Home Grown

LOCAL HOUSING STRATEGIES IN ACTION

METROPOLITAN MAYORS CAUCUS

CHICAGO METROPOLIS 2020

METROPOLITAN PLANNING COUNCIL

Home Grown
Local Housing Strategies in Action

Best Practices from the Metropolitan Chicago Region

Thank you for using Home-Grown: Local Housing Strategies in Action. This collection — compiled by the Metropolitan Mayors Caucus, Chicago Metropolis 2020, and Metropolitan Planning Council — describes a number of housing "best practices" implemented by local governments around the Chicago metropolitan region. The intent is to show local policymakers and practitioners how their peers are addressing housing issues, and spark ideas for replicating or improving upon these approaches to address their own local housing challenges. This collection demonstrates that exciting, innovative, local efforts are contributing to a quality, diverse housing stock that meets the needs of a variety of residents in our region.

Each summary focuses on how a program, policy or development came about, how it works, why it has been successful, and how it is financed. While many of the best practices address affordable housing issues, other topics, such as fair housing and accessibility, are included in the booklet. Where applicable, we include information on how the public was involved in the process, and what "lessons" the community learned, including what local leaders would do differently in hindsight. Each document also includes information for the people responsible for the initiative, and users are encouraged to contact them for further information.

This publication is a "living" resource and, to that end, the partners will update the binder periodically with new summaries of the best practices that are working in our region. If you would like to suggest a local housing development, policy, or program to be included in future editions, please contact Beth Dever with the Metropolitan Mayors Caucus (312/201-4507; beth.dever@mayorscaucus.org), Nancy Firfer with Chicago Metropolis 2020 (312/332-2020; nancy.l.firfer@cm2020.org), or Josh Ellis with the Metropolitan Planning Council (312/863-6045; jellis@metroplanning.org). Home Grown summaries also are available for download at www.mayorscaucus.org, www.chicagometropolis2020.org, and www.metroplanning.org.

We are pleased to present you with a compilation that reflects the range of housing strategies being practiced in the Chicago metropolitan area. We hope these best practices help you identify viable solutions for achieving a range of housing options in your own community, ultimately contributing to a healthy, balanced housing stock. The Metropolitan Mayors Caucus, Chicago Metropolis 2020, and Metropolitan Planning Council are all available to help you think through these options and customize them to meet your community's unique needs, market and challenges.

Index

Home Grown: Local Housing Strategies in Action is organized into four sections: Housing Policy and Governance, Housing Development, Housing Program, and Financing. Each section has a number of Best Practices from around the Chicago region that are grouped by type and color-coded for your convenience. Below is an index of all of the strategies since 2006.

I. Housing Policy and Governance

a. Setting Local and Regional Goals
- Metropolitan Mayors Caucus Housing Endorsement Criteria
- Bolingbrook Fair Housing Ordinance
- Oak Park Diversity Statement
- DuPage Homeownership Center and DuPage Housing Action Coalition

b. Accessibility
- Bolingbrook Accessibility/Visitability Requirements

c. Housing Commission/Committee
- Highland Park Housing Commission
- Lake Forest Housing Trust Fund Board

d. Inclusionary Zoning
- Highland Park Inclusionary Zoning Ordinance
- Lake Forest Inclusionary Housing Ordinance
- Chicago Affordable Requirements Ordinance
- City of St. Charles Inclusionary Zoning Ordinance

e. Landlord/Tenant Relations
- Evanston Landlord/Tenant Ordinance
- Oak Park Landlord/Tenant Ordinance

f. Affordable Housing and Smart Growth
- Arlington Heights' Multifamily Affordable Housing Policy
- Kane County Road Improvement Impact Fee Ordinance and Smart Growth Criteria
- Plainfield Small Lots and Density Bonuses

II. Housing Development

a. **HomeTown Aurora,** Aurora
b. **Mallinkrodt in the Park,** Wilmette
c. **Pacesetter,** Riverdale
d. **Sunset Woods,** Highland Park
e. **Timber Court,** Arlington Heights
f. **Woodstock Commons,** Woodstock
g. **Victory Centre,** Bartlett
h. **Block Build,** Elgin
i. **Thomas Place,** Glenview
j. **Laurel Court,** Highland Park
k. **Donald W. Kent Residence,** Northlake
l. **Legacy Square,** Park Forest
m. **Riverwalk,** Rolling Meadows
n. **First Street,** St. Charles

III. Housing Program

a. Homeowner Assistance
- Chicago Homeownership Preservation Initiative
- Employer-Assisted Housing
- Loyola University Chicago University-Assisted Housing Program

b. Housing Preservation and Rehabilitation
- Chicago Troubled Buildings Initiative
- Chicago Historic Bungalow Initiative
- Round Lake Beach Housing Acquisition and Rehabilitation Program
- Tinley Park Architectural Enhancement Program
- Joliet Local Homestead Program
- Naperville and Community First

c. Building Inspections and Code Enforcement
- Country Club Hills Building Inspections Program
- Mount Prospect Inspection Program

d. Streamlining Housing Development
- Elgin Expedited Permitting Process
- Highland Park Fee Waiver

e. Property Management
- Schaumburg Crime Free Multi-Housing Program

IV. Financing

a. Community Land Trust
- Chicago Community Land Trust
- Highland Park Illinois Community Land Trust

b. Demolition Tax
- Evanston Affordable Housing Demolition Tax
- Highland Park Demolition Tax
- Lake Forest Demolition Tax

c. Housing Trust Fund
- Chicago Low-Income Housing Trust Fund
- Highland Park Affordable Housing Trust Fund

d. Rehabilitation Finance
- Elgin Home Rehabilitation Grants
- Evanston Multifamily Rehabilitation Loan Program
- Evanston One & Two Family Rehabilitation Loan Program
- Oak Park Single Family Rehabilitation Grants/Loans Program
- Oak Park Housing Bonds

e. Bond Cap Financing
- Bond Cap Programs through IHDA or Private Brokers

Setting Local and Regional Goals

Metropolitan Mayors Caucus Housing Endorsement Criteria

Regionwide

The Housing Endorsement Criteria have been adopted by a number of local councils of governments and individual communities in the Chicago region.

Policy Background

The Metropolitan Mayors Caucus' Housing Endorsement Criteria (listed below) validate the work of municipalities and local housing commissions to increase the availability of and access to quality housing choices, and puts this work in a regional context. Once adopted, the criteria set standards for local affordable housing policy review processes, planning efforts, and development proposals to help communities achieve these regional goals.

The Housing Endorsement Criteria have been adopted by a number of local councils of governments and individual communities in the Chicago region. For example, the Village of Arlington Heights adopted them in 2002 and has since used the Criteria to guide development practices, leading to the approval in 2005 of the mixed-income Timber Court Condominiums.

Goal

Incorporate Housing Endorsement Criteria to support local housing efforts and promote principles of housing valued by mayors and communities across the Chicago region.

Target

Chicago-region municipalities.

Success

Adopted by a number of local councils of governments and individual communities.

Lessons Learned

Adopting the Housing Endorsement Criteria can demonstrate a community's commitment to these principles and provide key support on development decisions.

How It Works

The criteria can be adopted by a city council or village board. Once adopted, a community may then gauge housing-related policies against them, ask developers to demonstrate how their proposals meet them, and even give preference to those proposals that do meet one or more of them. The Housing Endorsement Criteria are not meant to replace or supersede the goals identified in a community's comprehensive plan or zoning code, but rather reflect what many communities have identified as their vision. The criteria are not mutually exclusive; a proposed development could meet one or all of them.

The Housing Endorsement Criteria are as follows:

LOCATION

Infill development and redevelopment within existing cities and towns, as well as new conservation developments, will receive preference. In order to maximize compatibility with public transit and minimize auto use, housing within one mile of major transit service, a job hub, or town center provides a future market for transit. The project may be within two miles of a rail transit station if provisions are made to provide ongoing shuttle service to future residents. Major transit service is defined as a bus or rail stop with peak period wait times of no more than 30 minutes. Major transit service also includes funded, but not yet built, fixed rail stations.

LAND USE

New developments that aim to cluster housing in an efficient manner, in context with the surrounding community, to preserve natural resources and open space will be given priority attention. Higher densities and mixed uses are particularly appropriate near Metra and CTA stations to reduce the growth of traffic congestion on local and regional roads.

ATTAINABILITY

Mixed-income housing developments, which include units accessible to moderate-income working families and to households with lower incomes, along with market-rate units in the same complex, will be given preference. Developments that help balance affordability levels within communities, while assuring consistent quality and design, will receive strong support.

DESIGN

New developments that stress quality design and construction to help ensure their long-term contribution to the improvement of the neighborhood will be given preference. The proposed buildings will fit their setting, complementing and enhancing the existing neighborhood, and promoting a sense of community, pedestrian-friendly design, and the other principles of good village design. Proposals will address transit use and access and, where appropriate, the potential for mixed use.

MANAGEMENT

The management and maintenance of developments are as critical as the initial design and construction to meeting the goal of enhancing communities. Therefore, the capacity of the development team to successfully address long-term needs, as evidenced by its track record in selling, leasing and managing development properties, and its history with neighborhood and/or tenant relations, will also be considered.

Contact	Beth Dever, Housing Director, Metropolitan Mayors Caucus
Phone	312/201-4507
E-mail	beth.dever@mayorscaucus.org
Web site	www.mayorscaucus.org As of October 2006

Setting Local and Regional Goals

Bolingbrook Fair Housing Ordinance

Will and DuPage counties

The goal of Bolingbrook's Fair Housing Ordinance is to ensure all current and potential residents have an equal opportunity to obtain quality housing within the village.

Policy Background

The Village of Bolingbrook's Fair Housing Ordinance was first adopted in 1974 as a non-discrimination ordinance addressing concerns of racial steering and rejection of protected classes of people in housing and real estate practices. The goal of Bolingbrook's Fair Housing Ordinance is to ensure all current and potential residents have an equal opportunity to obtain quality housing within the village. To reinforce this ordinance, the village has assigned staff to process complaints and provide education and outreach to local property owners. Thanks in part to the Fair Housing Ordinance, the village boasts a diverse community and neighborhoods. The 2000 Census reports that Bolingbrook's population was about 20 percent African American, 13 percent Latino, 65 percent white, and 12 percent other races.

How It Works

The village's primary method of ensuring compliance with the Fair Housing Ordinance and maintaining positive relations and healthy communication with the community is a landlord training course. The course educates property owners on fair housing rules and regulations and property management. The course is not mandatory for landlords, yet the village provides the incentive of a free rental inspection for attendees. The village normally charges $65 - $125, depending on building type, for these inspections.

The ordinance follows state and federal guidelines and identifies race, color, creed, sex, familial status, marital status, age, mental or physical handicap, ancestry, unfavorable discharge from military service, and national origin as protected classes. Since 1974,

Goal
Locally enforce state and federal fair housing laws and provide direct support for current and potential village residents.

Target
All protected classes and local property owners.

Financing
There are no direct costs associated with this ordinance; however, there are minimal staff costs associated with administering the landlord training sessions.

Success
Bolingbrook boasts a diverse community where 65 percent of the residents are white, 20 percent are African American, 13 percent are Latino, and 12 percent are other races.

Lessons Learned
Reinforcing fair housing laws locally and educating property owners on those laws reduces discrimination and supports a diverse community.

Bolingbrook's Fair Housing Ordinance has been revisited five times to comply with these requirements.

Any person wishing to express a complaint must contact the village administrator, at which point the complaint process begins. The village does not provide legal counsel and handles each complaint on a case-by-case basis. The village acts as a local source for assistance and information to anyone expressing a complaint related to fair housing practices. If the village has jurisdiction to address the complaint, it then seeks to resolve the situation. This might include assessing a fee or penalty to a property owner. For other disputes, the village staff recommends other state or local departments or organizations that can assist the resident in a resolution.

Contact	Nicole Knapp, Planning and Zoning Administrator, Village of Bolingbrook	
Phone	630/226-8400	
E-mail	nknapp@bolingbrook.com	
Web site	www.bolingbrook.com	As of October 2006

Setting Local and Regional Goals

Oak Park Diversity Statement

Cook County

The diversity statement, as part of a comprehensive approach to equal opportunity and fair housing, highlights that the village's commitment to equality is not just because it is the law, but because it is right and desirable.

Policy Background

All newly elected Village of Oak Park board members take an oath to cultivate diversity within the community. This oath, in the form of a Diversity Statement (cited on the reverse page), makes it very clear that diversity considerations will affect all policy decisions in the community are a bedrock of village policy.

The idea for the diversity statement was brought to the Village Board by a grassroots movement led by interested citizens. The board passed the statement in 1976, to establish Oak Park as an accessible community with a stated commitment to diversity and equal opportunity.

The diversity statement, as part of a comprehensive approach to equal opportunity and fair housing, highlights that the village's commitment to equality is not just because it is the law, but because it is right and desirable. The statement encourages participation from all citizens, regardless of race, gender, age, ethnicity, sexual orientation, disability, religion, economic status, or political affiliation.

Goal
Recognize the value of diversity and guide policy and decision-making to preserve and enhance an equitable community.

Target
Policymakers and citizens.

Financing
No cost associated with this policy.

Success
By clearly establishing the village's intent and commitment to this policy, it fosters mutual accountability between policymakers and citizens to these goals and creates a benchmark by which decisions are judged.

Lessons Learned
Having an explicit policy regarding diversity can lead to a commitment to other inclusive steps, such as Oak Park's Housing Bonds program and Landlord-Tenant ordinance.

Oak Park Diversity Statement

Adopted by President and Board of Trustees April 7, 2003

The people of Oak Park choose this community, not just as a place to live, but as a way of life. Oak Park has committed itself to equality not only because it is legal, but because it is right; not only because equality is ethical, but because it is desirable for us and for our children. Ours is a dynamic community that encourages the contributions of all citizens, regardless of race, gender, age, ethnicity, sexual orientation, disability, religion, economic status, political affiliation, or any of the other distinguishing characteristics that all too often divide people in society.

Oak Park's proud traditions of citizen involvement and accessible local government challenge us to show others how such a community can embrace change while still respecting and preserving the best of the past. Creating a mutually respectful, multi-cultural environment does not happen on its own; it must be intentional. Our goal is for people of widely differing backgrounds to do more than live next to one another.

Through interaction, we believe we can reconcile the apparent paradox of appreciating and even celebrating our differences while at the same time developing consensus on a shared vision for the future.

Oak Park recognizes that a free, open and inclusive community is achieved through full and broad participation of all its citizens. We believe the best decisions are made when everyone is represented in decision-making and power is shared collectively.

Oak Park is uniquely equipped to accomplish these objectives because we affirm all people as members of the human family. We reject the notion of race as a barrier dividing us and we reject prejudicial behavior towards any group of people. We believe residency in this Village should be open to anyone interested in sharing our benefits and responsibilities.

To achieve our goals, the Village of Oak Park must continue to support the Board's fair housing philosophy that has allowed us to live side-by-side and actively seek to foster unity in our community. We believe that mutual understanding among individuals of diverse backgrounds can best be attained with an attitude of reciprocal good will and increased association.

The Village of Oak Park commits itself to a future ensuring equal access. Full participation in the Village's institutions and programs, and equality of opportunity in all Village operating policies. The success of this endeavor prepares us to live and work in the twenty-first century.

It is our intention that such principles will be a basis for policy and decision-making in Oak Park. The President and Board of Trustees of the Village of Oak Park reaffirm their dedication and commitment to these precepts.

Contact	Cynthia Breunlin, Housing Programs Manager, Village of Oak Park	
Phone	708/358-5411	
E-mail	breunlin@oak-park.us	
Web site	www.oak-park.us	As of October 2006

Setting Local and Regional Goals

DuPage Homeownership Center and DuPage Housing Action Coalition
Homeownership: Benchmark for a Vital Community

DuPage County

Policy Background

In March 2006, the DuPage Homeownership Center (DHOC) and the DuPage Housing Action Coalition (DHAC) convened a symposium of 160 builders, developers, lenders, government officials, and other community leaders. This symposium, *Homeownership: Benchmark for a Vital Community*, was designed to spark ideas and action that would enlist new supporters and increase and preserve the supply of affordable housing in DuPage County, with a focus on homeownership opportunities.

The two organizations that convened the Housing Symposium have a long history of working on housing issues in DuPage County. Created in 1991, DHOC offers housing counseling services to low-income families in DuPage County to help them move closer to homeownership, including education, counseling, and special mortgage financing programs. DHAC was founded in 2001 and is a broad based network of individuals and organizations that advocate for fair and affordable housing in DuPage County. Both organizations have the demonstrated ability to attract a wide array of local stakeholders.

How It Works

At the March 2006 symposium, chaired by Debra Olson of the DuPage County Board, attendees examined the barriers to creating and preserving affordable housing in DuPage County. The symposium resulted in four community task forces – *Land and Zoning*, chaired by Phil Passon of Kingsland Properties and Paul Colgan of Colgan Public Affairs; *Government Engagement*, chaired by Wheaton City Councilwoman Liz Corry; *Employer Engagement*, chaired by DuPage County Commissioner Debra Olson; and *Perceptions of Affordable Housing*, chaired by William Carroll, president of Benedictine University. These task forces worked throughout 2006 on their respective issues and reconvened in November 2006 at a second symposium to report on their findings and create recommendations.

Goal
To encourage private-sector development of affordable housing in DuPage County.

Target
DuPage County residents, government officials, housing professionals, and business leaders.

Funding Sources
The first symposium was highly cost-effective – the entire symposium cost under $1,000, and was funded by local banks, nonprofits and businesses.

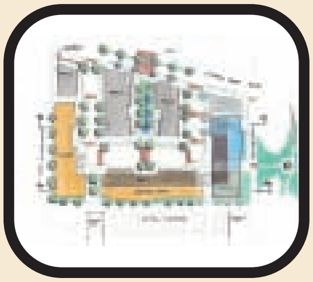
Success
Over 160 people participated in the first symposium and its related task forces and work groups.

The *Perceptions of Affordable Housing* task force proposed a grassroots education campaign on the myths and perceptions about affordable housing. A key piece of this included a viewing of "Welcome Home: Housing Our Community," a short video produced by the Metropolitan Planning Council and Metropolitan Mayors Caucus to spark constructive dialogue about how best to create or preserve homes affordable to those who live and work in a community. The *Employer Engagement* task force conducted three focus groups with employers and employment and labor organizations to gauge current awareness of and attitudes toward affordable housing. This task force subsequently created an Employer Work Blueprint to educate employers on the need for affordable housing in order to engage businesses as advocates for and investors in the creation of workforce housing opportunities. The *Government Engagement* task force's 10 recommendations included establishing a DuPage County technical assistance coordi-

New for 2007

HOME GROWN • LOCAL HOUSING STRATEGIES IN ACTION •

nating entity, developing a Purchase/Rehabilitation program, adopting local inclusionary housing ordinances, and setting up local community housing trust funds. The *Land and Zoning* task force's eight recommendations included establishing mixed density overlay zoning districts, giving subdivisions with workforce housing units priority and streamlined approval through a Workforce Housing ombudsman, and restrictions on resale coupled with property management and maintenance regulations.



At the second symposium in November 2006, the group formed a new set of working groups to implement these recommendations: American Institute of Architecture Design Charrettes; Overlay Districts; Community Outreach; Government Advocacy; and Technical Assistance Bank. The groups will continue to meet on a regular basis and reconvene in November 2007 to report on their progress. A steering committee provides guidance, coordination and oversight to the working groups.

One concrete result of the symposium's recommendations was a design charrette held in Wood Dale in April 2007. This charrette, which included local officials and community members, focused on the redevelopment of a shopping center and an adjacent residential neighborhood. It resulted in one possible plan to include mixed-income housing, new commercial space, and increased open space for recreation. Wood Dale has recently commissioned a Tax Increment Financing feasibility study to explore implementing this plan.

Additional outcomes from the symposium include:

- Two major employers, with input from the Employer Engagement task force, are now exploring the possibility of establishing employer-assisted housing programs.
- The Overlay District working group recommended that overlay zoning be created for unincorporated districts in DuPage County. In particular, this group is working on a model town home project in unincorporated Glen Ellyn. CHAD Homes, a for-profit subsidiary of the Community Housing Association of DuPage, owns the land, while Kingsland Properties is the developer. Both are involved in the working groups and the larger task forces.
- The Government Advocacy working group proposed creating an e-mail alert system to mobilize support for proposed affordable housing developments.
- The Community Outreach working group developed a presentation about the need for affordable housing to educate individuals and employers and prompt substantive discussions on the topic throughout the county.

Public Involvement

The symposium successfully broadened community engagement around the topic of affordable housing. It enabled communities and stakeholders to get involved in expanding housing options that meet the needs of a changing DuPage County population through initiatives that work for the unique market and political dynamics of the county. The symposium was open to the general public and advertised on various organizations' Web sites as well as through word of mouth. DHOC and DHAC sent out invitations through their networks, including the banking community, advocacy groups, and social service organizations.

Contact	Dru Bergman, DuPage Homeownership Center
Phone	630/260-2502
E-mail	dru@dhoc.org
Web site	www.dhoc.org
Contact	Mary Ellen Durbin, DuPage Housing Action Coalition
Phone	630/682-5402
E-mail	mdurbin@peoplesrc.org
Web site	www.peoplesrc.org As of July 2007

Accessibility

Bolingbrook Accessibility/Visitability Requirements

Will and DuPage counties

Through its building code, the village has outlined several requirements for new construction to ensure that physically challenged individuals can enter and maneuver in these homes.

Goal
Improve access to new single-family homes for people with disabilities.

Target
Developers and disabled individuals with wheelchairs.

Financing
Accessibility improvements are privately financed by the developer.

Success
Through a detailed information gathering and public review process, the village was able to make recommendations with which the development community was willing to voluntarily comply.

Lessons Learned
By conducting appropriate outreach to all affected stakeholders, the village was able to create a policy that was acceptable to all parties.

Policy Background

Since 2003, the Village of Bolingbrook has required every new residential single-family development to be "visitable" by people in wheelchairs, expanding access to those living with disabilities. Through its building code, the village has outlined several requirements for new construction to ensure that physically challenged individuals can enter and maneuver in these homes.

The local chapter of the Coalition of Citizens with Disabilities in Illinois was instrumental in the passage of the accessibility ordinance. In late 1998, Mayor Roger Claar, village staff, and members of Bolingbrook's disabled community met to discuss accessibility issues. Village staff then conducted a survey of all single-family homebuilders who were active in Bolingbrook to determine the approximate cost of incorporating certain "visitability" features into the construction of a new home. The survey determined the additional features would increase the cost of construction by about 1.5 percent.

In 1999, village staff then drafted amendments to the building code and alerted builders to the changes in advance of public hearings. There was some initial resistance from developers and contractors regarding the additional costs of including these features in their homes. However, the village demonstrated that developers had been incorporating the features in all of their homes voluntarily for four years, and that the benefit to disabled people outweighed the cost to the developer.

How It Works

In 2003, Bolingbrook passed an ordinance to codify the village's voluntary "visitability" criteria, which require:

- A no-step entrance leading from the driveway to an entrance with a minimum 32-inch clear opening.
- One accessible bathroom on the same level as the no-step entrance.
- At least one shower in the home with reinforced beams to allow for the installation of grab rails if necessary at a later date.
- Exterior doorways at least 36 inches wide and interior doors with a minimum 32-inch clear opening.
- Corridors and passageways 42 inches wide on the same level as the no-step entrance.
- Electrical wall outlets placed no more than 15 inches above finished flooring.
- Wall switches controlling light fixtures

and fans placed 48 inches (maximum) above finished flooring.

Public Involvement

Local developers, the Home Builders Association of Greater Chicago, and members of Bolingbrook's disabled community testified at a June 1999 Plan Commission meeting. The Community Development Department held two open meetings where builders, architects, members of the disabled community, and village staff further discussed the language, resulting in a more comprehensive code. This new draft was presented to members of the Plan Commission during a workshop in August 1999. A final draft of the building code text amendments was produced later that month and presented to the Plan Commission during a September meeting.

Although approved by the Plan Commission in 1999, the building code amendments were not yet law. Therefore, the Village of Bolingbrook Executive Department encouraged builders to voluntarily comply with the visitability code in the interim, which they did for the next four years. In 2003, the mayor and village staff began the process of making the amendments law and held another series of public meetings and "open houses" for the public to view accessible homes. Tours of the homes, combined with advocacy from The Coalition of Citizens with Disabilities and the developers' record of voluntary compliance, led to the passage of the ordinance in June 2003.

Contact	Bruce Keller, Interim Grants Coordinator, Village of Bolingbrook	
Phone	630/226-8567	
E-mail	bkeller@bolingbrook.com	
Web site	www.bolingbrook.com	As of October 2006

Housing Commission

Highland Park Housing Commission

Lake County

The Highland Park Housing Commission has served as the driving force behind many of the city's workforce housing initiatives, including the development of its Community Land Trust, Housing Trust Fund, and Inclusionary Housing Ordinance.

Policy Background

Highland Park is often credited as one of the regional leaders on affordable housing policy. Many of the city's successes are the result of years of deliberate work to build understanding and capacity around workforce housing issues. In the 1970s, in response to strong grassroots efforts led by the League of Women Voters and some local businesses, Highland Park's Human Relations Commission studied the city's local housing market and need for low and moderate-income households. This led to the 1973 creation of the Highland Park Housing Commission, which was given the authority to acquire and build housing. This commission has served as the driving force behind many of the city's workforce housing initiatives, including development of its Community Land Trust and Housing Trust Fund and adoption of its Inclusionary Housing policy.

In 1970, the Highland Park Human Relations Commission submitted a report to the mayor and City Council that illustrated the need for low and moderate-income housing in the city. It found there was a serious shortage of housing affordable to families and individuals in these income groups. As a result, both the public and private sectors were having trouble finding, hiring and retaining employees. In addition, many low-income families and families on fixed incomes who had lived in Highland Park all of their lives were unable to remain in the community due to rising costs.

The Human Relations Commission recommended the following:

• The City Council appoint a broad-based task force to determine how much low and moderate-income housing was required and where it should be located, as well as what, if any, changes should be made to existing ordinances.

• Pending the task force's final report and recommendations, the city implement a pilot project that would generate at least 50 homes for low and moderate-income households. (At the time, there was an estimated need for over 200 homes affordable to low-income families in the area, and 275 homes affordable to families with moderate incomes.)

Goal
To encourage and engage in the development of low and moderate-income housing.

Target
Low and moderate-income residents and local employees.

Financing
None provided.

Success
Since the Housing Commission was created in 1973, 224 homes have been developed and another 11 are in the pipeline. Numerous policies and programs have been enacted, including inclusionary zoning, a community land trust, and a housing trust fund.

Lessons Learned
Having a local body dedicated to housing issues helps a community craft policies that specifically respond to area housing needs.

HOME GROWN
LOCAL HOUSING STRATEGIES IN ACTION

• Encourage the task force to scatter affordable developments throughout Highland Park in order to avoid school overcrowding and concentrations of poverty.

As a result of these recommendations, the Highland Park Housing Commission was established by ordinance to “encourage, promote and engage in the development of low and moderate-rent housing projects, and … to relieve the shortage of decent, safe and sanitary dwellings.”

How It Works

The Housing Commission has the authority to acquire and dispose of improved or unimproved property, remove unsanitary or substandard conditions, construct and operate housing, regulate the maintenance of affordable buildings, and borrow, expend, loan, and repay monies for the purposes listed above.

Today, the Commission operates rental housing in four affordable developments, maintains a waiting list for condominium units in an affordable senior development, and works closely with the Highland Park Illinois Community Land Trust, which offers affordable homeownership opportunities. The Commission also assembles land and generates revenue to develop affordable senior and family housing, administers the city's Housing Trust Fund to provide financial resources for affordable housing activities, oversees the city's Inclusionary Housing Program and other housing initiatives, and makes recommendations to the City Council on policy matters and programs related to affordable housing.

