



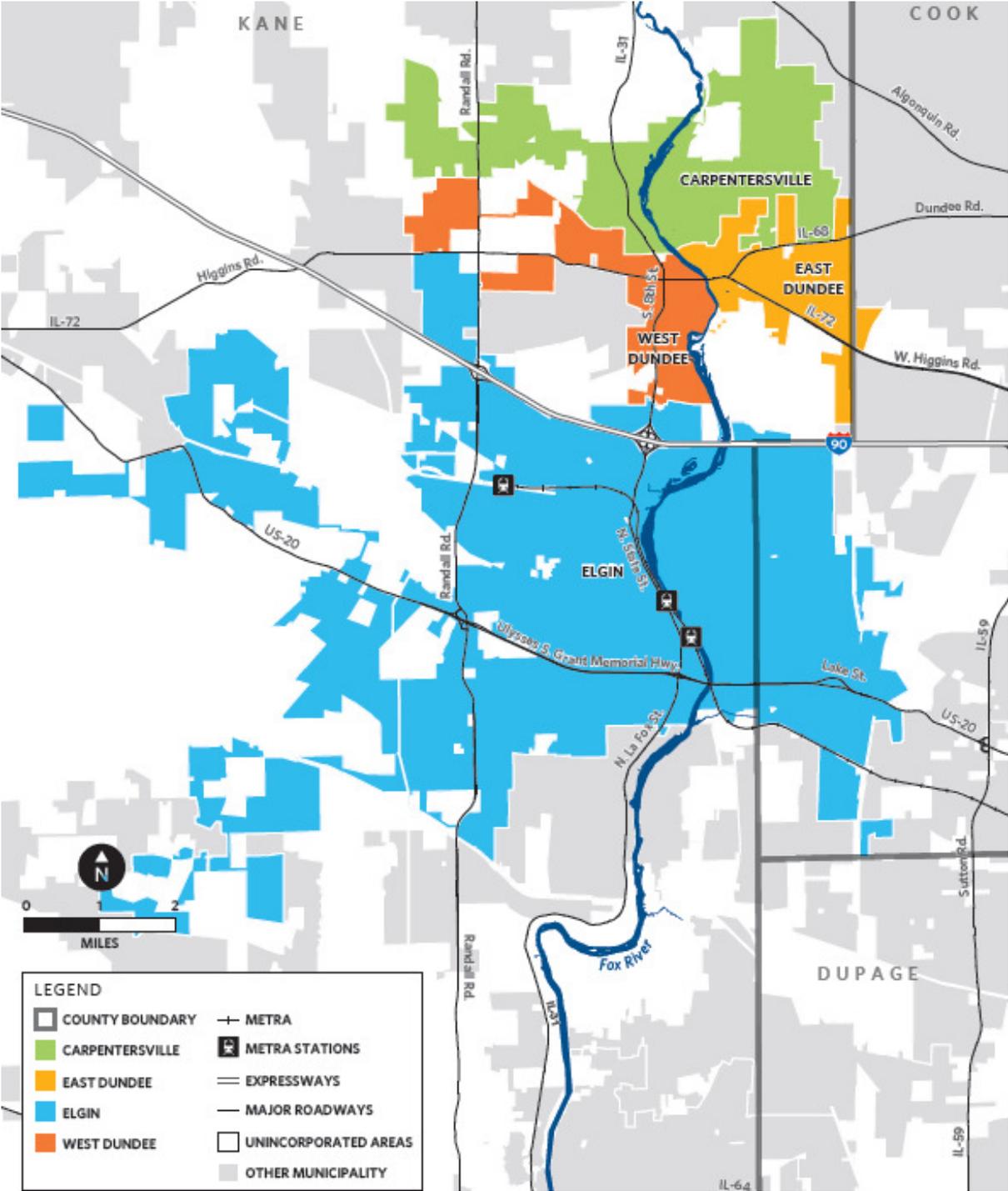
Chicago Metropolitan
Agency for Planning

Metropolitan **Planning** Council

 Metropolitan
Mayors
Caucus

Upper Fox Valley
Homes for a Changing Region
May 2014

Partner Communities



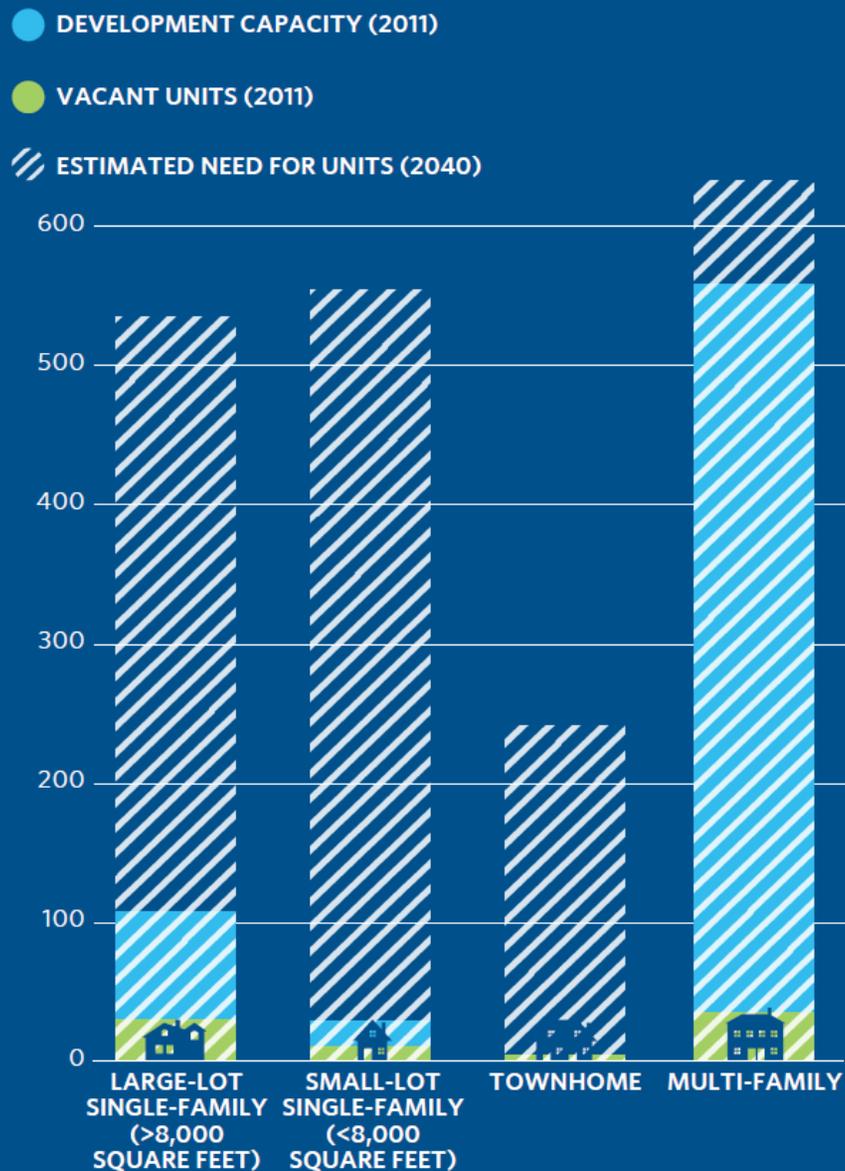
Process

1. Meeting with Village officials ✓
2. Public workshop ✓
3. MetroQuest site ✓
4. Municipal Recommendations ✓
5. Subregional Recommendations ✓
6. Review Draft Plan ✓
7. Completion of the Plan ←

General Information

2000 Population	5,428
2011 Population	7,208
Change as %, Population 2000-11	33%
GO TO 2040 Population Projection, 2040	12,036
Change as %, Population 2011-40	67%
Median Age, 2011	37.7
Median Household Income, 2011	\$86,286
Jobs, 2011	3,751

West Dundee demand vs. vacancy and capacity by housing type



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

Balanced Housing Profile

- Future need for all housing types.
- Key question is how to accommodate these units
- Key question is if and how East Dundee should accommodate this potential growth.

Recommendations

- Focus multi-family developments
 - Amenities
 - Walkability
- Downtown West Dundee
 - Parking study
 - Improve bike and pedestrian access
- Haegar property
 - A neighborhood with many housing types
 - Gridded street pattern north of Jelkes Creek

Recommendations

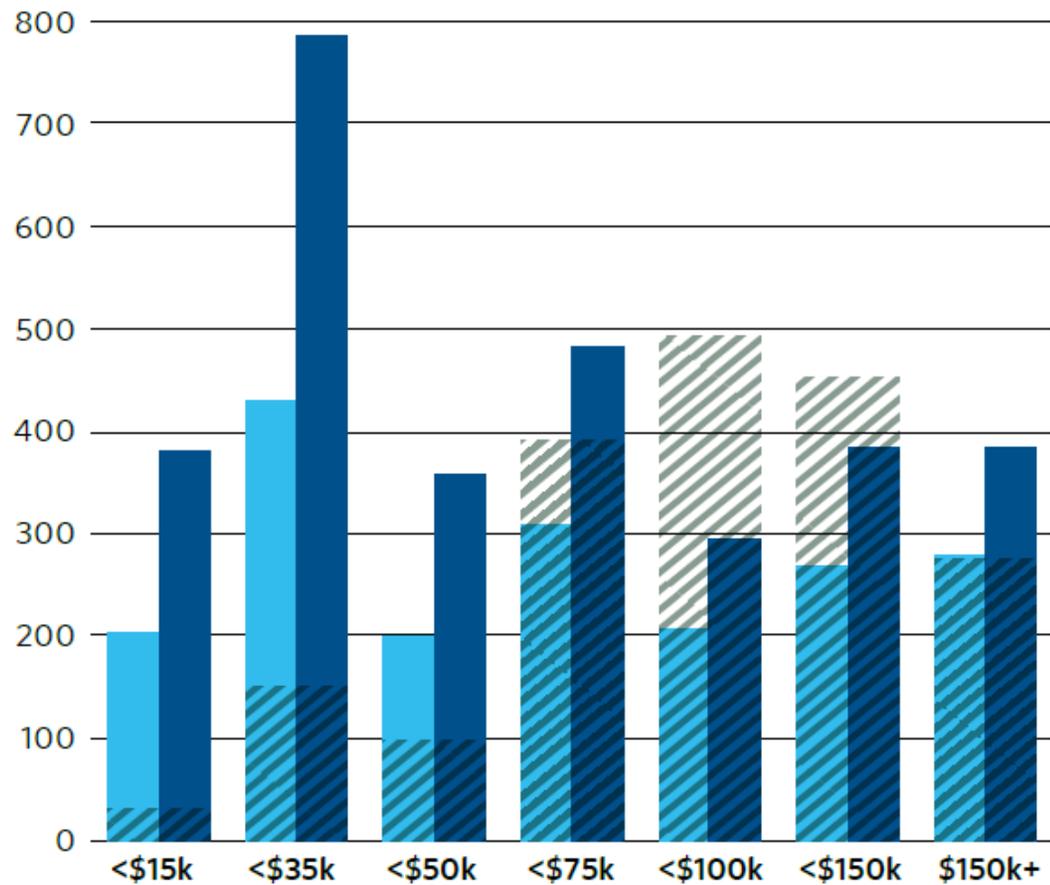
- Work with Carpentersville to explore the future of Spring Hill Mall
- Consider the necessity of minimum living area standards when crafting new zones

Recommendations

- Foster openness
 - Include a statement of welcome for peoples of all backgrounds in the Welcome Packet.
 - Make sure all documents are available in a variety of languages, based on local needs, and accessible to persons with disabilities
 - Provide information on how to file housing discrimination complaints
 - Ensure the Village evaluates whether proposed designs comply with the Fair Housing Act
 - Adopt a visitability ordinance

West Dundee 2011 households and housing stock compared with 2040 owner demand

-  OCCUPIED HOUSING STOCK AFFORDABLE AT 30% OF INCOME (2011)
-  DEMAND AT INCOME LEVEL (2011)
-  PROJECTED DEMAND AT INCOME LEVEL (2040)

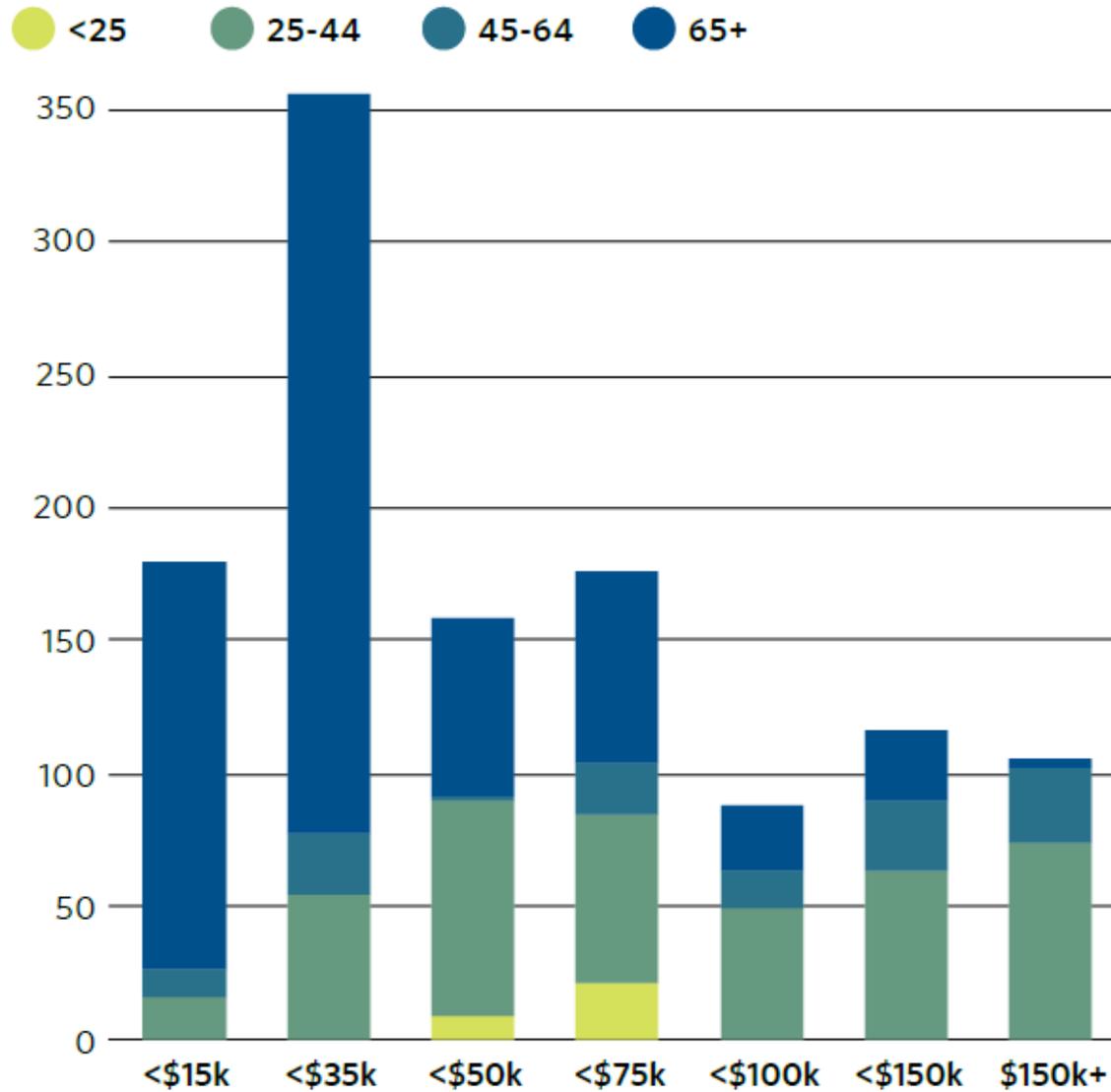


Future Owner Demand

- Strong future demand at all income levels

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

West Dundee 2011-40 change in owner demand by age and income



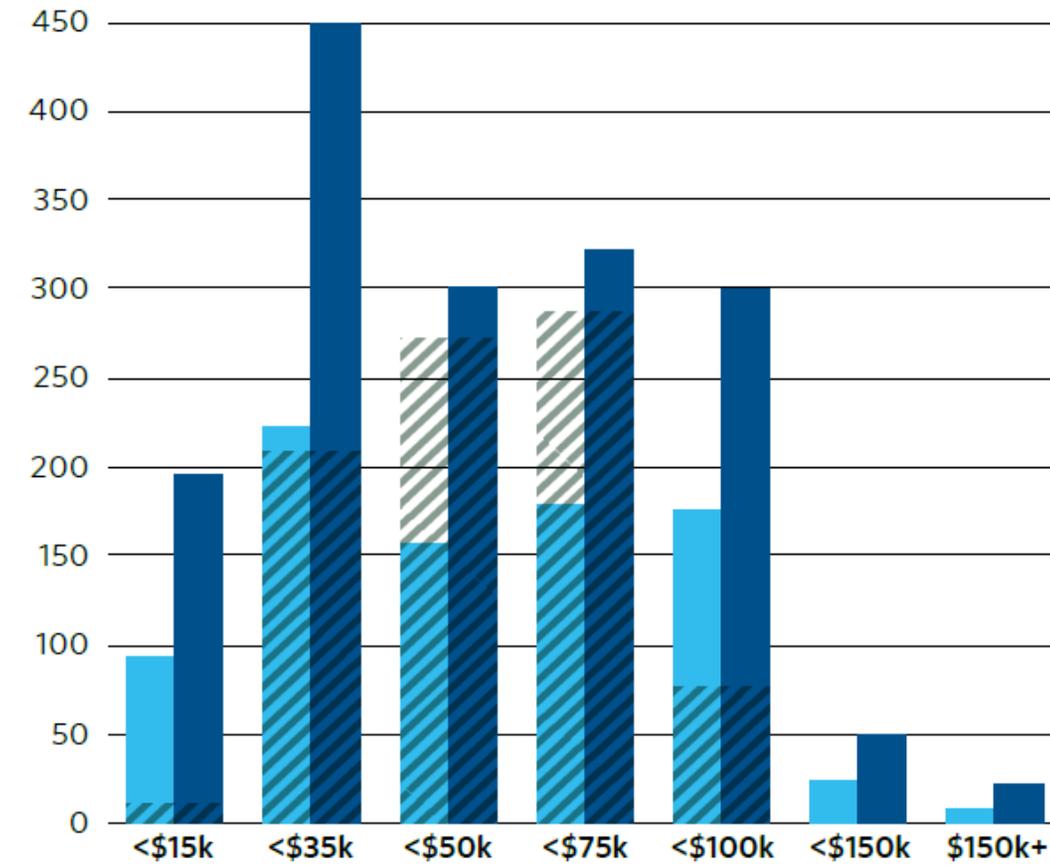
Source: Chicago Metropolitan Agency for Planning analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Future Owner Demand

- Seniors are an important part of future growth

West Dundee 2011 households and housing stock compared with 2040 renter demand

-  OCCUPIED HOUSING STOCK AFFORDABLE AT 30% OF INCOME (2011)
-  DEMAND AT INCOME LEVEL (2011)
-  PROJECTED DEMAND AT INCOME LEVEL (2040)

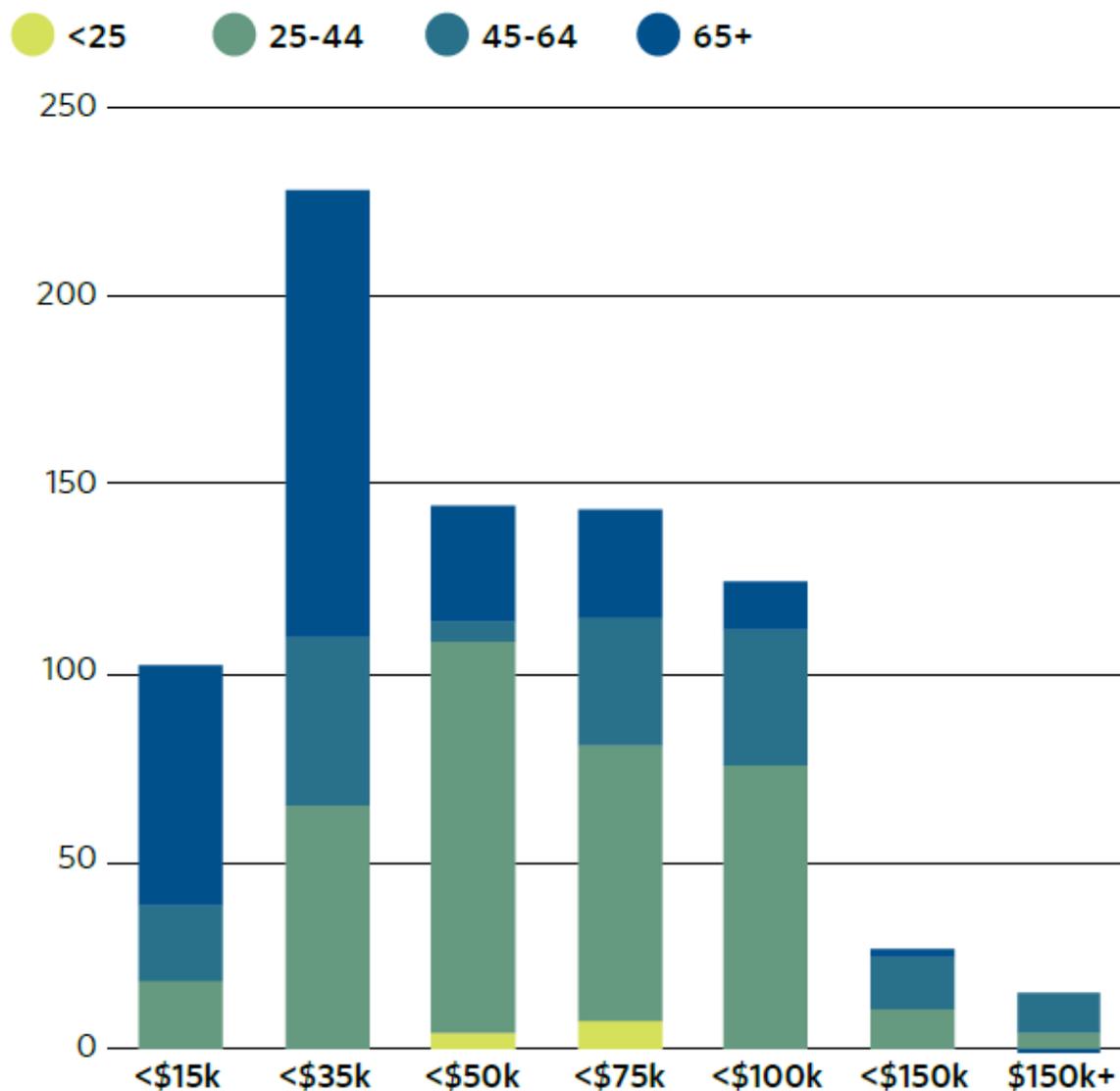


Source: Chicago Metropolitan Agency for Planning analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Future Renter Demand

- Strong future demand at all income levels
- Largest increase in renters in units affordable to households earning less than \$35,000

West Dundee 2011-40 change in renter demand by age and income



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

Future Renter Demand

- Future renters could come from many age groups
- Note potential demand from <25



Homes for a Changing Region

Phase 3: Implementing Balanced Housing Plans at the Local Level



Year Seven: Carpentersville, East Dundee, Elgin, and West Dundee

Homes for a Changing Region

Phase 3: Implementing Balanced Housing Plans at the Local Level

Year Seven: Carpentersville, East Dundee, Elgin, and West Dundee



March 2014

Over the last year, the Metropolitan Mayors Caucus (MMC), the Chicago Metropolitan Agency for Planning (CMAP), and the Metropolitan Planning Council (MPC) have collaborated on forward-looking housing planning with four communities in northeastern Kane County: Carpentersville, East Dundee, Elgin, and West Dundee. These groups have worked with local officials, their staffs, and residents to develop housing policy plans for each community. The group also examined current and projected housing data for the entire four-municipality group, developing general recommendations on which they can collaborate.

