceeding tables.

Central Fox Valley 2011 households and housing stock compared with 2040 renter demand, by income



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Central Fox Valley 2011 households and housing stock compared with 2040 owner demand, by income



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Batavia Housing Factsheet

Batavia population and household forecast 2007/2011-40

	2007-11 ACS	2040 CMAP	% CHANGE
Households	**11,178**	**14,409**	**29%**
Population	**37,480**	**49,334**	**32%**

Source: U.S. Census American Community Survey and Chicago Metropolitan Agency for Planning GO TO 2040 projections.

Batavia rental housing

	<$15k	<$35k	<$50k	<$75k	<$100k	<$150k	$150k+	**TOTAL**
Occupied housing stock affordable at 30% of income (2011)	**358**	**421**	**730**	**328**	**148**	**51**	**31**	**2,066**
Demand at income level (2011)	**617**	**957**	**337**	**95**	**14**	**35**	**12**	**2,066**
Projected demand at income level (2040)	**970**	**1,589**	**580**	**179**	**53**	**111**	**79**	**3,561**
Target units needed to meet projected demand by income	**612**	**1,169**	**n/a**	**n/a**	**n/a**	**60**	**48**	**1,495**
Additional units beyond forecasted need within this income range	**n/a**	**n/a**	**150**	**149**	**95**	**n/a**	**n/a**	**n/a**

Please note that housing units may not add up exactly to 100 percent due to rounding.

Source: Chicago Metropolitan Agency for Planning analysis of Fregonese Envision Tomorrow Balanced Housing model using 2007-11 American Community Survey and GO TO 2040 household growth projections as inputs.

Batavia owner housing

	<$15k	<$35k	<$50k	<$75k	<$100k	<$150k	$150k+	**TOTAL**
Occupied housing stock affordable at 30% of income (2011)	**77**	**474**	**416**	**1,518**	**2,222**	**1,434**	**1,045**	**7,187**
Demand at income level (2011)	**819**	**1,564**	**762**	**833**	**706**	**1,215**	**1,288**	**7,187**
Projected demand at income level (2040)	**1,102**	**2,257**	**1,055**	**1,027**	**939**	**1,604**	**1,645**	**9,629**
Target units needed to meet projected demand by income	**1,025**	**1,783**	**639**	**n/a**	**n/a**	**170**	**600**	**2,442**
Additional units beyond forecasted need within this income range	**n/a**	**n/a**	**n/a**	**491**	**1,283**	**n/a**	**n/a**	**n/a**

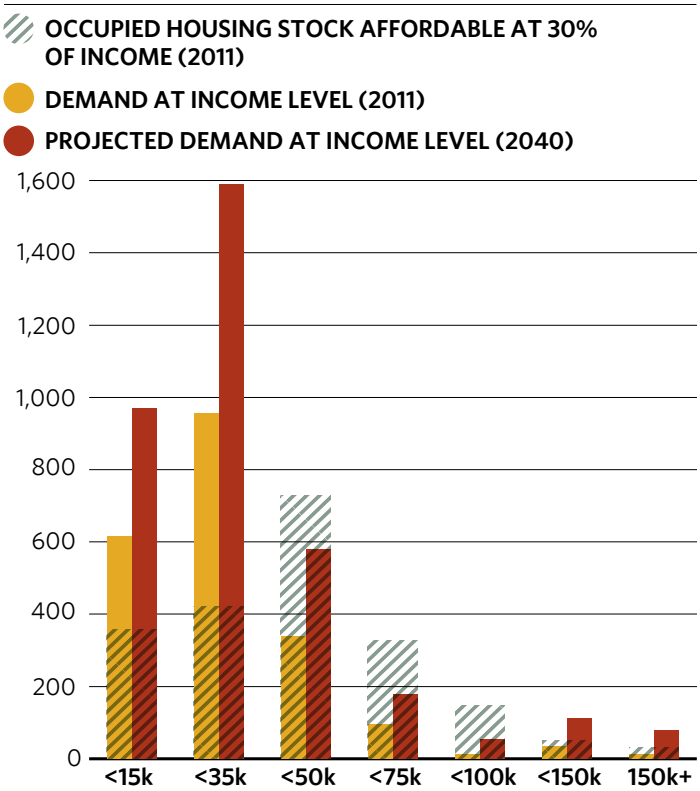
Please note that housing units may not add up exactly to 100 percent due to rounding.