Through three separate nonprofit corporations, Peers Housing Association, Walnut Housing Association, and Ravinia Housing Association, the Housing Commission operates three Section 8 affordable housing rental buildings utilizing federal funds. The Commission, through a separate nonprofit corporation, Sunset Woods Association, initiated a public-private partnership to develop an affordable condominium development for seniors on behalf of the Commission. A private management firm, Metroplex, Inc., manages these homes.

The Commission has 10 members, one of whom is a non-voting ex-officio representative of the City Council. The other nine members are all Highland Park residents appointed by the mayor for terms of three years, who may be reappointed to a second consecutive three-year term. No Commission member may serve for more than two full consecutive terms. Each member also serves on the Board of Directors for each of the four nonprofit corporations.

Contact	Betsy Lassar, Housing Planner, City of Highland Park	
Phone	847/926-1852	
E-mail	elassar@cityhpil.com	
Web site	www.cityhpil.com	As of October 2006

Housing Commission

Lake Forest Ad Hoc Housing Committee/Housing Trust Fund Board

Lake County

Largely as a result of its housing committee's Affordable Housing Plan, Lake Forest has adopted several key ordinances that will soon create new housing opportunities for families of moderate means.

Policy Background

City officials in Lake Forest realized that escalating property values were threatening the diversity of the community's housing stock. In 2003, the average sale price of a home in Lake Forest was over $1 million, an 11 percent increase from the previous year and a 65.5 percent increase from 1994. In response to this concern, the city created an Ad Hoc Housing Committee in August 2003, as a temporary entity to address affordable housing issues and draft an Affordable Housing Plan. This plan recommended several means to create affordable opportunities in the city, including implementation of a teardown tax and inclusionary housing policy to leverage private market activity.

The inclusionary zoning ordinance, approved in 2005, requires the City Council to appoint a standing committee, now known as the Housing Trust Fund Board, to "coordinate and plan for possible affordable housing projects within the community and administer an Affordable Housing Trust Fund" within one year (by December 2006). Along with passage of this ordinance and demolition tax, both of which generate funds toward affordable housing related efforts, the city established an Affordable Housing Trust Fund in September 2006. The Housing Trust Fund Board will continue the goals of the Ad Hoc Housing Committee by providing financial resources to address the housing needs of low to moderate-income individuals and families within the city. The three Housing Trust Fund Board members are appointed by the mayor, with the consent of the City Council, and have demonstrated interest, knowledge and expertise in housing-related issues.

Goal
To promote stable, diverse and affordable neighborhoods within the city of Lake Forest.

Target
Low and moderate-income households and employees working in Lake Forest.

Financing
No direct funding.

Success
The Ad Hoc Housing Committee was successful in creating the Affordable Housing Plan, which became the impetus for the city's inclusionary zoning policy and demolition tax. Most recently, the city established a Housing Trust Fund and standing Housing Trust Fund Board.

Lessons Learned
Having a housing commission dedicated to the consideration of housing issues provides a venue for public discourse within the city and a resource for accomplishing community goals.

How It Works

The Ad Hoc Housing Committee, comprised of four members of the City Council, including the mayor, began with the following agenda:
• Prioritize those persons eligible for affordable housing and evaluate the associated demand.
• Define and determine the types of housing consistent with the public health, safety, character, and environment of the city.
• Inventory city property for possible use for affordable housing.
• Coordinate with local college and hospital campuses to determine the viability of affordable housing on those sites.

Between August 2003 and March 2005, the committee held 15 public meetings to discuss affordability issues. In March 2005, the committee presented its Affordable Housing Plan to the City Council, which adopted it later that month. Largely as a result of this plan, the city immediately adopted several key ordinances that will soon create new housing opportunities for families of moderate means in Lake Forest. The Ad Hoc Housing Committee was dissolved in the summer of 2006, when the city began to develop the Housing Trust Fund ordinance and associated board to take its place.

Contact	Peter Coutant, Senior Planner, City of Lake Forest
Phone	847/615-4292
E-mail	coutantp@cityoflakeforest.com
Web site	www.cityoflakeforest.com As of October 2006

Inclusionary Zoning

Highland Park Inclusionary Zoning Ordinance

Lake County

The Highland Park Inclusionary Zoning ordinance has allowed Highland Park to pursue affordable housing development that would have otherwise been extremely difficult to create. As of the summer of 2005, there were three such developments in the pipeline. When complete, these developments will generate 11 new affordable homes.

Policy Background

The first of its kind in the Chicago region, the Highland Park Inclusionary Zoning ordinance requires developments of over five units to include affordably priced homes. Stemming from the city's Master Plan process and a key component of its Affordable Housing Plan, the Inclusionary Housing Ordinance was approved by the City Council in August 2003.

How It Works

The policy requires that developers of buildings with five residential units or more provide 20 percent of the total units for sale or rent at affordable rates to income-qualified households. Examples of buildings covered by the ordinance include:

- New construction.
- Renovation or reconstruction of existing multi-family housing that increases the number of residential units in the building.
- A change in the use of an existing building from non-residential to residential.
- Conversion of a rental property to a condominium.

The developer may make a cash payment in-lieu of constructing some or all of the affordable homes only if the covered development is a single-family, detached development that has no more than 19 units. The per-unit in-lieu fee amount is determined by the City Council, set forth in the city's annual fee resolution, and assessed only once to the developer. All revenue from the in-lieu fee is transferred to the city's Affordable Housing Trust Fund.

The inclusionary zoning ordinance provides for fee waivers and a density bonus to offset the cost of developer compliance with the ordinance. The fees that are waived are applicable only to the affordable homes and include fees for applications, building permits, plan reviews, inspections, sewer and water

Goal
To address affordable housing needs in Highland Park.

Target
Homeowners earning at or below 120 percent of area median income (AMI), with a focus on families earning below 80 percent AMI; renters earning at or below 120 percent of AMI, with a focus on households earning both 80 percent and 50 percent of AMI.

Financing
The ordinance provides for fee waivers and a density bonus to offset the cost of compliance with the ordinance. There is no direct funding attached to the policy.

Success
The creation of 11 affordable units within the city in three separate developments over the first two years.

Lessons Learned
While an inclusionary housing policy does provide predictability for the city and development community, there is an initial adjustment period during which developers and city staff are learning together how to make the program work.

HOME GROWN
LOCAL HOUSING STRATEGIES IN ACTION

tap-ons, demolition permits, the demolition tax, and such other development fees and costs that may be imposed by the city. To the extent there are impact fees attributable to the affordable homes, those are paid from funds in the Affordable Housing Trust Fund.

The affordable homes are made available to families or individuals making up to 120 percent of area median income (AMI) ($90,480 for a family of four in 2006). In for-sale developments, at least one and no less than 50 percent of the affordable units must go to families or individuals making no more than 80 percent of AMI ($59,600 for a family of four in 2006). All other affordable for-sale homes are available to anyone earning up to 120 percent of AMI. Within each income tier, pricing requirements are imposed to ensure a range of affordability. In rental properties, at least one-third of the affordable homes must go to those with incomes less than 50 percent of AMI ($37,700 for a family of four in 2006), one-third to those at 51 to 80 percent AMI, and no more than one-third to those making 80 to 120 percent AMI. For-sale homes are kept affordable by attaching deed restrictions in perpetuity or for as long as legally allowed. The deed restrictions include a resale formula designed to ensure a fair-market return on the investment to the owner and that the homes will be resold at an affordable rate to an income-qualified buyer. Apartments are kept affordable for 25 years.

Affordable homes must be dispersed throughout the development, visually compatible and built concurrently with market-rate units. External building materials must be the same as market-rate units. Internal fixtures and finishes do not need to be the same, except for energy efficiency improvements.

Public Involvement

To establish the Highland Park Inclusionary Zoning Ordinance, the Plan Commission held public hearings at its regular meetings in February, March and April of 2003, to gather public input regarding the ordinance. The Plan Commission approved the necessary amendment to the zoning code to establish the Inclusionary Zoning Ordinance at its April 2003 meeting. In addition to the Plan Commission meetings, the city held several meetings with key stakeholders.

Most of the concerns raised at these meetings came from the development and realtor communities. Developers did not know how the policy would be implemented and feared that inclusionary zoning would raise their costs of working in Highland Park. Discussions with the development community provided valuable input into how the city could best craft the policy. The Illinois Association of Realtors was unclear about the general goals of the policy, as well as who would bear the cost of enactment. The association was concerned the cost would be borne solely by the development community. Highland Park officials met with them to clear up any misconceptions and provide them with accurate information. Several members of the public testified in favor of the inclusionary zoning ordinance during the public approval process.

This ordinance has allowed the city to pursue affordable housing development that would have otherwise been extremely difficult to create. As of the summer of 2005, there were three such developments in the pipeline. When complete, these developments will generate 11 new affordable homes within the city of Highland Park.

Contact	Betsy Lassar, Housing Planner, City of Highland Park	
Phone	847/926-1852	
E-mail	elassar@cityhpil.com	
Web site	www.cityhpil.com	As of October 2006

Inclusionary Zoning

Lake Forest Inclusionary Housing Ordinance

Lake County

The policy requires at least 15 percent of the total number of homes in a covered development of over five units to be affordable.

Policy Background

For over a decade, Lake Forest has experienced a steady loss of affordability in its housing market. In 2003, the average sale price of a home in the city exceeded $1 million. As an extension of the Affordable Housing Plan adopted by its City Council in March 2005, the Lake Forest Plan Commission proposed an inclusionary housing ordinance to require developers of new residential developments and conversion properties to provide affordable homes along with homes at market prices. The ordinance passed the City Council in December 2005.

How It Works

The policy requires at least 15 percent of the total number of homes in a covered development of over five units to be affordable. Covered developments include:

- New residential construction or new mixed-use construction with a residential component.
- Developments consisting of over 50 percent reconstruction of the total square footage of an existing multifamily residential structure that will increase the number of units.
- A development that changes the use of an existing structure from non-residential to residential.
- Conversion of rental homes to condominium homes.

The ordinance provides for fee waivers for inspection, sewer and water tap-on, building permit, application, plan review, demolition permit, impact, and all other development fees imposed by the city as they apply to the affordable units. In addition, covered properties are eligible for density bonuses.

Developers may propose, and the City Council may approve, alternatives to the inclusion of affordable housing on the site of the covered development.

Goal

To attract, encourage and promote affordable housing within the city and extend affordable housing opportunities to seniors and other Lake Forest residents.

Target

Seniors and other Lake Forest families earning 120 percent or below AMI, ($90,480) for home ownership and 80 percent or below AMI ($59,600) for rental homes.

Financing

The ordinance provides for fee waivers and a density bonus to off-set the cost of compliance with the ordinance. There is no direct funding attached to the policy.

Success

Passed December 2005 (as of July 1, 2006) two developments in the pipeline that could create 20 to 35 new affordable homes.

Lessons Learned

The city worked with regional nonprofits, with expertise in regional and national best practices, to help develop the policy. A deliberate, incremental policy development process minimized public opposition and resulted in successful implementation of the ordinance.

HOME GROWN • LOCAL HOUSING STRATEGIES IN ACTION

Contact	Peter Coutant, Senior Planner, City of Lake Forest
Phone	847/615-4292
E-mail	coutantp@cityoflakeforest.com
Web site	www.cityoflakeforest.com As of October 2006

Inclusionary Zoning

Chicago Affordable Requirements Ordinance

Cook County

Goal
To provide more affordable and workforce housing to Chicago residents.

Target
Developers and low and moderate-income families.

Lessons Learned
The city's approach has been to incrementally expand Chicago's housing policies. This ensures the city's policies tap market activity without slowing private development or causing negative economic effects.

Policy Background

In May 2007, the City of Chicago revised its Affordable Requirements Ordinance (ARO) in order to better increase the city's housing affordability by linking market rate development and the construction of new workforce homes. Developers will now be required to make affordable 10 percent of all new housing that is either built in a planned development or on city-owned land, involves financial assistance from the city, or that requires density bonuses or other zoning variances.

Given dwindling federal resources for affordable housing, the ARO was revised to provide more housing priced below market level. The City of Chicago has a stated commitment to create programs and policies that capitalize on the healthy market to generate resources without discouraging development. The 2007 ordinance revision blends elements of the original ARO, passed in 2003, and the 2005 Downtown Density Bonus (DDB), which have both effectively generated new housing opportunities without requiring an infusion of municipal funds.

How It Works

The revised ordinance, which is similar to an inclusionary zoning ordinance, incorporates both the original 2003 ARO and the 2005 DDB. The former requires developers receiving either financial assistance from the city or discounted purchases of city land to provide a certain percentage of affordable housing units: 20 percent and 10 percent respectively. It applies only to developments with 10 or more units. The latter requires developers to pay into an affordable housing fund or build affordable homes in exchange for increasing density beyond what the underlying zoning would allow.

In addition to requiring 10 percent of the homes in new developments built on any land purchased from the city be affordable, the new ARO activates the 10 percent requirement if a developer requests any density increases or zoning variances, or requests to change an area's zoning from non-residential to residential. All new downtown planned developments must include 10 percent affordability as well. Resulting housing opportunities must either remain affordable for 30 years or be placed in the Chicago Community Land Trust, where they will remain affordable in perpetuity. Developers also have a payment in lieu option; they must provide the required affordable housing or pay $100,000 per unit.

According to the ordinance, for-sale homes must serve households at or below 100 percent Area Median Income ($75,400 for a family of four in 2007). Apartments must serve households at or below 60 percent AMI. In 2006, 415 affordable homes were built under the original ARO program. The city estimates that within a few years of the revision, as many as 1,000 new affordable homes, or a comparable number of payments in lieu, may be generated. In return for flexibility with density allowances and zoning changes, the city will spur new affordable housing construction without increasing municipal financial involvement. The city is also confident there will be no dampening effect on economic activity or devel-

New for 2007

opment, but rather that the revision will produce more quality housing options for working individuals and families.

In 2002, the city established the Chicago Partnership for Affordable Neighborhoods program, through which a developer voluntarily provides affordable units within a market rate development and the city offers additional purchase subsidies available to buyers with incomes less than 80 percent AMI. Since then, the City of Chicago has continually created new policies that leverage private developments to create more affordable housing. The new ARO is the latest initiative designed to create more opportunity without negatively affecting the market.

Public Involvement

The 2007 revision of the Affordable Requirements Ordinance resulted from negotiations between the Mayor's office, the city's zoning and housing committees, and an active group of advocates including several aldermen, most notably 4th Ward Alderman Toni Preckwinkle, and nonprofit groups such as the Chicago Rehab Network (CRN), Metropolitan Planning Council, Home Builders Association of Greater Chicago, and Business and Professional People for the Public Interest. The negotiation process included several public meetings, which provided opportunity for residents to comment on the proposed revisions. Additionally, CRN has created an online tracking system, ARO Watch, to update the public on potential developments that would be subject to the ARO.

Contact	Marti Wiles, Department of Housing, City of Chicago
Phone	312/742-0467
E-mail	mwiles@cityofchicago.org
Web site	www.egov.cityofchicago.org As of July 2007

Inclusionary Zoning

City of St. Charles Inclusionary Zoning Ordinance

St. Charles, Kane County

St. Charles took a unique approach to its inclusionary zoning legislation, and created a tiered system that requires developments of different sizes to incorporate a different percentage of affordable homes.

Policy Background

Due to its strong housing market and desirable location, St. Charles has experienced a loss in affordability over the past several years. If this trend continues, moderate-income families may eventually be priced out of the community. In 2008, to provide more affordable housing options for working families, the city adopted an inclusionary zoning ordinance. Along with legislation establishing a housing trust fund, this ordinance will provide more options for families to work and live in St. Charles.

The ordinance is part of the city's housing action plan, developed with the assistance of the Metropolitan Planning Council, to identify strategies and programs that will preserve and create diverse housing options for city residents. The St. Charles Inclusionary Zoning ordinance is one part of the city's larger plan to increase and preserve affordable housing in the city, which includes other initiatives like employer-assisted housing, preserving and upgrading the existing affordable housing stock, and leveraging federal, state and local resources.

One of the city's major goals was to ensure this new ordinance could function effectively within St. Charles' housing market. The city worked closely with S.B. Friedman and Co., a real estate consultant, to ensure that developers, instead of opting to pay in-lieu fees into the housing trust fund, would be more likely to build the affordable homes. S.B. Friedman evaluated bottom-line expenditures and profits, which helped the city establish cost offsets like a density bonus and municipal fee waivers. These offsets help to lessen the impact on a developer's overall profitability.

How It Works

St. Charles is one of several local communities to adopt inclusionary zoning (also, Highland Park, Lake Forest, Evanston, and Chicago), yet the city took a unique approach to its legislation. Unlike most communities, which require developers to set aside a flat percentage of homes as affordable for any qualified development, St.

Goal

To address the decreasing supply of housing for moderate-income workers, and provide more affordable housing options for families wishing to live and work in St. Charles.

Target

St. Charles families earning 80% or below AMI ($60,300 for family of four in 2009) for homeownership, and between 50% and 60% AMI ($37,700-$44,940) for rental properties.

Financing

The ordinance provides fee waivers for affordable homes and a density bonus to make construction financially viable for developers.

Success

First Street, a new large-scale development in downtown St. Charles, became the first development to incorporate affordable homes. The city negotiated its affordable set aside with the developer on a voluntary basis in 2007, prior to the passage of the inclusionary zoning ordinance. All of First Street's 16 affordable apartments have been rented. Another development, Delnor Woods, includes four affordable rental units.

New for 2010

HOME GROWN
LOCAL HOUSING STRATEGIES IN ACTION

Inclusionary Zoning

City of St. Charles Inclusionary Zoning Ordinance

St. Charles, Kane County

Charles created a "tiered" system. It requires developments of different sizes to incorporate a different percentage of affordable homes. Five percent of developments with one to ten homes are required to be affordable, while this percentage is increased to 10 percent for developments with 11-50 homes, and 15 percent for developments with more than 50 homes.

The ordinance applies to all new residential developments, including conversions that add units to a property. Families who earn between 50 and 60 percent, or $37,700 to $45,240 for a family of four in 2009, of the Chicago region's Area Median Income (AMI) qualify for affordable rental homes and apartments, and those earning 80 percent of AMI, ($60,300 for a family of four in 2009) or less qualify for for-sale developments. Rental and sale prices are determined by the family's ability to pay housing costs, which can be up to 30 percent of income.

For affordable homes required but not built on site, developers must pay in-lieu fees. The City Council sets these fees on an annual basis, although the in-lieu fees have remained at the rate set for 2007-2008 ($140,000 per unit) for the past two years. Developers may pay in-lieu fees in full for small developments (1-10 homes), but larger developments must follow more stringent guidelines. For medium developments (11-50 homes), the City Council accepts in-lieu fees for no more than 50 percent of the required affordable homes for the site, so developers must construct at least half of the required affordable homes. For large developments (50 or more homes), developers must construct all of the required affordable homes, or need special approval from the City Council and housing commission to pay in-lieu fees. Even if they receive this special approval, developers still need to construct at least 50 percent of the required affordable homes.

Public Involvement

The city's outreach effort is one of the greatest triumphs of its inclusionary zoning planning process. Beyond the housing commission's numerous open meetings, the commission met with various stakeholders to get feedback on the ordinance's potential effects. These stakeholders included school and park district representatives, developers, and real estate professionals. The ordinance also was discussed at many City Council and Plan Commission meetings, both of which are open to the public.

Contact Matthew O'Rourke, AICP, Planner, Comm. Development Dept., City of St. Charles
Phone 630.762.6924
Email morourke@stcharlesil.gov

New for 2010

Landlord/Tenant Relations

Evanston Landlord/Tenant Ordinance

Cook County

The Evanston Landlord/Tenant Ordinance has enabled the city to maintain housing options within the community and foster positive relations between landlords and tenants.

Policy Background

Evanston officials wanted to maintain a quality supply of rental housing in the city, as well as ensure the rights of both tenants and landlords were understood and upheld. Consequently, in 1975, the city established the Landlord/Tenant Ordinance to educate both partners of their individual obligations. The ordinance was created and presented to the City Council by the Tenants Organization, a local tenant advocacy group.

How It Works

The Landlord/Tenant Ordinance addresses such issues as the required components of a lease, security deposit procedures, dwelling unit requirements for maintenance and upkeep, lead disclosure requirements, rent payment default procedures, and property abandonment procedures. The city also provides assistance when necessary, to resolve issues as they arise. The Evanston Dept. of Human Relations has a human relations specialist staff position dedicated to this task.

The ordinance has enabled the city to maintain housing options within the community and foster positive relations between landlords and tenants. The city handles roughly 2,500-3,000 complaints each year. Although tenants file the majority of complaints, landlords also come to city staff with concerns.

If a party wishes to seek formal resolution to an issue, it may file a civil suit. Not everyone, however, has the resources to do this, so the city is currently considering creating an enforcement mechanism to penalize a breach of Evanston's Fair Housing Ordinance.

Goal

To make clear the rights and responsibilities of landlords and tenants.

Target

All landlords and tenants of rental properties in Evanston.

Financing

No financing attached.

Success

2,500 to 3,000 complaints addressed each year.

Lessons Learned

Having a city landlord/tenant ordinance is very useful, but an enforcement mechanism is needed and should be included in the initial legislation.

HOME GROWN • LOCAL HOUSING STRATEGIES IN ACTION

Public Involvement

The Evanston Landlord/Tenant Ordinance was initiated in large part by the Tenants Organization. While local landlords originally opposed the implementation of the ordinance, there was enough community support to pass it. Current community dynamics in Evanston have changed. More recently, the City Council has made efforts to place enforcement mechanisms in the ordinance, such as fines for noncompliance, but has faced landlord opposition and little tenant support.

Contact	Paula Haynes, Director, Evanston Department of Human Relations Department
Phone	847/866-2920
E-mail	phaynes@cityofevanston.org
Web site	www.cityofevanston.org As of October 2006

Landlord/Tenant Relations

Oak Park Landlord/Tenant Ordinance

Cook County

Since the ordinance was adopted, Oak Park has experienced improved landlord-tenant relations and fewer court appearances related to code violation disputes.

Policy Background

In the 1960s, many conflicts arose between landlords and tenants in Oak Park because there were no common rules regarding their respective responsibilities. With half of the village's population living in multifamily rental buildings, there was an obvious need for a supportive system to resolve landlord/tenant disputes and maintain positive relationships between the village, its property owners, and its renters. A multi-jurisdictional committee comprised of landlords, tenants and realtors was formed to address the issue. Working with Oak Park's Community Relations Department, the committee drafted the Landlord/Tenant Ordinance, which was passed by the Village Board in 1968, in conjunction with the village's Fair Housing Ordinance. Updated and amended several times since, the ordinance has proven very useful to the village and its residents.

How It Works

Each year, Oak Park holds a tenant seminar, advertised throughout the community, where tenants receive a booklet outlining the ordinance. Booklets are also available in a variety of municipal buildings. In addition, mandatory annual meetings are held with all Oak Park landlords to update them on recent city ordinances. Landlords are encouraged to communicate this information to tenants, which leads to improved relationships and communication.

An underlying goal of the Landlord/Tenant Ordinance was to resolve conflicts over code violations before resorting to the judicial system. Since the ordinance was adopted, the village has experienced improved landlord-tenant relations and fewer court appearances related to code violation disputes.

Goal
Educate landlords and tenants on their rights and responsibilities.

Target
Landlords and tenants of rental buildings.

Financing
No financing attached.

Success
Court appearances have decreased since adoption in 1968.

Lessons Learned
Education can address many of the common landlord-tenant conflicts that arise before court involvement becomes necessary.

HOME GROWN • LOCAL HOUSING STRATEGIES IN ACTION

Public Involvement

Concerned Oak Park citizens brought the issue of creating a landlord/tenant ordinance to the village. Public hearings were held to discuss the implementation of the ordinance, as well as hear and respond to feedback from the community.

Landlords were initially skeptical because they thought the ordinance would increase their responsibilities and costs. Prior to its enactment, landlords were being taken to court frequently, at a great cost to the city, due to violations of tenant rights. The multi-jurisdictional group came together to discuss these concerns, resolve differences, and help form an effective ordinance that would successfully support a diverse community. Conflict resolution at the local level was a selling point to all parties involved during the planning process.

Contact	Cynthia Breunlin, Housing Programs Manager, Village of Oak Park
Phone	708/358-5411
E-mail	breunlin@oak-park.us
Web site	www.oak-park.us

Affordable Housing and Smart Growth

Arlington Heights' Multifamily Affordable Housing Policy

Arlington Heights, Cook County

Arlington Heights establishes high expectations for affordable units in new developments with a policy requiring developers to explain how their projects will address village affordable housing goals.

Since Arlington Heights established its Housing Commission in the 1970s, access to affordable housing has been one of the Village Board's top goals. In 1998, to encourage affordable housing construction, the board enacted the Affordable Multifamily Housing Policy, which states:

> It is the policy of the Village of Arlington Heights to promote adequate housing for all the community's people; to create and/or maintain sound viable neighborhoods; to meet the needs for housing by increasing the number of housing units for low and moderate income families and individuals; and to expand housing opportunities for all members of the community.

To implement this policy, which is intended to promote both affordable homeownership and rental opportunities, the Village Board amended the application developers of multifamily residential housing must submit to the Arlington Heights Plan Commission, to include a description of how they intend to address the village's goal to promote affordable housing. As in many other parts of the Chicago region, since 2000, it has become considerably more expensive to live in Arlington Heights, as the village has experienced an increase in both new construction and condominium conversions. Its policy elevates the importance of affordable housing in the decision-making process for Planned Unit Developments (PUDs), making the village more directly involved. It also encourages developers to include affordable homes in their developments.

How It Works

All Plan Commission applications for multifamily residential PUDs must include an assessment of the development's affordability, details about the inclusion of affordable homes, and an additional explanation of how the developer will respond to the village's policy. Developers are required to submit this information for both new PUDs and amendments to existing PUDs. The policy states affordable homes must be dispersed among the market rate units, should have the same exterior and interior appearance, and should not differ in terms of finishes or internal mechanical systems, unless otherwise approved.

While the policy is not a mandate, it does help the village take affordable housing into consideration when reviewing a PUD. The number of affordable homes recommended by the village is dependent on zoning, site planning, and other site-specific considerations.

Goal

To promote affordable homeownership and rental opportunities, especially in Planned Unit Developments (PUDs).

Target

Low and moderate-income families at or below 80% AMI for the Chicago region ($60,300 for a family of four in 2009).

Financing

No costs associated with this policy.

Success

The Timber Court Condominiums development was the first larger-scale application to this policy. Of the development's three proposed buildings, the first two were completed in 2008, and contain eight one-bedroom and six two-bedroom affordable units. After the third building is built, in which the developer has planned four one-bedroom and three two-bedroom affordable units, Timber Court will have 21 affordable units (20% of the total development).

Lessons Learned

The affordable two-bedroom condominiums at Timber Court sold quickly, while it was much more difficult to find interested eligible homebuyers for the affordable one-bedroom condominiums. Therefore, in the future, the Village will ask that all affordable housing units have at least two bedrooms.

New for 2010

HOME GROWN · LOCAL HOUSING STRATEGIES IN ACTION

Affordable Housing and Smart Growth

Arlington Heights' Multifamily Affordable Housing Policy

Arlington Heights, Cook County

The village does provide guidelines for an acceptable percentage of affordable homes within different sized developments. Arlington Heights recommends that 12 percent of homes within developments of 11-50 units be affordable, 15 percent of developments with 51-100 units, and 20 percent in developments with more than 101 units.

Buyers are eligible to purchase affordable homes in Arlington Heights if their annual household incomes are at or below 80 percent of area median income (AMI) for the Chicago region ($60,300 for a family of four in 2009). Prices are set so buyers spend no more than 30 percent of their gross annual incomes on housing costs, which include principal and interest (on an adjusted average 30-year fixed rate mortgage), association dues, taxes, and insurance. The appropriate number of occupants for a unit is defined as one more than the number of bedrooms, and prices are set based on this standard. For instance, the price of a two-bedroom home is set to be affordable for a three-person household.