We want to thank outside contributors to the project -- the U.S. Department of Housing and Urban Development Sustainable Communities Initiative, the Chicago Community Trust, the Illinois Housing Development Authority, and the Harris Family Foundation -- for their financial support. We also want to thank President Ed Ritter of Carpentersville, President Lael Miller of East Dundee, Mayor David Kaptain of Elgin, and President Christopher Nelson of West Dundee, as well as their staffs, for the extensive help they have provided in preparing these community studies.

Allison Milld Clements of the MMC, Nancy Firfer and King Harris of the MPC, and CMAP staff provided oversight to the project.

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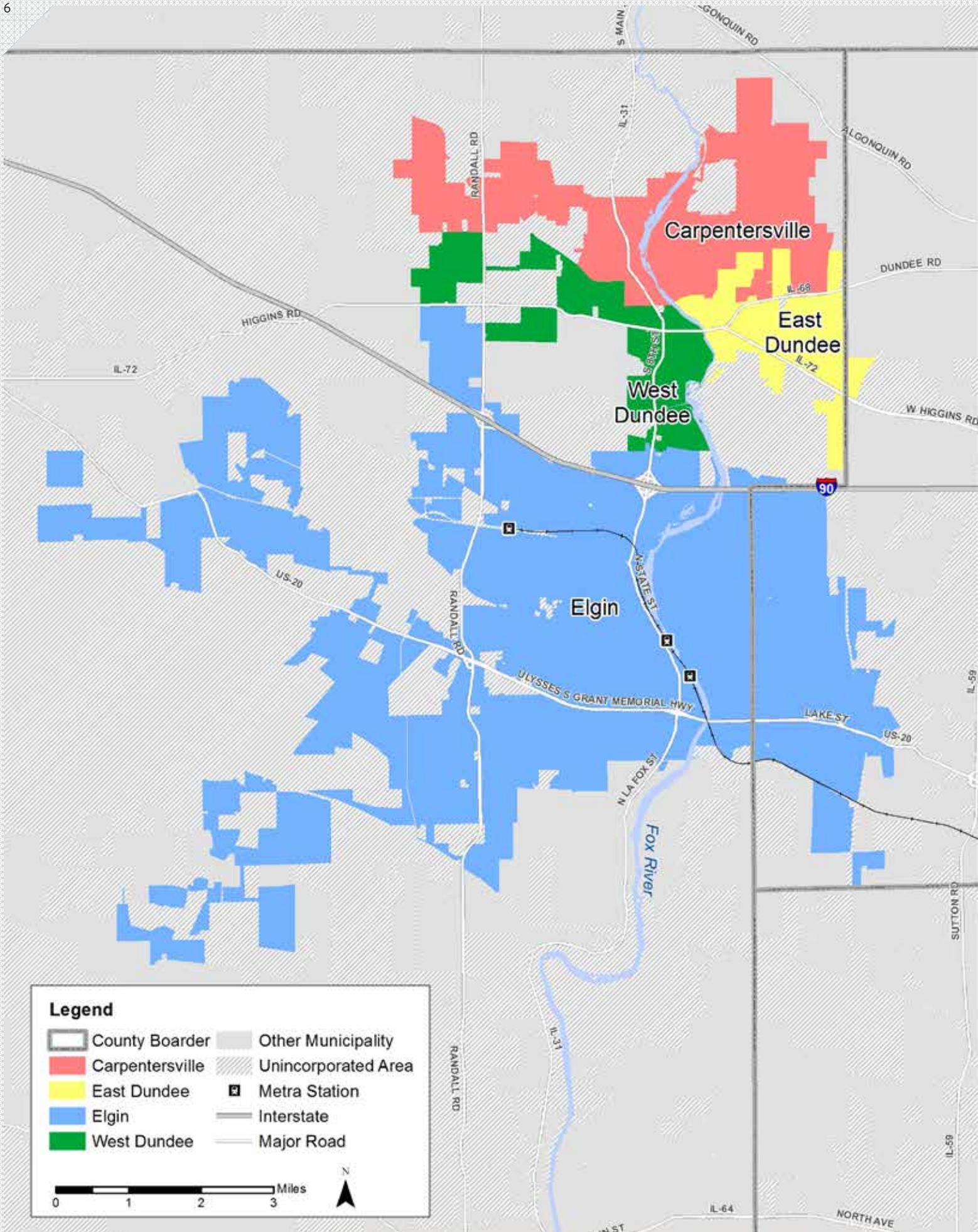
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Subregional Report and Recommendations

Introduction

This Homes for a Changing Region (*Homes*) report focuses on four neighboring communities in northeastern Kane County – Carpentersville, East Dundee, Elgin, and West Dundee. Despite differences in population, income levels, ethnic composition, and transit access, all four communities share common assets. All of the municipalities benefit from access to the Fox River. Each community started with a downtown core along the Fox River, and these historic downtowns now offer an opportunity for revitalization. The subregional housing stock includes a mix of single-family homes, townhomes, and multi-family units. In recent years many communities have approved developments or undertaken policy changes designed to strengthen and diversify the local housing market. Major employers in and around the area provide numerous job opportunities at varying income and skill levels.

Table 1: General statistics

	CARPENTERSVILLE	EAST DUNDEE	ELGIN	WEST DUNDEE
2011 population	37,480	2,909	108,681	7,208
Change as %, population 2000-11	23%	-3%	15%	33%
GO TO 2040 population projection, 2040	49,334	6,783	158,510	12,036
Change as %, 2011-40	32%	133%	46%	67%
Median household income	\$55,653	\$68,288	\$59,032	\$86,286
Jobs, 2011	7,327	2,747	57,869	3,751

Source: U.S. Census Bureau 2000 Census, American Community Survey 2007-11, and Local Employment Dynamics data and Chicago Metropolitan Agency for Planning GO TO 2040 projections.

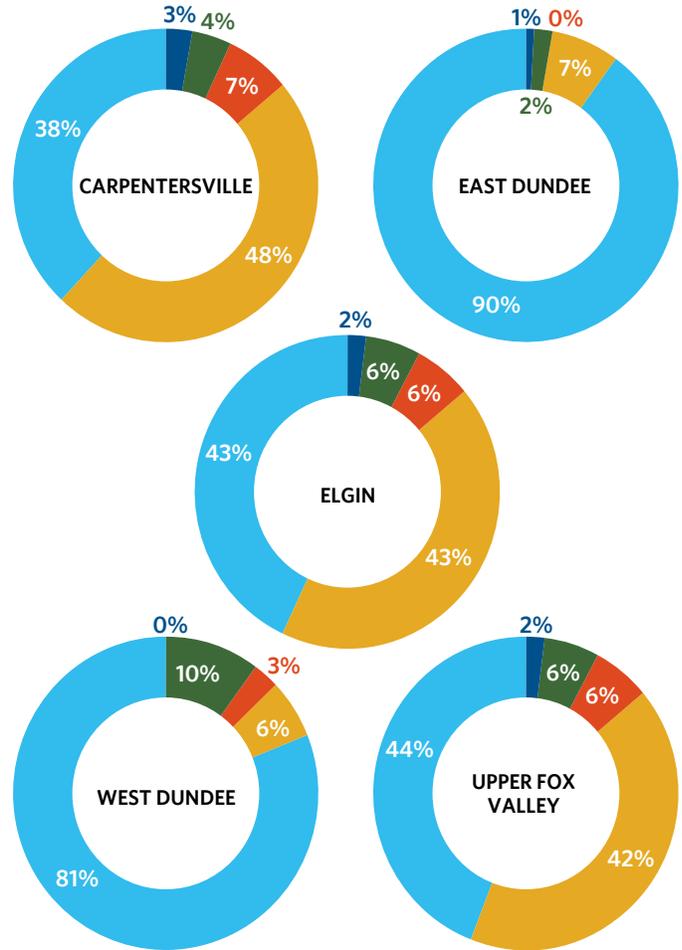
These assets offer much to build on when addressing common challenges, including:

- **How to take full advantage of the Fox River as a means of enhancing livability and prosperity, including the revitalization of historic downtowns?**
- **How to efficiently maintain and improve the quality of existing housing?**
- **How to balance greenfield development and redevelopment when growing?**
- **How to meet projected demand for owner and renter occupied senior housing?**
- **How to continue growing while providing affordable housing opportunities for an increasingly diverse group of future residents?**

The challenges the four communities face are not unique. Two communities already profiled in *Homes* reports – Aurora and Montgomery – as well as four others currently working creating a plan – Batavia, Geneva, North Aurora, and St. Charles – deal with similar issues. Collectively or in sub-groups, Kane County Fox River communities have an opportunity to work together toward a prosperous future. What follows is a subregional analysis of current conditions, a review of recent policy remedies, a look at the potential housing market, and recommendations for future subregional action that can build off of these strengths to address shared issues.

Race/ethnicity 2011

- ASIAN ALONE
- BLACK OR AFRICAN AMERICAN ALONE
- HISPANIC OR LATINO
- WHITE ALONE
- OTHER



Source: American Community Survey 2007-11 data.

Existing Conditions

Local, regional, and national recovery from the recession remains slow and uneven. Harvard University found that a broad array of housing market indicators improved over the last year, driven by rising home prices and a tighter rental market.¹ Despite improvements, the communities of northeastern Kane County, like communities throughout metropolitan Chicago, still suffer from the consequences of the crisis that hit the American economy in 2008. Home prices remain well below those found five years earlier. Foreclosure rates, particularly in Carpentersville and Elgin, remain elevated.

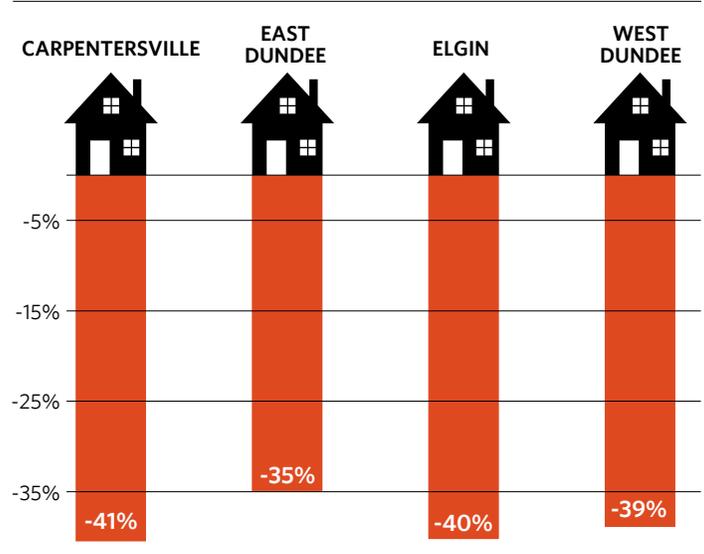
What is affordable housing?

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

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

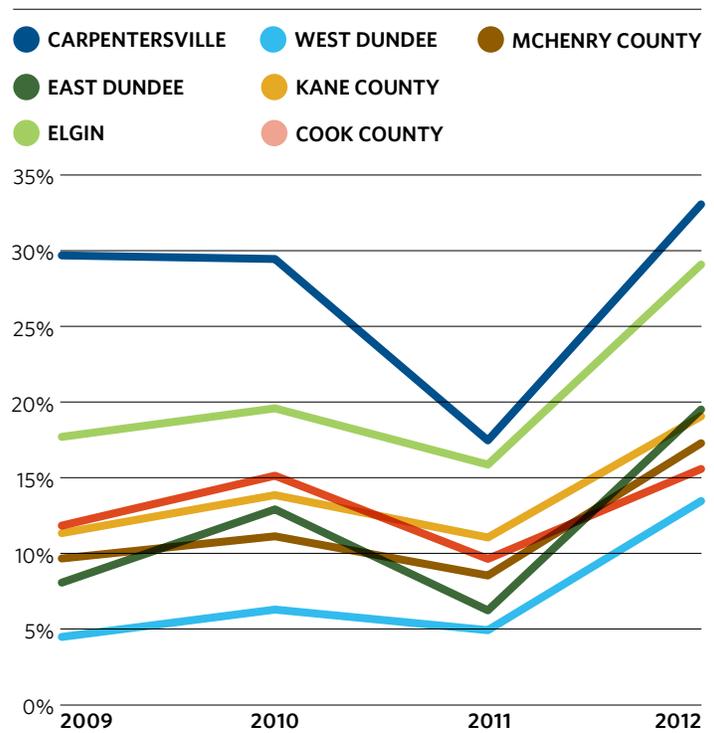
This time-tested standard is reflected in everything from the underwriting standards of private lenders to data from the Census Bureau.

Change in average home sales prices over the last five years



Source: Trulia, www.trulia.com, pulled July 10, 2013.

Foreclosure auction rate



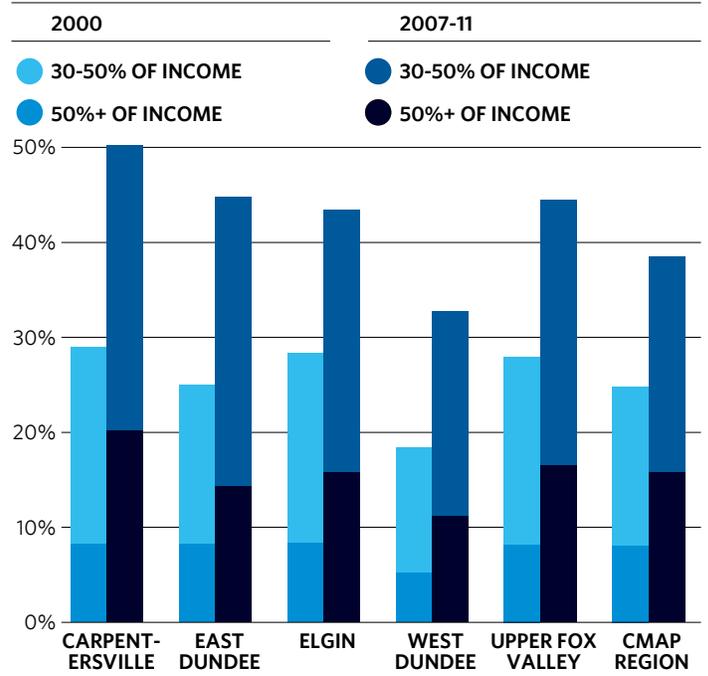
Source: Woodstock Institute, <http://www.woodstockinst.org/>.

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

These lower home prices, combined with historically low mortgage interest rates, should be a recipe for improving housing affordability, with owners paying smaller percentages of their incomes on housing related costs.² Over the last decade the opposite has occurred. Far more owners now pay more than 30 percent of their income for housing and housing related expenses. One potential explanation for this trend is the sticky nature of owner costs. Many owners remain locked in older mortgages and face difficulty attempting to refinance. Declining incomes or unemployment only exacerbate the problem. In the subregion, the bulk of cost-burdened owners are lower- and middle-income homeowners, with 44 percent of owner households who pay more than 30 percent of their income on housing costs earning between \$20,000 and \$50,000.

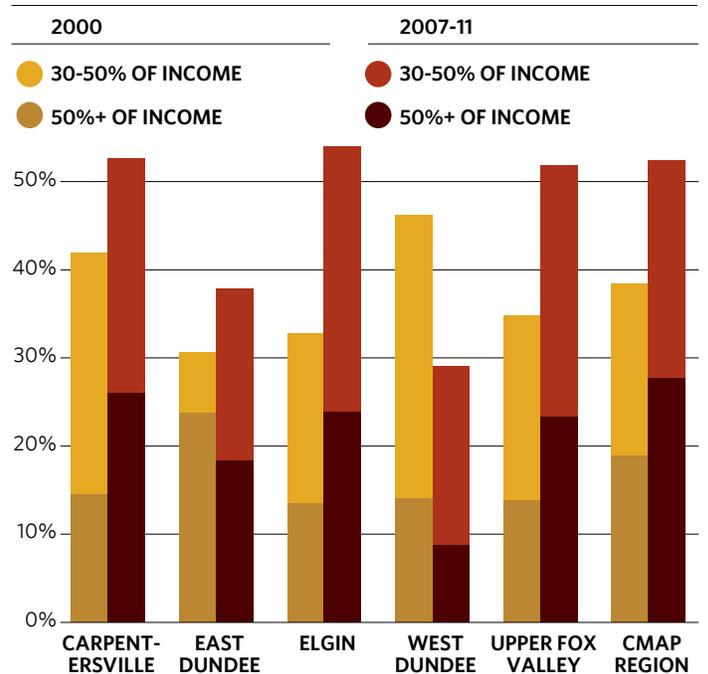
More renter households also spent greater than 30 percent of their income on housing and housing related expenses over the past decade. West Dundee, contrary to regional and national trends, saw the number of cost burdened renters decrease due to local growth in the number of middle- and upper-income renters. Almost 80 percent of cost-burdened renters with affordability issues earn less than \$35,000. Not surprisingly, these affordability trends track closely with foreclosures. West Dundee, the aforementioned outlier, maintained a much lower foreclosure auction rate.

Percent of owner occupied households paying more than 30% of income on monthly owner costs



Source: 2000 U.S. Census and American Community Survey 2007-11 data.

Percent of renter occupied households paying more than 30% of income on gross rent



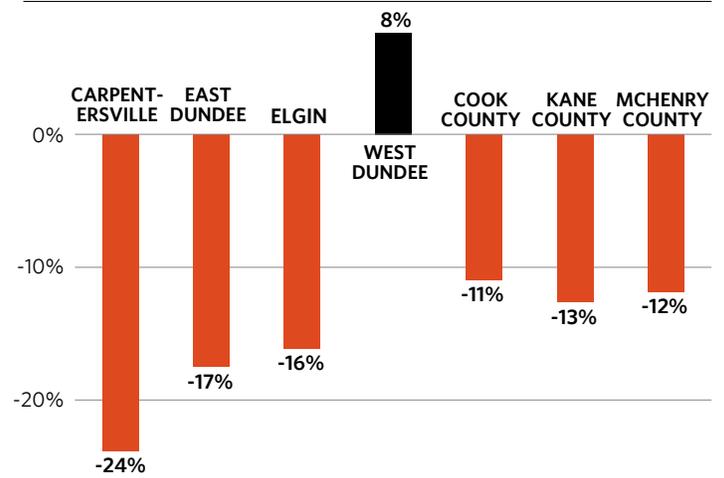
Source: 2000 U.S. Census and American Community Survey 2007-11 data.

2. Between 2000 and 2012, the Federal Reserve reported that the annual contract rate on a 30 year fixed rate conventional home mortgage declined from 8.06% to 3.66%.

Typically, efforts to reduce the number of cost-burdened owners and renters focus on housing costs. How much is the mortgage payment or rent? How can that amount be lowered? An alternative way to think about the problem is to consider income, something inherently tied to education and economic opportunity. Households with rising incomes are better positioned to deal with rising housing costs.