Source: Chicago Metropolitan Agency for Planning analysis of Fregonese Envision Tomorrow Balanced Housing model using 2007-11 American Community Survey and GO TO 2040 household growth projections as inputs.

Estimated 2040 Affordable Housing Demand Compared to 2007-11 Housing Stock

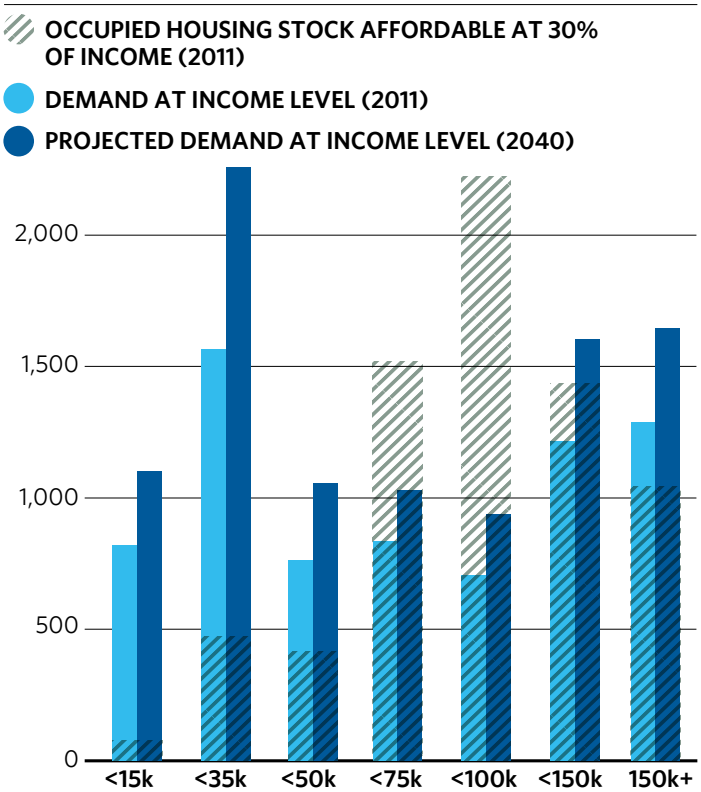
This section contains the charts that illustrate the data from the preceeding tables.

Batavia 2011 households and housing stock compared with 2040 renter demand



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Batavia 2011 households and housing stock compared with 2040 owner demand



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Geneva Housing Factsheet

Batavia population and household forecast 2007/2011-40

	2007-11 ACS	2040 CMAP	% CHANGE
Households	**7,560**	**11,328**	**50%**
Population	**21,550**	**29,998**	**39%**

Source: U.S. Census American Community Survey and Chicago Metropolitan Agency for Planning GO TO 2040 projections.

Geneva rental housing

	<$15k	<$35k	<$50k	<$75k	<$100k	<$150k	$150k+	**TOTAL**
Occupied housing stock affordable at 30% of income (2011)	**76**	**111**	**546**	**363**	**49**	**7**	**4**	**1,156**
Demand at income level (2011)	**46**	**513**	**284**	**209**	**56**	**35**	**13**	**1,156**
Projected demand at income level (2040)	**101**	**963**	**530**	**399**	**120**	**106**	**87**	**2,306**
Target units needed to meet projected demand by income	**25**	**852**	**n/a**	**36**	**71**	**99**	**83**	**1,150**
Additional units beyond forecasted need within this income range	**n/a**	**n/a**	**16**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**

Please note that housing units may not add up exactly to 100 percent due to rounding.