To support this policy and its overall affordable housing goals, the Village of Arlington Heights has put in place several tools to support developments that include an affordable component. The village provides its own financial assistance to purchasers, maintains a waiting list of ready and qualified buyers, and has developed several legal documents and measures to maintain affordability permanently, including provisions of the Declaration of Condominium, Development Agreement, and Buyer's Occupancy and Resale Restriction Agreement signed by the homeowners.

Contact Nora Boyer, Housing Planner, Village of Arlington Heights
Phone 847.368.5214
Email nboyer@vah.com

As of February 2010

New for 2010

Affordable Housing and Smart Growth

Road Improvement Impact Fee Ordinance and Smart Growth Criteria

Kane County

Goal

To promote orderly development that includes affordable housing, trip reduction measures, and other sensible growth goals.

Target

Developers, planners, and the community of Kane County.

Lessons Learned

By holding hearings open to the public, meeting with municipal officials, and conducting countywide outreach, Kane County was able to generate support for the impact fee ordinance and its discount program. The discount program makes the connection between land use and transportation needs, by acknowledging that appropriate development can decrease trip generation and ease the burden on the road infrastructure.

Policy Background

In an effort to encourage sensible growth, Kane County has reduced or removed impact fees on new developments that are designed to reduce the use of automobiles. The revised Road Improvement Impact Fee Ordinance was passed in 2007, as part of Kane County's Comprehensive Road Improvement Plan (CRIP). The intent of the discount program is to encourage new development to meet the county's Smart Growth Criteria, which are aimed at reducing road trips and, therefore, the need for new road construction.

Kane County Smart Growth Criteria:

- Mixed land uses
- Compact building design
- A range of housing opportunities and choices
- Walkable neighborhoods
- Distinctive, attractive communities with a strong sense of place
- Preservation of open space, farmland, natural beauty, and critical environmental areas
- Development directed toward existing communities
- A variety of transportation choices
- Predictable, fair, and cost effective development decisions
- Community and stakeholder collaboration in development decisions

Road impact fees, which are required to be paid by the builders of every new housing development, can fund the construction of infrastructure that needs to be expanded because of new development. Developments that include trip reduction measures – building mixed-use developments, developing in close proximity to public transit, or incorporating density and walkability – reduce strains on infrastructure. The Kane County Impact Fee Discount Program acknowledges that land use decisions impact the need for transportation infrastructure. The program offers up to a 70 percent discount for developers who include these trip reduction measures in their developments.

An affordable housing exemption to the road impact fee ordinance aims to attract new affordable and mixed-income developments. For each affordable home built (or a designated percentage of the homes in a multi-family housing development), the developer is exempt from paying the Road Improvement Impact Fee that would have been assessed for a comparable market-rate unit. The County Engineer is responsible for monitoring the affordability of apartments, which must meet the minimum affordability requirements set by the Illinois Housing Development Authority for a period of 10 years. If the affordable homes or development fails to meet the affordability requirements in any year, the previously exempted impact fee must be paid in full by the owner. Affordable for-sale housing, while still qualifying for the same exemption, is monitored by individual Kane County municipali-

New for 2007

HOME GROWN • LOCAL HOUSING STRATEGIES IN ACTION

ties, which determine the length of time homes must remain affordable and designated number of affordable homes required, such as 10 percent of the total development.

How It Works

Road impact fees are assessed based on the proposed building's predominant use. Fees can be reduced or waived for developments meeting the sensible growth features listed below, but there are no penalties for not meeting these goals. All new developments must pay the impact fee unless they are eligible for a discount. An impact fee schedule is in place, which ensures a gradual increase over a five-year period. For example, a single-family detached home built in 2007 would be assessed just over $1,500, and over time the fee would rise to $3,100. The current CRIP is in place until 2011, at which time a new plan will need to be adopted and the impact fee adjusted accordingly.

To receive the minimum 40 percent discount on the impact fees, the proposed development must meet all four of the following criteria:

- All entrances must be located within a half-mile walking distance of an existing or committed PACE fixed route bus service, within one-mile walking distance of an existing or committed METRA commuter rail station, or within a half-mile walking distance of other transit service.
- It must have a residential component and at least four different land uses and trip generators such as parks, community centers, libraries, or schools, or be within one-quarter mile walking distance of a residential zoning district and at least four of the land use/trip generators. Alternatively, the proposal can be within one-half mile walking distance of a residential zoning district and at least six of the land use/trip generators.
- It must have an average residential density of at least seven units per acre or an average non-residential or mixed-use floor area ratio of at least 0.5.
- It must adhere to a maximum block perimeter within the new development of 2,200 feet and ensure the main or public entrance to the building is directly accessible from the public sidewalk along the street, with no parking allowed in front of the building.

Developments that offer even greater density or are located on infill sites are eligible for additional discounts adding up to 70 percent of the standard impact fees.

Public Involvement

The Road Improvement Impact Fee Ordinance went through the standard public review and comment period process required by the enabling state legislation, which included public hearings. These hearings focused on land-use consumption within Kane County to ensure future plans were as efficient and effective as possible. County staff met individually with many municipalities to discuss the program and established an Impact Fee Advisory Committee to determine land use assumptions and development of the CRIP. This committee continues to monitor and evaluate the CRIP and fee implementation, make annual progress reports, and advise any necessary updates. Despite initial apprehension and concern about its application in the county's faster growing communities, the ordinance has been positively received, particularly the potential discounts for meeting smart growth goals.

Information about the Road Improvement Impact Fee Ordinance and all related documentation is available at www.co.kane.il.us/dot/roadimpact/index.asp.

Contact	Kai Tarum, Dir. of Planning & Special Projects, Kane Co. Development Dept.	
Phone	630/232-3428	
E-mail	tarumkai@co.kane.il.us	
Web site	www.countyofkane.org	As of July 2007

Affordable Housing and Smart Growth

Plainfield
Smaller Lots and Density Bonuses
Will County

Policy Background

The Village of Plainfield has experienced tremendous residential growth in recent years, as the community's population has grown from 13,038 in 2000 to approximately 36,000 in 2007. Village elected officials and planning staff have adopted a series of plans and programs to guide growth, while protecting environmental and historic resources, promoting sensible growth techniques, and encouraging a full range of housing options to meet the needs of all segments of the community. The heart of the village's efforts is the density bonus program that was adopted in 2005 as part of the village's Residential Design Guidelines for Annexations and Planned Unit Developments.

Plainfield enacted a moratorium on residential annexations in 2004. This gave village staff time to update codes and ordinances, as well as create new regulations to foster sensible growth and preserve historic identity and community character. This included updating Plainfield's comprehensive plan, adopting the new Residential Design Guidelines in 2005, and completing an update of the zoning code in 2006.

The density bonus program awards an increase in residential density above the base level established in the comprehensive plan for developments that meet one or more of the 15 village objectives. These include the provision of affordable housing (10 percent bonus), historic preservation (5 percent), and enhanced land-planning and architectural elements (bonuses ranging from 5 to 15 percent). An environmental category provides for clustering of homes on smaller lots to achieve a greater percent of open space for environmental protection and restoration, while the traditional neighborhood development category allows for smaller lots with homes served by alleys.

The new zoning code also introduced two new districts – the Conservation Design and Traditional Neighborhood Development (TND) zoning districts, which allow smaller lots and cluster developments.

Goal
To establish development regulations that encourage affordable and attainable housing, sensible growth, conservation design, historic preservation, and land planning and architecture that preserve unique community identity and character.

Target
All developers.

Financing
This program has supported four developments that meet community goals at little cost to the community.

Success
Four developments have implemented the village's design guidelines, creating a total of 3,500 homes that meet Plainfield's sensible growth principles. The projects are in various stages of approval and construction, with some homes already built and occupied.

How It Works

In Plainfield, permitted residential density for a given parcel is determined by the parcel's land-use designation in the comprehensive plan. The plan has a series of residential land-use categories that correspond to various housing types – single-family detached homes, townhomes and condominiums, apartments, and mixed-use developments. Each category has a range of appropriate densities. The low density classification is 1.4 to two homes per acre, the medium density classification is 2.1 to three units per acre, and the village residential classification is four to six units per acre. Prior to the 2005 comprehensive plan update, develop-

New for 2007

ments could be proposed at any density within the range and reviewed on a case-by-case basis, without a formal rationale or specific criteria to justify the proposed density. The updated comprehensive plan requires all projects to start at the base density (the bottom of the range) and then implement one or more policy objectives in order to achieve a higher density within the permitted range. There is a maximum bonus of 50 percent, and the density is restricted to the upper limit of the range for the given land-use designation.

Village staff believes the density bonus program (as well as the new zoning districts) will facilitate access to housing for all residents. By providing a bonus for projects that incorporate affordable housing, the program provides economic relief in the form of an increased number of homes allowed. The program also allows for design flexibility, such as a decrease in the minimum lot size for conservation design and TND projects, which will help put housing costs within reach of more people. The design guidelines promote a range of housing types – including apartments, townhomes, duplexes, and detached single-family homes of various sizes – that extend across the spectrum of home prices. The bonus program should also reduce the cost to develop individual homes (and, staff hopes, reduce the home's purchase price) by spreading fixed development costs such as land acquisition, design and permitting, and construction of infrastructure over a greater number of homes.

The new TND zoning district reduces lot size to a minimum 6,000 square feet, allows for a mix of housing types within the district, narrows road widths, and produces an overall reduction of pavement. The Conservation Design zoning district encourages clustered homes that provide shared open space and protect existing environmental resources. Both districts incorporate development standards to accompany the lot size flexibility as well as to exemplify the village's commitment to sensible growth and the widespread availability and attainability of housing.

Plainfield has approved four residential developments that met the Residential Design Guidelines and received a density bonus. The most significant example is Grande Park South, which, at 1,113 acres, is the largest development ever proposed in Plainfield. It will have lot sizes ranging from 6,400 square feet to 40,000 square feet, as well as a variety of housing types (single-family detached, duplex, townhome and condominium). Grande Park South will also implement state of the art conservation design techniques under the guidance of Randall Arendt, a nationally known author and land planner who is an expert in conservation design land planning practices. The current development proposal sets aside approximately 481 acres, or 43 percent of the total project area, as open space. Bioswales, filter strips, and rain gardens are all part of the development's stormwater management process (instead of the traditional curb and gutter). Storm sewers are being built to cleanse stormwater runoff, encourage groundwater infiltration, and slow the rate of runoff into streams. Cluster development and TND are also being incorporated.

Contact	Michael S. Garrigan, AICP, Village Planner, Village of Plainfield
Phone	815/439-2824
E-mail	mgarrigan@goplainfield.com
Web site	www.plainfield-il.org As of July 2007

Timber Court

Tandem Realty

Arlington Heights, Cook County

When completed in 2008, Timber Court will provide Arlington Heights and the neighboring area with 21 affordable homes (20 percent of the total development), bringing much-needed diversity to the current housing stock.

The Development

Timber Court is a 108-unit condominium development located in Arlington Heights, just east of Route 53 and Dundee Road. When completed, Timber Court will provide Arlington Heights and the neighboring area with 21 affordable homes (20 percent of the total development), bringing much-needed diversity to the current housing stock. The affordable condominiums will be priced for households at or below 80 percent of area median income ($59,000 for a family of four in 2006), and will remain affordable in perpetuity through a deed restriction. The remaining one-bedroom condominiums will be priced from the low $200s and the remaining two-bedroom condominiums in the mid $200s.
There will be no design or material differentiation between market-rate and affordable homes. The proposed site is surrounded by an assortment of uses, including office and commercial space, and multi-family and single-family homes. The location is accessible to transportation, three miles north of the Arlington Heights Metra station and near three major highways.

Target
Families with a range of incomes, including low to moderate. For the affordable homes, preference will be given to seniors, residents and employees of Arlington Heights.

Development Information
Type: Condominium
Total Units: 108
Total Affordable Units: 21
Affordable Price Points:
- 1-bedroom: $132,800
- 2-bedroom: $143,900

Funding Sources
- Private financing
- $100,000 grant from village for road improvements

Lessons Learned
Essential to have policies in place so village officials, the public, and developers know what is expected.

Creating Affordability

The village required the affordability component of the development as part of its planned unit development entitlement process. Tandem Realty was granted a density bonus of 28 homes to create affordability within the development, as well as other zoning variations, including changing commercially zoned land to residential, an increase in building height, and a lot area and setback minimum reduction.

Public Involvement

Strong leadership was key to overcoming community opposition, which mainly centered on the developer's request for an increase in density. The village held three grueling late-night meetings. Tandem worked closely with the community and village, appearing at the public hearings and working with village staff, to implement the necessary changes to improve the plan. Arlington Heights' decision to approve the development was based on the fact that Timber Court complies with village efforts to increase housing affordability and support sensible growth and innovative community development and design. In addition, Northwest Community Hospital, a major area employer, voiced support for the development, citing their employees' need for more nearby workforce housing like the product Tandem Realty was proposing.

Arlington Heights has long demonstrated its great leadership on the issue of workforce housing, including adopting the Metropolitan Mayors Caucus' Housing Endorsement Criteria in 2002. These Criteria support economic development and sustainability, increased housing options, quality design, and housing construction near transit and employment. Tandem Realty was one of the first developers to submit a proposal of this size that meets the village's new criteria.

Lessons Learned

The Timber Court experience proved invaluable to the village even though re-zoning took time to iron out internally, and creating truly affordable price points took some research and negotiations. While this process took significant time, the public was meaningfully involved, and village staff was able to create a whole new skill set and have a better understanding of the process for creating a mixed-income development. Arlington Heights approved plans for Timber Court in May 2005. Construction is currently awaiting building permits and is expected to be completed in 2008.

Contact	Nora Boyer, Housing Planner, Village of Arlington Heights
Phone	847/358-5000
E-mail	nboyer@vah.com
Web site	www.vah.com As of October 2006

HomeTown Aurora

Bigelow Homes

Aurora
DuPage, Kane, Kendall and Will counties

HomeTown Aurora aims to create a sense of community, provide housing options, and build the local tax base.

The Development

When Bigelow Homes designed HomeTown Aurora, the developer wanted to re-create a small, pre-World War II, Midwestern town, with cultural and economic sustainability and diversity. HomeTown Aurora is a 1,288-unit development that includes single-family detached, single-family attached, and loft-style homes. Of the total, 1,000 homes are now built and around 600 are affordable to families earning below 80 percent of the area median income ($59,600 for a family of four in 2006). Half of the homes are two-bedroom, 40 percent are three-bedroom, and the rest are four-bedroom. HomeTown Aurora is located on the east side of the city, in an area targeted for residential growth. The development aims to create a sense of community, enhance the environment, provide housing options, and build the local tax base.

Because of its compact design, assessed valuation is $396,258 per acre, more than twice that of other new subdivisions in the area. Furthermore, due to narrower streets, there is much less public street per million dollar of assessed valuation. When completed, HomeTown Aurora's town center will create more than 150 jobs. Because of its mixed-use compact design, the development preserved 273 acres of open space.

Creating Affordability

HomeTown Aurora includes diverse housing types that appeal to a wide range of demographic and economic segments of the market. The development has eight pedestrian-friendly, compact, traffic-calmed neighborhoods, with a commercially viable and socially appealing town center. HomeTown Aurora demonstrates that it is possible to develop new neighborhoods that offer varied housing options and have less impact on the natural environment, less traffic, and less need for municipal services.

This award-winning development balances common open space with smaller private lots, allowing for a range of housing types and price points. The homes appeal to singles, empty-nesters, and young couples without children, as well as families. Most (76 percent) of the residents do not have children, creating less of a demand on local schools. HomeTown's affordability is strictly a result of the variety of housing products it offers and its more compact, energy-efficient design. There are no subsidies or long-term pricing restrictions associated with these homes.

Target
Individuals and families with a range of sizes and incomes.

Development Information
Type: Single-family detached, single-family attached & loft
Total Units: 1,288
Total Affordable Units: 600
Price Points:
- Range from $150,000-$300,000

Funding Sources
- Standard Federal Housing Administration (FHA) Loan

Lessons Learned
Providing varied housing options within a compact design allows for an economically diverse community that contributes financially to the schools and municipalities around it.

Public Involvement

One of the challenges in building HomeTown was that this model of development does not fit with traditional city codes and zoning practices. Many of the aspects that contributed to HomeTown's affordability and sustainability (i.e. narrow streets and smaller lot size) required extensive negotiations between Bigelow Homes and city representatives. This entitlement process took two years to complete. Now that HomeTown is up and running, with hundreds of homes built and the town center completed, the City of Aurora just recently approved an extension of the development.

Contact	Perry Bigelow, CEO, Bigelow Homes
Phone	630/631-7000
E-mail	pbigelow@bigelowhomes.com
Web site	www.bigelowhomes.com As of October 2006

Sunset Woods

Brinshore Development, LLC, and Housing Opportunity Development Corporation

Highland Park, Lake County

Sunset Woods provides a combination of affordable rental and for-sale housing for seniors in Highland Park.

The Development

Sunset Woods is a three-story, 60-unit, 100 percent affordable senior housing development in Highland Park. Opened in 2000, this high-quality development was made possible through a city land donation and fee waivers (impact, permit and hook-up fees). The building provides many amenities, including exercise and laundry rooms on every floor and a medical screening room for residents. The building overlooks historic 38-acre Sunset Woods Park, which has been a part of Highland Park since 1920. The park is accessible to disabled persons and incorporates amenities such as an outdoor ice skating rink, tennis courts, picnic areas, and walking paths.

Creating Affordability

Sunset Woods has 48 for-sale condominiums and 12 rental apartments that are owned by the City of Highland Park Housing Commission through the Sunset Woods Association. The apartments are managed by the Housing Opportunity Development Corporation, a private, nonprofit housing organization. Of the 12 apartments, five are available to households with incomes at or below 60 percent area median income (AMI) ($45,240 for a family of four in 2006) and seven are available to households at or below 80 percent AMI ($59,600 for a family of four in 2006). Ten of the 12 residents receive Section 8 assistance.

Eighteen of the condominiums have been sold to people at 80 percent AMI, while the remaining have been sold to people between 80 and 120 percent AMI ($90,480 for a family of four in 2006). All of the condominiums utilize deed restrictions to remain affordable for 40 years.

Target
Low and moderate-income seniors.

Development Information
Type: Ownership and rental mixed-income senior housing
Total Units: 60
Total Affordable Units: 60
For-sale: 48
Rental: 12
Affordable For-Sale Prices:
- 1-bedroom: $119,000 - $129,000
- 2-bedroom: $149,500 - $169,500

Affordable Rents:
- 1-bedroom: all Section 8
- 2-bedroom: Approx. $700 per month

Funding Sources
- Land donation: $1.8 million
- Lake County HOME funds: $240,000
- Federal Home Loan Bank: $60,000
- illinois Affordable Housing Trust Fund: $750,000
- Private Financing: $7.1 million

Total Cost: $10.1 million

Lessons Learned
The negotiations and approvals process was lengthy: 1.5 years. The keys to the success of this development were the land donation and fee waiver by the city. The City of Highland Park learned a lot from the process, including the need to make eligibility requirements stricter by imposing limitations on assets in addition to income requirements. The city also hopes to spend less time negotiating on future proposals.

HOME GROWN
LOCAL HOUSING STRATEGIES IN ACTION

Resale prices of the condominiums are restricted to the lesser of the following:

- The fair market value of the unit at the time of sale as determined by an appraiser approved by the Housing Commission, taking into account any use or occupancy restrictions that may be binding on the home; or

- The original purchase price at the time the seller purchased the unit, increased by an amount equal to the lesser of (1) 3 percent for each year after the seller's original closing date; or (2) inflation, measured by the Consumer Price Index, for the period of time that the owner resided in the unit.

Contact	David Brint, CEO, Brinshore Development	
Phone	847/562-9410	
Contact	Lee Smith, Senior Planner, City of Highland Park	
Phone	847/432-0867	
Web site	www.cityhpil.com	As of October 2006

Pacesetter

Holsten Real Estate Development Corporation, Turnstone Development, & the Village of Riverdale

Riverdale, Cook County

Partnerships with a number of Chicago-area organizations provided Riverdale access to a variety of critical resources.

Target

Pacesetter residents and individuals and families with a range of household sizes and income levels.

Development Information

Type: Single and multifamily Homes
Total Units: 130 in Phase I; approximately 500 for all four phases.
Total Affordable Units: 106 in Phase I
Affordable Rents:
- 2-bedroom: $700-879 /mo. (net)
- 3-bedroom: $800-974/mo. (net)

Market-Rate Price Points:
- 2-bedroom: $970 /mo. (net)

Funding Sources

- Acquisition loan from Ill. Housing Development Authority
- $1 million acquisition loan from Chicago Community Loan Fund
- $200,000 pre-development loan from Fannie Mae
- Grants from Chase and Richard H. Driehaus Foundation
- $375,000 in federal funding from U.S. Rep. Jesse Jackson Jr. (D-Ill.)and $400,000 from U.S. Sen. Richard Durbin (D-Ill.)
- Private equity from Low-Income Housing Tax Credits ($1.35 mil)
- $375,000 from the Ill. Dept. of Commerce and Economic Opportunity (DCEO)

Lessons Learned

Local leadership from Mayor Zenovia Evans and staff, and the partnerships the village fostered with regional entities were crucial to the success of this redevelopment effort.

The Development

Pacesetter is a privately owned 397-unit townhome development located in Riverdale. Pacesetter was built in the early 1960s to accommodate workers in the nearby steel plants. As that industry declined, the neighborhood began to deteriorate. In the 1990s, the village decided to redevelop Pacesetter because the housing was aging and dilapidated and social problems within the development were escalating. Overcrowding, crime, absentee landlords, high student mobility rates in the local school (70-90 percent), lack of open space, and lack of homeownership were a few of the problems negatively effecting the quality of life for Pacesetter residents.

Village staff sought assistance from the Urban Land Institute-Chicago and Campaign for Sensible Growth. These organizations held a two-day Technical Assistance Panel (TAP) in 2003. The TAP met to develop recommendations to address whether the development should remain residential or be converted to industrial use, what financial tools were available to acquire property and rehabilitate the neighborhood, and how a redevelopment could enhance the stability of the local school district. Following the two-day panel and quarterly follow-up sessions, the village partnered with Holsten Real Estate Development Corporation to redevelop Pacesetter. Since then, Holsten and its nonprofit partner, Turnstone Development, have been working with a broker to acquire the properties, which are primarily individually owned. As residents are relocated, the developers will follow the Uniform Relocation Act, a requirement of the federal funding they are receiving. Thus far, nearly all of the property owners and residents in the first phase have been willing to sell and relocate.

Creating Affordability

Lowe Avenue was selected as the first of four phases of the Pacesetter redevelopment. Most properties will be rehabilitated, and all will be rental and accessible to disabled persons. Phase I is comprised of 90 townhomes and two mixed-use buildings, which will have a total of 40 two-bedroom apartments, both affordable and market-rate, and approximately five commercial spaces.

The three subsequent redevelopment phases will include both rental and homeownership opportunities, and will be entirely new construction. Each phase will create approximately 125 homes. The split of housing options is anticipated to be approximately 60 percent ownership and 40 percent rental.

Public Involvement

The development team has demonstrated its commitment to gaining community support throughout the process and has had positive experiences with most Pacesetter residents. Holsten Development, Turnstone Development, and the Village of Riverdale held a community meeting to present the redevelopment plans to residents. The partners will hold future community meetings throughout the subsequent phases.

Financing

To date, Holsten has received a myriad of funding commitments, including the Illinois Housing Development Authority Housing Trust Fund and Low-Income Housing Tax Credits, Chicago Community Loan Fund, Fannie Mae, Illinois Clean Energy Community Foundation, U.S. Sen. Richard Durbin (D-Ill.) and U.S. Rep. Jesse Jackson Jr. (D-Ill.), and the Ill. Dept. of Commerce and Economic Opportunity. Additional anticipated financing sources include Cook County, Federal Home Loan Bank, TIF, historic tax credit equity, and other private municipal funding sources.

Lessons Learned

The complexity of the Pacesetter redevelopment required expertise, financial backing, technical support, and resources village staff did not have. Pairing with the Urban Land Institute-Chicago, Campaign for Sensible Growth, and Metropolitan Planning Council allowed the village to develop partnerships with organizations that could provide access to a variety of resources.

Contact	Andrea Klopfenstein, Project Manager, Holsten Real Estate Development Corp.
Phone	312/337-5339
E-mail	AndreaKlopfenstein@holstenchicago.com
Web site	www.holstenchicago.com
Contact	Kathy McDonough, Executive Director, Turnstone Development
Phone	312/542-4650
E-mail	k.mcd@turnstonedev.org
Web site	www.turnstonedev.org
Contact	Janice Morrissy, Dir. of Community and Economic Development, Riverdale
Phone	708/841-2125
E-mail	jmorrissy@villageofriverdale.org
Web site	www.villageofriverdale.org As of October 2006

HOME GROWN LOCAL HOUSING STRATEGIES IN ACTION

Mallinckrodt in the Park

The Pickus Companies

Wilmette, Cook County

Residents approved a referendum authorizing the Park District to acquire the land at a cost of $1 million per acre in the spring of 2002, and later campaigned for a plan that would provide for senior housing in the community.

The Development

Mallinckrodt in the Park is an adaptive reuse of an old university building on 17 acres of land in Wilmette. The building is being converted into a senior condominium development that will have 81 units, 12 of which will be affordable at price points of $159,900 for one-bedroom condominiums and $199,900 for two-bedroom condominiums. Mallinckrodt's five-story, 180,000 sq. ft. Italian Renaissance structure has been a celebrated fixture on the Wilmette landscape since 1918. Originally a convent, Mallinckrodt was later part of Loyola University.

Loyola University's Board of Trustees decided to relocate its operations in September 2001. The following spring, voters approved a referendum for the Wilmette Park District to purchase the 17-acre site, which occupies a prime location on Ridge Road. The village retained Hasbrouck Peterson Zimoch Sirirattumrong of Chicago, an architectural and planning firm, to conduct a feasibility study to determine the Mallinckrodt building's potential for adaptive reuse. The village changed its zoning code to include "adaptive reuse senior housing" as a special use and received approval from the Zoning Board of Appeals to allow the development to go forward.

The Park District purchased the property for $20 million in October 2002, and subsequently issued a Request for Proposals (RFP) to interested real estate developers. Wilmette residents wanted to conserve the structure and provide affordable homes for seniors. As a result, the Pickus Companies and Occulus Development were ultimately chosen to develop Mallinckrodt in the Park.

Target

Wilmette's senior population.

Development Information

Type: Multifamily ownership
Total Units: 81
Total Affordable: 12
Affordable Price Points:
- 1-bedroom: $159,900
- 2-bedroom: $199,900

Market Rate Price Points:
Upper $300,000s to $1.4 million.

Funding Sources

No public funding.

Success

Preserving the building saved the Park District $5 million in demolition costs. In addition, this adaptive reuse of the Mallinckrodt school building created a new source of tax revenue for the community with no additional demand on schools.

Lessons Learned

Preserving buildings rather than demolishing them can maintain valuable community assets, as well as save money. Community groups working together for affordable housing can succeed even if it does not seem to be a popular cause.

Creating Affordability

To qualify for an affordable condominium in Mallinckrodt in the Park, the annual income of a one-person household must be at or below $52,833 and a two-person household must be at or below $60,333 (based on the 2004 Area Median Income in the Chicago region). The annual rate of increase in value of the affordable homes will be held at three percent as a requirement of a deed restriction attached to the property. The condominiums will be resold to applicants on a waiting list. The community was surprised to learn that there was a strong market for affordability in the village. Out of 91 applications for 12 affordable condominiums, half were from Wilmette.