Over the last 11 years, median household income in the region has declined in real terms (i.e. after adjusting for inflation). Comparatively, analysis of 2000 U.S. Census data and 2007-11 American Community Survey (ACS) data indicates that most dwelling units were added for renter households whose incomes exceeded \$50,000 and for owner households whose incomes exceeded \$75,000. Declining real incomes coupled with rising housing costs creates the perfect storm for the increasing number of cost-burdened households, leaving municipalities to try and manage the physical and social impacts.

Percent change in real median household income 2000-11



Source: Chicago Metropolitan Agency for Planning analysis of the 2000 U.S. Census and American Community Survey 2007-11 data using the Bureau of Labor Statistics Consumer Price Index Inflation Calculator (http://www.bls.gov/data/inflation_calculator.htm).

Projected Future Demand

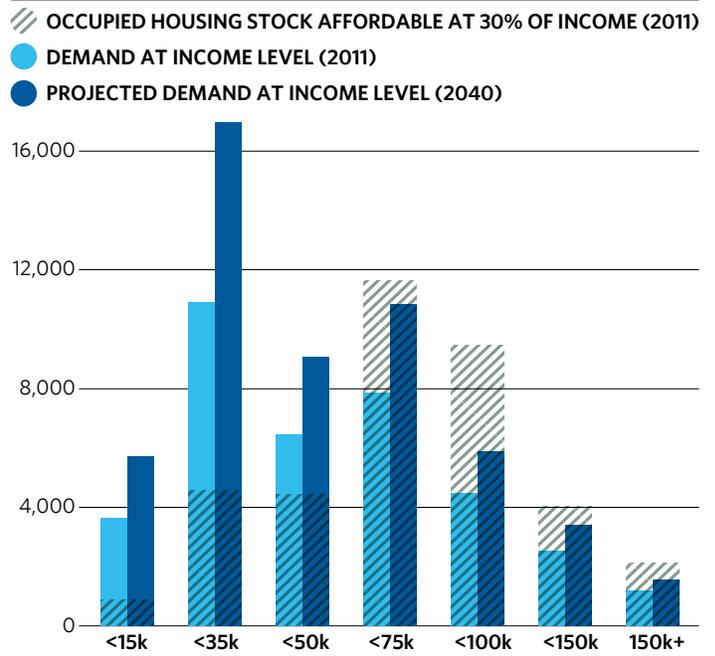
Using population and income projections for upper Kane County through the year 2040, CMAP developed housing demand forecasts by tenure (rent vs. own) and price point for the subregion, allowing a comparison of future demand to the current supply and demand of affordable housing.

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

Rental demand in some ways mirrors owner-occupied demand. Again, there currently exists a shortage of affordable rental units for low- and moderate-income families whose incomes are below \$35,000 per year, and this shortage will grow by 2040. Senior demand will be the key factor in explaining the need for more units. By 2040 there also will be a minor shortage of rental units for families whose incomes exceed \$75,000.

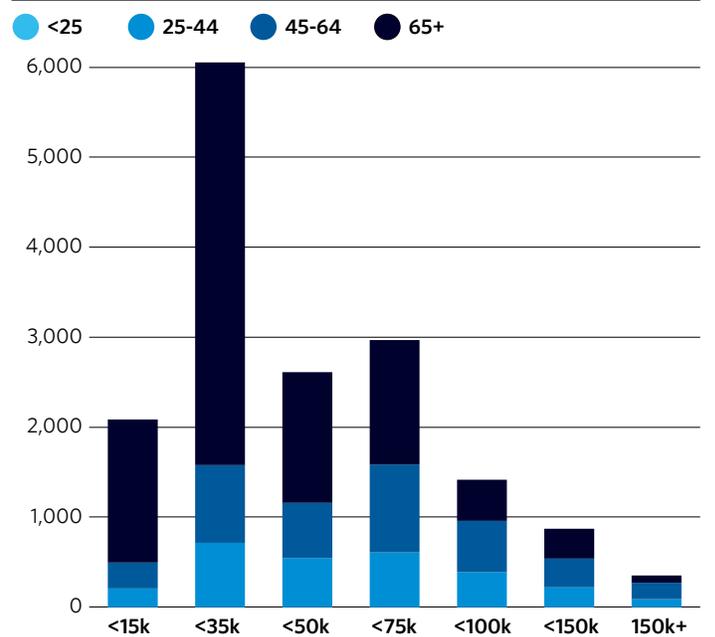
In total, projections show demand for roughly 16,000 owner units and 8,000 rental units in Carpentersville, East Dundee, Elgin, and West Dundee by 2040. This future demand could increase the number of rental units in all four communities relative to the number of ownership units, a possibility that highlights the growing interest in renting among households of all income and age ranges. It is also possible that some owner units may become rental units, a process that may be facilitated by the current supply of foreclosures and vacant homes.

Upper Fox Valley 2011 households and housing stock compared with 2040 owner demand



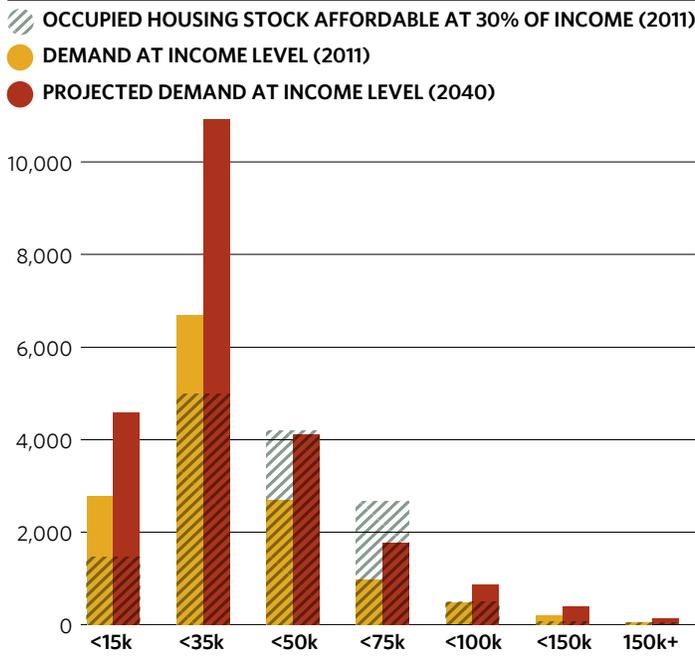
Source: Chicago Metropolitan Agency for Planning analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Upper Fox Valley 2011-40 change in owner demand by age and income



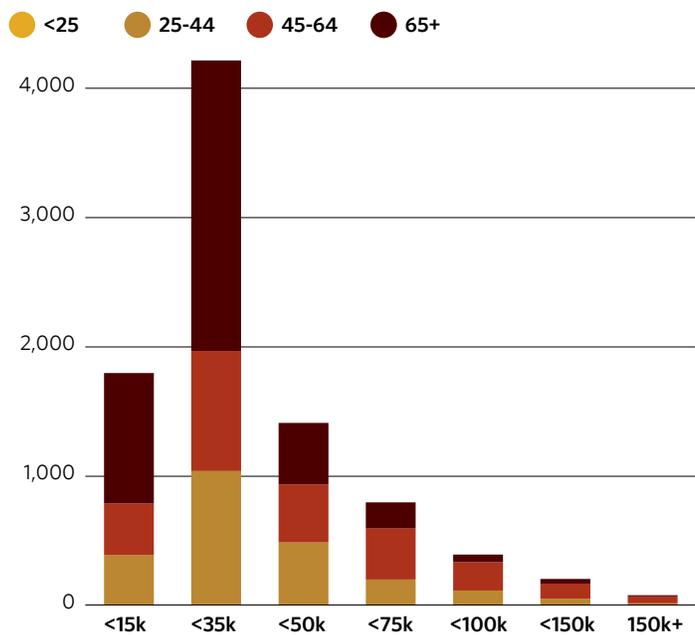
Source: Chicago Metropolitan Agency for Planning analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Upper Fox Valley 2011 households and housing stock compared with 2040 renter demand



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

Upper Fox Valley 2011-40 change in renter demand by age and income



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

The Urban Land Institute (ULI) conducted a study in 2013 on current housing preferences. This survey found that while many Americans desire single-family homes, they also desire proximity to jobs, schools, and medical facilities, particularly via walkability.³ Demand for walkability cuts across age groups. Generation Y (ages 18-34) shows the strongest preference for mixed-use development in walkable communities (i.e. containing a range of housing types that encourage walking to retail stores, neighborhood amenities, other homes, and transit lines). Baby Boomers (ages 48-66), while less likely to move, desire smaller homes with shorter commutes when moving. Due to these and other socio-economic trends, Arthur C. Nelson projects that over the next 20 to 30 years the trend for walkable communities offering a mix of housing types will only accelerate.⁴ The low-income seniors projected to drive much of the future subregional demand will play a key part in that process. While savings may offer affluent seniors a way to live in a home that costs more than their income alone can support, they are not a monolithic group and many do not have such financial flexibility. Environmental Systems Research Institute (ESRI) divides seniors into nine different groups based on attributes including income, employment, home value, housing type, education, household composition, age, and other key determinants of consumer behavior. ESRI data indicates that the subregion contains not only affluent seniors but also many middle- and low-income ones who typically do not have significant assets. Figuring out how to meet changing demand, particularly the needs of seniors, is crucial in allowing Carpentersville, East Dundee, Elgin, and West Dundee to maintain competitive housing markets.

3. American's Views on their Communities, Housing, and Transportation. (March, 2013). Belden Russonello Strategist for the Urban Land Institute. See <http://tinyurl.com/pimelrg>.
 4. Nelson, Arthur C. *Reshaping Modern America: Development Trends and Opportunities to 2030*. Island Press, 2013.

Population Specific Needs

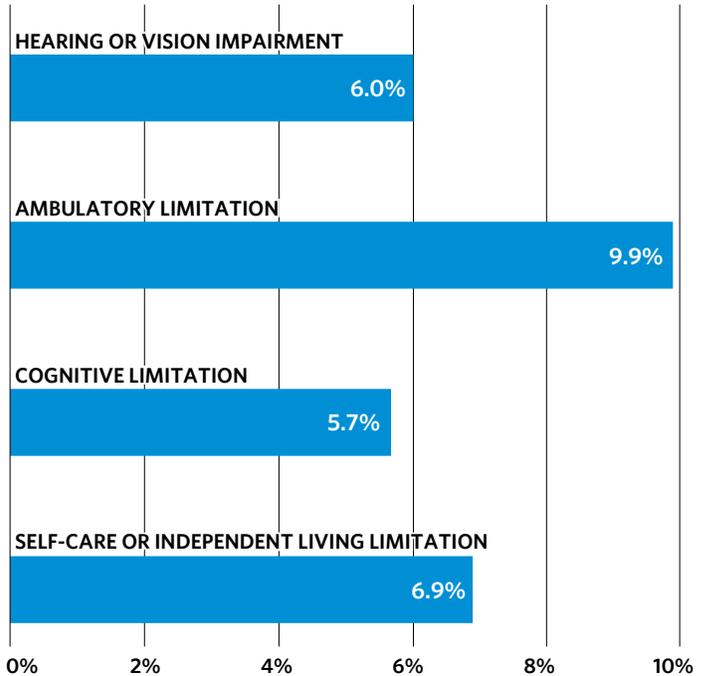
While much of the analysis in this report focuses on the current and future housing needs of households by age and income, a deeper analysis is needed to consider the subregional issues for those with disabilities and those who are homeless. While many of the policy prescriptions necessary to address the needs of these populations are best implemented at the municipal level, the data is primarily found at the subregional level. Therefore, this section provides important data on those with disabilities and those who are homeless, but the associated recommendations are found within the reports for each community.

According to the National Council on Disability's *The State of Housing in America, a Disability Perspective*, on average, the income level of people with disabilities is significantly lower than that of people without disabilities.⁵ This trend is exhibited among households in the subregion.⁶ Based on an analysis of the U.S. Census's 2008-10 Comprehensive Housing Affordable Strategy (CHAS) dataset, approximately 30 percent of households with a disabled member earn less than 50 percent of the area median family income. Comparatively, less than 20 percent of households where no member has a disability make less than 50 percent of the area median family income. In the subregion, approximately 16 percent of households contain one member who has a disability. The most common form of disability in the subregion is an ambulatory limitation.

Kane County recognizes the importance of providing housing for disabled individuals. In its most recent Consolidated Plan, the County identified a need for additional housing options for the frail elderly, persons with mental illness, the physically disabled, and the developmentally disabled.⁷ As the population in the subregion grows over the next 30 years, the number of households with a disabled member will likely also grow, particularly given the projected increase in the senior population. This trend will increase demand for housing options that meet the needs of disabled individuals.

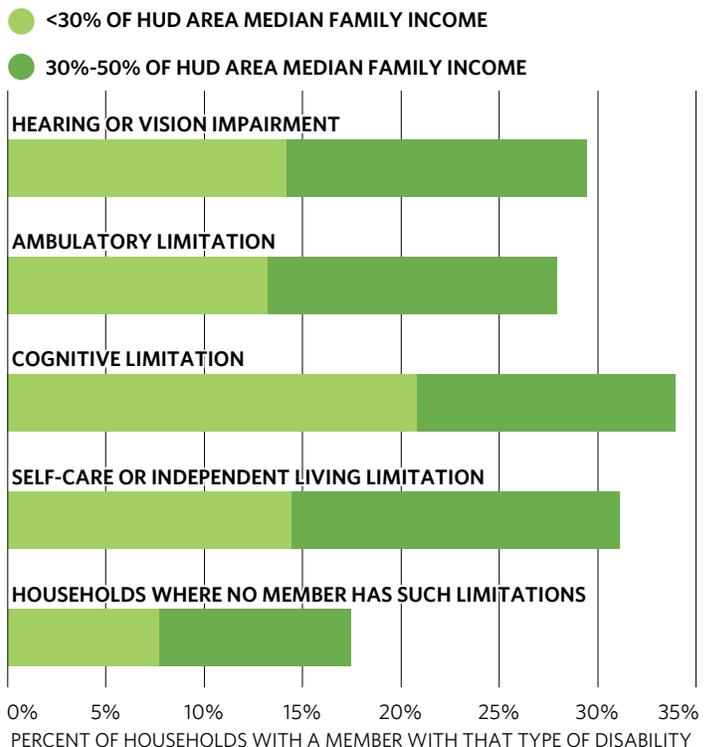
5. *The State of Housing in America in the 21st Century: a Disability Perspective*. (January, 2010). National Council on Disability. See <http://tinyurl.com/nqtv68>.
 6. Due to data limitations, the subregion reflects a combination of data for the City of Elgin and Dundee Township.
 7. *Housing and Community Development Consolidated Plan: 2010-2014*. Kane County/ City of Elgin Consortium. See <http://cityofelgin.org/DocumentCenter/Home/View/43565>.

Percent households with a member with a given type of disability



Source: Comprehensive Housing Affordability Strategy 2008-10.

Income level of households with a member with a given type of disability

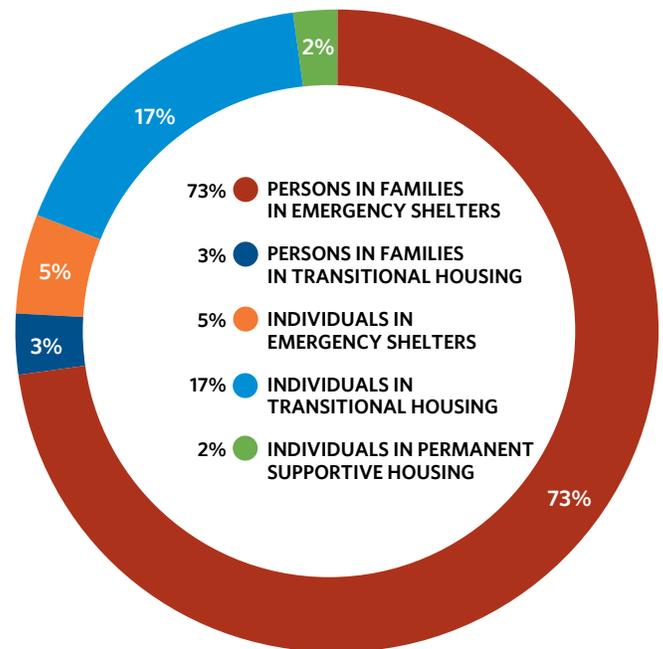


Source: Comprehensive Housing Affordability Strategy 2008-10.

Both Kane County and the City of Elgin are members of the Kane County Continuum of Care (CoC), along with the City of Aurora. The CoC consists of organizations and agencies that assist individuals and families that are at-risk of being homeless or are in various stages of homelessness. These social service agencies provide: outreach, assessment, and intake; emergency shelter; permanent housing; permanent supportive housing; and supportive services. The CoC is responsible for the coordination of all of the social service agencies throughout the County to ensure that all gaps and overlaps in services are addressed.

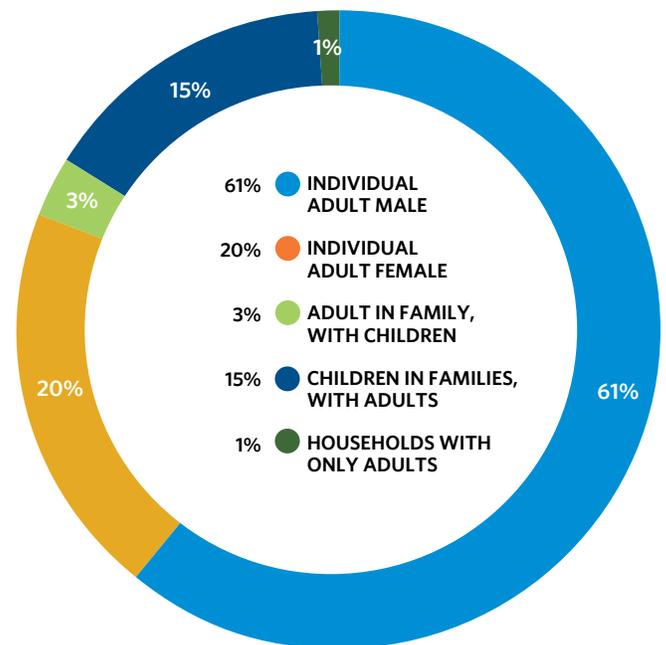
As part of this effort, the CoC produces information on the homeless population in Kane County. In 2011, the CoC estimated that the total homeless population in its service area included 1,968 persons in shelters or housing. Approximately 90 percent of these persons found temporary housing in emergency shelters, as such facilities provide the vast majority of capacity to house the homeless population. While individual males are the most common type of homeless individual, those of all ages are part of the homeless population, including children. About 19 percent of the sheltered homeless population are disabled individuals and 6 percent are veterans. The point-in-time count (PIT) by the CoC found 43 unsheltered individuals in January, 2011, indicating that the homeless population is larger than can be estimated by reviewing those who used local shelters and programs. The most recent Kane County Consolidated Plan estimated that most of the County's homeless population resides in Elgin and Aurora and that the County as a whole needs additional homeless shelters and transitional housing facilities.⁸

Estimated homeless counts during a one-year period 10/1/10-9/30/11



Source: Sheltered Homeless Persons in Kane County 10/1/2010-9/30/2011, <http://www.hudhdx.info/PublicReports.aspx>.

Estimated homeless counts during a one-year period by household type 10/1/10-9/30/11



Source: Sheltered Homeless Persons in Kane County 10/1/2010-9/30/2011, <http://www.hudhdx.info/PublicReports.aspx>.

8. *Housing and Community Development Consolidated Plan: 2010-2014*. Kane County/ City of Elgin Consortium. See <http://cityofelgin.org/DocumentCenter/Home/View/43565>.

Housing Policy and Resources

Despite slow improvements in the national housing market, the reverberations of the recession and foreclosure crisis continue to drive local, regional, state, and national resources.

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

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

- The Community Foundation of the Fox Valley was awarded \$3 million in funding for the redevelopment of approximately 40 properties as a first step in a broader regional revitalization strategy. The project is targeted to overlap with many of the communities participating in both of the Homes projects along the Fox Valley, with the resulting reports offering the foundation for a broader regional revitalization strategy.
- Neighborhood Housing Services (NHS) received \$1.75 million from the Illinois Attorney General's office under the National Mortgage Settlement for the expansion of lending, construction, and outreach from the Fox Valley and southern Cook County offices.

Separate from the National Mortgage Servicing Settlement, the National Fair Housing Alliance and thirteen affiliates filed a federal housing discrimination complaint with the U.S. Department of Housing and Urban Development (HUD) in April 2012 against Wells Fargo Bank. In July 2013, a settlement in the case was reached, with Wells Fargo providing the involved organizations with \$42 million to promote home ownership, neighborhood stabilization, property stabilization, and rehabilitation in minority communities. The Hope Fair Housing Center received \$1.4 million of the settlement, with some of these funds targeted for use in portions of Elgin with high foreclosure rates.