Source: Chicago Metropolitan Agency for Planning analysis of Fregonese Envision Tomorrow Balanced Housing model using 2007-11 American Community Survey and GO TO 2040 household growth projections as inputs.

Geneva owner housing

	<$15k	<$35k	<$50k	<$75k	<$100k	<$150k	$150k+	**TOTAL**
Occupied housing stock affordable at 30% of income (2011)	**47**	**596**	**285**	**1,290**	**1,689**	**1,339**	**1,158**	**6,404**
Demand at income level (2011)	**504**	**1,332**	**974**	**808**	**528**	**963**	**1,296**	**6,404**
Projected demand at income level (2040)	**692**	**2,011**	**1,427**	**1,195**	**779**	**1,389**	**1,796**	**9,289**
Target units needed to meet projected demand by income	**645**	**1,415**	**1,142**	**n/a**	**n/a**	**50**	**638**	**2,885**
Additional units beyond forecasted need within this income range	**n/a**	**n/a**	**n/a**	**95**	**910**	**n/a**	**n/a**	**n/a**

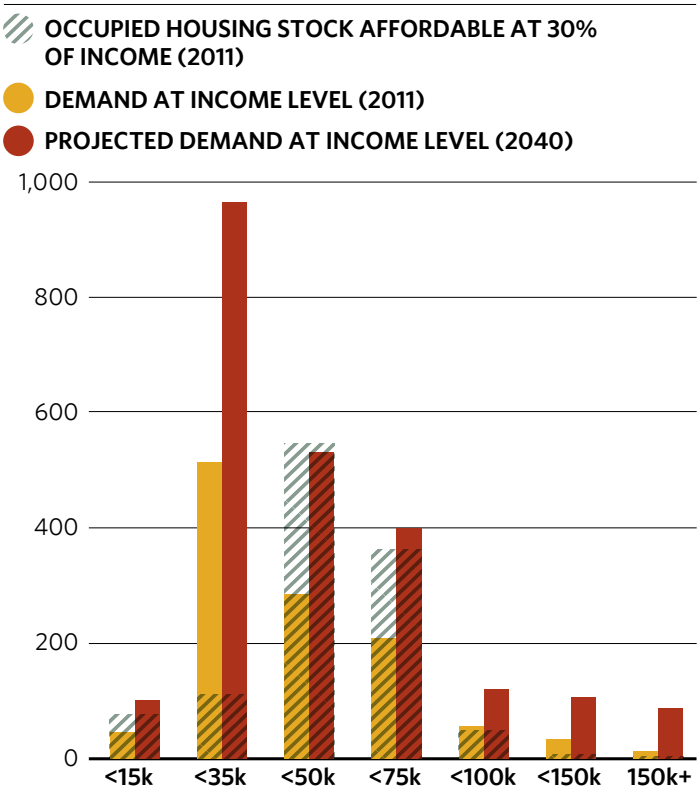
Please note that housing units may not add up exactly to 100 percent due to rounding.

Source: Chicago Metropolitan Agency for Planning analysis of Fregonese Envision Tomorrow Balanced Housing model using 2007-11 American Community Survey and GO TO 2040 household growth projections as inputs.