Public Involvement

In early January 2001, aware of Loyola's intentions to relocate the school residents presented petitions with nearly 5,400 signatures to the Board of Park Commissioners requesting the community be given the right to vote on whether the Park District should purchase the historic building and its open land that. The signatures represented nearly one-third of the community's 18,000 registered voters. Residents approved a referendum authorizing the Park District to acquire the land at a cost of $1 million per acre in the spring of 2002. Primarily focusing on the green space aspect of the property, the Park District did not have a plan for the building itself when the referendum passed. Village residents campaigned for a plan that would provide for senior housing in the community. There was a public hearing held in December 2002 to hear comments from the residents regarding the project. The largest opposition to the Pickus Companies and Occulus Development proposal was to their plans to clear the front of the property to allow for construction of an underground parking garage. Once the public understood the developers' intentions to replant the area once the garage was in place, they dropped their opposition. The developers purchased the building, 3.5 acres of the total site, from the Park District for $3.5 million.

Contact	Kara Breems, Planner, Village of Wilmette
Phone	847/853-7522
E-mail	breemsk@wilmette.com
Web site	www.wilmette.com
Contact	Mike Paluga, Project Manager, The Pickus Companies
Phone	847/681-8811 x244 As of October 2006

Woodstock Commons

The Pickus Companies

Woodstock, McHenry County

Woodstock Commons is a newly constructed, 170-unit multifamily rental housing development built in 2005. It provides 153 affordable and 17 market-rate rental homes.

The Development

Woodstock Commons, in the City of Woodstock, is located on the corner of Castle Road and Cobble Stone Way, one block east of Route 47, and south of Route 14. Currently, the development provides 153 affordable and 17 market-rate rental homes. These 170 homes were constructed within eight buildings, and include one, two and three-bedroom homes designed for families. As of 2006, Woodstock Commons has an additional 100 dwelling units available for permitting, and the developer, Pickus Companies, has begun planning for an extension of the development. Pickus constructed the first phase in just 10 months and leased it in seven, largely due to a strict city timeline. The development includes such luxury amenities as a pond, lighted exercise path, children's playground, tennis court, pool, clubhouse, and responsive, onsite management.

Creating Affordability

As the development is federally financed, families living in the affordable homes earn at or below 50 percent of the area median income, which ranges between $31,680 for a single-person household to $45,240 for a family of four. Through Low-Income Housing Tax Credits (LIHTCs) and a U.S. Dept. of Housing and Urban Development (HUD) First Mortgage, 90 percent of the homes in Woodstock Commons will be affordably priced for 31 years.

In addition to providing much need below-market priced rental homes for the area, Pickus Companies donated park and open space land. The site is conveniently located near several retail and industrial sites, effectively linking residents to local job opportunities. Woodstock is serviced by the Metra Union Pacific Northwest Line, which is just five minutes away from the site.

Target

A range of incomes, predominately 50% of AMI or below.

Development Information

Type: Multifamily rental
Total Units: 170
Total Affordable Units: 153
Affordable Rents:

- 1-bedroom: $475-$815/mo.
- 2-bedroom: $573-$910/mo.
- 3-bedroom: $659-$990/mo.

Funding Sources

- Low Income Housing Tax Credits - $13.1 million
- HUD First Mortgage

Lessons Learned

While this development's success, both financially and politically, was largely due to the fact that much of the infrastructure and municipal zoning was in place prior to Pickus Companies' involvement, strong design, good onsite management, and proximity to employment have demonstrated the value of the development to the community.

Public Involvement

The site was originally being used for crop production and zoned for multifamily development. Pickus Companies purchased the property after the initial review process was completed. Another developer drafted the original development plans, which called for owner-occupied market rate condominiums. Because of this, affordability was not an issue in the approval process, which was overseen by the city's Plan Commission. The city had already granted the previous owner all necessary zoning approvals prior to Pickus' purchase of the site. Therefore, Pickus' rental concept, with financing from LIHTC and HUD, was not subject to a community process, as Pickus was allowed to develop by right.

Contact	Jeffry Pickus, President of Business Development, The Pickus Companies
Phone	847/681-8811
E-mail	jjp@pickus.com
Web site	www.pickus.com
Contact	James Kastner, Director of Community Development, Village of Woodstock
Phone	815/338-4305
E-mail	jkastner@woodstockil.gov
Web site	www.woodstock-il.com As of October 2006

Victory Centre

North West Housing Partnership and Pathway Senior Living

Bartlett, DuPage County

The Development

Victory Centre is located in the Village of Bartlett at the intersection of West Bartlett Road and Route 59. A full Continuum of Care campus, Victory Centre is made up of two buildings, a Supportive Living Facility (SLF) with 104 apartments, and a building for independent senior living with another 104 apartments. In 1999, the North West Housing Partnership (NWHP), a nonprofit organization specializing in developing senior housing in the North and West suburbs of Chicago, acquired the site from a Bartlett resident. NWHP's goal was to build a campus that could provide for all senior needs, which led them to partner with the for-profit Pathway Senior Living, a senior housing developer that had the SLF license required to provide the necessary senior services.

The SLF building has 40 one-bedroom and 64 studio apartments, with six different floor plans to choose from, ranging from 385 to 621 square feet. The independent living building contains 94 one-bedroom and 10 two-bedroom apartments, ranging from 632 to 928 square feet. Each SLF apartment has a kitchenette with refrigerator, microwave and sink, while the independent living apartments have a fully furnished kitchen. The SLF building has a full-service dining room serving three meals a day, a full-time nursing staff, library, outdoor patio, and many common areas. The independent apartment building offers amenities such as an exercise room, a beauty salon, library, and shared common space.

Creating Affordability

All 104 apartments in the SLF building and 83 apartments in the independent living building are affordable, made possible through the Illinois Low-Income Housing Tax Credit (LIHTC) program administered by the Illinois Housing Development Authority (IHDA). The tax credit was created at the federal level in 1986 to support the construction and rehabilitation of apartments priced at rents low-income families can afford. These tax credits, which are allocated by states, give investors a 10-year federal income tax benefit in exchange for immediate cash infusions to create affordable apartments. Victory Centre received approximately $535,000 in LIHTC. Victory Centre residents must be income eligible, which is set at 60

Target

Seniors who require either supportive services or want independent living in a senior environment.

Development Information

Type: SLF studio and one-bedroom apartments, independent living one and two-bedroom apartments
Total Units: 208
Total Affordable: 187 at 60% AMI
SLF rental rate: $3,642-4,650
Independent Affordable rental rate:
- $540-790 for one bedroom
- $790-860 for two bedroom

Independent Market rental rate:
- $825 for one bedroom
- $970 for two bedroom

Funding Sources

Land donation: $1.0 million
IHDA Tax Credits: $1,525,451
IHDA AMBAC First Mortgage Program: $4.6 million
IHDA Trust Fund Loan: $2.75 million
Federal Home Loan Bank: $1,331,000
IHDA Risk Share Loan: $10.3 million
IHDA Home Loan: $3.0 million

Success

NWHP's partnership with Pathway Senior Living enabled them to build an attractive environment for the senior population, as well as access a range of financial options. Residents are able to find the type of apartment that fits their needs at the present and, if necessary, eventually make the transition to supportive living.

New for 2007

bedrooms are $825 and the two-bedrooms are $970 (as of July 2007).

Financing

NWHP acquired the land with the help of a $600,000 no-interest loan from an NWHP board member. Pathway Senior Living provided the remaining $400,000. NWHP received a $989,480 tax credit award from IHDA for the independent senior apartments. NWHP also secured an AMBAC Program first mortgage for $4.6 million. AMBAC is a risk-sharing program that is just one of many taxable debt programs that IHDA offers. Victory Centre also received an Illinois Affordable Housing Trust Fund Loan of $2.75 million and a Federal Home Loan Bank Affordable Housing Program grant in the amount of $581,000 for the construction financing. NWHP and Pathway Senior Living secured additional funding for the SLF portion of Victory Centre, including LIHTC, $10.3 million from the IHDA Risk Share Loan, an IHDA Home Loan of $3 million, and $750,000 from the Federal Home Loan Bank Affordable Housing Program.

The SLF opened in December 2006 and the independent apartments opened in May 2007. The construction cost for the two buildings totaled $30 million: $12 million for the independent apartments and $18 million for the SLF's construction.

percent Area Median Income (AMI), or $31,680 annually for an individual or $36,180 for a two-person household in 2007. The SLF apartments, depending on their size, cost between $3,642 and $4,650 a month, which includes rent and all services for private-pay individuals. As residents age and spend down their assets, any remaining income is transferred directly to Victory Centre in order to pay for rent and services. Each resident keeps $90 per month of his or her income and the rest is given to Victory Centre to cover rent and services. The Dept. of Health and Family Services reimburses Victory Centre up to $1,904 per month, per resident.

The affordable one-bedroom independent apartment rents range between $540-790 per month and the affordable two-bedroom apartment rents range from $790-860 per month. The market rate one-

Contact	Holly Fraccaro, Executive Director, North West Housing Partnership
Phone	847/348-3024 x223
E-mail	hollyfraccaro@sbcglobal.net
Web site	www.nwhp.net
Contact	David Dickinson, Executive Director, Victory Centre
Phone	630/540-3011 As of July 2007

Block Build

Habitat for Humanity of Northern Fox Valley

Elgin, Kane County

The Development

Habitat for Humanity (HFH) of Northern Fox Valley won the U.S. Housing and Urban Development Secretary's Award for Excellence in 2006 for its Block Build project in the city of Elgin. With the assistance of Judson College's Dept. of Architecture and Tinaglia Architects, this development strengthened an existing neighborhood with well-designed homes for low and moderate-income families. Families began occupying the homes in December 2005.

Block Build, located at the corner of Steel and Owasco Streets, consists of five single-family, three-bedroom, for-sale homes. The site, purchased from the city, was chosen because it was available at an affordable price and could accommodate construction of multiple homes on the same block. Each lot is roughly 8,700 square feet, and each home is between 1,400 and 1,500 square feet. The homes are targeted to low and moderate-income and first-time buyers, particularly families with children.

The Block Build homes have a historic, bungalow-style design that complements the character of surrounding properties. This was done, in part, through photographic documentation of local homes by architecture students from Judson College. In order to reduce initial and ongoing costs, the homes are constructed of durable and cost-efficient materials such as vinyl siding and flooring, asphalt shingles, and laminate countertops. To keep within the traditional style of homes in the Elgin community, garages are located in the rear of the property and each home has a large front porch. The design caters to families with children by including such features as a clear line of sight from the kitchen to the backyard. One of the homes has a bedroom on the first floor adjacent to a full bathroom to accommodate a disabled family member.

Target
Low and moderate-income families.

Development Information
Type: Single-family ownership
Total Units: 5
Total Affordable: 5
Price Range: $116,000 to $140,000

Funding Sources
Public and Private funding.

Success
The project leveraged a partnership between public and private-sector groups.

Lessons Learned
Construction concentrated in one area made it easier to involve the public and obtain financial support. It also had a high visual impact on the street and surrounding community. Partnering with a local college can be a way to lower design costs.

Creating Affordability

Reducing construction costs is one method of ensuring affordability. HFH lowered Block Build's construction costs through a number of methods. It recruited volunteers and sponsors to help with construction of four of the five homes. The HFH model also requires future homeowners to contribute up to 500 hours of their own labor and demonstrate their ability to make required mortgage payments. The fifth home was constructed by the nationally recognized homebuilder Town and Country Homes, which donated materials and labor. Each home had an organi-

New for 2007

HOME GROWN • LOCAL HOUSING STRATEGIES IN ACTION

homeowner recovers what he or she paid in principal while occupying the home. If the homeowner sells between the fourth and 13th year, he or she keeps a proportion of the net sales proceeds (10 percent of net proceeds multiplied by years of occupancy). After 13 years, the homeowner can sell the house and keep the total equity of the home.

The Block Build project meets the goals outlined in the City of Elgin's Comprehensive Plan and Kane County's 2030 Land Resource Management Plan. Both plans contain strategies to create a range of high-quality housing options at different income levels to meet the needs of a diverse population. Block Build allows middle or low-income residents to be closer to the areas where they work. By providing options other than market rate housing, the city can promote diversity among its residents.

zational sponsor such as the Lions Club, which provided funding and construction help. In addition, several financial sponsors, including Bersted Foundation, Centex Homes-Illinois Division, EFS Foundation, Lincoln Financial Group, and Motorola, provided funding for the development. The local electrical union volunteered electrical labor for two of the homes, and Conestoga-Rovers & Associates, a Chicago engineering firm, donated design services for the sewer extension for all of the properties. Conestoga-Rovers & Associates also helped HFH with the EPA permit application and oversaw installation of the sewers. Finally, the property owner who sold HFH the land accepted installment payments in order to make the purchase feasible for the organization.

The homes were initially priced between $116,000 and $140,000. Each was sold to a low or moderate-income family earning 35-60 percent of Area Median Income ($42,240 or below for a family of four in 2007). Homebuyers are also eligible for no-interest financing with 20 to 30-year mortgages from HFH. The mortgage payments amount to no more than 30 percent of the buyer's annual income. HFH manages the resale prices for the homes through a shared equity program with the buyers. During the first three years of occupancy, if a homeowner sells, HFH purchases the home and the

Public Involvement

Block Build's success lies in the partnership between the public and private sectors. The architectural design assistance from the Judson College students and overwhelming amount of volunteer labor and fundraising support from individuals and local businesses helped make this project possible.

Habitat for Humanity of Northern Fox Valley builds between four and six homes each year. They are often scattered across a community. Block Build was an exception because the construction was concentrated in one area, making it easier for people to get involved in the construction and obtain financial support, as well as having a high visual impact on the street and community. Habitat for Humanity works in communities throughout the region, so any community can work with the organization to build more homes for the residents of their own communities.

Contact	Barbara Beckman, Executive Director, Habitat for Humanity, Northern Fox Valley
Phone	847/836-1432
E-mail	barb.beckman@hfhnfv.org
Web site	www.hfhnfv.org

As of July 2007

Thomas Place

Thomas Place L.L.C., Glenview Elderly Program North, and Turnstone Development

Glenview, Cook County

The Development

In 1995, as the Village of Glenview began drawing up plans for the Glen, a mixed-use development built on a former military base, it prioritized easing the community's shortage of affordable senior housing in its redevelopment efforts. The result is Thomas Place, a mixed-income senior apartment building located in the Glen. Thomas Place has 144 homes, of which 108 are affordable, and is an independent living community for seniors 55 and older. The five-acre development has 44 one-bedroom and 100 two-bedroom apartments. The one-bedroom apartments are 925 square feet and the two-bedroom apartments are 1,200 square feet.

Each home in Thomas Place comes with an underground parking space, washer and dryer, dishwasher, microwave, walk-in closets, and a patio or balcony. The building has an exercise room, arts and crafts room, billiards room, library, a television room with free computer service, and a common dining area.

Part of the Glen Master Development, Thomas Place is adjacent to the Glenview Park District golf course and conveniently located within walking distance of the Glen's shopping, dining, and entertainment amenities. It is also accessible by bus and commuter rail. Thomas Place had its grand opening in November 2006, and is currently at full occupancy with a long waiting list.

The U.S. Dept. of Defense closed the Glenview Naval Air Station in 1993. At the time, the base's footprint occupied 15 percent of the village. The Village of Glenview itself was the master developer of the site. A redevelopment Team refined the community's reuse plan, developed a master plan and design guidelines to reflect the goals of the plan, and prepared Requests For Qualification (RFQ) followed by Requests For Proposals (RFP) to sell subdivided parcels. Senior affordable housing was identified as a goal and the village requested the development of senior housing when it prepared the RFQs and RFPs.

Target

Seniors with a range of incomes.

Development Information

Type: One- and two-bedroom apartments
Total Units: 144
Total Affordable Units: 108
Price Points:
One-bedroom market-rate: $993
One-bedroom affordable: $538-821
Two-bedroom market-rate: $1,242
Two-bedroom affordable: $643-982

Funding Sources

- Land donation: $1.8 million
- HOME funds: $240,000
- Federal Home Loan Bank: $60,000
- Illinois Affordable Housing Trust Fund: $750,000
- Private Financing: $7.1 million

Total Cost: $10 million

Success

Thomas Place opened in November 2006, is currently fully occupied, and has an extensive waiting list.

Thomas Place L.L.C., Glenview Elderly Program North (GEPN), and Turnstone Development (Cook County Housing Development Corp.) established a partnership to accomplish the development. GEPN, a nonprofit organization serving seniors, responded to the RFQ. The village approved the proposal and provided GEPN, at no cost, a parcel of land on which to build, significantly reducing the future cost of the development. The Village of Glenview also provided a fourth mortgage of $1.4 million due in 20 years to help finish the development.

Creating Affordability

Of the 144 apartments, 108 (75 percent) are designated as affordable housing for seniors. Of the affordable units, 20 percent are designated for individuals earning 40 percent Area Median Income (AMI) or less, 30 percent are for people at 50 percent of the AMI, and 25 percent are reserved for individuals at 60 percent AMI. The other 25 percent, or 36 apartments, are rented at market rates.

In 2007, the one-bedroom affordable apartments rented for $538 to $821 per month, and the market rate one-bedrooms rented for $993 per month. Rents for the two-bedroom affordable apartments range from $643 to $982 per month, while the market-rate two-bedrooms are $1,242 per month.

Contact	Thomas F. Monico, Thomas & Thomas Associates Inc.	
Phone	847/998-4764	
Email	tom@thomasthomasassociates.com	As of July 2007

Laurel Court

Fulton Developers, L.L.C.

Highland Park, Lake County

The Development

Laurel Court is a 15-unit townhome development at 843-855 Laurel Avenue in Highland Park. Developed by Fulton Developers L.L.C. of Deerfield, Ill., Laurel Court is the first development to include affordable homes per a requirement of the city's inclusionary housing program. (See Highland Park Inclusionary Housing Ordinance.)

Two of the 15 split-level townhomes are affordable, meeting the ordinance's affordability requirement, and were offered to income-qualified buyers through the Highland Park Illinois Community Land Trust. (See Highland Park Illinois Community Land Trust.) The market-rate homes range from $500,000 to $1,000,000; the affordable homes will sell for $164,478 for the three-bedroom home and $275,527 for the four-bedroom home.

Target
Low and moderate-income buyers, with a preference for households who work and live in Highland Park.

Development Information
Type: Townhomes
Total Units: 15 units
Total Affordable: 2 units
Market Rate Price Points: Range from $500,000-$1,000,000
Affordable Unit Price Points: Three-bedroom: $164,478
Four-bedroom: $275,527

Creating Affordability

Highland Park's Inclusionary Housing Ordinance, which requires 20 percent of all new residential developments to be affordable, enables the community to create housing opportunities for people with a range of income levels. In return, developers receive incentives from the city, including fee waivers and a density bonus, which allows the developer to build additional homes on the same piece of land, and offsets the cost of constructing the required affordable homes. The bonus for Laurel Court allowed the developer to build a 13th market-rate townhome, one above what the zoning would normally allow.

The Highland Park Illinois Community Land Trust will identify and pre-qualify income-eligible buyers. If these buyers eventually want to sell, the Land Trust will make sure that these homes are passed to another income-qualified buyer from a waiting list of eligible candidates. Highland Park has an Affordable Unit Declaration, which means these homes remain affordable permanently, one at 80 percent ($59,600 for a family of four in 2007) and the other at 120 percent ($90,480 for a family of four in 2007) Area Median Income.

Laurel Court required no municipal funds for development. The city's Inclusionary Housing Ordinance requires that market-rate developments of five or more units include affordable units.

New for 2007

HOME GROWN • LOCAL HOUSING STRATEGIES IN ACTION •

Contact	Mary Cele Smith, Development Department, City of Highland Park
Phone	847/926-1852
E-mail	msmith@cityhpil.com
Web site	www.cityhpil.com As of July 2007

2007 Updates by Elana Berenson

Donald W. Kent Residence

Catholic Charities of the Archdiocese of Chicago

Northlake, Cook County

The Development

Northlake city officials partnered with Catholic Charities to build the Donald W. Kent Residence in recognition of the need for affordable senior living options in their community, as well as the opportunity to revitalize the neighborhood along Wolf Road. Named after the former longtime head of Catholic Charities, this affordable senior housing development, located at 100 South Wolf Road, contains 72 one-bedroom apartments. All of the apartments are designated for low-income seniors who are 62 years old or older and able to maintain an independent lifestyle. Apartments range in size from 525 to 540 square feet and are equipped with a full kitchen and private bath.

In 2001, Northlake Mayor Jeffrey Sherwin approached Catholic Charities to discuss how they might collaborate to provide more affordable housing in the city. The city spent two years acquiring the one acre of land needed for the development. The city used bond proceeds to buy the land, which was in a Tax Increment Financing district. The bonds will be paid off in full in 2020. Northlake created a Special Residence Zoning Ordinance in 2003, which enabled Catholic Charities to build the senior apartments. Catholic Charities received all the necessary funding by December 2005 and construction began in February 2006. The development was completed in May 2007 and residents began occupying apartments in June 2007.

Creating Affordability

The development was made possible through funding from several sources. Catholic Charities received $8.9 million in grants from the U.S. Dept. of Housing and Urban Development (HUD), a $750,000 grant from Federal Home Loan Bank, and a $140,000 grant from the Illinois Dept. of Commerce and Economic Opportunity (DCEO). The DCEO grant supported efficiency improvements such as increased insulation, better windows, and energy-saving appliances.

Target
Low-income seniors.

Development Information
Type: One-bedroom apartments
Total Units: 72
Total Affordable Units: 72
Rents: $600 per month

Funding Sources
HUD: $8.9 million
DCEO: $140,000
Federal Home Loan Bank: $750,000

Success
The Donald W. Kent Residence is at full occupancy and has helped to rejuvenate the neighborhood.

Lessons Learned
Proactive municipal leadership can successfully address a community's housing and revitalization needs. The city was an essential partner in the success of this development.

The Donald W. Kent Residence is rent-subsidized and will remain so for 40 years. The rent subsidy is provided by HUD, and is a Project Rental Assistance Contract that is tied to the unit itself. Resident income eligibility is 50 percent Area Median Income, which is $26,400 for a one-person household and $30,150 for a two-person household in 2007. Tenants pay 30 percent of their incomes as their portion of the rent, which is $600 per month.

Part of the land lease agreement between Northlake, HUD, and Catholic Charities gives Northlake residents preference for this housing. Because the city acquired the land, the construction costs were reduced, increasing overall affordability. The city continues to own the land and Catholic Charities has a 75-year lease on the property.

New for 2007

HOME GROWN • LOCAL HOUSING STRATEGIES IN ACTION •

Public Involvement

The Northlake City Council saw a need to revitalize this area of the city, and understood that a new high-quality affordable development such as the Donald W. Kent Residence would positively affect the neighborhood. They acquired the land and voted unanimously to create the Special Residences Zoning Ordinance, which enabled the project to move forward. Members of the community were very supportive of the development.

Contact	William D'Arcy, Catholic Charities of the Archdiocese of Chicago
Phone	312/655-7490
E-mail	wdarcy@catholiccharities.net
Web site	www.catholiccharities.net As of July 2007

Legacy Square

Bigelow Homes

Park Forest, Cook County

Goals
Continue to develop and revitalize the downtown area of the Village of Park Forest.

Target
An array of area residents, including singles, seniors, families, and small business owners with varied incomes.

Development Information
Type: Single-family homes, live/work units
Total Units: 68
Price Points: $153,383 to $194,477, accessory units are an additional $48,000

Financing
A Tax Increment Financing district in the downtown area abated $1 million of the total development costs.

Lessons Learned
Park Forest's strong partnership with the developer has contributed to the success of its downtown revitalization.

The Development

After building several successful communities throughout the Chicago region, Bigelow Homes is working with the Village of Park Forest to redesign its downtown area into combined retail and housing space. The new community, Legacy Square, is adjacent to the village center. There are 68 homes, 63 of which are new single-family homes; the other five were part of an earlier, incomplete development. Legacy Square includes two-bedroom, three-bedroom, and four-bedroom homes to date, with additional development still underway. When finished, Legacy Square will reflect the village's commitment to its downtown, and demonstrate how a diverse housing stock serving a diverse population can reinvigorate a community.

In 2003, Park Forest invited the Urban Land Institute-Chicago and Campaign for Sensible Growth to conduct a Technical Assistance Panel (TAP). The panel's experts – from real estate development, commercial market development, finance, and planning – recommended revitalization strategies for the village center, a formerly vibrant mall that was suffering from high turnover and vacancy. The TAP suggested Park Forest earmark some of the underutilized mall land for residential development, consolidate commercial space, and increase the consumer base for current and future business. Legacy Square is a key component of these efforts.

All Legacy Square homes have energy efficient features such as water-saving showerheads and insulated foundations that will reduce long-term costs. Other features include luxury carpets, laminated kitchen countertops, and superior appliances. The homes also have two-car attached garages. Legacy Square's three live/work homes each have 500 square feet of work space on the first floor with a two-bedroom home above. The workspace is suitable for offices, small retail, or artist studios and galleries. There are four homes with attached accessory dwelling units – self-contained homes above the garage – that are ideal for extended family or as an attached apartment. Legacy Square is compact and there are extra sidewalks throughout the neighborhood. Each lot is approximately 30 x 90 square feet and most homes share a common wall with the neighboring home (but are otherwise detached). Bigelow Homes is hoping to build an additional 70 homes across the street which would include more live/work homes, and add more foot traffic and life to downtown Park Forest.

Creating Affordability

Bigelow Homes is able to sell the homes at an affordable price because of the varied types of homes and range of sizes. Bigelow Homes has predesigned models and plans for

New for 2007

homes that fit the lot sizes of the Legacy Square development. Having these plans prepared reduced Bigelow's construction costs.

Prices range from $153,383 for 1,162 square feet to $194,477 for 1,732 square feet. An accessory unit is an additional $48,000. While there are no price restrictions for this development, six of the 30 homes already sold went to families meeting the low-income guidelines set by the U.S. Dept. of Housing and Urban Development. The "Frontier Model" in the Legacy Square development has a beginning cost of $160,000 for a single-family home. Bigelow Homes has a financing model that provides buyers with affordable financing options. For example, a family can purchase one of the Frontier Model homes for $1,079 per month and approximately $2,500 in closing costs. There is also the opportunity to own a quick delivery home – a pre-developed model with no upgrades – which only requires a $500 down payment. In addition, Bigelow Homes offers low interest rates in partnership with area banks for qualified buyers, enabling low-income families the opportunity for homeownership.

Financing

The Village of Park Forest sold the land to Bigelow Homes for $742,000, the amount the village spent to buy the land back from the previous land developer's investors. This averages out to $11,778 per lot. Incremental tax revenue generated by physical improvements and developments within the Tax Incremental Financing (TIF) district will be offered to the developer to defray the cost of development: Bigelow Homes will receive $1 million in reimbursements over the course of a 10-year period, beginning in 2008. For each lot, there will be a reimbursement of $9,000. Another $433,000 will go toward other necessary construction or for site plans that Bigelow Homes is putting in place.

Public Involvement

The village, through its Dept. of Planning and Economic Development, has provided financial support, recruited retailers to the downtown, and worked to beautify community buildings, such as the Village Hall and Cultural Arts Building. Park Forest's downtown improvements will continue with additional homes, increased marketing and retail retention efforts, and the restoration of several underutilized properties to the tax rolls.

Contact	Hildy Kingma, Dir. of Economic Development & Planning, Village of Park Forest
Phone	708/283-5622
E-mail	hkingma@vopf.com
Web site	www.villageofparkforest.com
Contact	Jamie Bigelow, President, Bigelow Homes
Phone	630/631-0718
E-mail	jbigelow@bigelowhomes.com
Web site	www.bigelowhomes.com As of July 2007

Riverwalk

City of Rolling Meadows and Wellington Partners

Rolling Meadows, Cook County

The Development

As a part of its downtown redevelopment and beautification efforts, the City of Rolling Meadows partnered with the developer Wellington Partners to construct Riverwalk, a 154-unit, four-building, mixed-use development located along Kirchoff Road in downtown Rolling Meadows. The $40 million Riverwalk incorporates senior housing, condominiums, and commercial space, thus fostering new retail and making it possible for current residents and businesses in the community to remain in the area.