In July 2013, the Illinois Housing Development Authority launched a new program to further the reuse of 240 vacant single-family properties in communities outside of Cook County. Under the \$6.6 million program, qualifying low- to moderate-income homebuyers of vacant single-family homes can apply for grants of up to \$5,000 for acquisition and up to \$20,000 for rehabilitation for home modification repairs and improvements. The program is not limited to first-time homebuyers and is designed to couple with the Illinois Housing Development Authority's (IHDA) existing loan products. IHDA approved a \$200,000 allocation of funds for NHS that will be used to help 13 homebuyers with downpayment and rehabilitation funds in Carpentersville, East Dundee, Elgin, and West Dundee.

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

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

Most of these programs only provide temporary assistance to address potential local issues. Developing sustainable resources will be necessary to maintain programs valued by Carpentersville, East Dundee, Elgin, and West Dundee.

The Fox River is a shared resource and forms a basis for potential collaboration.



Source: Chicago Metropolitan Agency for Planning.

Recommendations

The four communities highlighted in this report have significant challenges and opportunities. Each must carefully strategize ways to meet the growing demand for senior housing. Each must consider the mix of housing – small-lot single-family, large-lot single-family, townhome, and multi-family – that will meet the likely future demand for both owner and renter occupied housing. Each must strive for new housing truly affordable to future residents. In the years before the housing crisis, too many developments were approved that relied on owners or renters paying significant percentages of their income on housing costs. Often these issues are best addressed at the local level. Therefore, Carpentersville, East Dundee, Elgin, and West Dundee, should consider the municipal recommendations in subsequent sections to address these matters at the local level.

Yet, the communities of this report have also struggled with housing affordability, driven in part by stagnant incomes and the difficulty of balancing new development and redevelopment. **The four communities should carefully consider what they can do collectively, either as a group or as a broader Kane County collective, to address these issues given the anticipated resources flowing into the subregion over the next few years.** What follows are three specific recommendations for group action.

Leveraging the Fox River

A well designed riverfront is an important benefit for a community. A clean river equates to boating and even swimming. Marinas and docks for small boats become possible. Restaurant and park development are encouraged. Lengthy biking and jogging trails or paths offer amenities for residents. Capitalizing on river access can help provide the walkable communities offering a mix of housing types needed to maintain a competitive housing market. A river corridor can function as an economic engine for an entire subregion.

Carpentersville, East Dundee, Elgin, and West Dundee all have access to the Fox River. All have historic town centers that were initially developed in the late 19th century. All have expressed interest in reviving and revitalizing their historic riverfront downtowns, recognizing that access to the river remains a powerful asset. Some communities have already undertaken individual planning to further such efforts. Yet, all of these efforts are separate and distinct. The Fox River unites the four communities. **Planning for river-focused development and redevelopment should be similarly united.**

There are many different models for collaboration around a shared resource. Two prominent examples come from the east coast. In the Hudson River Valley north of New York City, Scenic Hudson, a non-profit environmental group, partnered with state, regional, and local officials to develop *Revitalizing Hudson Riverfronts*.⁹ The document lays out guidelines to help local officials, developers, and citizens advance a shared vision for waterfront development. In this model, an outside non-profit uses the plan to advocate for desired outcomes. Along the Mystic River in suburban Boston, the EPA and the Metropolitan Area Planning Council (MAPC) worked with six communities to develop the *Lower Mystic River Corridor Strategy*.¹⁰ For this project, regional and national agencies helped a group of communities harmonize local thinking around a common river-corridor. The report lays out six broad strategies that are important to the communities involved along with recommended ways to tackle these topics. Closer to home, a number of communities have partnered to build off of the Illinois and Michigan Canal National Heritage Corridor. The Canal Corridor Association created a ten-year plan in 2008 that focused on important issues, such as boundaries, conservation, tourism, and economic development.¹¹ In this case, the federal designation of a national heritage corridor provided a framework for an array of partners come together in a formal collaboration to plan around a shared asset.

Similar to these efforts, the communities of the Fox Valley in Kane County should collaborate with the many existing Fox Valley organizations and with one another when focusing on how to leverage the Fox River in the future. Friends of the Fox River works to preserve, restore, and protect the Fox River watershed through education, research, restoration, and advocacy. The Elgin Area Convention and Visitors Bureau focuses on tourism, drawing visitors to the subregion. Both the Elgin Area Chamber of Commerce and the Northern Kane County Chamber of Commerce advocate for business interests through education, development, support, and promotion. The Fox River Ecosystem Partnership is focused on preserving and enhancing the health of the watershed.

Such collaboration can allow the municipalities to ensure that their efforts and those of partner organizations are united, working together on topics including infrastructure improvements, acquiring open-space and river access, and pursuit of coordinated tourism efforts (i.e. unified branding for the corridor, including signage and materials). The cleanliness of the Fox River underpins all of these efforts and should be a particular focus, building off of recent efforts such as the Person-Otter Creek Watershed Plan and the Jelkes Creek-Fox River Watershed Action Plan. Start small with representatives of each community continuing to discuss their downtown revitalization efforts and meeting with partner organizations on a regular basis, using the interaction to identify opportunities for collaboration.

This type of collaboration would support the efforts of individual municipalities to revitalize their downtowns. Municipal-level analysis indicates that such areas in Carpentersville, East Dundee, Elgin, and West Dundee offer the greatest potential to diversify the local housing stock and create the walkable communities future households will demand. The creation of additional housing in and around such centers can reinforce the Fox River as the economic engine of the subregion, driving income growth near housing and thereby helping to improve both housing and transportation affordability.

9. *Revitalizing Hudson Riverfronts*. (2010). Scenic Hudson. See <http://tinyurl.com/kodobyx>.

10. *Lower Mystic River Corridor Strategy*. (June, 2009). Metropolitan Area Planning Council. See <http://tinyurl.com/lesrr7s>.

11. *Illinois and Michigan Canal Heritage Corridor: A Roadmap for the Future*. (June, 2011). Canal Corridor Association. See <http://www.iandmcanal.org/plan.html>.

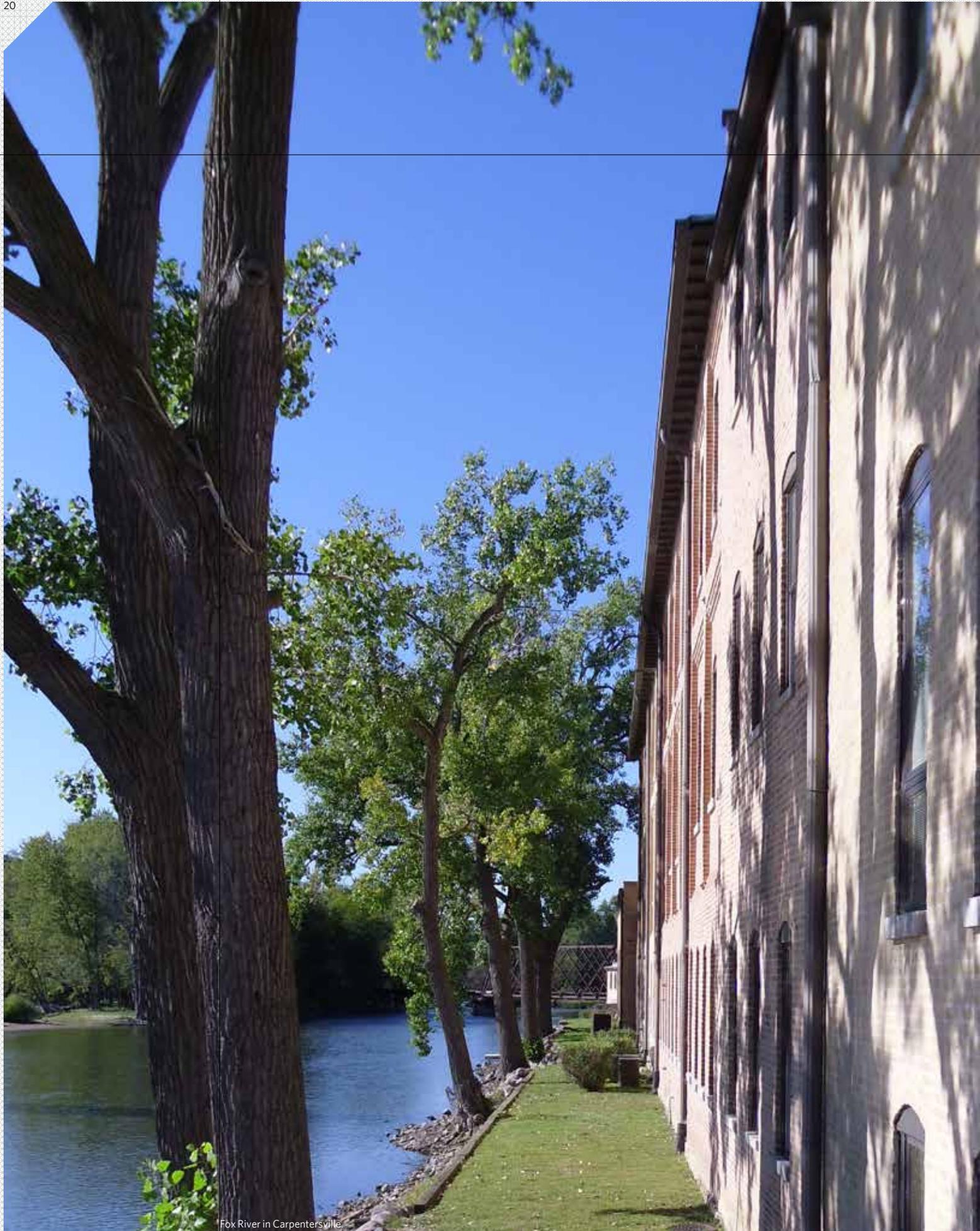
Coordinate rehabilitation efforts for efficiency

In the public workshops and through an online survey, residents in each community discussed the need for rehabilitation, often in areas near historic downtowns. A number of organizations rehabilitate units in the subregion. The City of Elgin rehabilitates more than 40 homes a year through a handful of different programs. Kane County funds the rehabilitation of 25 homes each year through the work of Elgin-based non-profit Community Contacts Inc.

Fortuitously, additional federal, state, or local rehabilitation funds may flow into the subregion over the next few years to address a broad range of housing issues, including those described previously in this report. **Carpentersville, East Dundee, Elgin, and West Dundee should use this confluence of funding sources to help develop the most efficient system for rehabilitation given local needs and funding sources.** Such work could culminate in the targeting of resources into existing or new rehabilitation entities that have or develop the capacity to rehabilitate significant numbers of units (i.e. more than 50 per year). Focusing would allow the communities to benefit through more efficient and effective rehabilitation programs. By choosing a common management entity, savings and efficiencies would be found through common procedures, in addition to honing and supporting staffing and expertise that can benefit all funders and communities. An operator would need the capacity to work in the different housing markets present in each community. In areas with high cash investor activity, the four communities will need to support rehabilitation with targeted code enforcement or other efforts. As noted previously, the funds to underpin these efforts are temporary. Carpentersville, East Dundee, Elgin, and West Dundee would need to cultivate additional resources to maintain the program in the long-term.

Broaden municipal participation

Past and ongoing *Homes* efforts in the Fox Valley offer the opportunity to create a vision for housing throughout the eastern half of Kane County. Within the next year, ten communities will have completed plans (Aurora, Batavia, Carpentersville, East Dundee, Elgin, Geneva, Montgomery, North Aurora, St. Charles, and West Dundee). Yet, as noted early on in the planning process by municipal representatives, some key communities have not been included in the process, including Algonquin, Sleepy Hollow, and South Elgin. **Therefore, the four communities in this Plan should work to involve their neighbors in the *Homes* process by reaching out at both the staff and elected levels to discuss the outcomes of this Plan and the importance of future involvement in leveraging the Fox River and regional rehabilitation.** Through the Lower Fox Valley cluster (Batavia, Geneva, North Aurora, and St. Charles) the project team is training Kane County staff on the *Homes* process. Additional communities can link with the *Homes* effort by working with the County to develop municipal plans.



Fox River in Carpentersville
Source: Chicago Metropolitan Agency for Planning.

Housing Policy Plan: Carpentersville

Project Summary

Located in rapidly growing northern Kane County, Carpentersville offers many assets upon which to capitalize in planning for future growth. A diverse housing stock of affordable workforce units and modern, upscale subdivisions can accommodate a wide variety of housing needs. Accessibility to major arterial roadways, including Illinois routes 25 and 31 and Randall Road, offers the potential to ease the commutes of those who work in and around the Village. The Fox River and adjacent open spaces encourage hiking, biking, and boating. Finally, local schools provide the educational opportunities young families seek.

Between now and 2040, Carpentersville could add more 11,000 new residents. The Village must address a number of key issues to determine the best way to address such potential growth.

- **How can Carpentersville preserve and upgrade existing neighborhoods, making them attractive for future residents?**
- **How should Carpentersville balance reinvestment in older areas with development at the periphery?**
- **How can Carpentersville rejuvenate Spring Hill Mall area while capturing opportunities along Illinois Route 25 and Randall Road?**
- **How can Carpentersville successfully integrate a diverse community?**

This report provides a series of policy recommendations based on a detailed analysis of existing conditions and future needs. Carpentersville will use these recommendations to prepare for projected population growth, particularly among low-income seniors.

Demographic Trends

Located in the northeastern corner of Kane County, the Village of Carpentersville is bordered by Algonquin to the north, Barrington Hills to the east, and East Dundee and West Dundee to the south. Most unincorporated land around the Village is located to the north and west.

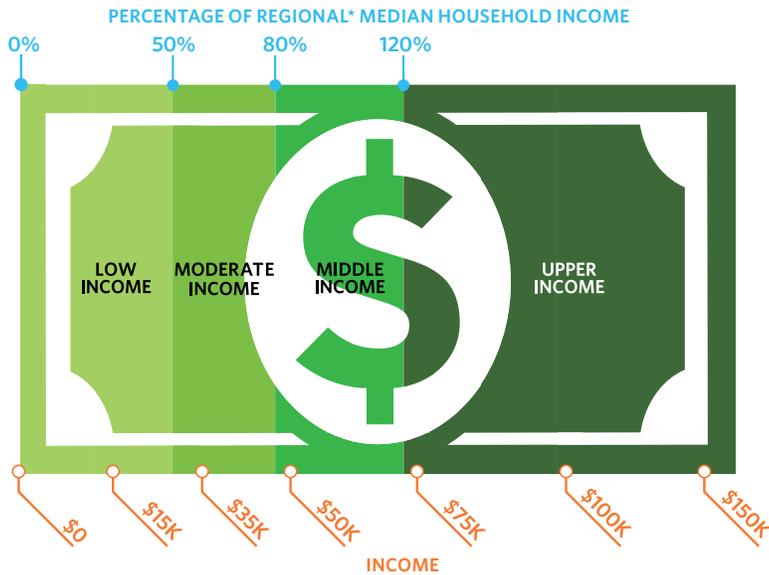
Carpentersville’s population grew over the past 11 years, predominantly through westward annexation (Table 1). More than half of this growth came from additional Hispanic residents. The Chicago Metropolitan Agency for Planning (CMAP) produced population and household projections as part of GO TO 2040, the seven-county region’s comprehensive plan for sustainable prosperity through mid-century and beyond.¹² These figures indicate that if GO TO 2040 is implemented and if the Village takes advantage of its numerous assets, its population could rise to almost 50,000 by 2040, an increase of more than 30 percent.¹³ While continued annexation could address some of this growth, is this the right course for Carpentersville?

Table 1: General Carpentersville statistics

	POPULATION	HOUSEHOLDS
2000 Decennial Census	30,586	8,872
2011 American Community Survey (ACS)	37,480	11,178
Change, 2000-11	6,894	2,306
Change as %, 2000-11	23%	26%
GO TO 2040 projection, 2040	49,334	14,409
Change, 2011-40	11,854	3,231
Change as %, 2011-40	32%	29%

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

Income



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

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

12. See <http://www.cmap.illinois.gov/2040>.
 13. See the Appendix for more information about these projections.

Current Housing Market

Like the other communities in this study, Carpentersville gradually expanded from its historic downtown along the Fox River. At first, the Village expanded eastward, toward Illinois Route 25 in the ‘50s, ‘60s, and ‘70s, creating neighborhoods such as Meadowdale. Since that time, growth has been predominantly west of the Fox River. As a result, the Village includes single-family subdivisions, older multi-family developments, and historic compact neighborhoods.

Because of the increased number of foreclosures along with concerns about the quality of some local units, the owner of Otto Engineering, a major local employer, started Homes by Otto in 2005. This company purchases and rehabilitates local units for rental and sale in many areas of Carpentersville, including the Meadowdale area.

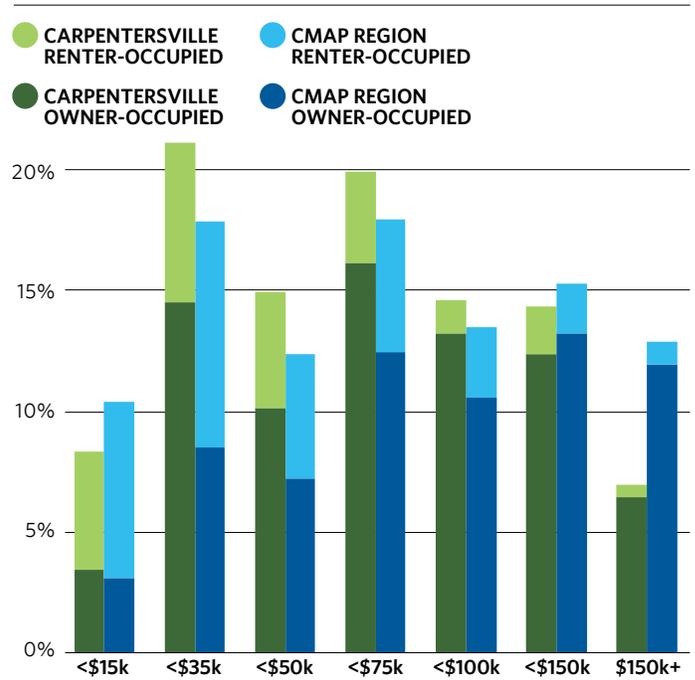
Single-family homes, which account for almost 70 percent of all local units, are typically occupied by owners. Slightly over half of local renters live in multi-family buildings. More than one-third of renters live in single-family homes, more than double the region’s share. As highlighted in the Metropolitan Planning Council’s (MPC) *Managing Single-Family Rental Homes* white paper, many communities are struggling with the surge in single-family rentals.¹⁴ Much like the region, the percentage of rental households falls as income rises. For Carpentersville, the sharp change is at the \$75,000 threshold; over 80 percent of local renter households earn less than this amount.

Housing Affordability

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

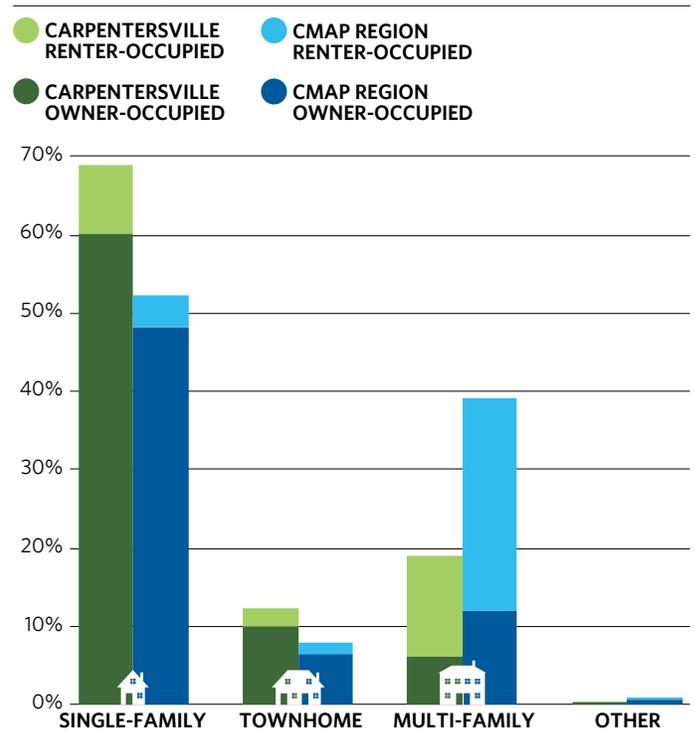
Over the last decade, rapidly rising property values accelerated far faster than incomes in the U.S., increasing the number of cost-burdened households. Since the recession, affordability issues have persisted despite declines in home values and mortgage rates due in part to declining incomes, slow employment growth, and stringent credit requirements.¹⁵ As households became renters, supply did not initially keep pace with the sudden spike in demand. Harvard University indicates that currently more than 10 percent of owners and 25 percent of renters in the U.S. pay more than 50 percent of their income on housing costs.¹⁶

Owner/renter by household income



Source: American Community Survey 2007-11 data.

Housing type by owner/renter



Source: American Community Survey 2007-11 data.

14. *Managing Single-Family Rental Homes*. (June, 2013). Metropolitan Planning Council. See <http://tinyurl.com/kjdjm2h>.
 15. Joint Center for Housing Studies. *State of the Nation's Housing 2012*. (June, 2012). Harvard University.
 16. Joint Center for Housing Studies. *State of the Nation's Housing 2013*. (June, 2013). Harvard University.