Estimated 2040 Affordable Housing Demand Compared to 2007-11 Housing Stock

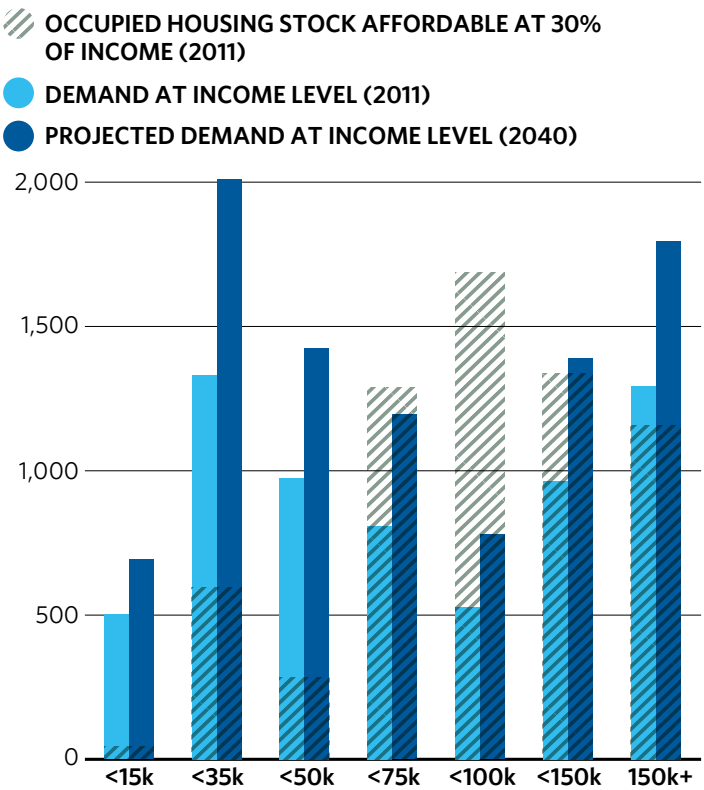
This section contains the charts that illustrate the data from the preceeding tables.

Geneva 2011 households and housing stock compared with 2040 renter demand



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Geneva 2011 households and housing stock compared with 2040 owner demand



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

North Aurora Housing Factsheet

North Aurora population and household forecast 2007/2011-40

	2007-11 ACS	2040 CMAP	% CHANGE
Households	**5,847**	**7,643**	**31%**
Population	**16,040**	**21,307**	**33%**

Source: U.S. Census American Community Survey and Chicago Metropolitan Agency for Planning GO TO 2040 projections.

North Aurora rental housing

	<$15k	<$35k	<$50k	<$75k	<$100k	<$150k	$150k+	**TOTAL**
Occupied housing stock affordable at 30% of income (2011)	**76**	**326**	**398**	**157**	**37**	**9**	**6**	**1,008**
Demand at income level (2011)	**306**	**470**	**136**	**54**	**36**	**6**	**0**	**1,008**
Projected demand at income level (2040)	**479**	**750**	**213**	**114**	**71**	**37**	**16**	**1,680**
Target units needed to meet projected demand by income	**404**	**424**	**n/a**	**n/a**	**34**	**28**	**10**	**672**
Additional units beyond forecasted need within this income range	**n/a**	**n/a**	**185**	**43**	**n/a**	**n/a**	**n/a**	**n/a**

Please note that housing units may not add up exactly to 100 percent due to rounding.

Source: Chicago Metropolitan Agency for Planning analysis of Fregonese Envision Tomorrow Balanced Housing model using 2007-11 American Community Survey and GO TO 2040 household growth projections as inputs.

North Aurora owner housing

	<$15k	<$35k	<$50k	<$75k	<$100k	<$150k	$150k+	**TOTAL**
Occupied housing stock affordable at 30% of income (2011)	**40**	**520**	**391**	**1,398**	**1,176**	**792**	**522**	**4,839**
Demand at income level (2011)	**366**	**1,156**	**514**	**983**	**506**	**880**	**434**	**4,839**
Projected demand at income level (2040)	**484**	**1,483**	**662**	**1,241**	**630**	**1,107**	**539**	**6,146**
Target units needed to meet projected demand by income	**445**	**964**	**271**	**n/a**	**n/a**	**315**	**17**	**1,307**
Additional units beyond forecasted need within this income range	**n/a**	**n/a**	**n/a**	**157**	**546**	**n/a**	**n/a**	**n/a**