The first floors of the two buildings front Kirchoff Road and contain a total of 28,000 square feet allotted for commercial and office use, leaving the second and third floors for senior condominium residences. The rear buildings are reserved for additional condominiums, with a mix of one and two-bedroom condominiums. There are a total of 50 one-bedroom and 94 two-bedroom homes. The one-bedroom condominiums start at $159,000, while the two-bedroom condominiums are priced at $300,000.

Thirty of the Riverwalk homes are affordably priced for buyers who meet income and residency guidelines. Each home includes granite counter tops, high-quality appliances, a private washer and dryer, central air conditioning, a balcony or porch, and one guaranteed underground parking space. Some of the price-restricted homes will be in one of the residential buildings. Others will be scattered throughout the development using equity vouchers. The equity investment reduces the resident's initial equity commitment and makes the home affordable.

Rolling Meadows ensured that previous retail tenants were able to stay in the new development by requiring phased construction. Retailers did not have to relocate during the building process and were able to move to their new spaces as the new buildings became ready. The city also worked with the developer to implement a graduated lease cost

Goals
Rolling Meadows senior population.

Development Information
Type: one and two-bedroom condominiums
Total Units: 154
Total Affordable Units: 30
Equity Partnership: $30,000 for each resident purchasing an affordable unit
Price Points: $159,000-$300,000

Funding Sources
Tax Increment Financing (TIF); the City of Rolling Meadows donated the land to the developer. In exchange, the developer gave the city $900,000 in credits (30 homes x $30,000).

Lessons Learned
In order to revitalize its downtown, Rolling Meadows is focusing on creating opportunities for new families and individuals to move into Rolling Meadows. Developing senior housing can open up new homes for families. This type of strategy is particularly effective when paired with policies to help those families afford homeownership.

Success
The equity partnership created by Rolling Meadows is an example of a successful public-private initiative. The city and developer partnered to provide more affordable housing to the community.

New for 2007

HOME GROWN • LOCAL HOUSING STRATEGIES IN ACTION

increase so that current retail tenants retail were not overburdened at the beginning of the move, and could work up to the new rents required of them after a number of years. New commercial tenants are brought in at the full-market rents.

Creating Affordability

Riverwalk exemplifies Rolling Meadows' commitment to enhancing the community through a mix of uses and affordability. Elderly residents in the 30 affordable homes (20 percent of the 154 units) must earn 80 percent of the Area Median Income or less, which is approximately $47,700 per year (in 2007) for a family of two.

Each of the elderly residents is benefiting from a $30,000 equity investment in their home by the City of Rolling Meadows. In the future, owners of the affordable homes will be allowed to sell their homes at market prices. At the time of sale, the city will reclaim about 15 percent of the total equity and will use the proceeds to support another qualified senior buyer. If a profit is made, the city will get its prorated share; if there is a loss, the city will accept the loss.

The funding for the city's equity contributions comes from the developer, Wellington Homes, which received the land for free from the city in exchange for providing $900,000 in credits that were then converted to the equity vouchers for moderate-income seniors. One of the benefits of the city's investment program is it allows seniors to buy some of the larger condominiums in the development that would not otherwise be available to them.

Contact	Tom Melena, City Manager, Rolling Meadows
Phone	847/394-8500
E-mail	MelenaT@cityrm.org
Web site	www.ci.rolling-meadows.il.us As of July 2007

2007 Updates by Elana Berenson

First Street

First Street, L.L.C.

St. Charles, Kane County

Creating a new mixed-use, pedestrian-friendly downtown for St. Charles, Ill.

The Development

Located in St. Charles, Ill., First Street is a mixed-use, mixed-income development that has created a new, pedestrian-oriented downtown district for the city. The project will help to preserve the area's historical and small-town qualities, develop underutilized land, maintain diverse retail options, capitalize on its magnificent waterfront location along the Fox River, and eventually spur further, long-term development in downtown St. Charles.

The City of St. Charles saw an opportunity to build a more vibrant downtown district that would attract residents and visitors. In 2000, the city adopted the Downtown Strategy Plan, which outlined long-term goals and identified First Street as the largest area suitable for additional investment and development. In accordance with these larger goals, in 2002, the city, in consultation with the First Street Task Force and community members, adopted the First Street Guidelines to direct development over the next several years. Part of the area was designated within a Tax Increment Financing (TIF) district in March 2002. Once funding was in place, the project got underway in May 2006 and is expected to be complete by mid-2012.

Target

To create a new mixed-use, pedestrian-friendly downtown for St. Charles' residents.

Development Information

Type: Retail, Office/Commercial, Residential

Retail Space: approx. 136,500 sq. ft.

Office/Commercial Space: approx. 115,000 sq. ft.

Total Residential Units: 79 condos and 16 apartments

Total Affordable Units: 16

Funding Sources

Tax Increment Financing (TIF); private financing; $67 million invested by developers; federal grant, in conjunction with METRA, to fund the parking deck.

Success

As such a large-scale project, First Street required a massive amount of coordination between various interests and stakeholders. Staff from six city departments now work on the project, and help to coordinate the interests and assistance of six consulting firms, four architects, three state agencies, three federal agencies, and five landowners with 20 parcels of land in the project area. Also, public outreach is crucial, not only to get input on the initial plans, but to inform residents about development and construction progress.

Lessons Learned

The city established a public commission to provide input on the designs for First Street's open spaces (two plazas and a riverwalk). Because the city established the commission after all architectural and engineering specifications had been finalized and approved, it was difficult for the committee to work within physical and budgetary limitations for these spaces. It would have been valuable to have had this input on the open spaces at the front end of the design process.

First Street

First Street, L.L.C.

St. Charles, Kane County

The First Street Redevelopment Project is located on 7.42 acres, and includes five city blocks in the heart of downtown St. Charles. The First Street Redevelopment Area is bounded by Main Street on the north, the Fox River on the east, Mount St. Mary's Park on the south, and Second Street (Route 31) on the west. When the development is complete, it will include approximately 136,500 sq. ft. of retail space (including a new Blue Goose supermarket), approximately 115,000 sq. ft. of office or commercial space, 79 condos, and 16 apartments — the latter which are affordable for-sale and rental units. The development plan also includes two public garages, street parking, and surface parking lots (943 spaces in total).

Improvements include pedestrian-oriented streetscape features such as wider sidewalks, crosswalks, planters, and greenery, and well as improved electric, water and sewer facilities. First Street also comprises a number of public spaces, including a two-level riverwalk along the Fox River, and two larger plazas. River Terrace Plaza leads to the riverwalk, and First Street Place is intended to function as a gathering place for various activities, from farmer's markets to festivals to musical events. Because First Street is located in the St. Charles Historic District, the city and developers worked with the Historic Preservation Commission to ensure the new buildings would complement the existing architecture. The project has spurred significant environmental improvements to the area, including better floodplain management and water quality for the Fox River, brownfield renewal benefits (for the site that previously carried heavy industry), and better air quality through reduced vehicle trips.

Creating Affordability

First Street, L.L.C., incorporated affordable homes into the First Street Development even prior to the 2008 passage of St. Charles' Inclusionary Zoning Ordinance. The city negotiated First Street's affordable set aside with the developer on a voluntary basis in 2007. The development has 16 affordable apartments, all of which were leased by October 2008. First Street's affordable housing component has served as a model for how to incorporate affordable housing under the inclusionary zoning ordinance.

Financing

Jointly financed by public and private ventures, the project is expected to exceed $105 million, with developers investing $67 million. The establishment of a TIF district was very significant and helped to spur initial development activities and finance the project overall. The First Street TIF district provided funding for land acquisition, demolition, infrastructure installation, a public plaza, a parking structure, environment site assessment, and other soft costs.

St. Charles also entered into an agreement where METRA would apply to the Federal Transit Administration (with funds from SAFETEA-LU) to finance the parking deck, with the understanding it was part of an intermodal commuter hub. METRA will reimburse the city $3,753,347 upon completion of the project over four years.

Public Involvement

St. Charles sought public input on the creation of both the Downtown Strategy Plan in 2000, and the First Street Guidelines in 2002. A public workshop in June 2002, in which participants worked in small groups to provide feedback on First Street's initial plans, greatly contributed to the overall vision for the development articulated in the First Street Guidelines.

The city has also kept the public updated on the project's development and construction. Anyone can subscribe to *First Street e-news*, which is sent out weekly. The city also posts weekly updates on its web site, maintains a hotline to take questions, and provides a detailed progress report in every city newsletter. These efforts not only inform the public about the development, but excite and engage residents as well.

Contact Rita Tungare, Community Development Planner
Phone 630.443.3676
Email rtungare@stcharlesil.gov

As of February 2010

New for 2010

Homeowner Assistance

Chicago Homeownership Preservation Initiative

Cook County

The Chicago Homeownership Preservation Initiative proactively prevents foreclosures by providing homeowners with access to financial counseling and assistance during times of need.

Program Background

In 2003, the City of Chicago Dept. of Housing partnered with Neighborhood Housing Services of Chicago (NHS), a nonprofit organization, and over 20 financial institutions to launch the Homeownership Preservation Initiative (HOPI). The program was initiated in response to a 91 percent rise in the number of foreclosures between 1993 and 2002. HOPI proactively prevents foreclosures by providing homeowners with access to financial counseling and assistance during times of need. To ensure broad outreach, the city has partnered with faith-based organizations, expanded marketing on cable television and radio, and conducted targeted mailings to encourage more homeowners to utilize these services before their financial situations become harder to address.

How It Works

HOPI uses the "Every Minute Counts" campaign to reach out to homeowners at risk of losing their homes. The campaign encourages Chicago residents to call 311, the city's non-emergency hotline, at the first sign of mortgage delinquency. Callers are immediately connected to a credit counseling resource center for a free telephone counseling session. NHS also provides counseling at their local offices for people in severe foreclosure situations.

The phone and one-on-one counseling sessions include the following services:
• An in-depth assessment of the homeowner's financial situation and an individual action plan.
• Communication between the homeowner and mortgage company and, where appropriate, advocacy for a repayment plan, loan modification, or other strategy that will help the homeowner avoid foreclosure.

Goal
Prevent foreclosures and help families to stay in their homes.

Target
Homeowners at risk for foreclosure.

Financing
City of Chicago, Neighborhood Housing Services and funds from participating private lenders.

Success
HOPI has prevented foreclosures for 1,300 families and educated 4,328 people.

Lessons Learned
Counseling is more likely to prevent foreclosure when homeowners seek timely assistance.

HOME GROWN • LOCAL HOUSING STRATEGIES IN ACTION

• Referrals to local resources, including job training, tax assistance, emergency grants, and foreclosure prevention classes.

When foreclosure cannot be avoided, HOPI lender partners donate or discount foreclosed properties to community partners to be rehabbed or resold as affordable housing.

Contact	Christie Rivera, Coordinator of Special Projects, City of Chicago Department of Housing
Phone	312/742-1063
Web site	www.cityofchicago.org/Housing As of October 2006

Homeowner Assistance

Employer-Assisted Housing

Illinois

Goal
To help workers in Illinois live closer to their jobs.

Target
Low and middle-income workers.

Financing
State tax credits (which are not a cost), employer contribution, employee investment. Additionally, REACH partners leverage various other resources, such as the Federal Home Loan Bank Affordable Housing Program.

Success
Since EAH was introduced in Illinois, 65 employers have begun offering the benefit, resulting in over 1,300 employees receiving assistance through their employers to purchase or rent a home near work.

Program Background

Employer-assisted housing (EAH) enables employers to help their workers buy or rent homes close to work, which promotes bottom-line savings and workforce stability to the employer while improving worker productivity by reducing commute time and enhancing the overall quality of life of a working family. In Illinois, EAH has been successfully utilized by over 65 businesses, hospitals, universities, school districts and municipalities.

The success and growth of EAH in Illinois has been spurred by the pioneering work of the Metropolitan Planning Council (MPC) which has created a coalition of nonprofit counseling partners, the Regional Employer-Assisted Collaboration for Housing, or REACH, to serve the needs of businesses and organizations wishing to offer EAH programs. REACH counseling partners provide employees with credit counseling, home purchase assistance, and access to a myriad of other supportive financing products.

The Illinois Housing Development Authority (IHDA) contributes financial support by matching employer contributions of up to $5,000 per eligible employee and through a state-created Donations Tax Credit program, which offers a 50 percent tax credit for every dollar an employer invests in an EAH program

MPC initiated the REACH model in 2000, when System Sensor (now a division of Honeywell), a local manufacturer of smoke detectors and related alarm products, piloted the REACH model by offering $5,000 in grants for downpayment costs in an effort to reduce employee turnover and subsequent recruitment and training costs. Since then, System Sensor has assisted over 70 employees, and the firm has more than recouped its EAH investment through better employee retention, increased productivity, and administrative cost savings.

How It Works

The most common benefit offered by employers is downpayment or closing cost assistance to enable qualifying low and moderate-income workers to purchase a home near work upon completion of homebuyer counseling and education. Though this is the standard model, EAH can be tailored to meet various employer and municipal needs, and can be utilized for supply side housing development efforts as well.

For example, the Village of Riverdale, in an effort to end a cycle of disinvestment, adopted EAH in 2003 to encourage people already working in the community to live there as well. Riverdale partnered with the Regional Development Corporation, a local nonprofit organization with experience in homeownership counseling and home rehabilitation, to

New for 2007

offer EAH to its 150 municipal employees. The Riverdale EAH program offers $5,000 toward downpayment and closing costs, and eligible employees may also access up to $5,000 of state matching funds. Riverdale encourages local employers to offer EAH benefits, and since 2003, two large area employers have done so. To date, eight individuals or families have bought homes in Riverdale, and 44 have received counseling. By attracting new owners, Riverdale is bolstering its tax base and encouraging investment.

In another case, after conducting an internal housing needs assessment that revealed municipal employees were adversely affected by rising housing prices, the City of St. Charles created an EAH program to provide downpayment assistance to its own staff. Since 2001, the city has assisted eight homebuyers with downpayment assistance. By supporting its own employees, St. Charles is strengthening itself from within, reducing turnover, and serving as a model for other local employers.

Mayor Richard M. Daley and the City of Chicago have aggressively encouraged public and private employers to start EAH programs. The Chicago Public School's EAH program has helped over 400 teachers purchase homes, and Chicago's city colleges now offer EAH to all full-time employees who are first-time homebuyers. The University of Chicago's EAH program supports preservation of affordable rental housing in Chicago's south side neighborhoods. Rush University Medical Center, Mercy and Bethany Hospitals, and the City of Chicago's Police and Fire Departments also offer assistance to their employees. In total, almost 30 employers in Chicago offer EAH.

A Sampling of Participating Employers in the Chicago Region:

Allstate Corporation, Vernon Hills
First Midwest Bank, statewide
Bank of America, statewide
Illinois Institute of Technology, Chicago
Charter One Bank, statewide
MacArthur Foundation
Chase, regionwide
MB Financial Bank
Chicago Public Schools
Mercy Hospital, Chicago
City Colleges of Chicago
Metropolitan Planning Council, Chicago
City of Evanston
Northwest Community Healthcare, Arlington Heights
City of North Chicago
Rush University Medical Center, Chicago
City of Peoria
Sinai Health Systems, Chicago
City of Rock Island
System Sensor (a subsidiary of Honeywell), St. Charles
City of St. Charles
University of Chicago
Draper and Kramer, Chicago Region
Village of Riverdale

Lessons Learned

Local governments can offer EAH to their own workers, as well as invite employers to learn about and implement this innovative strategy. EAH is an incentive for recruiting and retaining workers, it helps low and moderate-income individuals and families live near work, and strengthens all types of communities, from those seeking reinvestment to those where affordable homes are few and far between. EAH is cost effective, has almost immediate tangible results, and is a proven success.

REACH Illinois
EMPLOYER-ASSISTED HOUSING

Contact	Lillie Jernigan, Consultant, Metropolitan Planning Council	
Phone	312/863-6005	
E-mail	ljernigan@metroplanning.org	
Web site	www.metroplanning.org	As of July 2007

2007 Updates by Elana Berenson

Homeowner Assistance

Loyola University Chicago University-Assisted Housing Program

City of Chicago, Cook County

Loyola University Chicago developed a unique employer–assisted housing program that benefits its employees and promotes public transit.

Policy Background

Launched in March 2008, Loyola's University Assisted Housing (UAH) program provides financial assistance for employees to purchase homes. Working in partnership with the Metropolitan Planning Council, Loyola created a program through which faculty and staff can receive forgivable loans to use toward closing costs or downpayment. Like other employer-assisted housing (EAH) programs, Loyola's increases access to homeownership and affordability and encourages employees to live closer to work. EAH programs, like Loyola's, also improve workforce stability, and the university benefits from increased employee engagement and reduced turnover.

Loyola's program is unique in that it supports improved work-life balance for employees, fosters increased involvement in campus life, promotes public transit use, and spurs investment in the Chicago neighborhoods surrounding Loyola campuses. To be eligible for the program, employees must purchase homes in neighborhoods adjacent to the CTA's Red Line. The program encourages employees to buy homes near the Red Line so they can conveniently use public transit to get to and from work. As Jennifer Clark, Loyola's director of community relations, put it, "We want faculty and staff to be a part of our environmental goals and recognize they don't need a car to work here."

How It Works

Each year, the UAH program provides up to 25 eligible employees with a five-year forgivable loan. The program is open to both faculty and staff members. Participants must be in "good standing," and have worked full-time for Loyola for at least one year. Loyola works with the Rogers Park Community Development Corporation (CDC) to provide pre-purchase homeownership counseling for program participants, which has been proven to help people avoid foreclosure. UAH participants must complete the three-hour Home Buyer Education and Counseling course, as well as a housing access plan with Rogers Park CDC. In addition, participants must qualify for mortgage financing and be able to pay at least $1,000, or one percent of the home's purchase price (whichever amount is greater), from their savings.

Goal

Help employees buy homes closer to work and increase access to homeownership, while also supporting the university's local communities.

Target

Loyola University Chicago faculty and staff members who want to purchase a home near the CTA's Red Line.

Financing

Loyola funds the loan program and homeownership counseling, and receives tax credits from the state for making these investments.

Success

As of January 2010, 90 Loyola employees have applied for the program, and 26 have purchased homes.

Lessons Learned

Prior to implementing the program, Loyola spent a great deal of time surveying its staff. All decision makers at Loyola's campuses participated, at some point, in the program's design process. Engaging these decision makers helped them take ownership of the program,

Employees can purchase homes in any neighborhood between the Howard Street and Roosevelt Road stops on the CTA's Red Line, including Rogers Park, Edgewater, Uptown, Lake View, Lincoln Park, the Near North Side, and the Loop. Employees who purchase homes in Edgewater and Rogers Park, the two neighborhoods closest to Loyola's main campus, receive higher loan amounts.

The UAH loan amount is determined by the employee's income level and location of the purchased property. Employees who make at or below 120 percent Area Median Income (AMI) — $89,900 for a family of four in 2009 — can receive a loan for $7,500 to live near the Red Line, and $10,000 to live in Rogers Park or Edgewater. Employees who make more than 120 percent AMI can receive $5,000 to live near the Red Line, and $7,500 to live in Rogers Park or Edgewater.
The loan period is five years, during which the loan-

New for 2010

HOME GROWN LOCAL HOUSING STRATEGIES IN ACTION

New for 2010

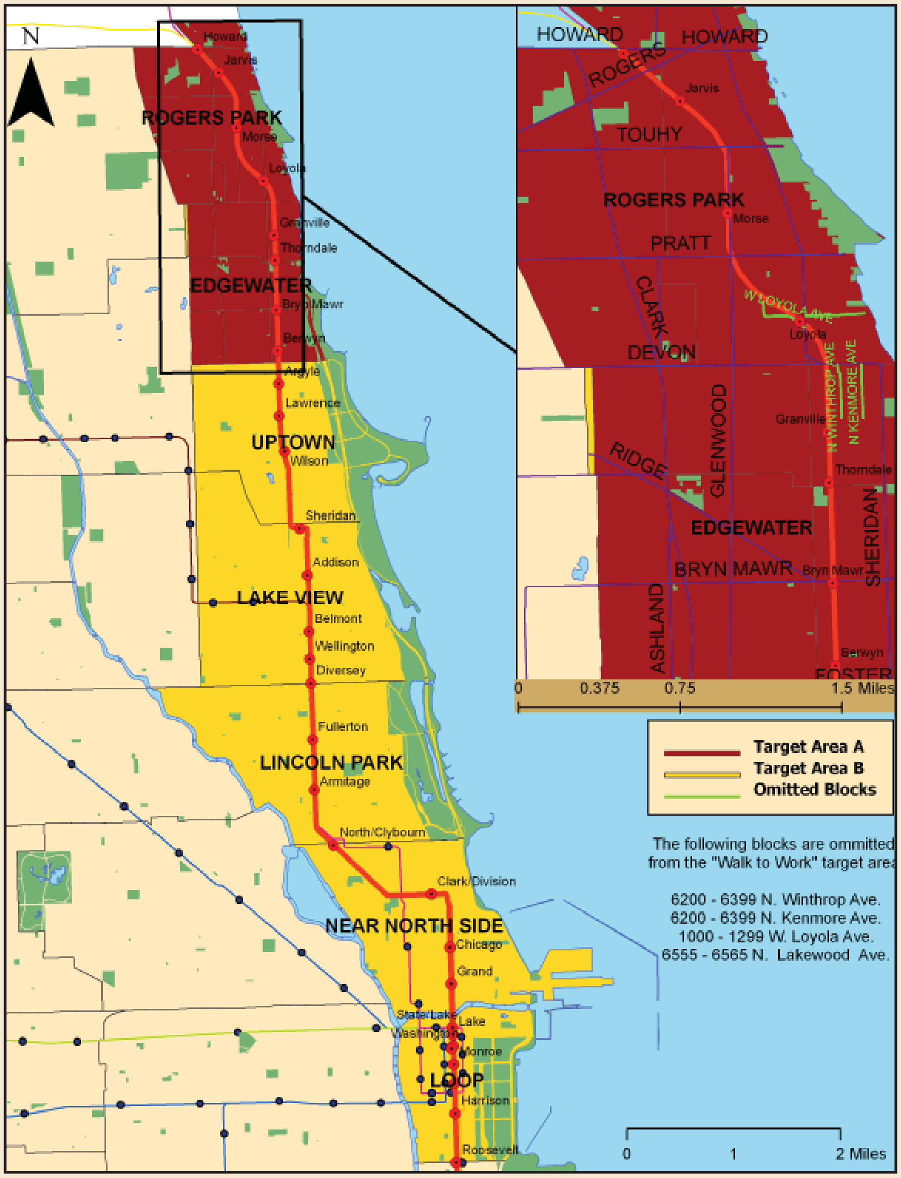
Homeowner Assistance

Loyola University Chicago University-Assisted Housing Program

City of Chicago, Cook County

holder must remain employed by the university, maintain property ownership, occupy the property as his or her principle residence, and not refinance the property. If the employee follows all of these stipulations, the loan is forgiven after the fifth year. If the loan-holder does not meet these terms, the loan must be repaid immediately on a prorated basis.

Loyola University, Chicago: EAH Target Areas



Contact Danielle Hanson, UAH Program Coordinator
Phone 312.915.7510
Email dhanson@luc.edu
Web site www.luc.edu/hr

Housing Preservation and Rehabilitation

Chicago
Troubled Buildings Initiative
Cook County

The Troubled Buildings Initiative works proactively to stem the deterioration and loss of viable housing through targeted enforcement efforts and direct intervention with building owners.

Program Background

Troubled buildings, whether vacant or occupied, damage neighborhoods, depress property values, and harbor crime. Irresponsible management puts tenants' health and safety at risk and, left unchecked, may trigger a cycle of neighborhood disinvestment and deterioration. Yet these same buildings, if turned around, can have a revitalizing effect on the surrounding community.

In 2003, the City of Chicago departments of Housing, Buildings, Law, Administrative Hearings, Police, Water, Planning, Streets and Sanitation, and Human Services, along with a nonprofit partner, Community Investment Corporation (CIC), developed the Troubled Buildings Initiative (TBI). TBI works proactively to stem the deterioration and loss of viable housing through targeted enforcement efforts and direct intervention with building owners. TBI effectively mobilizes the resources and expertise of eight city departments and CIC to ensure that structures are made safe and habitable, and help owners obtain financing to rehabilitate problem buildings.

How It Works

TBI coordinates the response of city agencies to address conditions in select buildings that pose a threat to the community. The process begins when a building is referred to the program by a city departments, alderman, community development organization, or concerned citizens.

Once the city receives the referral, the Dept. of Buildings inspects the property, and if applicable, writes up code violations. If the city finds violations, the case is referred to the Dept. of Law for prosecution.

Goal
Increase tenant comfort and safety and decrease neighborhood blight by saving properties that are falling into disrepair.

Target
Property managers and owners.

Financing
City of Chicago and the nonprofit Community Investment Corporation (CIC). Each fiscal year, the program is allocated $1 million in Community Block Grant funds and $1 million in corporate funds.

Success
As of the end of April 2006, 1,183 units have been recovered, 1,107 units are under rehabilitation, and 686 units are under court-ordered receivership.

Lessons Learned
The initiative requires significant investments of time and resources to handle ongoing tracking of properties, interdepartmental coordination, and strategic interventions.

TBI monitors buildings in the program before, during and after prosecution. When owners fail to bring their properties into compliance, the city uses a variety of strategies to create a change in ownership, including court-appointed receivers, transferring city liens to CIC for foreclosure, negotiating with lenders for the sale of delinquent notes for foreclosure, and purchasing the building for back taxes. In the event TBI is successful in removing a poor manager,


Before


After

PHOTO: COMMUNITY INVESTMENT CORPORATION

city and CIC staff continue to monitor the new building owners to ensure they address code violations. In cases where the building is foreclosed and CIC is the successful bidder, CIC's goal is to redevelop the property and create affordable housing in the building — in most cases rental, but also some for sale.

Building on the success of these efforts, in 2006, the city expanded the program to include vacant buildings. The goal for the expanded initiative is to reduce the number of deteriorated, unsafe and underutilized vacant and open buildings in Chicago by at least 75 percent in one year. This will be achieved by a collaborative effort involving the Police, Buildings, Law, and Housing departments to:

- Secure the buildings according to municipal code, making them inaccessible to the public and off-limits to criminal activity; and
- Rehabilitate, demolish, forfeit, or sell at least half of the buildings.

Contact	Angie Marks, Deputy Commissioner, City of Chicago Department of Housing
Phone	312/742-0469
Web site	www.cityofchicago.org/housing As of October 2006

Housing Preservation and Rehabilitation

Chicago
Historic Chicago Bungalow Initiative
Cook County

The bungalow program allows homeowners to mix and match incentives, which has helped many on fixed incomes to make necessary repairs to their homes.

Program Background

Launched by Chicago Mayor Richard M. Daley in September 2000, the Historic Chicago Bungalow Initiative is designed to foster an appreciation of the Chicago Bungalow as a distinctive housing type, encourage rehabilitation of Chicago bungalows, and assist bungalow owners with adapting their homes to current need. In turn, the program helps to strengthen Chicago bungalow neighborhoods.

Chicago has approximately 80,000 bungalows, nearly one-third of the city's single-family housing stock. These homes were built between 1910 and 1940 and are characterized as one and a half story buildings, usually made of brick, with generous windows and a roofline perpendicular to the street.

How It Works

The Historic Chicago Bungalow Association (HCBA) is the nonprofit organization that administers the initiative. It offers a variety of financial resources, from grants to loans, and technical resources, including how-to seminars, resource guides, and pattern drawings, to assist bungalow owners with home repairs. Each bungalow that receives benefits through the program must first be certified by HCBA.