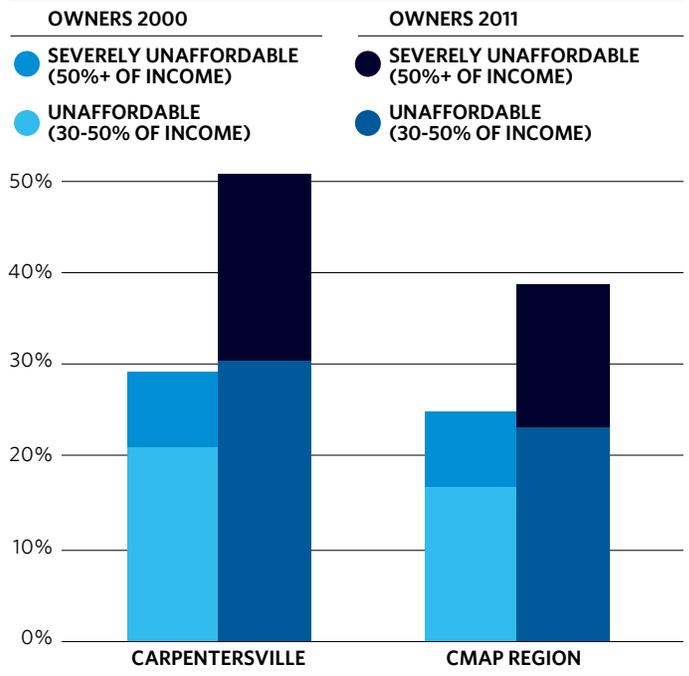
What is "Affordable Housing?"

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

Affordability in Carpentersville mirrors the regional and national trends of the past 11 years. Currently, half of renters pay more than 30 percent of their income on gross rent. The preponderance of renters struggling with housing costs in Carpentersville are low-income. Analysis by Harvard University found that "according to the latest Consumer Expenditure Survey, severely burdened families in the bottom expenditure quartile (a proxy for low incomes) spend a third less on food, half as much on pensions and retirement, half as much on clothes, and three-quarters less on healthcare as families paying affordable shares of their incomes for housing."¹⁷

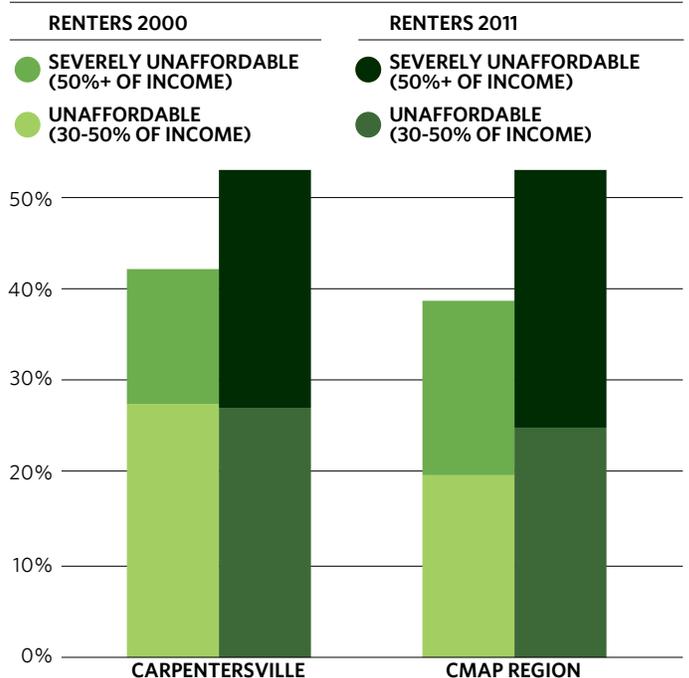
Approximately 50 percent of owners in the Village are currently cost-burdened, versus only 39 percent in the region. As explained in the subregional report, Carpentersville's rate of completed foreclosures is higher than many nearby counties. Such findings are a symptom of the affordability issues faced by local owners. Following sections of this report look at those income groups among owners and renters that are most burdened by housing costs.

Percent of owner occupied households in paying more than 30% of income on monthly owner costs



Source: 2000 U.S. Census and American Community Survey 2007-11 data.

Percent of renter occupied households paying more than 30% of income on gross rent

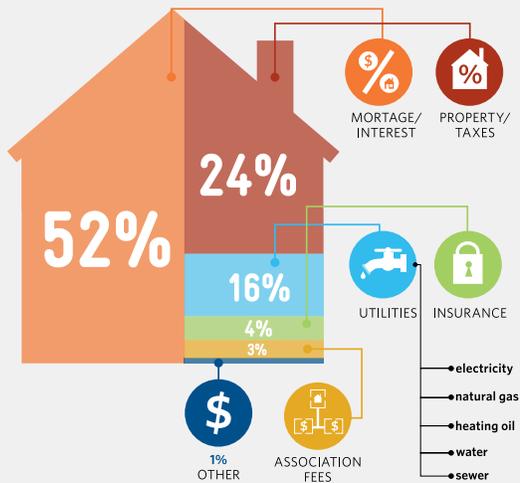


Source: 2000 U.S. Census and American Community Survey 2007-11 data.

17. Ibid.

What is included in monthly owner costs?

Average Monthly Costs for Owners* in Chicago Metropolitan Area, 2009



Source: Chicago Metropolitan Agency for Planning analysis of the 2009 American Housing Survey. The 2009 AHS data includes Cook, DuPage, Grundy, Kane, Kendall, Lake, McHenry, and Will counties in the metropolitan area.

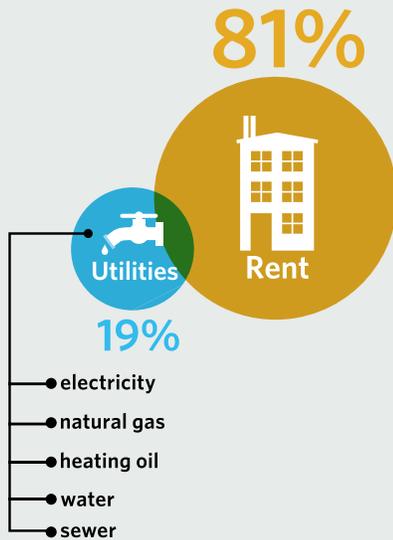
Utilities and Affordability

Utility costs can increase or decrease the number of cost-burdened households because they contribute to gross housing costs. In 2007, the Center for Neighborhood Technology (CNT) developed the “Carpentersville Energy and Emissions Profile”, which examined energy consumption, vehicle miles traveled, and greenhouse gas emissions at a community-wide scale. This report was part of the Municipal Energy Profile Project (MEPP) that included the development of profiles for over 270 municipalities in the Chicago metropolitan region. The profiles serve as a baseline from which communities can develop more specific strategies and accurately measure progress in achieving reductions in energy consumption and emissions. The MEPP Guidebook examined both municipal and community scale best practices for strategies in energy and transportation. The project was funded by the Illinois Clean Energy Community Foundation, and data partners included ComEd, Nicor Gas, Peoples Gas, North Shore Gas, and the Illinois Department of Transportation.

Table 2 highlights residential natural gas and energy usage in the Village and Kane County in 2007. At that time, the average Carpentersville household spent \$14 per month less on energy costs than the average Kane County household. Implementing energy efficient designs as part of rehabilitation and new construction in the coming years can further reduce local energy costs and help decrease the number of cost-burdened households. Some communities have utilized municipal aggregation to help lower utility costs for residents. This means a municipality or county can collectively negotiated for who will supply electricity to residents and eligible small businesses. That said, the comparatively lower annual energy costs per household in Carpentersville combined with the growing number of cost-burdened owners or renters over the last decade highlight that lower utility costs alone do not solve the problem.

What is included in gross rent?

Average monthly costs for renters in Chicago Metropolitan area, 2009



Source: Chicago Metropolitan Agency for Planning analysis of the 2009 American Housing Survey. The 2009 AHS data includes Cook, DuPage, Grundy, Kane, Kendall, Lake, McHenry, and Will counties in the metropolitan area.

Table 2: Residential energy use in Carpentersville and Kane County, 2007

	CARPENTERSVILLE	KANE COUNTY
Average electricity use per household	7,584 kWh	8,203 kWh
Average annual \$ for electricity per household*	\$816	\$883
Average natural gas use per household	896 Therms	1,008 Therms
Average annual \$ for natural gas per household*	\$795	\$898
Average annual energy costs	\$1,611	\$1,781

Source: Elevate Energy Community Profile.

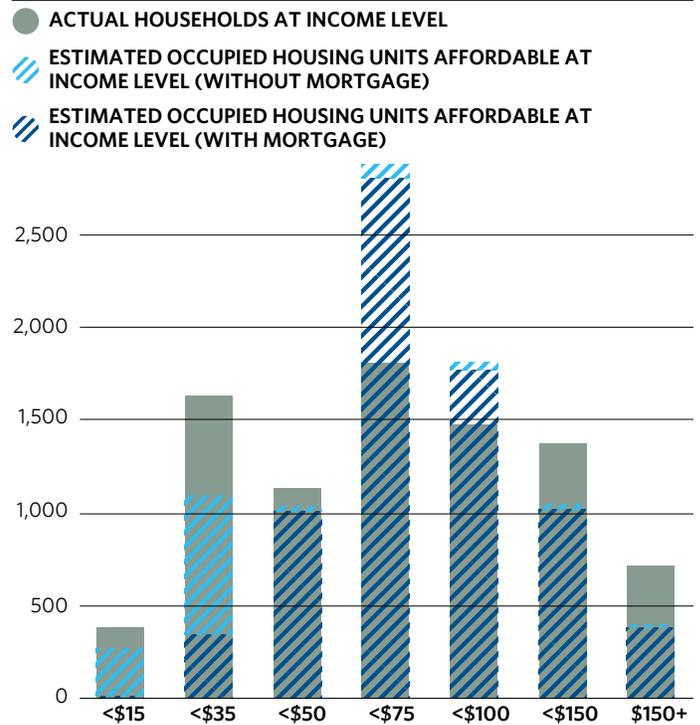
*Calculated using average residential sales per kilowatt hour (kWh) (Illinois Commerce Commission Utility Sales Statistics 2007).

Current Ownership Housing Market

Carpentersville has a significant supply of units affordable to middle-income homeowners, creating a surplus of housing that can meet the needs of families whose incomes range between \$50,000 and \$75,000. The shortage of units meeting the needs of families with incomes below \$50,000 helps drive the growing number of cost-burdened owners.

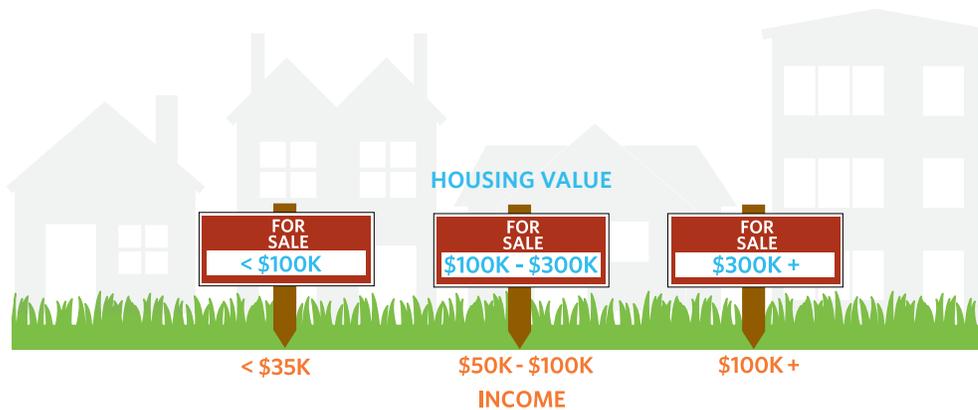
Mortgage and interest payments made up approximately 56 percent of the average regional owner’s monthly housings costs in 2009. Therefore, it is unsurprising that unit affordability depends greatly on whether a home is mortgaged. In Carpentersville, ownership units affordable to households earning less than \$35,000 are typically not mortgaged. Intuitively this makes sense. Owners who do not carry a mortgage usually pay less in total housing costs. The likelihood of owning a home with or without a mortgage depends in part on age. The bulk of local owner units affordable to households earning less than \$35,000 per year are occupied by seniors, while the working age population occupies units affordable to households earning more than \$35,000 per year. As these un-mortgaged units are sold, many will no longer be affordable to low- and moderate-income households.

Carpentersville comparison of owner household incomes with occupied units affordable at each income level



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

Translating incomes into housing values



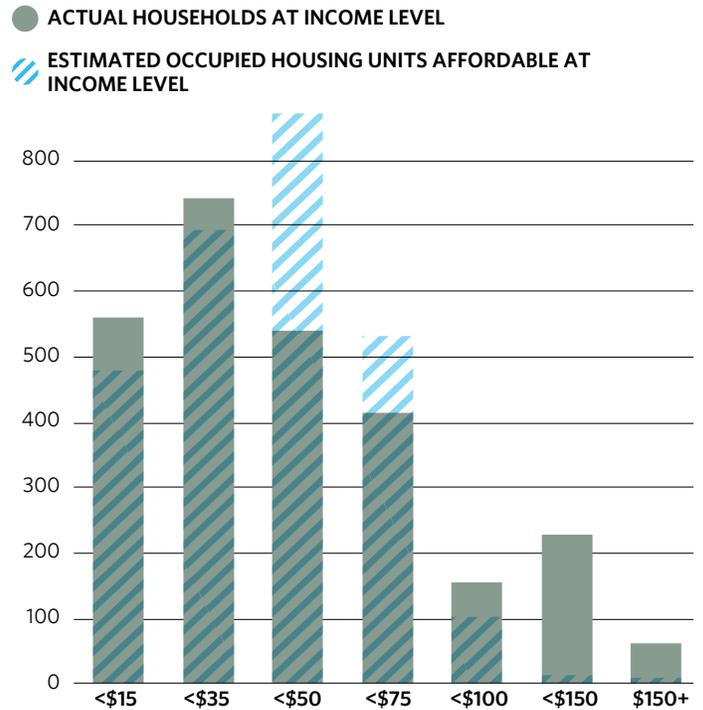
With so many factors influencing what home a household can afford to purchase (housing cost, income, downpayment, credit score, etc.), it can be difficult to figure out how the seven income groups analyzed in the Homes for a Changing Region report correspond to local housing values. A long-standing rule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

Source: Chicago Metropolitan Agency for Planning.

Current Rental Housing Market

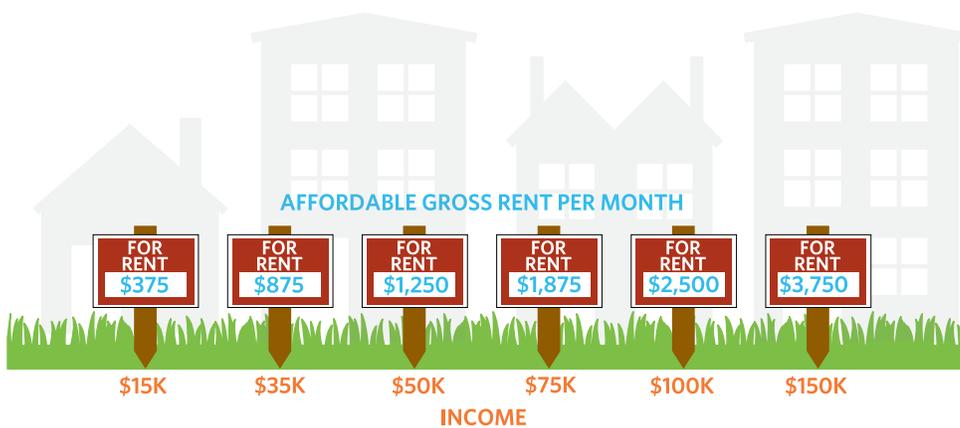
From an affordability point of view, Carpentersville’s rental market is reasonably well balanced for the great majority of families whose incomes are below \$75,000. There is a relatively small shortage of affordable units for families whose incomes are under \$35,000. These families are likely living in somewhat more expensive units and paying more than 30 percent of their incomes on housing and housing related costs.

Carpentersville comparison of rental household incomes with occupied units affordable at each income level



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

Translating incomes into rents



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

Source: Chicago Metropolitan Agency for Planning.

Jobs, Transportation, and Housing

While Carpentersville offers a mix of single-family, townhome, and multi-family units, a truly attractive housing stock is also driven by jobs. People working in Carpentersville represent built-in demand for housing. With less than one job for every household, there are fewer jobs than households in the community. Boosting this ratio would make the community’s housing stock more attractive as some housing locations are inherently more or less costly by virtue of their location. If a housing unit is located farther away from jobs or retail, the typical occupant will need to spend more time and money commuting, leaving less money for housing and other expenses. Moreover, a mismatch between the location of jobs and affordable housing reduces economic competitiveness as employers experience difficulty with employee recruitment and retention.¹⁸ This section explores how the local job base impacts the Carpentersville housing market.

Jobs

Carpentersville offers a diverse employment base, with manufacturing (Otto Engineering), education (District 300), and retail (Spring Hill Mall) as the three largest local industries. This

diversity creates a strong local employment base; the number of jobs increased from 6,638 to 7,327 between 2007-11. Residents tend to be employed across a wider range of industries, although the plurality are employed in the manufacturing sector. Table 3 details the average earnings in the subregion for the industries in which most residents or employees work. Local employment opportunities mix low earning industries (e.g. retail trade) and better paying occupations (e.g. manufacturing or educational services), highlighting a diverse job market. Yet, the gap between employment and residence for key industries such as educational services highlight the opportunity for the Village to have more local workers live in Carpentersville.

Transportation

Due in part to the local mismatch between housing and jobs, many local employees and residents commute long distances, adding higher transportation costs on top of unaffordable housing costs. Residents and employees commute to and from locations not only in Kane County, but also Cook (including the City of Chicago), DuPage, Lake, and McHenry counties. Only 7 percent of residents work in the community. The lack of jobs in the health care sector, in particular, represent an industry for which employed residents must commute.

In what industries do Carpentersville residents and employees work, 2011?

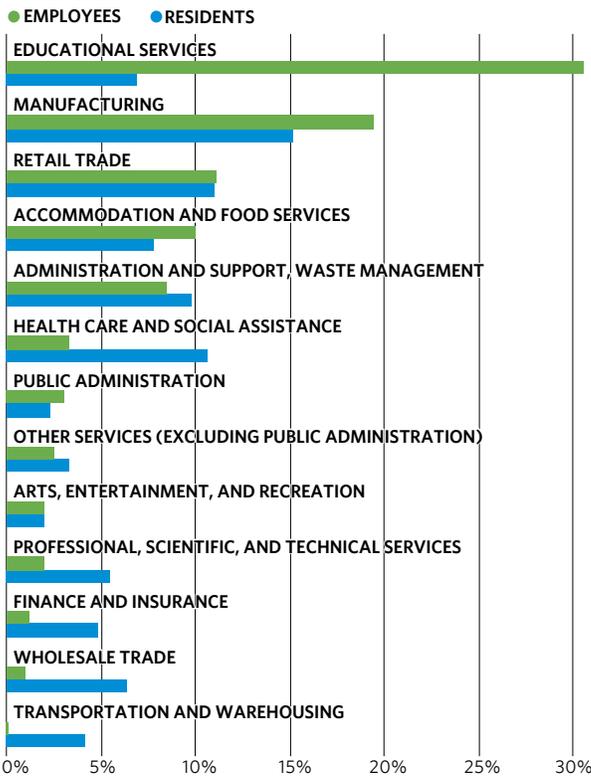


Table 3: Subregion* earnings

INDUSTRY	AVERAGE EARNINGS**
Educational services	\$43,102
Manufacturing	\$62,859
Retail trade	\$28,916
Accommodation and food services	\$18,239
Administration and support, waste management	\$27,716
Health care and social assistance	\$57,180
Public administration	\$64,073
Other services (excluding public administration)	\$37,739
Arts, entertainment, and recreation	\$22,566
Professional, scientific, and technical services	\$71,549
Finance and insurance	\$60,782
Wholesale trade	\$75,555
Transportation and warehousing	\$52,713

Source: Economic Modeling Specialists International (EMSI).
 *Subregion includes the following ZIP Codes: 60110, 60118, 60120, 60123, and 60124.
 **According to EMSI, the reported earnings include hourly wages, employer contributions for employee pensions and insurance funds, and employer contributions for government social insurance.

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

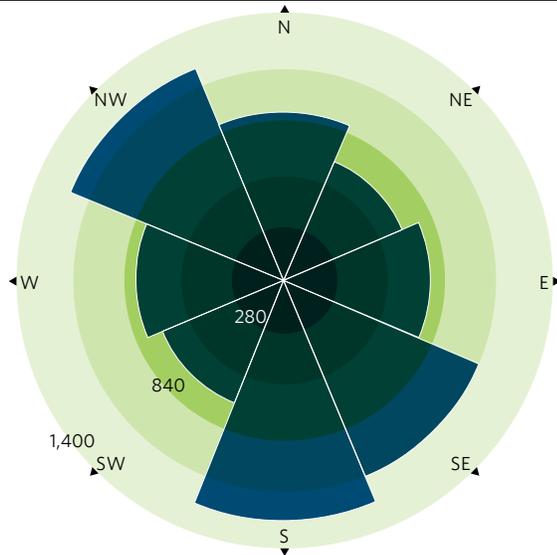
Almost equal amounts of employees commute from locations outside of Kane County and McHenry County, as people come to Carpentersville from all directions, particularly from the northwest and south.