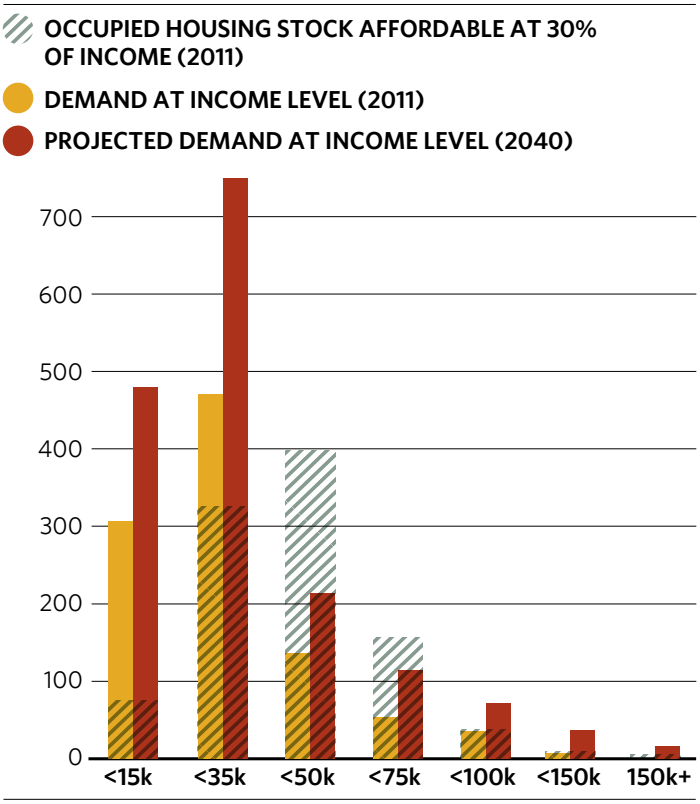
Please note that housing units may not add up exactly to 100 percent due to rounding.

Source: Chicago Metropolitan Agency for Planning analysis of Fregonese Envision Tomorrow Balanced Housing model using 2007-11 American Community Survey and GO TO 2040 household growth projections as inputs.

Estimated 2040 Affordable Housing Demand Compared to 2007-11 Housing Stock

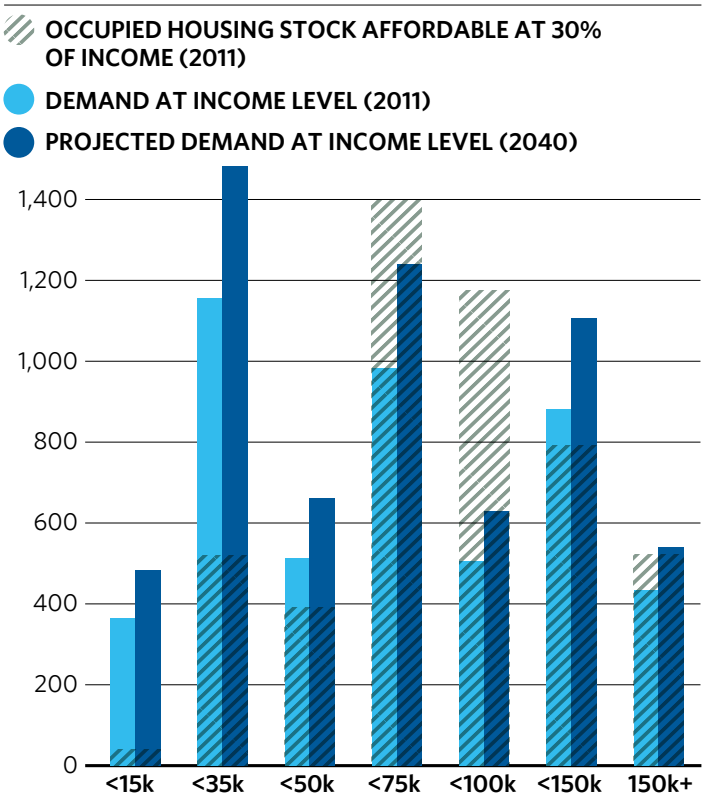
This section contains the charts that illustrate the data from the preceeding tables.