Grant programs include the following:
• A matching grant of up to $1,000 is available to homeowners of HCBA-certified bungalows for the restoration or replacement of approved windows and doors.
• A matching grant of up to $2,000 is available to homeowners of HCBA-certified bungalows for upgrading or adding furnaces, a/c systems, solar thermal systems, water heaters, insulation, and water conservation systems.
• A $500 voucher for purchase of an energy-efficient appliance may be available to any purchaser of a HCBA-certified bungalow or any owner who spends at least $5,000 on a rehabilitation project on a certified bungalow.
• Grants to owners of HCBA-certified bungalows who have restricted incomes, determined by the Illinois Housing Development Authority, may be available for code-compliant rehabilitation work. The grant size is $3,000 for homeowners with incomes between 50 percent to 80 percent of the Area

Goal
Preserve Chicago's historic bungalows.

Target
Chicago historic bungalow owners and buyers.

Financing
City of Chicago ($800,000 annually), Illinois Housing Development Authority ($750,000 bi-annually), Illinois Clean Energy Community Foundation ($5 million over five years), and Chicago Architecture Foundation.

Success
HCBI has helped over 6,000 homeowners purchase, restore and modernize bungalows.

Lessons Learned
This program addresses several issues with one comprehensive program: preserving aging housing stock, preserving the design integrity of these historic homes, and creating energy and excitement about improving neighborhoods.

Median Income ($37,700 to $59,700 for a family of four in 2006) and $5,000 for homeowners with incomes less than 50 percent AMI.

To qualify for home improvement grants, improvements must be consistent with bungalow design guidelines to preserve the integrity of the bungalow. The bungalow program allows homeowners to mix and match incentives, which has helped many on fixed incomes make necessary repairs to their homes.

Contact	Bill Povalla, Assistant Commissioner, City of Chicago Department of Housing
Phone	312/742.0345
E-mail	wpovalla@cityofchicago.org
Web site	www.chicagobungalow.org As of October 2006

Housing Preservation and Rehabilitation

Round Lake Beach Housing Acquisition and Rehabilitation Program

Lake County

The Village of Round Lake Beach developed the Housing Acquisition and Rehabilitation Program (HARP) to acquire, rehabilitate and sell vacant properties at affordable prices.

Goal
Revitalize vacant, blighted property and provide quality affordable homes.

Target
Blighted vacant property.

Financing
The village received a $500,000 line of credit from First State Bank. Lake County also provides grants to cover the difference between acquisition and rehabilitation costs and the resale value. Since 2002, the village has spent an average of $260,000 per year.

Success
Of the 100 homes identified in the initial database as properties that could be acquired and rehabilitated, the village successfully completed 11 homes between 2002 and 2005.

Lessons Learned
- Community efforts to keep track of and rehab troubled properties can improve not just those homes but the properties on the streets around them.
- Partner with groups such as the county or local nonprofits to bring in additional resources.

Program Background

Responding to concerns from residents about the growing number of blighted vacant properties and limited amount of affordable housing options, the Village of Round Lake Beach developed the Housing Acquisition and Rehabilitation Program (HARP) to acquire, rehabilitate and sell vacant properties at affordable prices. The village worked out program details through a series of meetings with representatives of the Northwest Suburban Board of Realtors. HARP was implemented as part of a five-pronged plan created by the village in 2002 to address residents' concerns.

How It Works

The Round Lake Beach Village Board is involved in every step of the HARP program. The board first has to pass a resolution to purchase each home and later to authorize the expenditure of funds for renovation. The board must also authorize the sale of the home. The board reviews expenditures, closing costs, loan interest rates, sale price, and net profit, all of which is assembled by the village administrator.

There are six important components to Round Lake Beach's HARP program:

DATABASE
The village created a database of vacant properties, flagging those that fit the category of substandard foreclosures for which the private market had shown no interest. The database is continually updated by village building inspectors to reflect new foreclosures and new village acquisitions. All of the homes acquired must be vacant, and the village prioritizes acquisition opportunities. Those whose rehabilitation will bring the most benefit to the village or a given neighborhood, such as fixing a severe blight on a block, go to the top of the list.

INDUSTRY PROFESSIONALS
A banker, real estate agent, and general contractor work with village staff to help maintain the database and handle sales.

MARKET ANALYSIS
The village works with a general contractor to develop a market analysis of potential acquisitions. This includes the physical condition, minimum market

value after renovation, amount of six months' interest (the typical timeframe from purchase to sale), and closing costs. At the suggestion of the Village Board, Round Lake Beach is also working to increase the typical lot size of these redeveloped properties to a maximum of 80 feet instead of the existing 40-foot lots in the older areas. In cases where there are two 40-foot lots next to each other, the village will purchase both and consolidate them. The move to consolidate the smaller lots responds to overcrowding problems. Planning practices in the 1920s (before the village was incorporated in 1937) have led to overcrowding in the oldest part of the village. In this area, there are as many as five houses per acre.

ADDITIONAL RESOURCES

If the cost of a house, including the purchase and rehabilitation, is going to exceed the minimum assessed resale value, the village can apply for a grant of $15,000 per house ($105,000 total available annually from Lake County). The HARP program is financed with Community Development Block Grant (CDBG) and HOME funds, as well as resources from the Lake County Affordable Housing Commission. The village may also draw money from its revolving loan fund (RLF). Some houses, even with the affordable price requirement, sell for more than the purchase price and renovation costs. Money above the loan amount feeds the RLF, which is used only for HARP program rehabilitation efforts.

PACING

A line of credit from First State Bank dictates the number of HARP projects the village administers at any one time. Typically, the village works on three homes at once so that one property is waiting to be acquired, one is being renovated, and a third is on the market to be sold. In 2005, the village reported an average purchase price of the properties of $105,360, with an average sale price, after rehabilitation, of $135,218.

AFFORDABILITY

Homes in the program are deed-restricted and must remain affordable for five years. Information and counseling on the availability of low-cost loans and grants for eligible homeowners are provided to home buyers through this program.

The definition of affordability is based upon grant specifications from either the U.S. Dept. of Housing and Urban Development (80% of Area Median Income: $59,600 for a family of four in 2006) or the Lake County Affordable Housing Trust Fund (100% of Area Median Income: approximately $74,500 for a family of four in 2006), depending upon the grant type used.

In 2005, Round Lake Beach established a partnership with the Affordable Housing Corporation of Lake County at the urging of Lake County officials. As a nonprofit organization, the Affordable Housing Corporation lends additional resources and capacity to the HARP program to allow the village to rehabilitate six homes per year, up from three.

Contact	Mayor Richard H. Hill, Village of Round Lake Beach	
Phone	847/546-2351	
E-mail	mayorrlbeach@ameritech.net	
Web site	www.villageofroundlakebeach.com	As of October 2006

Housing Preservation and Rehabilitation

Tinley Park Architectural Enhancement Program

Cook and Will counties

As newly constructed homes in areas surrounding the Parkside neighborhood were selling in excess of $350,000, the Village Board wanted to give Parkside residents options for affordable expansion within their communities.

Program Background

Tinley Park's Parkside subdivision consists of World War II housing: small single-family homes covered entirely by vinyl siding. The village began to notice a major increase in families with school-aged children in the community and realized Parkside's growing families wanted or needed to move into larger homes, but did not necessarily want to leave their neighborhood. As newly constructed homes in areas surrounding Parkside were selling in excess of $350,000, the Village Board wanted to give Parkside residents options for affordable expansion within their neighborhood.

As a result, the village developed the Architectural Enhancement Program to bring in architects to create basic designs for expanding the housing types in this subdivision and sell these designs below cost to the residents. Because the village has taken the initiative to have basic plans drawn, the homeowners pay only $475 per plan as opposed to $2,500, the standard price in 2005.

How It Works

The village distributed a request for proposals to area architects in February 2005. Anderson Architects and Associates, a local firm, was chosen that April. The village then met with area residents to discuss the possible plans. Residents provided input to the architects, who then drew up preliminary plans and presented them to residents. The Village Board set a budget for the program and worked with an attorney to ensure the village's legal ownership of the plans and authority to sell them to homeowners.

Goal

Provide residents with low-cost, convenient ways to expand their property while preserving the existing housing stock in the village.

Target

Residents in the Parkside subdivision.

Financing

- Fifteen local financial institutions provide below-rate loans to those residents using the program.
- The Village Board approved a one-time allocation of $35,000 from the capital expenditures fund for the purchase of the architectural plans for all four homes types.

Success

As of February 2006, the village has received 12 applications and four residents have met with the architects to move forward with renovations.

Lessons Learned

Minimize the time to inform residents about the program. If information had been distributed to the residents earlier, expansions could have begun in the fall of 2005 rather than spring of 2006.

HOME GROWN LOCAL HOUSING STRATEGIES IN ACTION

Rendering of one of the four architectural types developed for the Tinley Park Architectural Enhancement Program.

The fact that the homes in Parkside fall into four basic design types contributes to the success of Tinley Park's Architectural Enhancement Program. Although the architectural plans have been drawn for each type of home, plan variations are available.

After the village approves a resident's application (roughly a two-week process), the architect meets with the family in their home to develop a customized plan based upon the interior conditions of the home. The drawing of the individual plans can take six or more weeks. Residents must live in the Parkside subdivision and be in compliance with all village codes identified by the Fire and Public Works departments to be eligible for purchasing architectural enhancement plans.

Contact	David Samuelson, Planning Director, Village of Tinley Park	
Phone	708/444-5100	
E-mail	dsamuelson@tinleypark.org	
Web site	www.tinleypark.org	As of October 2006

Housing Preservation and Rehabilitation

Joliet
Local Homestead Program
Will County

Goal
To provide housing opportunities for low and moderate-income families and to improve property in the city of Joliet.

Target
Low and moderate-income families.

Financing
- IHDA Second Mortgage Program-$35,000 or $40,000
- IHDA Downpayment Assistance Program-$3,000 or $5,000
- IHDA HOME Funds -$18,000

Success
As of 2006, over $9 million has been allocated to the Local Homestead Program, assisting more than 100 low and moderate-income families.

Program Background

The Local Homestead program in Joliet provides homeownership opportunities to moderate and low-income individuals and families through a two-step process. First, the city builds new homes or rehabilitates existing ones. Then, it provides financial assistance to buyers of those homes. This program is focused on Joliet's East Side, which is the historic core of the city but has suffered from disinvestment since the loss of key industries in the 1970s and 1980s.

This program was originally administered by the U.S. Dept. of Housing and Urban Development (HUD) under its 312 program, a first-time homebuyer purchase program offering below market rate loans. Over time, communities began to assume responsibility for the program. In Joliet, the 312 program evolved into the Local Homestead program, initially focused on rehabilitation of city-owned properties, and has since expanded to include construction on vacant city-owned land as well.

The Local Homestead program has been a very important component in spurring property improvements in Joliet's East Side neighborhoods. The city has already begun targeted investment efforts, rehabbing and building multiple adjacent properties to maximize the program's impact on overall neighborhood redevelopment activity. Two examples are along Richards and Union streets where the city built 14 affordable single-family homes in 2001 and 2003.

How It Works

Joliet's Local Homestead program provides financial assistance to families and individuals via a second mortgage and downpayment/closing cost assistance for purchase of a Homestead home. The assistance is provided through Illinois Housing Development Authority (IHDA) funds and includes some city funds, and is administered by the Local Homestead program. The newly built or rehabilitated homes all meet or exceed the quality standards of city building codes. The down-payment or closing cost assistance is provided to qualified purchasers in the form of a forgivable loan over a five or ten-year period, which accrues no interest. The loan must be paid back at a pro-rated amount if the borrower sells the house within the five or ten-year term.

Once the city builds or rehabilitates a property, it is offered to first-time homebuyers participating in the Local Homestead program. The homes are constructed or improved by development partners who are awarded a contract by the city through a bidding process run by the City of Joliet Purchasing Department. Bidders on the properties are awarded contracts to do the repairs or new construction, but the city retains ownership and then sells the home to a qualified purchaser once the work is completed. Each family or individual must complete a six-hour seminar that demonstrates how to be a good neighbor and teaches participants

New for 2007

HOME GROWN • LOCAL HOUSING STRATEGIES IN ACTION •

about property and building code compliance, budgeting, and credit maintenance.

To be eligible, participants must be 18 or older, first-time homebuyers (or three years removed from home-ownership), and must provide a $2,500 down payment payable at the time of closing. The individual or family must also be able to demonstrate the ability to repay the loan through proof of two years of stable employment. The applicant must be a U.S. citizen or registered alien and two years removed from Chapter 13 or 7 bankruptcy. Income guidelines are 80 percent or below Area Median Income, which is $59,600 in 2007 for a family of four.

Financing

Local Homestead homes are purchased by individuals or families with the help of IHDA. The borrower is required to put a down payment on the home, with funds from their own savings. IHDA provides a forgivable loan in the form of downpayment or closing cost assistance for up to $3,000 for low-income homebuyers and $5,000 for very low-income homebuyers. IHDA also provides a second mortgage – a standard 30-year balloon mortgage with no interest rate – of up to $35,000 for low-income households and $40,000 for very low-income households. The homeowner is also expected to pay the real estate tax on the home and maintain adequate homeowner's insurance. Each homebuyer is also eligible for $18,000 in IHDA's HOME Funds. With the attractive financing terms of this program, a participating household would typically pay more in rent than the cost of owning a Local Homestead home.

In the past, the Local Homestead Program received its entire funding from the HUD-funded Community Development Block Grant (CDBG) program. However, because of inconsistent federal funding, the city has incorporated more layered financing. Since 1996, the city has contributed an average of $140,000 annually to the program, which has leveraged approximately $771,300 per year from the state and private financial institutions.

Public Involvement

The Local Homestead program is advertised throughout Joliet. The city sends brochures to renters and publishes information in the Neighborhood Newsletter. Many people hear about this opportunity through word of mouth. Area banks typically hold the first mortgage on the homes for the new homebuyers and promote the program to help their customers secure the additional assistance. Local lenders also vie for the one-year construction loan on the properties.

Throughout Joliet's East Side, community response has been very positive. Neighbors of new or rehabilitated Homestead homes often become more interested in fixing up their own properties, creating a domino effect of neighborhood improvement.

Contact	Lois E. Goldman, Housing Finance Specialist, City of Joliet
Phone	815/724-4100
E-mail	lgoldman@jolietcity.org
Web site	www.cityofjoliet.info
Contact	Alfredo Melesio, City of Joliet
Phone	815/724-4100
E-mail	amelesio@jolietcity.org
Web site	www.cityofjoliet.info As of July 2007

Housing Preservation and Rehabilitation

Naperville Community First

DuPage County

Goal
To educate and influence members of the community, developers, architects, and builders about how to build in established neighborhoods.

Target
Community members, local government leaders, builders, developers, architects, and homeowners.

Success
The workbook is now being used by Naperville's planning department to encourage new single-family development and redevelopment projects in established neighborhoods to fit the existing character of the community.

Program Background

In an effort to manage teardowns and preserve local character, the City of Naperville has worked with Community First, an organization of Naperville homeowners, to develop a set of guidelines to manage redevelopment in the community.

In 1999, sensing the impact of teardowns on Naperville neighborhoods, Mayor A. George Pradel created a taskforce to address the trend. While the Teardown Taskforce deliberated options, Community First, an organization that formed in response to the city's teardown phenomenon, asked the city to consider utilizing neighborhood design guidelines rather than a series of numeric formulas. The city consented, and Community First created the influential *Workbook for Successful Redevelopment: An Idea and Resource Guide for Building in Established Neighborhoods*. The organization met twice a month for nine months to create the workbook and published the first edition in 2002.

The workbook demonstrates how to integrate a new home into the context of the neighborhood, block, adjacent homes, and particular site. This visual guide provides an implementation plan for homeowners and developers, and contains information on working within existing municipal codes. Community First uses advisory guidelines to simultaneously promote creativity and sensibility in home design.

The city has worked with Community First to educate residents, builders, and architects about sensitive infill design, as well as utilize the group as a sounding board when considering the adoption of subsequent city regulations. The partnership between Naperville and Community First has resulted in design-based regulations that effectively preserve community character, without hindering new construction or rehabilitation. Naperville works with Community First through a Memorandum of Understanding to encourage the workbook's use at the inception of rebuilding, remodeling, or new construction projects located in the city.

How It Works

Community First and the City of Naperville encourage developers to use the workbook before beginning any rebuilding, remodeling, or new construction projects in the city. Although the guidelines are not mandatory, evidence suggests that strong community involvement and positive reinforcement are successfully guiding the redevelopment of Naperville neighborhoods. The city has purchased 300 workbooks to be distributed to builders, architects and residents during the concept meetings held before the city issues a building permit. The workbook is a central part of the city's Tool Kit for Successful Redevelopment, created by the city to clarify the building process, as well as emphasize the concepts advanced by Community First.

New for 2007

Homes built according to workbook guidelines incorporate unique characteristics of their neighborhood and block. Builders more thoughtfully reflect relationships between new and existing homes. New homes are not visually or stylistically out-of-place and complement the surrounding environment, rather than contrast it.

Financing

Community First was initially funded through board members' personal funds and donations. A graphic design artist on the Community First board donated her talent and time to create the logo and did all the layout and artwork for the workbook. Subsequently, Naperville assisted the organization by purchasing 300 workbooks. Minute Man Press, a local printer, gave Community First a reduced price for printing 2,000 workbooks. Today, the organization relies on the sale of the workbook to cover expenses. The workbook is sold at Anderson's Bookshop, located in downtown Naperville and Downers Grove, and can be ordered by phone at 800-728-0708 or 630-355-2665.

Public Involvement

Community First educates homeowners, developers, and local officials through large presentations to residents and the building community, and fosters neighborhood participation through small group meetings. Community First has also created "Community Choice Awards," which are given to exemplary new and remodeled homes that complement their surrounding neighborhood. The awards program raises community awareness and gives residents an opportunity to voice their opinions about development in their neighborhoods.

For Naperville residents, the workbook can be applied to current and future home-building decisions. Community First encourages residents to hold meetings to review the workbook and develop a strategy to apply the workbook principles. By taking responsibility for home-building choices, people are becoming more involved in the development and design process.

Contact	Community First Inc.
Phone	630/375-7231
E-mail	Questions@communityfirstinc.org
Web site	www.communityfirstinc.org
Contact	Allison Laff, Director of Planning, City of Naperville
Phone	630/420-6107
E-mail	laffa@naperville.il.us
Web site	www.naperville.il.us As of July 2007

Building Inspections and Code Enforcement

Country Club Hills Building Inspections Program
Cook County

This unique building inspection program has maximized the use of city resources, improved compliance with local ordinances, strengthened relations between residents and emergency responders, and improved emergency response times.

Program Background

Country Club Hills firefighters have joined the city's building inspectors to monitor compliance with local building codes. As part of the contract negotiated by Mayor Dwight Welch and union representatives, firefighters walk the neighborhoods from 8:00 a.m. to noon, Monday through Friday, to inspect commercial and residential property to ensure it complies with city codes. This allows firefighters to become more familiar with city neighborhoods, which can improve their response to an emergency. In turn, the small city is able to maximize its resources and the community benefits by having a high-quality building stock.

How It Works

Firefighters use an inspection form that lists code items and includes a section where the inspector can mark: paint, repair, replace, or remove. The average time allowed for compliance with cited violations is 30 to 45 days. Property owners cited for high priority violations, such as garbage in the yard or graffiti on structures, have 24 hours to correct the problem. The City of Country Club Hills has been able to implement this unique program because it is a home rule community.

Financing

Firefighters are paid their regular salary for providing this service to the community as part of their contractual agreement with the city. There is no explicit cost to the city for the administration of firefighter code enforcement duties.

Goal
Achieve compliance with building codes from homeowners and landlords; improve response time by emergency personnel because of familiarity with neighborhoods.

Target
All property in Country Club Hills.

Financing
No direct financing required.

Success
Has improved compliance with local ordinances, strengthened relations between residents and emergency responders, and improved emergency response times.

Lessons Learned
Tapping into other city employees allowed the community to expand its oversight of property maintenance without increasing costs. In addition, the firefighters gained a better knowledge of the city and its neighborhoods and residents.

HOME GROWN • LOCAL HOUSING STRATEGIES IN ACTION

Contact	Henrietta Turner, City Manager, City of Country Club Hills
Phone	708/206-2656
E-mail	turner@countryclubhills.org
Web site	www.countryclubhills.org As of October 2006

Building Inspections and Code Enforcement

Mount Prospect Inspection Program
Cook County

Systematizing inspections and providing a landlord-tenant ordinance ensures that all parties are prepared to participate in the code enforcement process.

Program Background

In the 1990s, to address the rising costs of police and emergency services, largely due to the high level of calls from an area of the village with a large concentration of multi-unit dwellings, Mount Prospect created an inspection program for multi-family properties.

The village established a Housing Committee to develop the inspection ordinance. This committee was active as part of a larger committee, called "Visions," which was charged with updating the property maintenance code with input from residents and property owners, as well as implementing this inspection program.

The Village Board was initially reluctant to adopt an inspection ordinance because board members were concerned that it could diminish the affordable housing options in the village. The Board was also concerned about community opposition, resulting from a lawsuit that was filed against the village over its landlord-tenant ordinance adopted over 20 years earlier. To address these concerns, the Visions Committee demonstrated that rental housing was being provided at market rates, yet at substandard levels. The Committee produced a video and photographs of the existing conditions, and took board members on ride-along inspections of the properties to show the disparities in the quality of housing and rents being charged. As a result, the inspection ordinance was developed with input from both landlords and the Housing Committee.

Adopting the inspection ordinance led to:
• Clearer and more stringent village codes.
• Increased penalties for noncompliance.
• Increased support from the village attorney's office.
• Increased access to legal information and rights education for tenants (Mount Prospect's Dept. of Human Rights and schools distribute educational materials and administer seminars for tenants).
• Increased communication within local government departments.

Goal
Ensure better property maintenance and the safety and health of residents of rental buildings and surrounding neighborhoods.

Target
Multi-family housing structures.

Financing
Annual licensing fees ($31 per unit) totaling roughly $175,000 per year.

Success
• 50% reduction of crime in the worst areas of the community within the first two years of the inspection program.
• Upon implementation, village officials noted a significant drop-off in the number of code violations.
• Racial and ethnic diversity, as well as diversity within the village's housing stock, has increased.

Lessons Learned
Systematizing inspections and providing a landlord-tenant ordinance ensures that all parties are prepared to participate in the code enforcement process. Coupled with a landlord-tenant ordinance, this allows the village, property owners and managers, and tenants to avoid problems that can be expensive to resolve.

How It Works

Twenty percent of Mount Prospect's housing stock is rental, and the majority of these buildings contain six or fewer apartments. The village employs two full-time inspectors who perform all inspections. The village created a checklist for property inspections to ensure that inspectors conduct consistent evaluations and allow property owners and managers to prepare for the inspections. Inspections of the exterior of licensed apartment buildings are performed annually. Building interiors are inspected on a five-year rotation cycle, as well as on a complaint basis to investigate and resolve landlord-tenant concerns. Interior inspections are performed while tenants are residing in the units, although the landlords may contact village staff and notify them of a vacancy so the village can dispatch an inspector to examine the empty unit. Single-family homes are inspected on a complaint basis. The village issues a 30-day notification to landlords of planned visits by a building inspector. Landlords are required to provide written notification of interior inspections to their tenants at least 48 hours in advance of the inspection date.

If a code violation is cited during an inspection, the inspector will indicate the violations, required remedies, and a compliance deadline (generally 30 days). An incentive clause within the inspection ordinance allows property owners to forego or reduce the frequency of interior inspections if there is evidence during routine inspections that the property is being well maintained. This incentive clause allows the village to stop interior inspections on buildings of fewer than 20 homes or inspect only five percent of the apartments in buildings with over 20 homes, if prior inspections have demonstrated a good maintenance track record.

Financing

The village collects licensing fees ($31 per unit) totaling roughly $175,000 per year, which was originally used to hire two additional inspectors, a social worker, and several police officers. Today, due to rising costs, the revenue is used solely for the inspection program.

Public Involvement

Preceding the inspection ordinance, the Village of Mount Prospect adopted a landlord-tenant ordinance in the 1980s. Modeled after the City of Evanston's ordinance, Mount Prospect's landlord-tenant ordinance articulates the rights of landlords and tenants and informs both parties of the village's regulation authority. The village requires landlords and property owners to provide a copy of these regulations to tenants with their lease. This process ensures all parties are educated regarding their rights and responsibilities.

In the 1990s, the village considered the creation of a special taxing district to help offset the high-cost of emergency services. The property owners within the proposed district strongly opposed the proposal, so village staff began working with them to develop common solutions and ways to reduce crime in the neighborhood. As staff found that many properties were being poorly maintained, they began a partnership with property owners that resulted in the creation of the inspection ordinance.

Mount Prospect's inspection program is successfully promoted primarily through word of mouth. As tenants begin to see the improved living standards of their neighbors, they become aware of the services that are available to them through the village and they call to report substandard conditions within their buildings.

Contact	Bob Roels, Environmental Health Manager, Village of Mount Prospect
Phone	847/870-5668
E-mail	BRoels@mountprospect.org
Web site	www.mountprospect.org As of October 2006

Streamlining the Development Process

Elgin
Expedited Permitting Process
Kane County

Developed by city officials as an internal standard of performance, this expedited permitting policy simplifies the construction process for residents and developers. For larger-scale developments, this can translate into significant cost savings, potentially allowing for price reductions on the final residential or commercial product.

Program Background

For contractors, the costs associated with getting local planning and zoning approvals can be significant, mainly due to the time it takes to get them. The City of Elgin has minimized these costs because its permitting process takes an average of just two weeks from standard review to code administration review. Developed by city officials as an internal standard of performance, this expedited permitting policy makes it easier for residents and developers to schedule contractors and construction work. For larger-scale developments, this can translate into significant cost savings, potentially allowing for price reductions on the final residential or commercial product.

How It Works

Two city staff serve at the permit counter to review and approve proposals immediately. Examples of over-the-counter approvals include fence and swimming pool construction, driveway resurfacing, and fence erection. The plan approval process is extended past the two-week standard when a certificate of appropriateness is required and the plan must be reviewed by the city's Design Review Committee, which meets twice each month. Plans requiring additional review include those for properties that are located within one of the city's two historic districts, or ones needing rezoning or Planned Unit Development approval. Going before the city's Plan Commission and City Council takes an average of 90 days.

Goal

Expedite and simplify the permitting process.

Target

Property owners and contractors.

Financing

No additional cost associated with this policy.

Success

City permitting takes an average of only two weeks.

Lessons Learned

Streamlining local permitting can be an important component of a municipality's affordable housing agenda and attractiveness for private development. By providing predictability, the city can leverage costs savings as a way to negotiate additional affordable homes.

Contact	Sarosh Saher, Urban Design & Preservation Specialist, City of Elgin
Phone	847/931-5943
E-mail	saher_s@cityofelgin.org
Web site	www.cityofelgin.org As of October 2006

Streamlining the Development Process

Highland Park Fee Waiver

Lake County

Highland Park forgoes building fee revenues in exchange for affordable homes.

Program Background

In the city of Highland Park, fee waivers are integral to a comprehensive approach to affordable housing development. As a component of its inclusionary housing policy adopted in 2003, Highland Park waives fees for developers who are building housing at affordable prices for families earning between 50 and 120 percent of Area Median Income ($37,700-$90,480 for a family of four in 2006). Fee waivers, which mitigate developer costs, can be structured in a number of different ways. In Highland Park, the city forgoes the revenue from such building fees as those for applications, building permits, plan reviews, sewer and water, and the demolition tax. In addition, the city offers developers a density bonus at a ratio of one additional market-rate unit for each affordable unit.