Research by Reid Ewing and others in the *Journal of Urban Planning and Development* has shown that the biggest factor in reducing vehicle miles traveled, a major driver of transportation costs,

comes from “putting offices, shops, restaurants, residences, and other codependent activities in close proximity to each other.”¹⁹ In Carpentersville, focusing development in the midst of the Village’s existing residents and jobs can help create the interactions that reduce the number of cost-burdened households. Polling local employees on why they don’t live in the Village may provide additional guidance on how to address this imbalance.

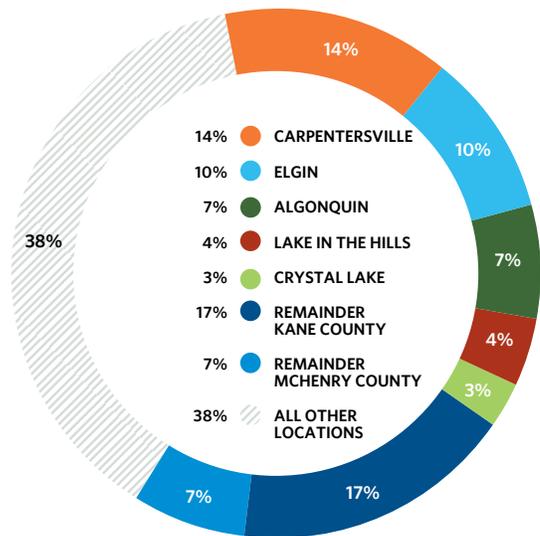
Where do Carpentersville’s workers live?

Job counts by distance/direction in 2011, all workers



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

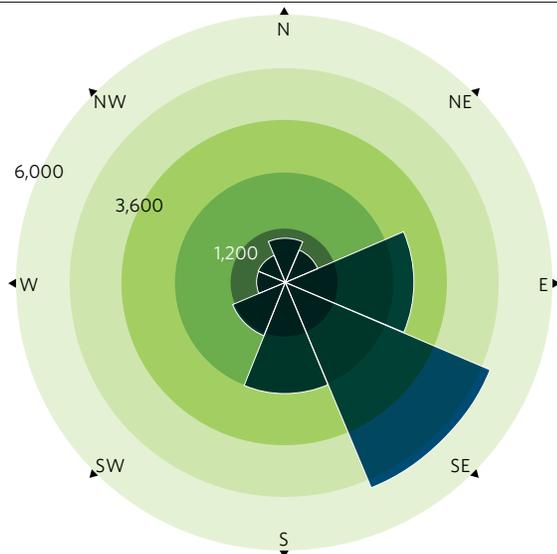
Where do Carpentersville’s workers live, 2011?



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

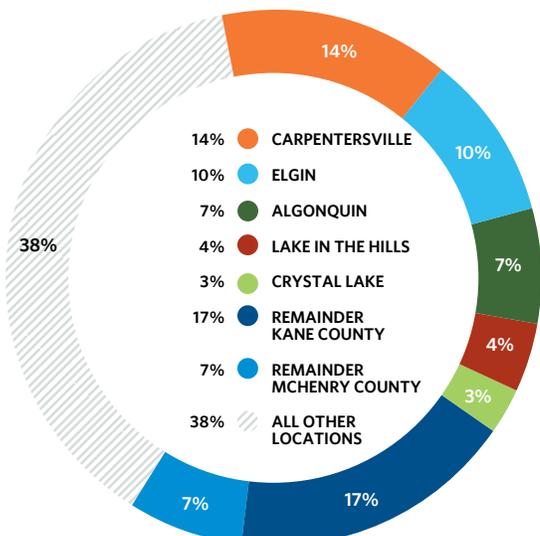
Where do Carpentersville’s residents work?

Job counts by distance/direction in 2011, all workers



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

Where do Carpentersville’s residents work, 2011?



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

19. American Society of Civil Engineers. “Traffic Generated by Mixed-Use Developments - Six-Region Study Using Consistent Built Environmental Measures.” *Journal of Urban Planning*, October 2010.

Projecting Future Housing Needs

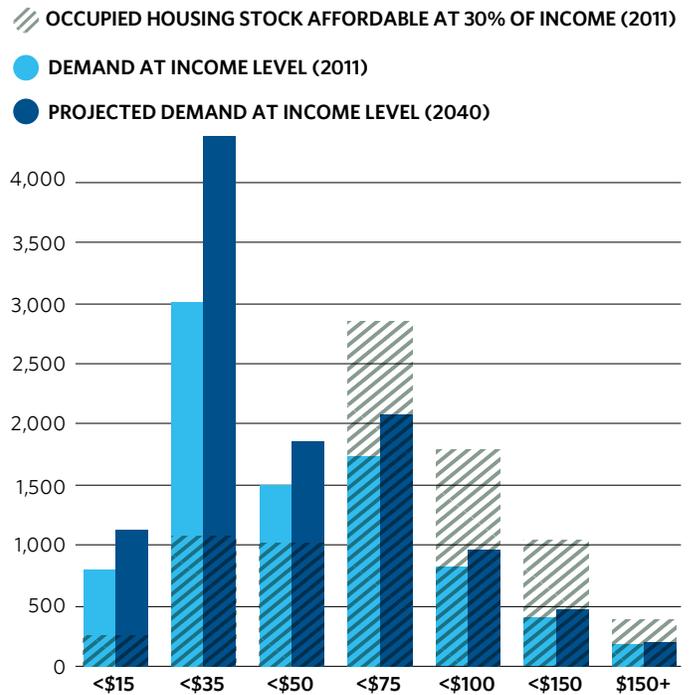
Proactive housing planning needs to take into account those who might live in the community in the future. Blending together Census data and CMAP’s local household and population projections for the year 2040, some realistic estimates can be made of who will want to live in the Village over the next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

Future Ownership Needs

Carpentersville will have a shortage of owner-occupied housing units affordable to families whose incomes are below \$50,000 and a modest surplus of affordable units for families whose incomes exceed \$50,000. Meeting the needs of present and future middle- and upper-income owners will require maintaining existing units. Projected shortfalls in supply for low-, moderate-, and middle-income households could further increase the number of cost-burdened owners, as buyers attempt to purchase homes affordable to middle- and upper-income households. For households earning less than \$15,000, the financial realities of property acquisition, construction costs, and financing make development very difficult.

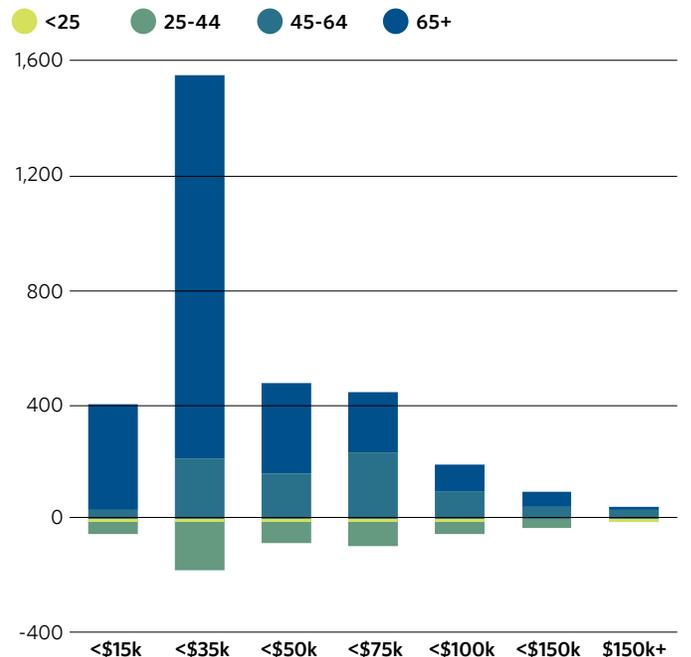
Regardless of income level, seniors are expected to drive future demand, particularly at the lowest income levels. As the population grows and ages, over 75 percent of added homeowners will be older than 65. This growth also underlines the importance of considering multigenerational housing options, a unit type of interest to many current residents. Carpentersville could lose a small number of younger households in the next 30 years.

Carpentersville 2011 households and housing stock compared with 2040 owner demand



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

Carpentersville 2011-40 change in owner demand by age and income



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

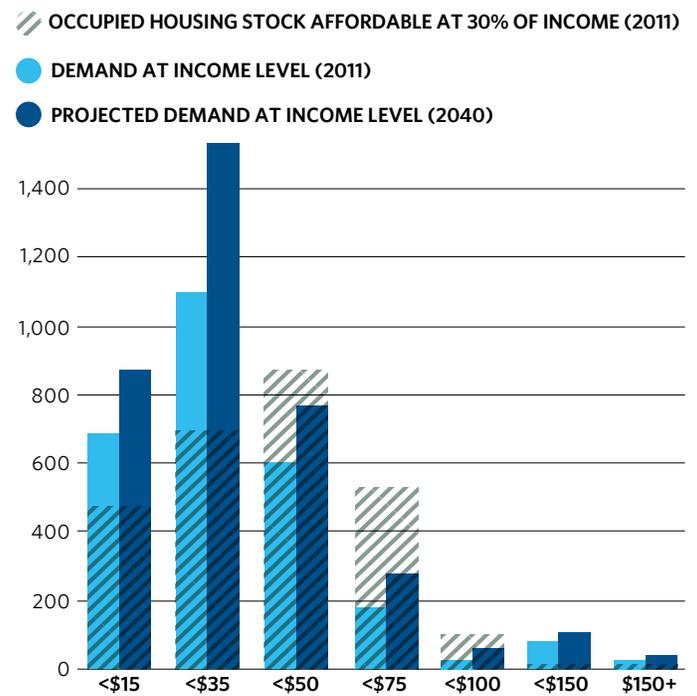
Future Rental Needs

Future growth among renters will be primarily low-income and senior. Accommodating this growth would require the addition of 950 rental units in Carpentersville. Very few households earning more than \$75,000 annually are projected to rent in the future. Much like with owners, future renter housing must meet the needs of seniors. The structure of this future demand creates the potential for further increases in the number of cost-burdened renters without the development of additional housing for low-income renters.



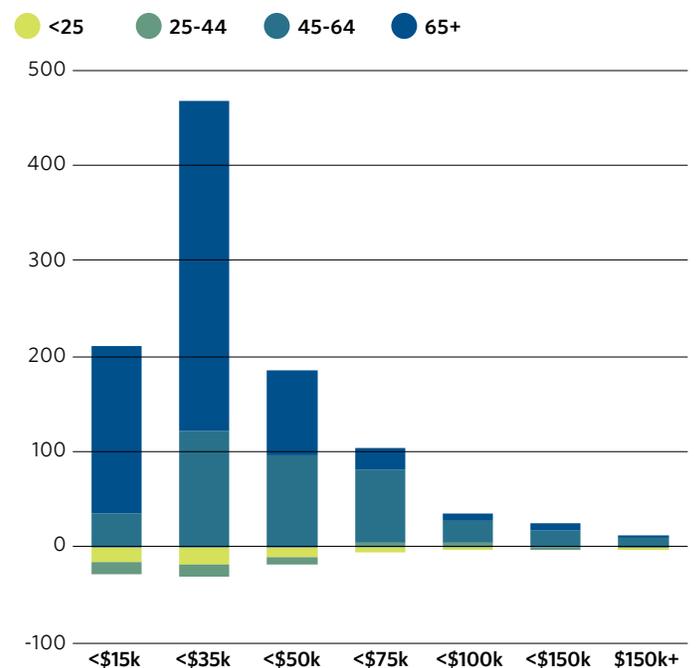
Planning for future renters includes maintaining the existing rental stock.
 Source: Chicago Metropolitan Agency for Planning.

Carpentersville 2011 households and housing stock compared with 2040 renter demand



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

Carpentersville 2011-40 change in renter demand by age and income



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

Housing Demand by Type of Unit

Based on the breakdown of projected future owners and renters in Carpentersville along with national estimates of future demand for four broad housing types, a forecast of demand for additional housing units in 2040 arises. This “balanced housing profile” shows demand for 3,617 additional units between now and 2040.²⁰ About 3,050 of these units will be needed for seniors. Such strong senior demand drives the interest in denser unit types, including 1,613 additional small-lot single-family homes, 930 townhomes, and 864 multi-family units between now and 2040.

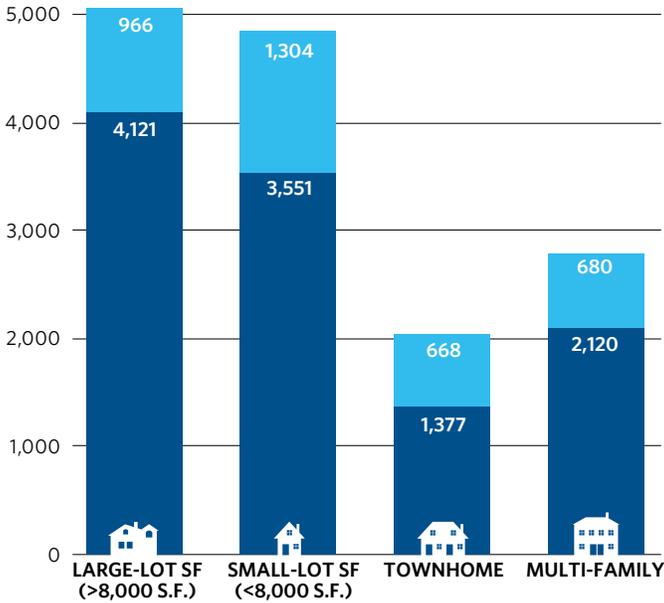


Homes in Old Town can serve as a guide for future neighborhoods.

Source: Chicago Metropolitan Agency for Planning.

Carpentersville future balanced housing profile

- FUTURE INCREMENTAL UNITS (INCLUDES NEW UNITS AND REHABBED VACANT UNITS, 2011-40)
- OCCUPIED HOUSING SUPPLY CARPENTERSVILLE, 2011



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

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

Capacity for Growth

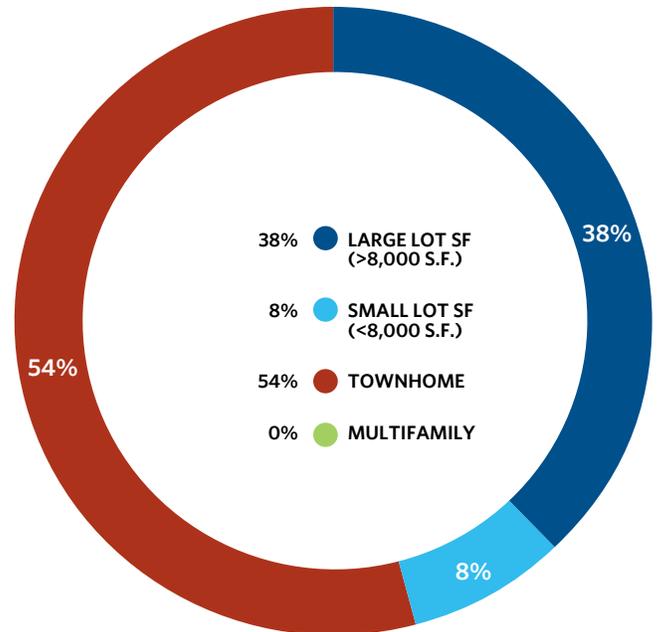
Forecasted population and household growth is only one half of the equation in considering future housing needs. As a community with numerous assets, it is understandable why many people want to live in Carpentersville now and in the future. But to plan for future households and housing, it is also important to look at capacity. To understand the Village's ability to accommodate projected growth, two key sources of capacity were reviewed: development/redevelopment and vacancy.²¹

Development/Redevelopment Analysis

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

Based on this analysis, the Village has the capacity for approximately 1,009 additional dwelling units compared to the 3,617 units that would be needed should the Village decide to plan for the estimated increase in its population possible by 2040. This capacity would allow the Village to accommodate 27 percent of the forecasted household growth, though the full capacity for large-lot homes may not be needed.

Carpentersville maximum capacity by unit type



Source: Chicago Metropolitan Agency for Planning analysis of Carpentersville zoning ordinance and Kane County Assessor data.

Table 4: Maximum capacity by unit type

TYPE	UNITS
Large-lot single-family (>8,000 square feet)	388
Small-lot single-family (<8,000 square feet)	76
Townhome	541
Multi-family	4
TOTAL	1,009

Source: Chicago Metropolitan Agency for Planning analysis of Carpentersville zoning ordinance and Kane County Assessor data.

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



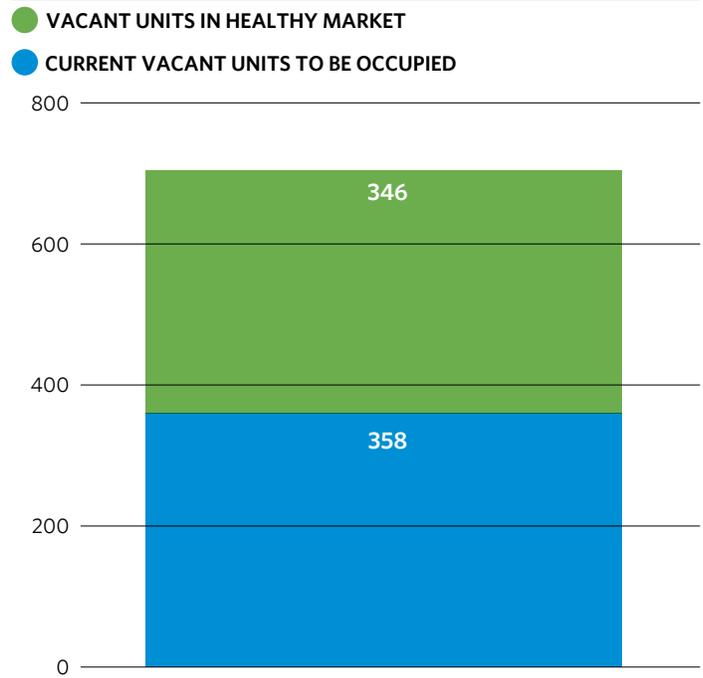
New residents could occupy currently vacant units.

Source: Chicago Metropolitan Agency for Planning.

Vacancy Analysis

Because of the current housing market, many homes now vacant may not be so in the future, allowing people to move in without building new units. According to 2007-11 ACS estimates, Carpentersville has approximately 704 vacant units, or about 5.9 percent of all homes in the Village. Normal long-term vacancy rates for a strong community are 7.4 percent among rental units and 1.5 percent among owner-occupied units.²² Given the number of local owner and rental units and a healthy housing market, the Village should only have approximately 346 vacant units, a vacancy rate of approximately 2.9 percent. Therefore, 358 currently vacant units could be occupied in the future as Carpentersville grows and the market stabilizes. This capacity would allow the Village to accommodate a relatively small share of projected growth (about 10 percent).

Carpentersville breakdown of current vacant units



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

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

Urban Design Focus Area

In June 2013, the *Homes* team conducted a community workshop in Carpentersville. Residents, community leaders, officials, and others presented their views on a focus area selected by the Village: the southwestern intersection of Illinois Route 31 and Main Street. As a prominent corner, the community would like to see the adjacent and aging Huntley Square shopping center revitalized.

Stakeholders at the meeting discussed a number of different visions for the area. Much of the discussion focused on whether the site could support retail development in the future. Ultimately, stakeholders felt that the community should start discussing the possibility of residential development on the site. The visualization should kick-start this discussion. Based on this feedback, the following images show the construction of multi-family residential housing on the site along with the possible rehabilitation of Huntley Square for services, such as medical offices.

Southwest corner of Illinois Route 31 and Main Street today



Source: Chicago Metropolitan Agency for Planning.

Southwest corner of Illinois Route 31 and Main Street in the future



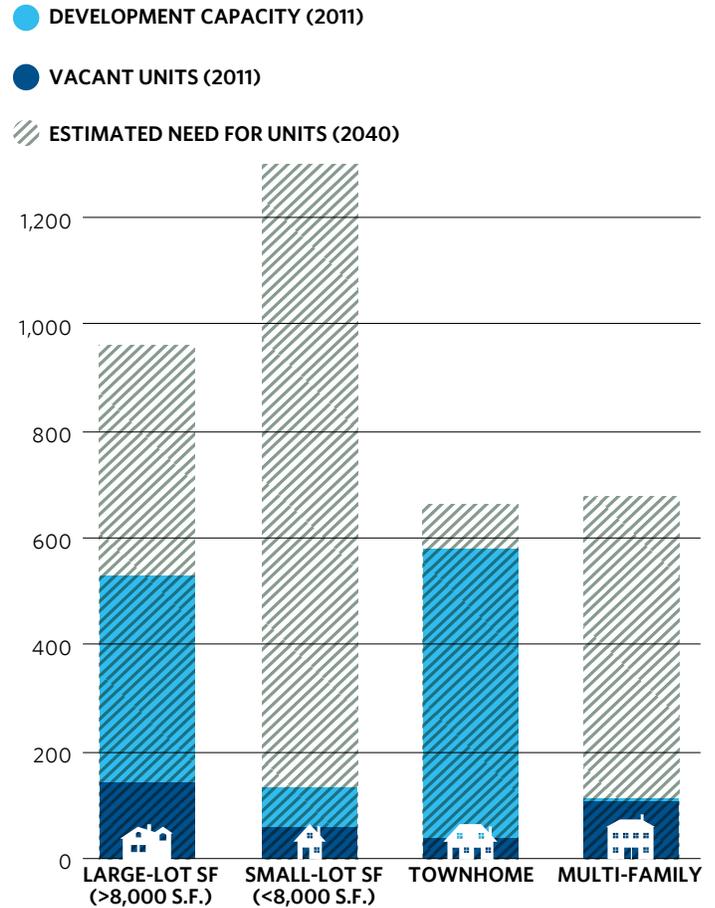
Source: Fregonese Associates.