North Aurora 2011 households and housing stock compared with 2040 renter demand



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

North Aurora 2011 households and housing stock compared with 2040 owner demand



Source: Chicago Metropolitan Agency for Planning and Kane County analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

St. Charles Housing Factsheet

St. Charles population and household forecast 2007/2011-40

	2007-11 ACS	2040 CMAP	% CHANGE
Households	**12,201**	**16,211**	**33%**
Population	**32,792**	**41,726**	**27%**

Source: U.S. Census American Community Survey and Chicago Metropolitan Agency for Planning GO TO 2040 projections.

St. Charles rental housing

	<$15k	<$35k	<$50k	<$75k	<$100k	<$150k	$150k+	**TOTAL**
Occupied housing stock affordable at 30% of income (2011)	**368**	**687**	**1,498**	**754**	**168**	**22**	**13**	**3,510**
Demand at income level (2011)	**544**	**1,521**	**670**	**487**	**164**	**70**	**54**	**3,510**
Projected demand at income level (2040)	**845**	**2,316**	**1,034**	**803**	**268**	**158**	**136**	**5,560**
Target units needed to meet projected demand by income	**477**	**1,629**	**n/a**	**50**	**100**	**136**	**123**	**2,050**
Additional units beyond forecasted need within this income range	**n/a**	**n/a**	**464**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**

Please note that housing units may not add up exactly to 100 percent due to rounding.

Source: Chicago Metropolitan Agency for Planning analysis of Fregonese Envision Tomorrow Balanced Housing model using 2007-11 American Community Survey and GO TO 2040 household growth projections as inputs.

St. Charles owner housing

	<$15k	<$35k	<$50k	<$75k	<$100k	<$150k	$150k+	**TOTAL**
Occupied housing stock affordable at 30% of income (2011)	**96**	**826**	**397**	**1,863**	**2,264**	**1,747**	**1,498**	**8,691**
Demand at income level (2011)	**724**	**2,014**	**1,091**	**1,832**	**492**	**1,248**	**1,289**	**8,691**
Projected demand at income level (2040)	**935**	**2,632**	**1,389**	**2,369**	**638**	**1,589**	**1,628**	**11,180**
Target units needed to meet projected demand by income	**840**	**1,806**	**992**	**506**	**n/a**	**n/a**	**130**	**2,489**
Additional units beyond forecasted need within this income range	**n/a**	**n/a**	**n/a**	**n/a**	**1,626**	**158**	**n/a**	**n/a**

Please note that housing units may not add up exactly to 100 percent due to rounding.

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Estimated 2040 Affordable Housing Demand Compared to 2007-11 Housing Stock

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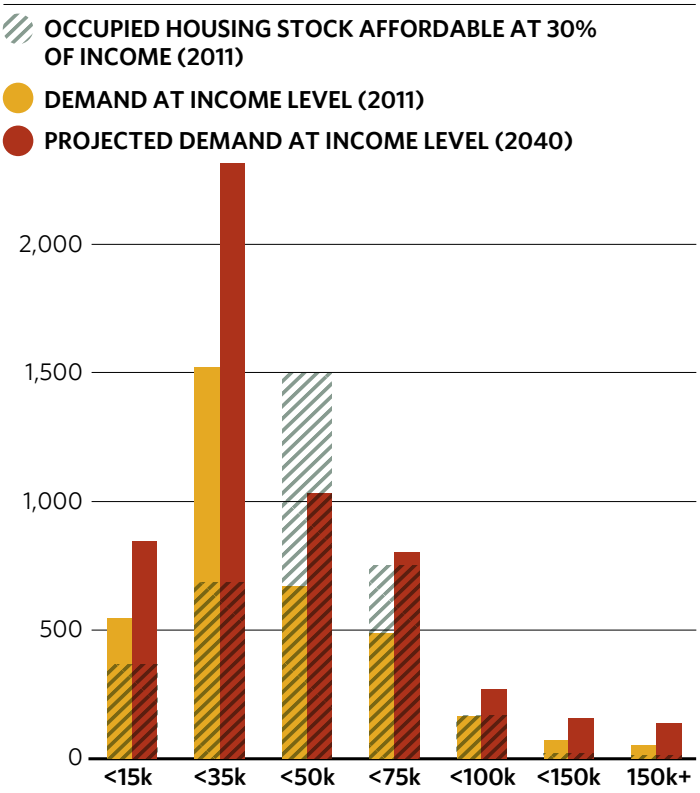
St. Charles 2011 households and housing stock compared with 2040 renter demand