As part of the inclusionary housing ordinance, development impact fees are waived on a case-by-case basis. However, as a practical matter, the impact fees attributable to affordable units are routinely waived by the City Council, and are paid by funds from the city's Housing Trust Fund. The demolition tax and development-related fees attributable to affordable homes are automatically waived. Details regarding impact fees and other fee waivers are included in the development agreement for each inclusionary development.

How It Works

In order to receive a fee waiver, 20 percent of the total number of homes within a development must be affordable. This includes:
• New residential or mixed-use construction.
• Renovation of an existing multi-family building that increases the number of homes in that building.
• Any construction that will change the use of an existing non-residential building into a residential building.

Goal
Support the development of affordable homes by waiving fees as a financial incentive to housing developers.

Target
Low and moderate-income families, by providing cost savings to multifamily housing developers.

Financing
Fees are waived to help developers offset the cost of providing affordable units. Impact and development fees attributable to affordable units are routinely waived. Fees for market-rate units are waived on a case-by-case basis.

Success
As part of an inclusionary housing policy, this process was formalized after input from developers, ensuring these waivers are in line with the costs of building affordable homes.

Lessons Learned
Engage developers when crafting a fee waiver policy to ensure the amount makes sense financially.

HOME GROWN
LOCAL HOUSING STRATEGIES IN ACTION

• Conversion of apartments into condominiums.

Developers have the choice of either providing affordable homes within these developments or making a payment in-lieu of such provision. A developer who has chosen not to provide affordable homes within his or her development will not receive the fee waiver.

Public Involvement

The fee waiver policy in Highland Park underwent the same public hearing process as the inclusionary zoning ordinance, as the two were linked. This process included:

PHASE I
Following public hearings and community forums, the Highland Park Plan Commission recommended the adoption of an inclusionary housing policy in the city's Housing Plan.

PHASE II
A joint subcommittee of the Housing and Plan commissions developed the recommendations. Both commissions considered the recommendations at open meetings and recommended approval to the City Council. In addition, city staff held meetings with other stakeholders, such as realtors and developers.

PHASE III
The City Council considered and approved the recommendations.

Highland Park's fee waiver policy is relatively new. As of summer 2005, there were no finished developments, although the city had three in the pipeline. For this reason, it is too early to determine the true impact waiving fees has had for Highland Park. The city does not have a set policy regarding which fees will be waived in all cases; instead it determines this on a case-by-case basis.

Contact	Betsy Lassar, Housing Planner, City of Highland Park	
Phone	847/926-1852	
E-mail	elassar@cityhpil.com	
Web site	www.cityhpil.com	As of October 2006

Property Management

Schaumburg Crime Free Multi-Housing Program

Cook County

Program Background

Running a multi-family development is much like running a city; conflict resolution, community building, and crime prevention can be complex tasks. However, there are simple ways for communities to become more directly involved in their residential properties. In 1999, the Village of Schaumburg initiated the Crime Free Multi-Housing Program (CFMHP), adapted from Mesa, Ariz., where the concept was first created. Initially established as a voluntary educational program for Schaumburg property owners, CFMHP became mandatory in March 2003, as a component of the village's revised Residential Rental Ordinance.

How It Works

CFMHP requires property owners, managers, leasing staff, maintenance personnel, and others in the management team to attend an eight-hour training program. Police officers are encouraged to attend the training to understand the civil nature of rental communities, and establish a rapport with managers of rental properties. The training is held at the Schaumburg Police Department and taught by attorneys, police, and fire personnel. Guest speakers frequently attend to address specific topics relating to rental properties. This police-sponsored program is easy to implement and effective at reducing criminal activity in rental properties.

The Crime Free Multi-Housing Program addresses these topics:
- Understanding Crime Prevention
- Crime Prevention Through Environmental Design (C.P.T.E.D.) Concepts
- The Application Process
- Common Sense Self-Defense
- Community Rules/Leases
- Apartment Communities/Not Complexes
- Active Property Management
- Combating Crime Problems
- Police: To Serve and Protect
- Partnership with Fire Department
- Dealing with Non-Compliance

Goal
Improve safety in rental properties, improve communication and trust between landlords and tenants, enhance the quality of life in the community, empower community leaders/managers, enhance management skills, and provide avenues of support for property managers.

Target
Property Managers and Owners.

Financing
Part of the Schaumburg Police Department Annual Budget.
- Employs a full-time police officer to run the Crime-Free Multi-Housing Program.
- $5,000 per year for all other costs associated with the program.

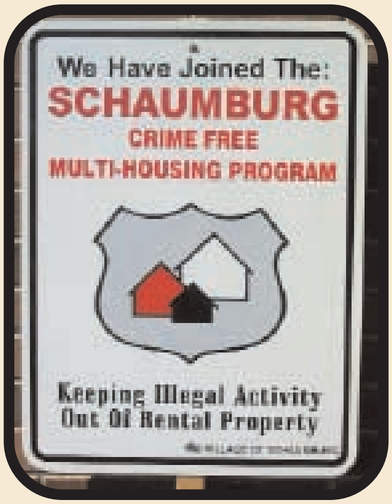
Success
The first five years of the Crime Free Multi-Housing Program have seen a 12 percent reduction of police calls in rental units.

Lessons Learned
Sharing of knowledge and establishing trust between law enforcement and property managers contributed to the program's success.

Typically, the program is taught during a single day, but there are also opportunities for Saturday or evening sessions. From March 2003 until May 2007, the Schaumburg Police Department provided 80 CFMHP seminars which were attended by over 1,100 property owners or managers. In the first five years of CFMHP in Schaumburg, there has been a 12 percent overall reduction of police calls to rental properties. In one apartment community, two years after implementing the ordinance, there was a 52 percent reduction in police calls and the property manager maintained a 94 percent occupancy rate. The costs of CFMHP, employment of a full-time police officer to run the program and $5,000 additional dollars per year for all other expenses, are factored

New for 2007

HOME GROWN · LOCAL HOUSING STRATEGIES IN ACTION into the Police Department's annual budget.



CFMHP was the brainchild of Schaumburg police officer John Nebl, who felt the police department should be a liaison between property owners and their residents. Police often responded to disputes between landlords and tenants that were beyond the purview of police intervention; training has reduced these calls. Instead of returning repeatedly to the same few properties, the police department has been able to train property owners with no prior experience in conflict-management how to reduce or keep crime out of their properties.

CFMHP has also led to several other initiatives. To improve communication between property owners and law enforcement, police officers complete Rental Incident Cards when responding to a call or concern at a rental property. The CFMHP officer forwards the card, which contains a summary report, to the property owners to alert them of nuisance situations and police visits to their property. It also provides the necessary records to help justify a lease termination for individuals associated with recurring incidents, minimizing future conflicts.

In 2003, Schaumburg required that a Crime-Free/Drug-Free Addendum be used with leases; the lease addendum is a civil agreement between the property management and resident, and must be signed by the tenant before a lease is provided. This addendum states that if renters, their family, friends, or guests engage in criminal or illegal drug activity, the landlord has the right to negate or revoke the lease.

In order to hold landlords accountable for their properties, the village established a definition of "Nuisance Property" within its Rental Housing Ordinance, which gives the Village Manager leeway to suspend or revoke a property owner's rights to lease or rent properties if they do not maintain adequate property or safety conditions. The village can fine landlords daily for failure to make necessary repairs.

One continuing challenge regarding this program is that there is not a standardized lease in Schaumburg, so every property manager's lease is unique. Similarly, the Crime-Free/Drug-Free Addendum does not have standard language. Property owners can either use HUD samples from the seminar or draft their own addendum with similar language.

Public Involvement

Some landlords were initially resistant to the idea of required seminars, feeling that it was an unfair requirement. However, many property owners were happy they had attended once it was over. They felt it gave them new information and helped them know how to deal with difficult or problematic tenants.

Several cities throughout Illinois have implemented CFMHP.
These other Illinois communities are:

- Aurora
- Rolling Meadows
- Palatine
- Wheeling
- Elgin
- Rockford
- Normal
- Round Lake Park
- Hainesville
- Round Lake Beach
- Mt. Prospect
- Rosemont
- Northlake
- Naperville
- Carpentersville
- Oak Forest

Non-home rule communities wishing to implement a similar initiative should consult with their attorney to ensure that their specific program is allowed.

Contact	Officer Karen McCartney, Schaumburg Police Department
Phone	847/348-7320
E-mail	KMcCartney@ci.schaumburg.il.us
Web site	www.ci.schaumburg.il.us As of July 2007

2007 Updates by Elana Berenson

Chicago Community Land Trust (CCLT)

Chicago Community Land Trust (CCLT)

City of Chicago, Cook County

Chicago Community Land Trust (CCLT) provides long-term affordability protection for affordable units created through city programs.

Policy Background

Due to its strong housing market and desirable location, in 2006, the City of Chicago established the Chicago Community Land Trust (CCLT) as a tool to preserve the long-term affordability of homes created through city programs. Chicago is the largest city in the U.S. to establish a municipal, citywide community land trust, but more and more municipalities are implementing this model to use housing resources more efficiently, including Washington, D.C.; Irvine, Calif.; Flagstaff, Ariz.; and Highland Park, Ill.. CCLT is a nonprofit corporation, and is staffed by the city's Department of Community Development (formerly Dept. of Housing). It has a board of directors, and its members are appointed by the mayor and approved by the City Council.

In 2004, with a technical assistance grant from the U.S. Department of Housing and Development (HUD), the city's Department of Housing (DOH) began exploring the creation of a community land trust for Chicago. DOH worked with consultants from Burlington Associates, as well as a larger advisory council, to determine the best way to create one. DOH also reached out to stakeholders across the city, and invited nonprofit developers, housing counseling agencies, lenders, foundations, planners, attorneys, and government officials to participate in the advisory council. After weighing several options, they decided to establish a citywide land trust, and utilize the deed covenant as their main tool to preserve long-term affordability.

In exchange for up-front subsidies that make these homes affordable, homeowners must agree to resell their CCLT properties only to other low or moderate-income families at an affordable rate. This initiative not only provides a permanent pool of affordable homes, but helps to sustain mixed-income communities and protects residents from foreclosure.

How It Works

Through various city programs, individuals and families can buy homes at affordable rates. These programs include requiring inclusionary zoning measures (Affordable Requirements Ordinance), selling vacant properties to developers to build affordable housing (New Homes for Chicago and City Lots for City Living), and providing fee waivers to reduce purchase prices to affordable levels (Chicago Partnerships for Affordable Neighborhoods), and other programs. If a unit is built under a city homeownership program, it will be considered for inclusion in the CCLT. In general, units are placed in the CCLT if the affordable price is at least $25,000 below market value.

The initial homebuyer signs a deed covenant with the CCLT when purchasing the home. It is a 99-year agreement that mandates if the home is sold, it must be resold to another income-qualified buyer at an affordable rate. CCLT homeowners receive pre-purchase homeowner-

Goal

To provide long-term affordability protection for affordable units created through city programs.

Target

Low-to-moderate income families. Each city housing program has different income requirements, but most serve families that earn 100% area median income (AMI) or less (about $75,900 for a family of four in 2009).

Success

As of October 2009, CCLT had 45 deed restricted units, 5 contracts pending and has educated 506 prospective buyers about the program.

Lessons Learned

Due to Chicago's large size and high number of condo units, the CCLT's quasi-government structure and Deed Covenant mechanism work best to preserve affordability. Other cities with CLT programs have set up separate nonprofits, use different contractual models to take land ownership, or support local nonprofits to run the program, and these might work best for smaller-sized cities.

Chicago Community Land Trust (CCLT)

Chicago Community Land Trust

City of Chicago, Cook County

ship counseling, CCLT training, and post-purchase support. They pay a $25 monthly administrative fee, and must maintain the home as their primary residence. To protect the viability of both the homeowner and the home, the CCLT must approve any refinancing or construction on the home that requires a permit. Due to the long-term affordability requirement, property taxes are assessed based on the affordable resale price rather than market value. This creates greater stability for low and moderate-income homeowners, and is one of the program's major benefits.

If the homeowner wishes to sell the property, he or she must inform CCLT, which has the first option to purchase the home and find another income-qualified buyer. The seller will receive the maximum resale price, as calculated in the deed covenant, which equals the initial investment (first mortgage and down payment) and a share of the market appreciation. The original subsidies and remaining market equity stay with the home to keep it affordable for the next buyer. If CCLT does not purchase the home, the homeowner must sell it to another income-qualified buyer at or below the maximum resale price.

In 2009, CCLT closed on three affordable in this building located at 4150 N. Kenmore.

Contact Teresa Lambarry, Outreach Director, Chicago Dept. of Community Development
Phone 312.744.5086
Email teresa.lambarry@cityofchicago.org

As of February 2010

New for 2010

Community Land Trust

Highland Park Community Land Trust

Lake County

The Highland Park Illinois Community Land Trust retains the land while selling homes at below-market value. The land is leased at a nominal cost to income-qualified buyers.

Background

The Highland Park Community Land Trust (HPICLT) is a private nonprofit organization that was created by, but is now independent of, the City of Highland Park. As a key recommendation in the city's Affordable Housing Plan, the land trust was established to own land and maintain long-term affordability on that land. After the Affordable Housing Plan was adopted in January 2001, the Housing Commission prepared a strategy for creating a land trust. The Highland Park City Council adopted a resolution approving this strategy and appointing a Community Land Trust Task Force, consisting of members of the public, to develop more detailed recommendations. The Council established the land trust through a resolution adopting the Task Force recommendation in March 2001. The HPICLT was fully operational by March 2003.

Initially, a pilot land trust program acquired and sold three housing units (two single-family and one condominium). Since its formal establishment in 2003, the land trust has built a successful, well-designed six-unit townhome development for families in late 2004, and has been acquiring single-family properties to redevelop and sell at below-market rates to income-qualified buyers. The land trust has completed a total of nine homes (six townhomes, two single-family, and one condominium), and is currently acquiring three scattered-site units.

How It Works

Properties are acquired through market purchase and land donations. The land trust retains the title to the land while selling homes on it at below-market value. The land is leased at a nominal cost to income-qualified buyers, who must earn at or below 115 percent of area median income (AMI) (approximately $86,710 in 2006), although priority is given to those earning at or below 80 percent AMI (approximately $59,600 in 2006 for a family of four). 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. The resale

Goal

Build and preserve housing that is and will continue to be affordable to low and moderate-income families.

Target

Households earning at or below 115% AMI ($86,710 for a family of four in 2006), with priority given to those at or below 80% AMI ($59,600 for a family of four in 2006).

Financing

Annual amount depends on current private development activity. Development funding is provided on an annual basis. Sources typically include:

- Lake County
- Federal Home Loan Bank
- Illinois Housing Development Authority

Operations funding sources typically include:

- Highland Park Affordable Housing Trust Fund
- Donations and grants

Success

3 units completed through pilot program (precursor to the land trust); 9 units completed since 2003.

Lessons Learned

Being able to control the land and future sales of affordable units allows Highland Park to ensure that homes created by the land trust remain affordable for the long term.

amount is determined by a formula (right) that provides a fair return on investment to the seller, but also ensures the property remains affordable to future purchasers.

Highland Park seniors who are looking to sell their property within the city are encouraged to sell to the land trust. The trust will purchase the property at a negotiated price, up to five percent over the appraised value. This five percent figure is not a guarantee, but rather an internal control for the acquisition of the property. As an additional incentive for senior citizens to sell to the land trust, they will receive preference on the waiting lists for properties created through the work of the land trust at the Highland Park Housing Commission.

To maintain a strong working relationship with the city, three of the nine land trust board members are appointed by the Highland Park mayor, at least one is a member of the Housing Commission, and another is a member of the City Council.

Financing

Start-up costs for the land trust were funded with resources from the Highland Park Affordable Housing Trust Fund. The trust fund and land trust were created together to provide financial support for affordable housing activities that address the needs of low and moderate-income individuals and families. As a private organization, the land trust now raises its own funds, as well as receives funding from the trust fund by application. For development purposes, the land trust receives money from traditional sources such as Lake County, the Federal Home Loan Bank, and Illinois Housing Development Authority. Operating costs are covered with resources from the trust fund, private donations, individuals, banks, and foundations.

Resale Formula

	Current Appraised Value	$510,000
-	Initial Appraised Value	$300,000
=	Market Value Appreciation	$210,000
x	by Home Owner's Investment Ratio	60%
=	Equals	$126,000
x	by shared appreciation factor	15%
=	Home Buyer Share of Market Value Appreciation	$18,900
	Home Owner's Purchase Price	$180,000
+	Home Buyer Share of Market Value Appreciation	$18,900
+	Structural and Mechanical Improvements Credit	$4,800
=	Formula Resale Price	$203,700

Note: The Purchase Option Price is the lesser of the Formula Price and the Current Appraised Value.

The land trust layers financing for development. Given its small staff size, the annual operating budget of the land trust has been roughly $150,000. The development budget is contingent upon the types of developments with which the land trust is involved. The total estimated cost for the three-unit scattered site acquisition and rehabilitation project it is currently working on is $1,053,000, including acquisition, rehabilitation, and soft costs such as insurance, utilities, and legal fees.

Highland Park's Community Land Trust received $70,000 from the City of Highland Park in the first year and $100,000 in its second year for operation expenses. For development expenses, the land trust received a grant for $335,000 from the city for its six-unit town home development, and $270,100 for its three-unit scattered site acquisition.

Contact	Mary Ellen Tamasy, Executive Director, Highland Park Illinois Community Land Trust
Phone	847/681-8746
E-mail	hpiclt@hpiclt.org
Web site	www.hpiclt.org

As of October 2006

Demolition Tax

Evanston
Affordable Housing Demolition Tax
Cook County

Revenue raised from this tax will be distributed evenly between the affordable housing demolition tax fund and inclusionary housing trust fund for the creation, preservation, maintenance, and improvement of affordable housing within the city.

Background

Since 2000, Evanston has experienced a loss of affordability with a significant increase in homes priced at or above $1 million. In October 2002, Evanston's Housing Commission created an Inclusionary Zoning Task Force to study the gap between the supply of and demand for affordable housing in the city, as well as ways to address the gap. Participants included members of the Housing, Planning, and Human Relations commissions, two aldermen, private and nonprofit developers, and affordable housing advocates.

Based on the efforts of the Task Force, the Housing Commission made three recommendations:

- Through an inclusionary zoning ordinance, encourage private sector investment and development activity that will support affordable housing.
- Apply the inclusionary zoning ordinance to condo conversions.
- Implement a demolition tax to create a dedicated source of revenue to fund affordable housing initiatives within the city.

An ordinance creating an Affordable Housing Demolition Tax was presented to the Planning and Development Committee as a first step in implementing the Housing Commission's recommendations. Data on residential demolitions and replacement housing indicated that low or moderately priced homes were being demolished and replaced with higher priced housing well beyond the reach of low and moderate-income buyers. While Evanston has not yet adopted an inclusionary zoning policy, in April 2006 the Evanston City Council adopted the demolition tax.

Goal
To preserve and expand affordable housing for low and moderate-income workers while maintaining and preserving the city's cultural and economic diversity.

Target
Residential demolitions.

Financing
$10,000 fee on demolition of single-family structures and the greater of $3,000 per unit or $10,000 total for multi-family properties.

Success
An average of six permits issued each year since 1998. Tax generates an estimated $60,000 annually.

Lessons Learned
Technical assistance from a regional nonprofit organization was a key to the successful passage of the ordinance. BPI provided continuous aid to city staff. Its involvement included drafting policy, making recommendations to address public concerns, and participating in public meetings to help the city communicate the goals of the ordinance.

HOME GROWN • LOCAL HOUSING STRATEGIES IN ACTION

How It Works

The demolition tax assesses a residential structure demolition fee of $10,000 per building or $3,000 per unit, whichever is greater. Revenue raised from this tax will be distributed evenly between the affordable housing demolition tax fund and inclusionary housing trust fund for the creation, preservation, maintenance, and improvement of affordable housing within the city. At least 50 percent of the revenue will be used exclusively to assist households whose incomes are at or below 80 percent of area median income ($59,600 annually for a family of four in 2006). The following are exempt from the tax:

- If applicants enter into an agreement with the city to provide affordable housing.
- If the Evanston Community Development Director determines the replacement structure will be affordable.
- If the demolition is ordered by the city.

Owner-occupants who demolish their homes in order to construct replacement houses for their own use have two options regarding payment of the tax. An owner may apply to defer the tax if he/she has been the occupant for three consecutive years. In this case, a lien for the tax amount will be recorded against the property. If the owner sells the replacement house prior to the expiration of three years from issuance of the certificate of occupancy, the deferred tax, plus interest, is due. If the person remains an occupant of the replacement house for three years, the lien is released and no tax is due. Alternatively, an owner may pay the tax at the time the demolition permit is issued and later apply for a monetary stability incentive equal to the amount of the tax if the person remained the owner and occupant of the replacement house for three consecutive years after issuance of the certificate of occupancy.

Public Involvement

The Affordable Housing Demolition Tax ordinance received some public opposition and generated debate among council members because it initially required owner-occupants who might continue to occupy the property to pay the tax up front. People were also concerned about equal protection if owner-occupants were allowed to defer payment but sold the replacement housing without meeting the three-year requirement.

Business and Professional People for the Public Interest (BPI) provided pro bono assistance to help resolve this and other issues. BPI drafted an initial sample ordinance, participated in public meetings to communicate the intent of the ordinance to the public, gave continuous feedback to city staff on revisions, and offered alternatives for the collection of this fee. Ultimately, the City of Evanston adopted a BPI recommendation, which is known as the "stability incentive." This gives homeowners eligible for reimbursement of the tax the option of paying the tax up front or taking a lien on the property.

Contact	Donna Spicuzza, Housing Planner, City of Evanston	
Phone	847/866-2928	
E-mail	dspicuzza@cityofevanston.org	
Web site	www.cityofevanston.org	As of October 2006

Demolition Tax

Highland Park Demolition Tax

Lake County

The goal of Highland Park's "teardown" tax is to mitigate the loss of affordable homes from demolition. To date, the city had raised $2.6 million for the Housing Trust Fund.

Background

The goal of Highland Park's "teardown" tax is to mitigate the loss of affordable homes from demolition by taxing this activity and allocating the revenue to the city's Affordable Housing Trust Fund, which is used to help finance various workforce housing initiatives in the city.

In 2001, when the Affordable Housing Trust Fund was proposed, the City of Highland Park Finance Committee worked with the city's Housing Commission to develop a way to financially support the fund. Several options were considered, including existing revenue sources. However, utilizing these funds would have required siphoning money from other programs or increasing existing taxes. As the Housing Trust Fund was a new entity, the finance committee felt it would be best to create a new source of revenue in the form of a demolition tax. The city was sensitive to keeping the tax high enough to be a sufficient revenue generator, but low enough that it would not deter private development. The tax concept was presented to the City Council during an annual budget forum in February 2002. The demolition tax was formally adopted in May 2002 by the same ordinance that created the Highland Park Affordable Housing Trust Fund.

How It Works

The demolition tax applies to all residential demolitions administered by the city's Building Division. Demolition, defined as the removal or destruction of 50 percent or more of the structure, is measured by a removal of any combination of interior and/or exterior elements. The tax is $10,000 for a single-family home and $3,000 per unit or $10,000, whichever is more, for multi-unit buildings. The tax is paid by the owner before the city issues a demolition permit.

Goal
To help fund the city's Affordable Housing Trust Fund.

Target
Residential demolitions.

Financing
$10,000 per single-family home and $3,000 per unit or $10,000, whichever is greater, for multifamily properties.

Success
Raised a total of $2,640,000 for the Housing Trust Fund since May 2002.

Lessons Learned
In a strong market, demolition fees do not hinder development.

The demolition tax can be waived under some circumstances:
- When the permit applicant has entered into an agreement with the Housing Commission to provide affordable housing in the new structure;
- When the applicant has owned the property for at least five years prior to the demolition and covenants to own the property for the next five years;
- When the demolition is necessary due to a natural disaster; or
- If the property owner is low or moderate-income and qualifies for a medical exception.

DEMOLITION TAX REVENUE

To date the city has raised $2,640,000 for the Housing Trust Fund through the demolition tax. Based on the continued increase in residential demolitions in Highland Park, the tax does not appear to be a significant deterrent to development. While this tax has created an ongoing source of revenue, there will come a time when it will no longer be sufficient as the sole contributor to the Housing Trust Fund, and the city will need to find supplemental sources.

Number of Teardowns

2002	58 (May-Dec. 2002) = $580,000 in revenue
2003	61 = $610,000 in revenue
2004	71 = $710,000 in revenue
2005	At least 74 = approximately $740,000 in revenue

Contact	Betsy Lassar, Housing Planner, City of Highland Park
Phone	847/926-1852
E-mail	elassar@cityhpil.com
Web site	www.cityhpil.com As of October 2006

Demolition Tax

Lake Forest Demolition Tax
Lake County

Lake Forest enacted a demolition tax to offset costs the city incurs from the demolition of residential property, including the loss of affordable housing in the community.

Background

In the city of Lake Forest, many demolished residential properties were being replaced by larger, more expensive homes, increasing housing costs and changing the character of the city. As a result, in February 2006, Lake Forest enacted a demolition tax, as recommended in the city's comprehensive affordable housing plan, to offset costs the city incurs from the demolition of residential property — including the loss of affordable housing in the community, interruptions of traffic flows in residential areas, increased debris, impacts on the character of the community, and unanticipated stress on public infrastructure. This tax applies only to residential demolitions and is defined as the removal of 50 percent or more of the structure.

How It Works

The tax is $10,000 per single-family and two-unit building and $5,000 per unit, but not less than $10,000, in all other demolished buildings. The tax is paid before the city issues the demolition permit. The City of Lake Forest issues roughly 20 to 25 demolition permits annually. Half of the revenue from the tax will be distributed to the city's general fund and half will be allocated to an Affordable Housing Trust Fund to finance affordable housing initiatives.

Full or partial waiver of the fee is considered when:
• The applicant and city enter into an agreement relating to the creation of additional affordable homes through the demolition and rebuilding process.
• The applicant is the record title-holder on the property for at least three years prior to and following the demolition. In this instance, the applicant must pay the tax and notify the city of his/her

Goal
To offset costs incurred by the city, including the loss of entry-level housing.

Target
Residential demolitions.

Financing
$10,000 per single-family home and $5,000 per unit for multi-family properties, or no less than $10,000.

Success
Passed in February 2006. Has the potential of raising as much as $250,000 per year for the city.

HOME GROWN • LOCAL HOUSING STRATEGIES IN ACTION •

intent to seek a rebate. After the three-year post-permit period, the applicant may apply for the rebate.

• Demolition becomes necessary due to factors beyond the owner's control and reasonable ability to remedy provided the damage is not caused by the owner, any employee of the owner, or a third party in privity with the owner.

Contact	Peter Coutant, Senior Planner, City of Lake Forest	
Phone	847/615-4292	
E-mail	coutantp@cityoflakeforest.com	
Web site	www.cityoflakeforest.com	As of October 2006

Housing Trust Fund

Chicago
Low-Income Housing Trust Fund
Cook County

Managed by a mayoral-appointed board of directors comprised of individuals representing city government, nonprofit organizations, and private corporations, the trust fund provides grants to building owners and developers who agree to reduce rents to accommodate very low-income households.

Background

The Chicago Low-Income Housing Trust Fund is a nonprofit organization incorporated in 1990 to manage rental assistance programs to meet the permanent housing needs of Chicago's poorest residents. Managed by a mayoral-appointed board of directors comprised of individuals representing city government, nonprofit organizations, and private corporations, the trust fund provides grants to building owners and developers who agree to reduce rents to accommodate very low-income households.

The trust fund is known for its simple design and efficient operation. In 2005, two full-time City of Chicago Department of Housing employees managed contracts totaling $7.5 million and providing housing assistance to more than 2,000 households. The program was the model for the state Rental Housing Support Program, created by legislation in 2005, which is expected to generate as much as $34 million annually to provide affordable rental housing for more than 5,500 families statewide.