Conclusions and Recommendations

Taking into account the capacity available through development, redevelopment, and vacancy, demand for future housing will outstrip available capacity for new housing construction by roughly 2,000 units. Available capacity provides little growth for the multi-family housing and small-lot single family housing likely to be sought by a sharply growing senior population under existing zoning. Should the current zoning be modified to accommodate this demand? If so, where should this housing be located? Should Carpentersville annex additional land to accommodate growth or focus its efforts on redeveloping areas closer to its historic core?

Decisions regarding whether to grow by annexation or redevelopment will have the biggest impact on the Village’s current housing market. Regardless of the route chosen, maintaining existing units and fostering an open housing market will be very important. The following policy recommendations are grouped thematically into rehabilitation, additional capacity, and openness, exploring how each can help bridge the demand gap.

Carpentersville demand vs. vacancy and capacity by housing type



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

Growth by redevelopment or greenfield development will have big impacts on the Village's future housing market.



Source: Chicago Metropolitan Agency for Planning.



Source: Chicago Metropolitan Agency for Planning.

Rehabilitation

With future population growth outstripping current capacity for all unit types, maintaining a responsive housing market requires that existing units are in good condition and meet the needs of future occupants.

Numerous stakeholders expressed concern over the quality of the Village's existing rental housing stock. With the number of single-family rentals in Carpentersville combined with the higher local foreclosure rate and growing future demand for rental housing, developing a regulatory system that allows the Village to improve the condition of the current stock and maintain the quality of new rental development is key. Currently, the Village annually licenses all local rental units. As part of these requirements, the landlord is required to complete a crime-free housing seminar administered by the Police Department and a copy of the lease must be submitted to the Village to demonstrate that the crime-free lease addendum has been included. Each rental unit is inspected by the Community Development Department once every four years.

While Carpentersville should consider adopting many of the strategies included in MPC's *Managing Single-Family Rental Homes* white paper, the Village should in particular focus on modifying its licensing structure to provide additional opportunities for inspections balanced with incentives for landlord compliance. A good model for Carpentersville is the system adopted by the Village of Addison in 2011. Under this system all local rental units, including single-family homes, are licensed annually. At the time of initial licensure, units are inspected and

graded as "very good," "satisfactory," and "unsatisfactory" based on the number of code violations. Very good units can waive inspections for the following year. Satisfactory units have one extra yearly inspection. Unsatisfactory units are inspected three additional times that year. The Village indicates that this tiered inspection structure has increased the percentage of very good rentals by 10 percent and decreased unsatisfactory rentals by 10 percent. If the Village modifies its rental licensing system, it should be coupled with an effective fee structure, designed to cover some of the municipality's inspection costs without overburdening landlords.

While changes to the local rental inspection program can address rental units generally, outreach identified the Meadowdale neighborhood as in particular need of rehabilitation. This area contains suburban single-family homes built in the 1950s, '60s, and '70s. Homes in this area provide almost 40 percent of the Village's housing stock. Any strategy for addressing the long-term health of the Village's housing stock must stabilize this neighborhood.

The Village already recognizes the need for this focus. Over the past year, staff has worked on revising the R-2 zoning standards that cover most of the area. The current standards create a number of non-conformities and owners must often seek variances for large (expansion) and small (decks and porches) improvement. By revising the R-2 standards, the Village hopes to reduce regulatory barriers and spur rehabilitation.

The Village should also consider additional ways to stimulate rehabilitation in the area. Much like Meadowdale, the Parkside neighborhood in the Village of Tinley Park is a post-war subdivision containing older single-family homes. Tinley Park developed the Architectural Enhancement Program to increase rehabilitation activity in the area and ensure that the homes would remain appropriate for the young growing families that occupied most units. Under this program, Tinley Park hired an architectural firm to survey the units in the neighborhood, finding that most fell into one of four types. The firm then developed standard options for unit modernization. Plans for these stock rehabilitations were available through the Village and, as staff was familiar with the plans, permitting was fast-tracked.

Finally, multiple funding sources will be brought to bear on issues in the Carpentersville area over the next few years, including the following.

- Kane County annually receives Community Development Block Grant (CDBG) funding, approximately \$1,070,000 in 2013.
- Kane County Consortium annually receives Home Investment Partnership Program (HOME) funds, approximately \$570,000 in 2013.
- The Community Foundation of the Fox River Valley was awarded \$3 million in funding from the Illinois Attorney General's office under the National Mortgage Settlement for the for the redevelopment of approximately 40 properties as a first step in a broader regional revitalization strategy.
- Neighborhood Housing Services (NHS) received \$1.75 million from the Illinois Attorney General's office under the National Mortgage Settlement for the expansion of lending, construction, and outreach from the Fox Valley and southern Cook County offices.

Moreover, Carpentersville has benefited from the work of Homes by Otto.

Targeting regional rehabilitation efforts and funding sources into the Meadowdale area combined with the creation of an architectural enhancement program by the Village will focus public, private, and non-profit efforts on improving the neighborhood. Given the likely growth of the senior population, rehabilitation efforts should focus on improving accessibility and adaptability. Access to these public funding sources may be critical for rehabilitation of homes for low-income seniors, including helping residents age in place.

Additional Capacity

The community has multiple methods to add housing capacity. Meeting future demand will require more multi-family and small-lot single-family homes. The Village should consider zoning changes that increase opportunities for both types of development, particularly for low-income seniors. This subset of recommendations envisions ways that the community can add such housing types through redevelopment and expansion.

Demand for multigenerational housing options will likely only grow in the coming decades as the local population ages. **Therefore, Carpentersville should consider how best to accommodate multigenerational housing options in the community through its zoning code, including accessory dwelling units in appropriate locations.**

The mapping exercises undertaken as part of this plan demonstrates interest in re-envisioning the intersection of Illinois Route 31 and Main Street with multi-family and mixed-use development, including senior housing. The growth of retail along the Randall Road corridor coupled with a desire to spur commercial redevelopment along Illinois Route 25 increases the need to consider non-retail options when reworking the Illinois Route 31 corridor. While Carpentersville should explore regulatory changes that would allow for non-commercial development, the Village should also keep in mind that it shares the responsibility for the long-term health of the area around Spring Hill Mall with West Dundee. **Therefore, the two communities should work together to explore how best to ensure the long-term economic health of the area.**

The recently completed *Old Town Plan*, also developed through CMAP's Local Technical Assistance Program, recommends attached single-family homes along Lincoln Avenue, additional small-lot single-family homes in Old Town, and the pursuit of at least one senior housing development. **The findings of this report emphasize the importance of continuing to implement the *Old Town Plan*, including completing the changes necessary to allow these housing types.**

Openness

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

Because of the important role that seniors will play in the future location housing market, accessibility in new and rehabilitated housing is very important. **One way to meet this need would be for Carpentersville to adopt a visitability ordinance.** The idea is to create homes that accommodate those with and without physical impairments through construction modifications to doorways, hallways, and bathrooms. Communities such as the Village of Bolingbrook and the City of Naperville have adopted visitability ordinances to ensure that new construction or major housing renovations can provide for the needs of the disabled and growing senior populations.

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

Carpentersville understands the importance of embracing its diversity. A critical component of fostering openness is intentionally seeking the involvement of community members from all backgrounds. Many communities have found that the development of a community relations commission (CRC) is a good method to demonstrate intentionality.

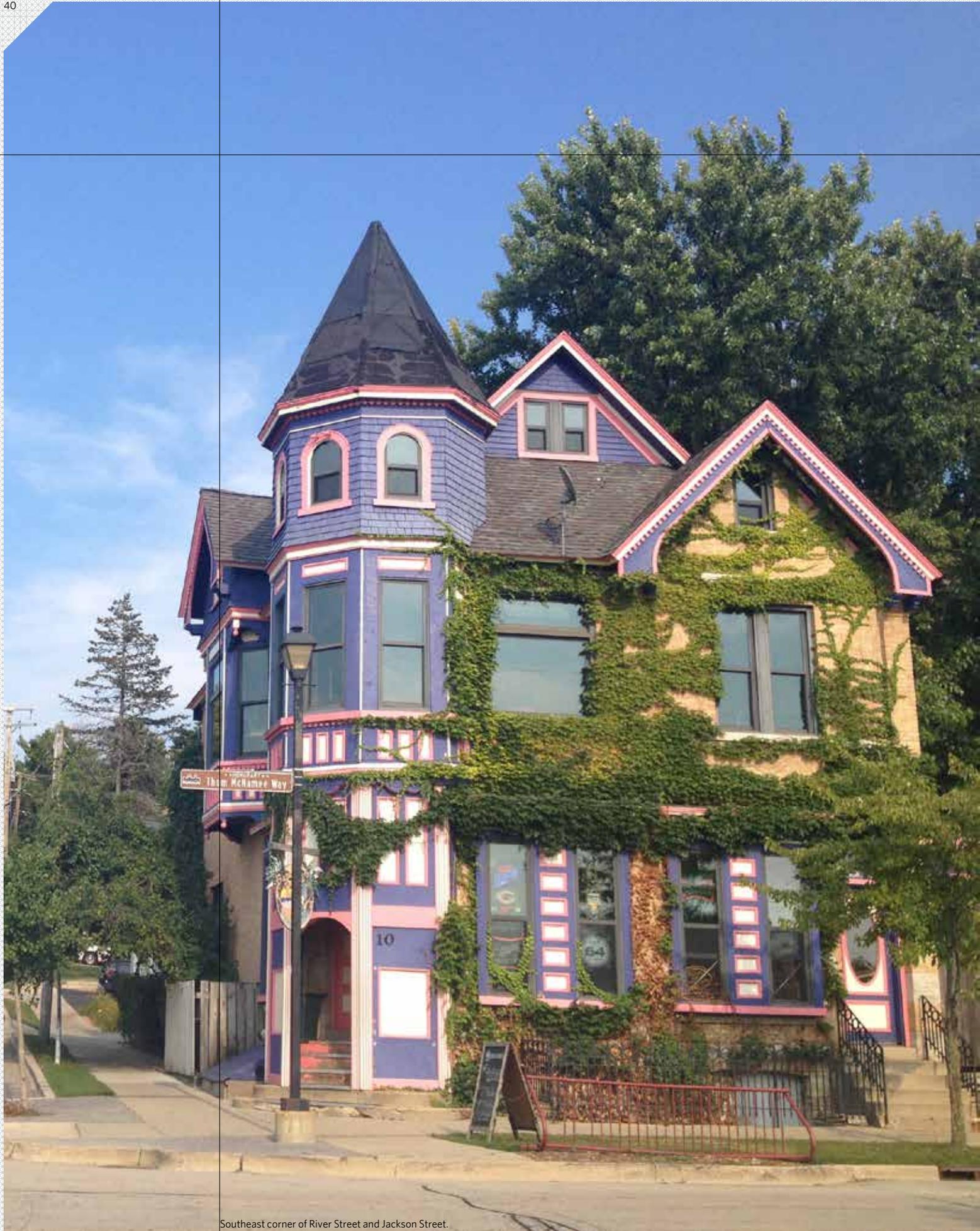
CRCs can play many different roles. Some groups focus on leading community outreach efforts related to housing and diversity. CRCs can play an important role in providing accurate and balanced information on topics including housing needs, racial and cultural sensitivity, accessibility, and community change. The best CRCs proactively engage residents through regular forums and surveys and provide objective input on timely issues that have an impact on the community. Many CRCs are given adjudication powers for fair housing complaints. **Carpentersville should create a CRC and consider what role it would best play in the community.** Recognizing that the changing composition of communities throughout the region brings challenges and opportunities, the Metropolitan Mayors Caucus (MMC) has partnered with CMAP to produce a Diversity Toolkit. This document will provide best practices for many topics, including eliminating language barriers and fostering community engagement. A role for the CRC might be to review the toolkit for best practices that Carpentersville should implement.

The Village provides a welcome packet to each new resident that includes information on the community. Currently this packet is only available in paper form. The Village should consider posting the document online. **Moreover, the Village should ensure that this packet reflects the community's commitment to openness by including a statement of welcome for peoples of all backgrounds.**

An important part of demonstrating openness is ensuring residents can communicate about local issues. The Village website does not currently provide information about how residents can file housing discrimination complaints. **Therefore, Carpentersville should provide such contact information on its website and in the welcome packet.**

A Final Thought

This report lays out a vision for how the Village can prepare for a projected influx of low-income seniors by preserving an open housing market, improving the quality and accessibility of existing units, and adding capacity. As demonstrated through the Old Town Plan, Carpentersville's leadership understands that implementing a long-range plan requires a continual focus on incremental steps. Implementing this plan will require the same focus.



Southeast corner of River Street and Jackson Street.

Source: Chicago Metropolitan Agency for Planning.

Housing Policy Plan: East Dundee

Project Summary

East Dundee is a small, successful Fox River community that benefits from its riverfront location and easy access to Illinois routes 25 and 72, as well as I-90. The Village's historic downtown, close-knit neighborhoods, school system, and solid commercial base make it attractive to families and businesses alike.

This very attractiveness presents one of its key challenges. The Village's population could more than double by 2040. With limited capacity for new development, East Dundee must plan carefully for future housing and consider the desires of potential households. Having already shown true regional leadership by developing attractive housing for veterans and low-income families, what price points should the Village target for new developments? Given expansion constraints, careful thinking must go into planning for effective preservation and rehabilitation programs, including how to properly preserve and rehabilitate the historic downtown.

This report reviews East Dundee's current housing market, projected future housing market, and capacity for development. Out of this analysis come a series of policy recommendations East Dundee will use to address these challenges. Recommendations include:

- **Exploring regulatory changes to continue diversifying the local housing stock.**
 - **Ensuring the quality of existing units through rehabilitation.**
 - **Demonstrating that East Dundee is open to all future residents.**
-

Demographic Trends

Located along the Cook County-Kane County boundary, the Village of East Dundee is bordered by Carpentersville to the north; Barrington Hills and Hoffman Estates to the east; unincorporated Kane County to the south; and West Dundee to the west.

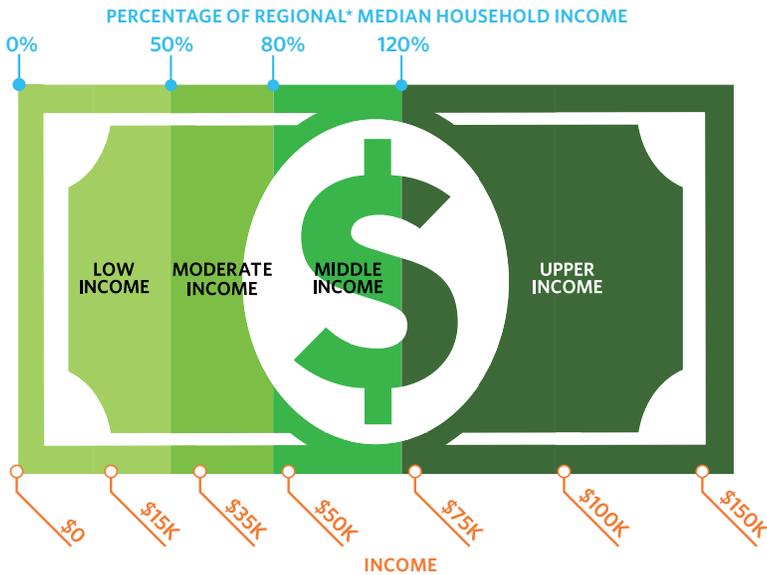
The population of East Dundee was essentially unchanged over the last decade. The Chicago Metropolitan Agency for Planning (CMAP) produced population and household projections as part of GO TO 2040, the seven-county region’s comprehensive plan for sustainable prosperity through mid-century and beyond.²³ These predictions indicate that if GO TO 2040 is implemented and if the Village can find capacity, its population could rise to 6,783 by 2040, an increase of approximately 3,900 residents.²⁴ With few undeveloped tracts within the Village and limited developable land available for annexation, the Village’s expansion capabilities are somewhat limited. How should East Dundee grow given these constraints?

Table 1: General East Dundee statistics

	POPULATION	HOUSEHOLDS
2000 Decennial Census	2,955	1,228
2011 American Community Survey (ACS)	2,909	1,263
Change, 2000-11	-86	35
Change as %, 2000-11	-3%	3%
GO TO 2040 projection, 2040	6,783	2,905
Change, 2011-40	3,874	1,642
Change as %, 2011-40	133%	130%

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

Income



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

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

23. See <http://www.cmap.illinois.gov/2040>.
 24. See the Appendix for more information about these projections.

Current Housing Market

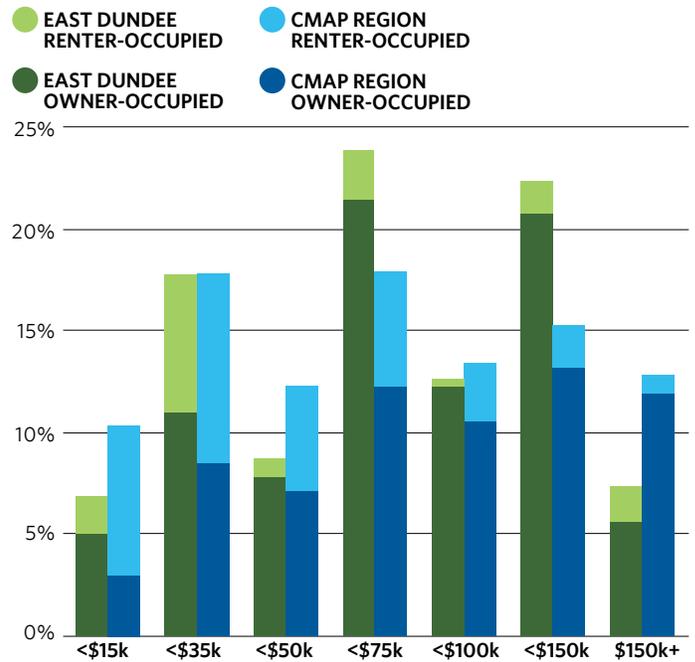
Because East Dundee grew from its historic core along the Fox River, the Village’s housing stock offers everything from historic 19th century units to modern single-family subdivisions. Slightly over two-thirds of housing units in East Dundee are single-family homes. Generally, as an occupant’s income rises, so does the likelihood of ownership. Households earning less than \$35,000 occupy half of all local rental units. These tenure trends are very similar to those found in suburban communities throughout the region, except that in East Dundee townhomes play a particularly important role in the rental market.



Recent townhome developments have diversified local housing options.

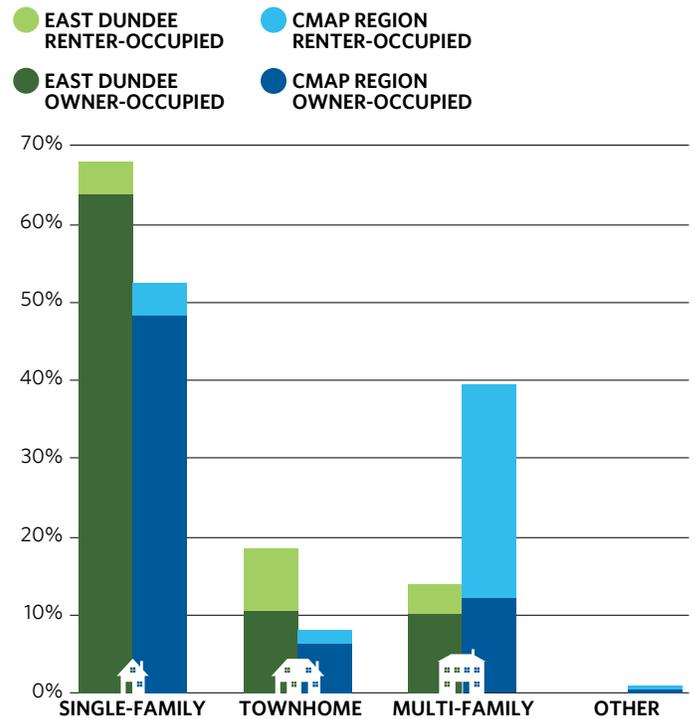
Source: Chicago Metropolitan Agency for Planning.

Owner/renter by household income



Source: American Community Survey 2007-11 data.

Housing type by owner/renter



Source: American Community Survey 2007-11 data.

What is "Affordable Housing?"