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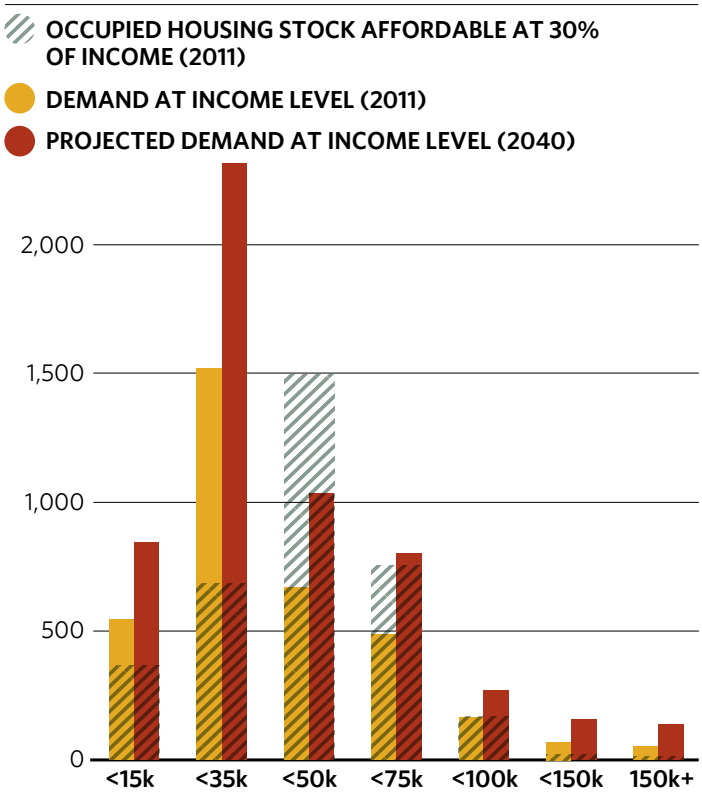
St. Charles 2011 households and housing stock compared with 2040 renter demand



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List of Acronyms

ACS	American Community Survey
AHS	American Housing Survey
AI	Analysis of Impediments
A/I	Age/Income
BDD	Business Development District
CDBG	Community Development Block Grant
CHAS	Comprehensive Affordable Housing Strategy
CMAP	Chicago Metropolitan Agency for Planning
CNT	Center for Neighborhood Technology
CoC	Continuum of Care
CRC	Community Relations Commission
EECBG	Energy Efficiency and Conservation Block Grant
EMSI	Economic and Modeling Specialists International
ESRI	Environmental Systems Research Institute
GIS	Geographic Information System
HOME	Home Investment Partnership Program
HUD	U.S. Department of Housing and Urban Development
IAC	Illinois Accessibility Code
IHDA	Illinois Housing and Development Authority
LTA	Local Technical Assistance
kWh	Kilowatt hour
MAPC	Metropolitan Area Planning Council
MEPP	Municipal Energy Profile Project
MMC	Metropolitan Mayors Caucus
MPC	Metropolitan Planning Council
NHS	Neighborhood Housing Services
PIT	Point in Time Count
PUD	Planned Unit Development
RCLCO	Robert Charles Lessor and Company
TIF	Tax Increment Financing
ULI	Urban Land Institute

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