How It Works

The Chicago Low-Income Housing Trust Fund operates three different programs. It is best known for the Rental Subsidy Program, which receives a majority of the Trust Fund's resources and covers the difference between the rent that low-income tenants can afford to pay and reasonable, market-based rent. Rents are reduced for a specified number of units in a building so they may be affordable to tenants with annual household incomes not exceeding 30 percent of the area median income ($22,600 for a family of four in 2006). Half of the assisted units are

Goal
To provide affordable rental housing to low-income residents.

Target
Households below 30 percent of AMI ($22,600 in 2006), including special populations such as homeless families and individuals and seniors.

Financing
City provides $7.5 million in corporate funds annually for this program. State funds will add another $11 million to this program.

Success
Fund provides 2,000 families with affordable housing. Praised for its efficiency; only two staff members are needed to run the program.

Lessons Learned
Fund requires landlords to sign annual contracts. In turn, the program distributes funds to landlords in advance on a quarterly basis. This assures residents that reductions in their rental costs will remain stable.

targeted to households earning no more than 15 percent of the area median income ($11,310 for a family of four in 2006). The Supportive Housing and Affordable Rents for Chicago programs also provide rental assistance, and in some cases, supportive services, to a similar low-income population.

Contact	Ellen Sahli, Mayor's Liaison on Homelessness and Supportive Housing, City of Chicago Department of Housing
Phone	312/742-0594
Web site	www.cityofchicago.org/Housing As of October 2006

Housing Trust Fund

Highland Park Affordable Housing Trust Fund
Lake County

The fund was established to address a growing concern that housing market trends, including rising land and housing costs and the loss of affordable units, were threatening Highland Park's diversity, changing the community's character, and severely limiting housing options for those living and working in the community.

Background

The Highland Park Affordable Housing Trust Fund was created in May 2002 to provide financial support for affordable housing activities that address the needs of low and moderate-income individuals and families. The Housing Trust Fund was one of the recommendations in Highland Park's affordable housing plan passed in January 2001. The fund was established to address a growing concern that housing market trends, including rising land and housing costs and the loss of affordable units, were threatening Highland Park's diversity, changing the community's character, and severely limiting housing options for those living and working in the community.

How It Works

For a residential development to qualify for funding from the Housing Trust Fund, at least 20 percent of the units must be affordable to households whose incomes do not exceed 100 percent of the area median income (AMI). Of this 20 percent, further affordability requirements include:

RENTAL:
Of the affordable apartments, 80 percent of them must be affordable to those with incomes under 80 percent of AMI ($59,600 for a family of four in 2006), and 20 percent of them must be priced for families with incomes below 50 percent of AMI ($37,700 for a family of four in 2006). These homes must remain affordable for 25 years.

Goal
Support affordable housing activities and development.

Target
Developers, owners or operators of housing developments, and units of government.

Financing
Initial grant of $1 million. Currently funded by demolition tax, fee-in-lieu revenues, and donations from private sources.

Success
To date, funds have been used for a six-unit townhome development and a three-unit scattered-site acquisition program. Funds have also been used for many other city housing initiatives, including the Highland Park Illinois Community Land Trust.

Lessons Learned
Trust fund has had a significant impact on the ability to leverage other public and private funding for city's affordable housing initiatives.

HOME GROWN
LOCAL HOUSING STRATEGIES IN ACTION

FOR-SALE:
Of the affordable homes, at least 75 percent of them must be affordable to those with incomes below 80 percent of AMI. These units must remain permanently affordable through an appropriate legal mechanism such as a deed restriction or ground lease for as long as "legally permissible." There is no set number of years.

Money from the Housing Trust Fund is made available to developers, owners or operators of housing developments, as well as units of government for development activities.

Developments that provide affordable homes pursuant to the city's Inclusionary Zoning Ordinance are not eligible for funding from the Housing Trust Fund except to the extent that the affordable housing component of such development exceeds the minimum requirements of the ordinance. For example, developers may qualify for assistance if they provide 30 percent of the apartments for families at or below 50 percent AMI instead of the required 20 percent in a rental development.

Activities eligible for grants from the fund include: housing production, rental assistance, weatherization, emergency repairs, homeownership assistance, preservation of existing housing, housing-related support services such as ownership and financial counseling, capacity grants for nonprofits working to advance affordable housing initiatives, and any other activity the Housing Commission determines to address the city's affordable housing needs. The current emphasis is on using trust fund monies to increase the supply of affordable housing.

The Housing Trust Fund has helped finance Temple Avenue Town Homes and the Highland Park Illinois Community Land Trust scattered-site acquisition program. Funds have also been used for a moderate-income rehabilitation program.

Financing

Initially, the Trust Fund was granted $1 million in seed money from the Highland Park Housing Commission. These funds were obtained through the refinancing of a Section 8 development owned by the city. The major source of ongoing revenue for this program is the city's demolition fee ($10,000 per single-family demolition constituting at least 50% of structural demolition or $3,000 per unit, whichever is more).

Dedicated sources of public revenue for the Housing Trust Fund:
• Demolition fee revenue: ($10,000 per structure or $3,000 per unit, whichever is more).
  • Number of teardowns:
    2002: 58 (May-Dec. 2002)= $580,000 in revenue)
    2003: 61=$610,000 in revenue
    2004: 71=$710,000 in revenue
    2005: at least 74=approximately $740,000 in revenue.
• In-lieu fees: Any payments made in-lieu of the building of affordable homes as required by the city's inclusionary zoning ordinance.

Contact	Betsy Lassar, Housing Planner, City of Highland Park
Phone	847/926-1852
E-mail	elassar@cityhpil.com
Web site	www.cityhpil.com As of October 2006

Rehabilitation Finance

Elgin
Home Rehabilitation Grants
Kane County

These grants are intended to encourage residents to restore and maintain the original features of their homes, ultimately preserving the character of these historic neighborhoods, while assisting families who otherwise could not afford these improvements.

Background

Many municipalities looking to create or preserve a diverse range of housing opportunities have discovered it is much harder to build new housing than it is to preserve what they already have. Understanding this, the City of Elgin has developed two home rehabilitation grant programs, "50/50" and "75/25," to assist current residents, both owners and renters, to rehabilitate their properties in the city's historic districts. Elgin's 75/25 program specifically targets low and moderate-income households. These grants are intended to encourage residents to restore and maintain the original features of their homes, ultimately preserving the character of these historic neighborhoods, while assisting families who otherwise could not afford these improvements.

How It Works

The City of Elgin finances the 50/50 and 75/25 grants with revenues from the riverboat casino. It allocates $100,000 annually for both programs, awarding up to $10,000 per property. The grant programs are available for properties in Elgin's three historic districts. There is no ownership requirement to be eligible for the 50/50 grant; both homeowners and renters may apply for these funds. The 75/25 grant, by contrast, is available to low and moderate-income homeowners, and applicants must occupy their dwellings to be eligible.

Applicants are awarded points based on the number of criteria the project meets. Elgin awards more points if more than one property on the same block applies for a grant. The Elgin Heritage Commission, a group of citizens appointed by the City Council, reviews each proposal. The 50/50 grant is primarily used for "visual benefit" projects. Ideal proposals include plans to remove aluminum siding, restore historic features, and build new porches in keeping with the original design of the structure. Proposals for the 75/25 grant focus on maintenance-based work. Generally, residents who apply for funds under the 75/25 grant program learn of the program while dealing with city code violation maintenance issues. Proposals from low-income families receive more weight in the evaluation process than do proposals from moderate-income families. Proposals for both types of grants are accepted each year beginning January 1.

Goal
Preserve and rehabilitate properties in Elgin's Historic District.

Target
The 50/50 program targets all residents of the three historic districts. The 75/25 program targets low to moderate-income households.

Financing
$100,000 per year from riverboat casino revenues.

Success
237 grants since inception of these programs at a total cost of $4.25 million.

Lessons Learned
Work with an experienced nonprofit partner to leverage additional financial resources for qualified participants.

Applicants for both grant types must provide a minimum of two contractor estimates for the work. Applicants can apply for up to two grants in any five-year period. The exterior of the home is inspected before grant approvals, and any exterior code violations noted at that time must be corrected within the scope of the proposed project. A final inspection is performed on the building exterior at the time of completion, before the final disbursement of funds. These inspections are intended to document all exterior code violations prior to the rehabilitation project and ensure all violations are corrected during the rehabilitation process. Should the inspectors find any outstanding violations, the homeowner receives up to 75 percent of the total grant money until all violations have been corrected.

Elgin commits to a two-week approval process for all grant proposals. The applicant has 18 months to complete the work that has been approved, although extensions are available by application. Grants are supplied only after the work is completed.

The City of Elgin works with Neighborhood Housing Services (NHS), a nonprofit organization with local operations, to administer the grants. NHS provides bridge loans to property owners to help cover their portion of the grant. NHS distributes the bridge loan to the property owner. Once the project is complete, the contractor receives full payment from NHS. The City of Elgin then reimburses NHS for the amount of the grant.

The grant programs have been very successful. The 50/50 grant was implemented in 1995 as part of the Elgin's five-year plan and was renewed in 2000. The 75/25 grant was implemented as part of the city's 1998 five-year plan, and is revised and renewed in a similar fashion as the 50/50 grant – annual review with possible renewal every sixth year. The 75/25 program was renewed in 2003. Since the inception of the grant programs, the city has distributed a total of 237 grants at a total cost of $4.25 million.

Much of Elgin's historic district revitalization can be attributed to these grants, restoring homes one at a time. Studies conducted within the city comparing the property values of homes located within the historic districts to those located just outside those districts indicate the property values of restored homes within the historic districts have increased at a higher rate than for homes outside the district. Prior to the program's implementation, homes in the historic district were distressed and devalued. While values of participating restored homes have increased by as much as 100 percent in some instances, they still remain attainable to many working families.

Contact	Sarosh Saher, Urban Design & Preservation Specialist, City of Elgin
Phone	847/931-5943
E-mail	saher_s@cityofelgin.org
Web site	www.cityofelgin.org As of October 2006

Rehabilitation Finance

Evanston
Multifamily Rehabilitation Loan Program
Cook County

These rehabilitation loans address the need for low-cost financing for the upkeep and maintenance of multifamily rental property so that apartments can remain safe and affordable.

Background

The goal of Evanston's multifamily rehab loan program is to encourage the revitalization, preservation and stabilization of Evanston neighborhoods, and conserve and rehabilitate housing for low-income households. The loans address the need for low-cost financing for the upkeep and maintenance of multifamily rental property so that apartments can remain safe and affordable.

The program was developed in 1974, when the federal Community Development Block Grant (CDBG) program was created. The city held a series of public hearings to address how to allocate CDBG money, resulting in the creation of this loan.

How It Works

Landlords with two or more apartments and 51 percent of tenants earning at or below 80 percent of area median income (AMI) ($59,600 for a family of four in 2006) are eligible to apply for multifamily rehabilitation loans. The interest rate on these loans is one-half of the 30-year Treasury Bond, adjusted monthly, and amortized over 20 years. The loan distribution is capped at $20,000 per rehabbed apartment.

A city rehabilitation specialist works closely with each property owner from the beginning of the project through its completion, including assessing what work needs to be performed and helping get bids to do the work. Before the city makes any payments to the contractor, the rehabilitation specialist inspects the work to ensure it was done properly. Projects that qualify for loans include rectifying code and health-related violations, and structural and energy conservation improvements. Luxury items such as the installation of air conditioning and room additions do not qualify.

Goal
Preserve Evanston's affordable multifamily rental housing stock.

Target
Multifamily rental properties with more than half of the tenants earning below 80 percent AMI ($59,600).

Financing
In 2005, the city allocated $100,000 from federal CDBG dollars. The program cap is $20,000 per development.

Success
Rehabilitates approximately12 homes per year.

Lessons Learned
Provides an affordable means of financing improvements to the city's housing stock and enhances the quality of life for area residents.

Contact	Stan Janusz, Assistant Director of Housing Rehabilitation and Property Standards, City of Evanston
Phone	847/866-2929
E-mail	sjanusz@cityofevanston.org
Web site	www.cityofevanston.org

As of October 2006

Rehabilitation Finance

Evanston
One & Two Family Rehabilitation Loan Program
Cook County

The City of Evanston provides revolving rehabilitation loans at zero percent interest to homeowners earning at or below 80 percent of the area median income.

Background

In order to preserve the quality of its housing stock and help low and moderate-income families maintain their homes, the City of Evanston developed the One and Two-Family Rehabilitation Loan Program. Following a series of public meetings, the city created this comprehensive revolving loan using its Community Development Block Grant (CDBG) funds. In 2005, Evanston committed $100,000 from its CDBG allocation for the program and expected to provide loans for 16 one and two-family rehabilitation projects. To date, the city has met the demand for these loans.

How It Works

The City of Evanston provides revolving rehabilitation loans at zero percent interest for owner-occupied buildings, including single-family homes and condominiums. These loans are available to households earning at or below 80 percent of the area median income (AMI) ($59,600 for a family of four in 2006), and are provided through several specific programs:

- Deferred Title Transfer Loan
- Amortizing Loan
- Condominium Assistance
- Demolition Program
- Energy Rehabilitation
- Abandoned/Boarded-up Building Loan
- Garage Demolition
- Self-Help Exterior Paint
- Diseased/Damaged Tree Removal

A city rehabilitation specialist works closely with each homeowner to assess what work needs to be performed and then helps the homeowner solicit bids to do the work. Before the city makes any payments to the contractor, the rehabilitation specialist inspects the work to ensure it was done properly. Projects that qualify for assistance include landscaping, structural improvements, energy conservation, and those addressing code and health-related violations. Luxury items such as the installation of air conditioning and room additions do not qualify. If the borrower's income is at or below 50 percent AMI, single-family loans are title-transfer loans, which require no interest and no payments until the transfer of title. Loans are amortized for up to 20 years. In order to qualify, the applicant must have clear title and owe no back taxes. Additionally, the applicant's after-rehabilitation property value must not exceed the city's median single-family home value as determined periodically by the city.

Goal
Preserve quality housing stock and help low and moderate-income families maintain their homes.

Target
One and two-family homes and condominiums owned by households earning no more than 80 percent area median income ($59,600).

Financing
As of 2005, $100,000 allocated annually from CDBG funds.

Success
Rehabilitates approximately 15 homes annually.

Lessons Learned
Demand for the program is such that the city recently raised all program caps. Most notably, one and two-family rehab program increased from $30,000 to $50,000 and condominium assistance program increased from $7,500 to $20,000 per applicant.

HOME GROWN • LOCAL HOUSING STRATEGIES IN ACTION •

2006 program caps

Single-family, owner-occupied rehab loan	$50,000 per project
Two-unit, owner-occupied loan	$50,000 per project
Condominium	$20,000 per unit
Demolition Program	$15,000 per project
Emergency Rehabilitation Assistance	$10,000 per project
Garage Demolition	$8,000 per project
Diseased/damaged tree removal	$6,000 per project
Abandoned/Boarded-up Building	$50,000 per project
Self-Help Exterior Paint Grant Program	$400 for one and two-unit buildings

Contact	Stan Janusz, Assistant Director of Housing Rehabilitation and Property Standards, City of Evanston
Phone	847/866-2929
E-mail	sjanusz@cityofevanston.org
Web site	www.cityofevanston.org As of October 2006

Rehabilitation Finance

Oak Park
Single Family Rehabilitation Grants/Loans Program
Cook County

This program allows qualified residents to maintain their homes at safe and desirable standards while preserving the village's housing stock.

Background

The Oak Park single-family rehabilitation program was developed to serve low and very low-income homeowners within the village. This program allows qualified residents to maintain their homes at safe and desirable standards while preserving the village's housing stock. It disbursed over $2 million between 1997 and 2004, with an average allocation of $24,380 per year. The single-family rehabilitation grants/loans program includes the following initiatives:

- 4% Amortization Loan
- Deferred Payment Loan
- Emergency Loan
- Home Investment Partnership Program (HOME) Loan
- Lead Abatement Grant

How It Works

To be eligible for the loans, the property must be an owner-occupied building with one to four units, located within the village of Oak Park. Applicants must hold the title to the property and qualify under income restrictions to receive aid.

4 PERCENT AMORTIZATION LOANS

Loans with a 4 percent interest rate are awarded to qualified individuals in amounts up to $40,000 for one unit, $60,000 for two units, $80,000 for three units, and $100,000 for four units, for up to 20 terms. While the program is called the single-family rehabilitation program, funds from this program can be used to cover buildings with two, three and four units, as well as condominium buildings. Loan amounts depend upon the cost of the necessary work, as well as the owner's ability to repay the loan. All work must be performed by a general contractor chosen by the homeowner and village through a competitive bidding process.

Goal

To assist homeowners with the maintenance of their homes to ensure safety and an adequate standard of living in compliance with village housing and building codes.

Target

Low and very low-income homeowners in Oak Park.

Financing

CDBG and HOME funds.

Success

Has allowed seniors, low, and very low-income people to stay in their homes.

Lessons Learned

Costs can be very high, which has slowed production so that fewer properties are being rehabbed. In 2001, lead abatement costs began to rise. Because lead paint abatement costs are high, the program is currently being revised.

DEFERRED PAYMENT

The deferred payment loan is a no-interest loan that has the same denominations and distributions as the four percent loans described above. The loan is repayable either after 20 years or when the property title is transferred. The loan is placed as a junior mortgage against the property and a service fee is added to the total and included in the mortgage.

EMERGENCY LOANS

Emergency loans are no-interest loans distributed in amounts up to $5,000 for correction of single emergencies and code violations such as replacing a furnace. The loan is repayable after 10 years or after the title on the property is transferred. Just as with the deferred payment loan, the emergency loan amount is assessed a 10 percent fee and added as a junior mortgage on the property.

Financing

The single-family rehabilitation grants/loans program is financed with federal Community Development Block Grant (CDBG) and HOME funds.

Between 1997 and 2004

Type of Loan/Grant	Amount	Participants
4% Amortization Loan	$198,200	10
Deferred Payment	$552,565	24
Emergency Loan	$32,000	7
HOME Loan	$1,094,474	36
Lead Abatement	$873,395	11
Totals	**$2,750,634**	**88**

Contact	Cynthia Breunlin, Housing Programs Manager, Village of Oak Park	
Phone	708/358-5411	
E-mail	breunlin@oak-park.us	
Web site	www.oak-park.us	As of October 2006

Rehabilitation Finance

Oak Park Housing Bonds

Cook County

The grant and loan programs allow the village to address a broad array of issues. Using private market financing in the form of General Obligation Bonds gives the village flexibility to implement more creative programs and policies.

Background

During the 1970s, much of Oak Park's housing stock was comprised of aging multifamily buildings. A group of owners and managers of these buildings began meeting with village officials to discuss what could be done to properly maintain and repair them, and keep many of them affordable to Oak Park's multi-racial, multi-ethnic population. Out of these meetings came a creative plan to establish a village-sponsored grant and loan program specifically aimed at improving deteriorating multifamily properties. The village subsequently initiated a housing bonds program that provides grants and loans to rehabilitate small (two to four unit) properties, improve security systems, and renovate or replace building garages.

The grant and loan programs allow the village to address a broad array of issues, including deteriorating housing, perceived safety issues with aging buildings, and blight. Using private market financing (in the form of general obligation bonds) to address these issues gives the village flexibility to implement more creative programs and policies than would be possible under standard government loan programs.

Goal
To maintain the quality of an aging housing stock and assure compliance with village goals for racial diversity.

Target
Residential property owners in Oak Park.

Financing
General obligation bonds.

Success
Between 1997 and 2004, 18 percent of all multifamily buildings in the village participated in the Diversity Assurance Program, the most popular bond-financed program.

Lessons Learned
Using local bonding power provides a municipality with the flexibility to effectively address unique local housing issues.

How It Works

MULTI-UNIT BUILDING REHABILITATION
Under the village's Diversity Assurance Program, owners of multifamily properties (four or more units) can receive matching grants of up to $2,000 per unit ($1 of village money for every $2 contributed by the property owner) for rehabilitation purposes, as well as below market interest loans of up to $50,000 to finance major property rehabilitation. As a condition of receiving these funds, building owners sign a Marketing Services Agreement to list vacancies through the Oak Park Regional Housing Center, which promotes racial diversity within the village's rental housing stock. If a building involved in the grant program is sold within five years after the grant is made, the entire grant plus interest must be repaid to the village.

Between 1997 and 2004, Oak Park allocated close to $5 million to the Diversity Assurance Program, almost 90 percent of all of its expenditures for housing programs during this time.

SECURITY IMPROVEMENT GRANTS

Owners of buildings with two or more apartments can receive matching grants to improve a variety of security systems, including intercoms, lighting, locks, fencing, windows, and burglar/fire alarms. The village will provide $1 for every $4 spent, up to $200 per unit or $8,000 per property, for security enhancements that address violations cited by police inspectors. The match increases to $4 for every $10 spent, up to $400 per unit or $16,000 per building, if all violations cited by police inspectors are corrected. To become involved in the grant program, the total cost of the project must be at least $1,000. In recent years, expenditures for this program have averaged almost $60,000 per year.

GARAGE REPAIR AND REPLACEMENT PROGRAM

Owners of one-to-four unit buildings can receive village grants to repair or replace garages. In recent years, expenditures for this program have averaged $90,000 per year.

Financing

Oak Park's loan programs provide loans with an average maturity of 15 years, which are fully amortized. Building owners receive a repayment booklet as they would for a loan from any other lending institution. Repayment begins 10 months after the distribution of funds, which typically occurs after rehabilitation work is completed. The village has refinanced bonds to obtain lower interest rates over time. It uses recycled loan and interest payments, along with some revenue from parking lot fees and parking violation fines, to service the interest payment on the bonds.

Only two village officials are needed to administer the program. By making the program locally based, the village can set its own rules and regulations and avoid some of the constraints and onerous regulations typically associated with federal programs.

Contact	Cynthia Breunlin, Housing Programs Manager, Village of Oak Park
Phone	708/358-5411
E-mail	breunlin@oak-park.us
Web site	www.oak-park.us As of October 2006

Bond Cap Financing

Bond Cap Programs through IHDA or Private Brokers

Statewide

Background

Communities can help potential first-time homebuyers with limited incomes purchase homes by ceding their bond cap to an organization such as the Illinois Housing Development Authority (IHDA) or a private broker to establish and manage a down payment assistance program.

Ceding bond cap is cost-effective because the funds already exist and must be utilized within a certain time frame. Each state is authorized to issue tax-exempt bonds in an amount of $85 per capita. Home rule communities receive their state bond cap directly, non-home rule communities receive their portion through a state agency. If the community fails to use its bond cap by May 1st of each year, the state reclaims it. Therefore, a community will benefit from applying these funds toward building more homes and providing more opportunities to its residents.

By issuing tax-exempt bonds, the community can provide home loans and assistance to individuals and families who meet certain income and purchase price requirements set by the U.S. Dept. of Housing and Urban Development (HUD). Typically, applicants must be first-time homebuyers, which is defined as not having owned a house in the last three years, and must meet mortgage requirements. These programs require the new homes to be the purchasers' primary residences. These loans are not available for refinancing. Bond cap money may also be ceded for multi-family or rental housing developments. Homes not designated for first-time homeownership may be built with bond cap funds, but only in target areas defined by the Internal Revenue Service (listings available on the IHDA Web site).

Goal
To promote homeownership opportunities.

Target
Low and moderate-income individuals and families.

Financing
Bond Volume Cap Financing.

Success
DuPage County has used this model to assist over 60 families since it began working with IDHA in 2005. The City of Joliet has helped approximately 700 families purchase new homes since 2002.

How It Works

IHDA'S PROGRAM FOR HOME RULE COMMUNITIES:
When a community cedes its bond cap, IHDA works with the municipality to create a program to meet its needs. Communities can choose from three distinct programs:

- IHDA offers a 30-year fixed mortgage at approximately three-quarter percent below market rates. Applicants receive low interest rates with options for closing cost assistance.
- IHDA's HELP Program provides buyers with a grant of 4.25 percent of the price of the home – three percent in cash to be applied to the down payment and 1.25 percent to be used towards closing costs.
- IHDA's Mortgage Credit Certificate (MCC) Program provides applicants a dollar-for-dollar reduction in federal income taxes, which is equal to 20 percent of the mortgage interest paid. Applicants also receive the standard income tax deduction that is available when purchasing a home. An MCC can be combined with any type of mortgage loan.

IHDA'S PROGRAM FOR NON-HOME RULE COMMUNITIES:
When a non-home rule community would like to participate in IHDA's bond cap program, it is required to apply to the Illinois Bureau of Budget to access a bond cap allocation. IHDA can assist the community with this application process. Non-home rule communities can choose from two of the three programs available to home rule communities, but not the MCC Program. Once a community receives its bond cap allocation, it enters into an intergovernmental agreement with IHDA to create a program.

DuPage County worked with IHDA to create a workforce housing program that layered funds through its 30-year, standard, fixed-rate mortgage program. This IHDA program was combined with funds from Harris Bank's 4 percent loan program, support from local DuPage County HOME funds, and IHDA Trust Funds. DuPage County had $15 million ceded to IHDA. The average loan amount was $180,000. The first phase of this program helped approximately 60 families purchase homes.

PRIVATE BROKER PROGRAM:
A community can cede bond cap money to a private broker. For example, the City of Joliet has contracted with Stern Brothers & Associates to administer the Assist program, which is a multi-jurisdictional loan pool. The Assist program, like the IHDA program, helps low and moderate-income first-time home-buyers through closing cost and downpayment assistance. It offers individuals and families a Federal Housing Administration loan, Veterans Affairs loan, or conventional 30-year, fixed-rate mortgage. Interest rates are determined at bond closing, but are lower than with a conventional loan. In addition to these loan types, the Assist program offers a 4.25 percent cash gift to further defray costs. There are income and purchase price limits that must also be met. A qualifying individual or family must contact a participating lender.

Joliet has been ceding a portion of its bond cap funds to the Assist program since 2002. From 2000 to 2006, 664 families received loans, ranging from $98,589 in 2000 to $146,980 in 2006. From January to April of 2007, 72 loans had been made to first-time homebuyers.

Contact	James Haller, Director of Community & Economic Development, City of Joliet
Phone	815/724-4040
Web site	www.cityofjoliet.org
Contact	Roger Morsch, Director of Business and Product Development, IHDA
Phone	312/836-5230
E-mail	rmorsch@ihda.org
Web site	www.idha.org As of July 2007

The Metropolitan Mayors Caucus, Chicago Metropolis 2020, and Metropolitan Planning Council are deeply grateful to the following for their support of this publication:

Lead Sponsor
Harris Family Foundation

Funders
Fannie Mae Foundation
Illinois Housing Council
McCormick Tribune Foundation
The Chicago Community Trust
The John D. and Catherine T. MacArthur Foundation
Washington Mutual

Authors
Elana Berenson, Chicago Metropolis 2020
Elizabeth Frantz, Metropolitan Planning Council
Tonya Mann, Chicago Metropolis 2020
Aleece Smith, Metropolitan Planning Council

Project Managers
Beth Dever, Metropolitan Mayors Caucus
Nancy Firfer, Chicago Metropolis 2020
King Harris, Chicago Metropolis 2020
Joanna Trotter, Metropolitan Planning Council
Josh Ellis, Metropolitan Planning Council

Chicago Metropolis 2020
30 West Monroe Street
18th Floor
Chicago, Illinois 60603
312.332.2020
Fax 312.332.2626
www.chicagometropolis2020.org

Metropolitan Mayors Caucus
177 North State Street
Suite 500
Chicago, Illinois 60601
312.201.4507
Fax: 312.553.4355
www.mayorscaucus.org

Metropolitan Planning Council
140 South Dearborn Street
Suite 1400
Chicago, Illinois 60603
312.922.5616
Fax: 312.922.5619
www.metroplanning.org