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

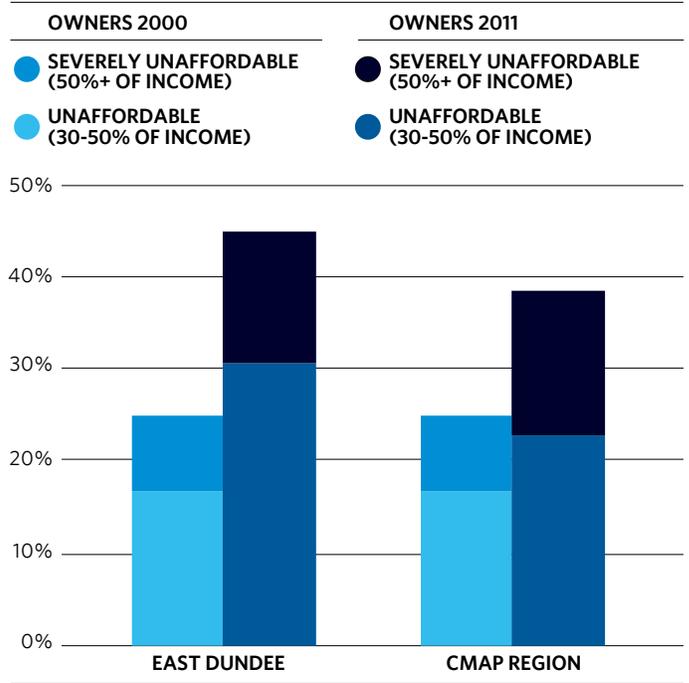
Housing Affordability

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

Over the last decade, rapidly rising property values accelerated far faster than incomes in the U.S., increasing the number of cost-burdened households. Since the recession, affordability issues have persisted despite declines in home values and mortgage rates due in part to declining incomes, slow employment growth, and stringent credit requirements.²⁵ As households became renters, supply did not initially keep pace with the sudden spike in demand. Harvard University indicates that currently more than 10 percent of owners and 25 percent of renters in the U.S. pay more than 50 percent of their income on housing costs.²⁶

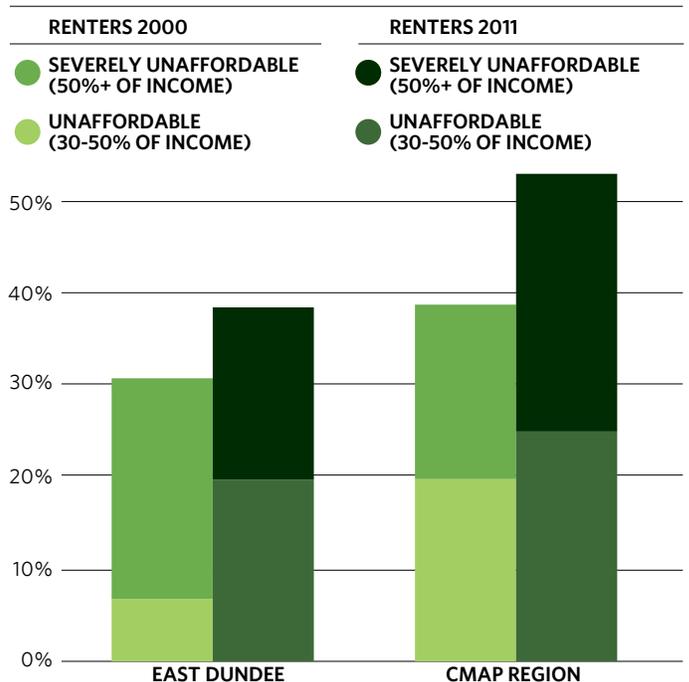
Similar to the experience of the rest of the nation, the number of cost-burdened owners and renters increased in East Dundee from 2000 to 2011. Over this period, the share of owners spending more than 30 percent of their income on housing costs rose from approximately 25 percent to 45 percent. Following sections of this report look at those income groups among owners and renters that are most burdened.

Percent of owner occupied households paying more than 30% of income on monthly owner costs



Source: 2000 U.S. Census and American Community Survey 2007-11 data.

Percent of renter occupied households paying more than 30% of income on gross rent

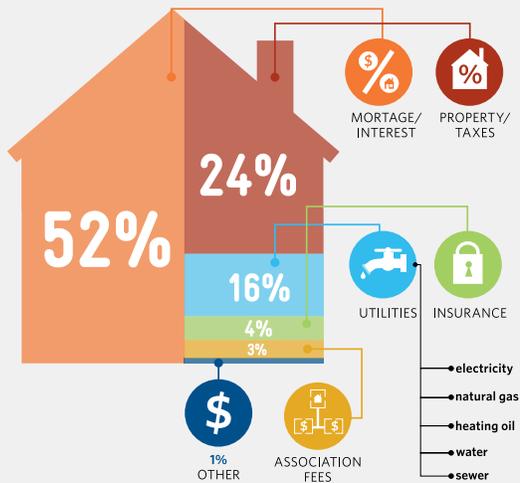


Source: 2000 U.S. Census and American Community Survey 2007-11 data.

25. Joint Center for Housing Studies. *State of the Nation's Housing 2012*. (June, 2012). Harvard University.
 26. Joint Center for Housing Studies. *State of the Nation's Housing 2013*. (June, 2013). Harvard University.

What is included in monthly owner costs?

Average Monthly Costs for Owners* in Chicago Metropolitan Area, 2009



Source: Chicago Metropolitan Agency for Planning analysis of the 2009 American Housing Survey. The 2009 AHS data includes Cook, DuPage, Grundy, Kane, Kendall, Lake, McHenry, and Will counties in the metropolitan area.

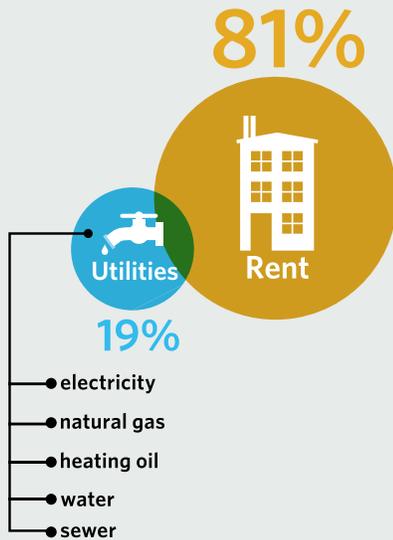
Utilities and Affordability

Utility costs can increase or decrease the number of cost-burdened households because they contribute to gross housing costs. In 2007, the Center for Neighborhood Technology (CNT) developed the “East Dundee Energy and Emissions Profile”, which examined energy consumption, vehicle miles traveled, and greenhouse gas emissions at a community-wide scale. This report was part of the Municipal Energy Profile Project (MEPP) that included the development of profiles for over 270 municipalities in the Chicago metropolitan region. The profiles serve as a baseline from which communities can develop more specific strategies and accurately measure progress in achieving reductions in energy consumption and emissions. The MEPP Guidebook examined both municipal and community scale best practices for strategies in energy and transportation. The project was funded by the Illinois Clean Energy Community Foundation, and data partners included ComEd, Nicor Gas, Peoples Gas, North Shore Gas, and the Illinois Department of Transportation.

Table 2 highlights residential natural gas and energy usage in the Village and Kane County in 2007. At that time, the average East Dundee household spent \$18 more per month on energy costs than the average Kane County household. The Village moved forward with municipal aggregation in 2012, offering residents lower electricity rates. Implementing energy efficient designs as part of rehabilitation and new construction in the coming years can further reduce local energy costs and help decrease the number of cost-burdened households.

What is included in gross rent?

Average monthly costs for renters in Chicago Metropolitan area, 2009



Source: Chicago Metropolitan Agency for Planning analysis of the 2009 American Housing Survey. The 2009 AHS data includes Cook, DuPage, Grundy, Kane, Kendall, Lake, McHenry, and Will counties in the metropolitan area.

Table 2: Residential energy use in East Dundee and Kane County, 2007

	EAST DUNDEE	KANE COUNTY
Average electricity use per household	8,973 kWh	8,203 kWh
Average annual \$ for electricity per household*	\$966	\$883
Average natural gas use per household	1,165 Therms	1,008 Therms
Average annual \$ for natural gas per household*	\$1,034	\$898
Average annual energy costs	\$2,000	\$1,781

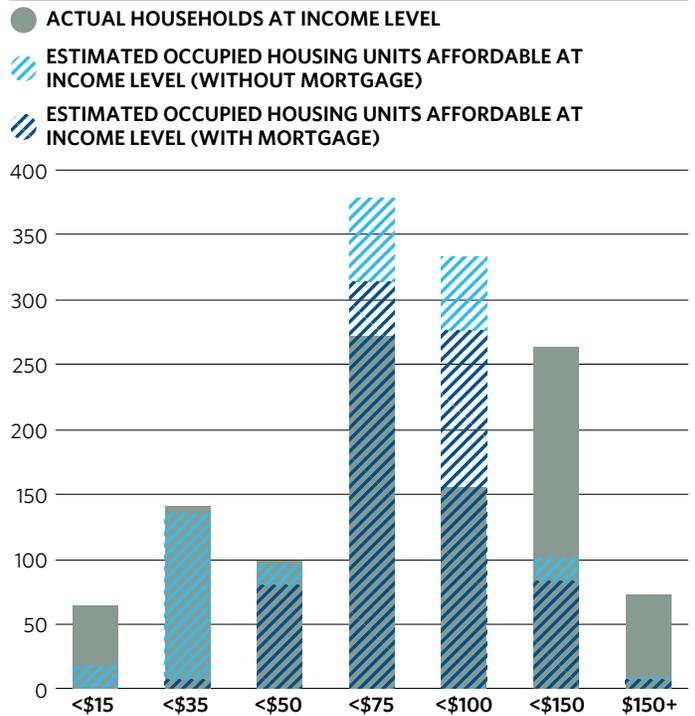
Source: Elevate Energy Community Profile. *Calculated using average residential sales per kilowatt hour (kWh) (Illinois Commerce Commission Utility Sales Statistics 2007).

Current Ownership Housing Market

Among owner households in East Dundee, the availability of units at each income level depends greatly on mortgage status. Well over 90 percent of owner units affordable to households earning less than \$35,000 are not mortgaged. Units affordable to households earning above \$35,000 typically require the owner to carry a mortgage. Intuitively this difference makes sense, as owners who do not carry a mortgage usually pay less in total housing costs. Two-thirds of owner-occupied units in the Village are affordable to households earning between \$50,000 and \$100,000. The structure of the East Dundee ownership market mirrors that of the region.

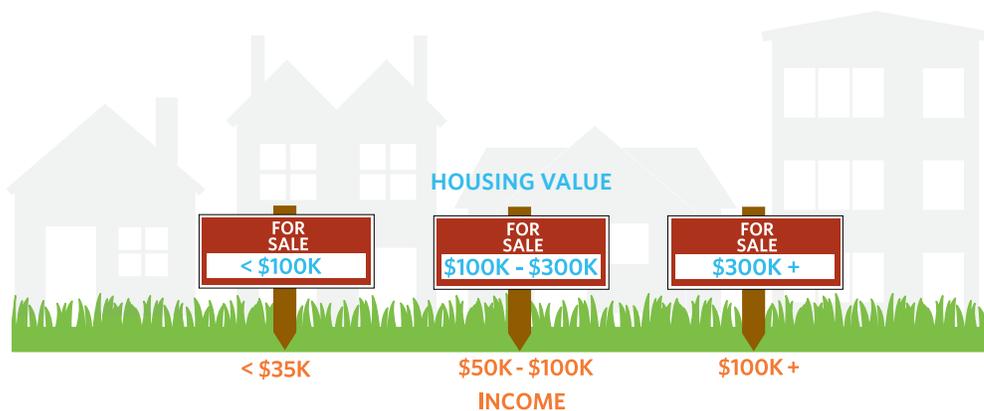
The likelihood of owning a home with or without a mortgage depends in part on age. Approximately 73 percent of owners without mortgages are over the age of 65 but comprise only 10 percent of units with mortgages. Therefore, the bulk of East Dundee’s supply of owner units affordable to households earning less than \$35,000 per year are occupied by seniors, while the working age population occupies most of the units affordable to households earning more than \$35,000 per year.

East Dundee comparison of owner household incomes with occupied units affordable at each income level



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

Translating incomes into housing values



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

Source: Chicago Metropolitan Agency for Planning.

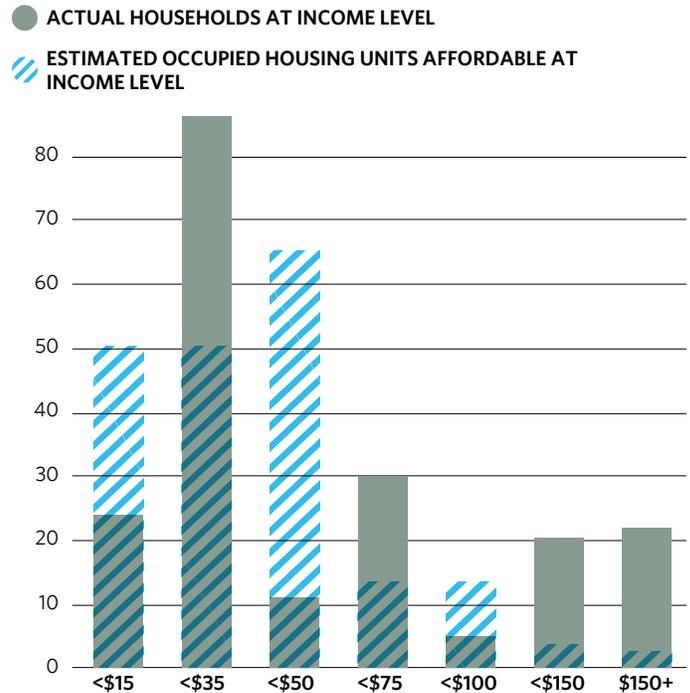
Current Rental Housing Market

East Dundee’s rental market is very small, with less than 200 units mostly serving households earning less than \$50,000. This structure, in part, responds to the incomes of renters in East Dundee, as 61 percent have incomes under \$50,000. The large number of renters earning between \$35,000 and \$50,000 outpaces supply, resulting in a number of cost-burdened renters.

Village leadership is well aware of affordability issues within East Dundee’s rental market. Recognizing this gap, the Village supported the development of River Haven Place and Gardiner Place near the intersection of Illinois Route 25 and Illinois Route 72. River Haven Place includes 68 rental townhomes for families, with priority offered to veterans. All units in this development are affordable to households earning less than \$40,000. Gardiner Place is an 80 unit affordable senior apartment complex, with a majority of units affordable to households earning less than \$30,000. Once both projects are completed, the supply of rental units for households earning less than \$50,000 will increase significantly.

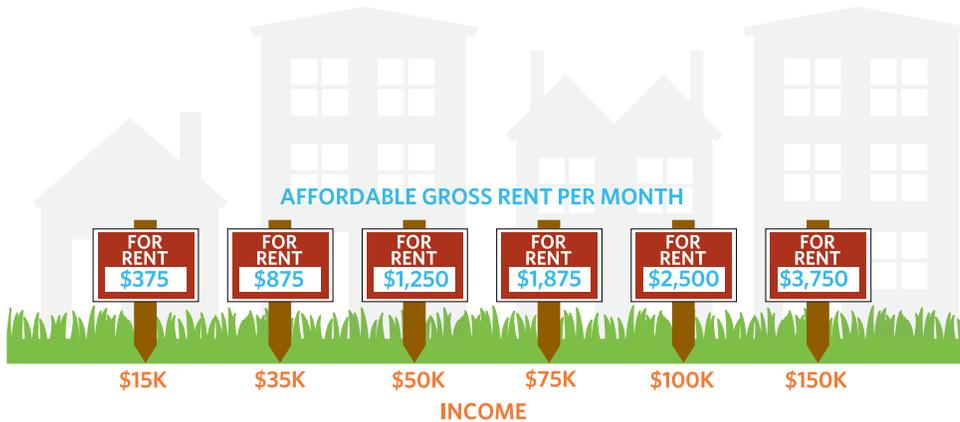
According to 2007-11 American Community Survey (ACS) data, while only 28 percent of renters are seniors, 59 percent of cost-burdened renters are older than 65, indicating that senior renters are disproportionately likely to be paying more than 30 percent of their income on housing.

East Dundee comparison of rental household incomes with occupied units affordable at each income level



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

Translating incomes into rents



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

Source: Chicago Metropolitan Agency for Planning.

Jobs, Transportation, and Housing

East Dundee is a job-rich community, with more than two jobs available for every household. As a result, the Village has built-in demand for its housing stock, as people who work in the community may want to live there as well, taking advantage of the potential to reduce their commute time and costs. Continued expansion of industrial areas along Illinois Route 25 will add to the number of people interested in living in the Village.

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

These potential issues show how transportation and affordability are linked. Some housing locations are inherently more or less costly by virtue of their location. If a housing unit is located farther away from jobs or retail, the typical occupant will need to spend more time and money commuting, leaving less money for housing and other expenses. Moreover, a mismatch between the location of jobs and affordable housing reduces economic competitiveness as employers experience difficulty with employee recruitment and retention.²⁷ This section explores how the local job base impacts the East Dundee housing market.

Table 3: Subregion* earnings

INDUSTRY	AVERAGE EARNINGS**
Retail trade	\$28,916
Professional, scientific, and technical services	\$71,549
Administration and support, waste management	\$27,716
Manufacturing	\$62,859
Accommodation and food services	\$18,239
Construction	\$74,277
Arts, entertainment, and recreation	\$22,566
Information	\$68,828
Transportation and warehousing	\$52,713
Other services (excluding public administration)	\$37,739
Wholesale trade	\$75,555
Health care and social assistance	\$57,180
Finance and insurance	\$60,782
Educational services	\$43,102

Source: Economic Modeling Specialists International (EMSI).

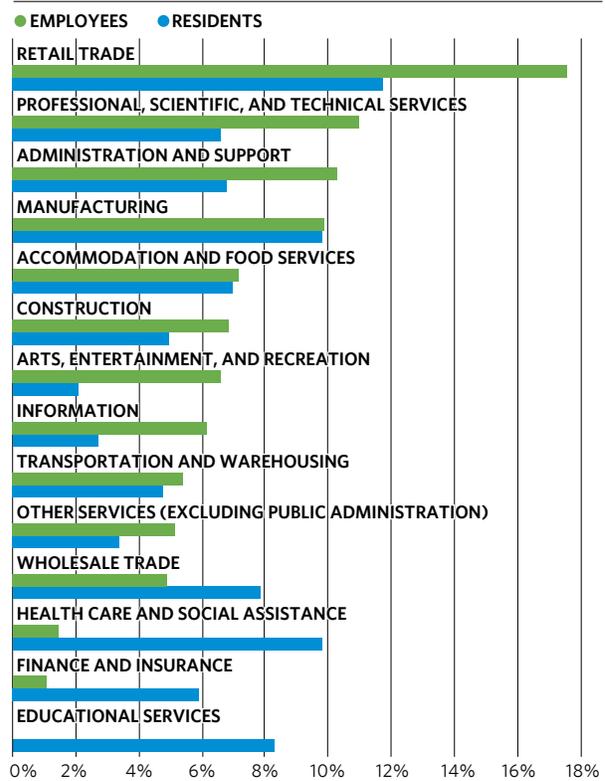
*Subregion includes the following ZIP Codes: 60110, 60118, 60120, 60123, and 60124.

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

Jobs

The top employment sectors for both residents and employees include a mixture of lower wage (e.g. retail trade, accommodation, administration) and higher wage industries (e.g. manufacturing, construction, education). As a result, both jobs and housing are present for low-, middle-, and upper-income households in East Dundee. These jobs reflect the local approach to economic development. The Village has created seven tax increment financing (TIF) districts that connect to one another, allowing monies from one area to be used in another. These TIF districts contain a number of retail and service developments. The improvement of properties east of Illinois Route 25 in recent years has added a number of non-retail jobs. Many of the areas covered by TIFs are also part of one of the Village’s three business development districts (BDD), creating another layer of potential incentives. Areas covered by incentive districts include the historic downtown along with important commercial corridors such as Illinois Route 72 and Illinois Route 25. With funds generated from these districts, the Village has created a business façade improvement program. Local major employers include Wal-Mart, H&M Limo, Valleycrest Landscape Maintenance, and Midwest Integrated.

In what industries do East Dundee residents and employees work, 2011?



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

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

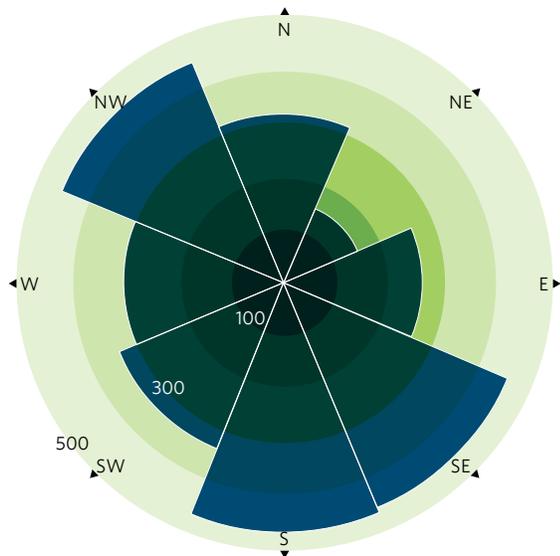
Transportation

Despite having employment and housing options for low-, middle-, and upper-income households, many local employees and residents commute long distances. Only 4 percent of employed residents work locally. Comparatively, 38 percent commute to locations outside of Cook County or Kane County, such as DuPage County, Lake County, and McHenry County. As with other communities in the subregion, Elgin is the employment hub for East Dundee, with 12 percent of residents commuting to the city for work. As a result, many households must deal with higher transportation costs in addition to struggling with housing costs.

Research by Reid Ewing and others in the *Journal of Urban Planning and Development* has shown that the biggest factor in reducing vehicle miles traveled, a major driver of transportation costs, comes from “putting offices, shops, restaurants, residences, and other codependent activities in close proximity to each other.”²⁸ East Dundee could grow by diversifying its housing stock, providing more housing options to help workers live in the Village and reducing their daily work commute and by extension reduce their transportation costs.

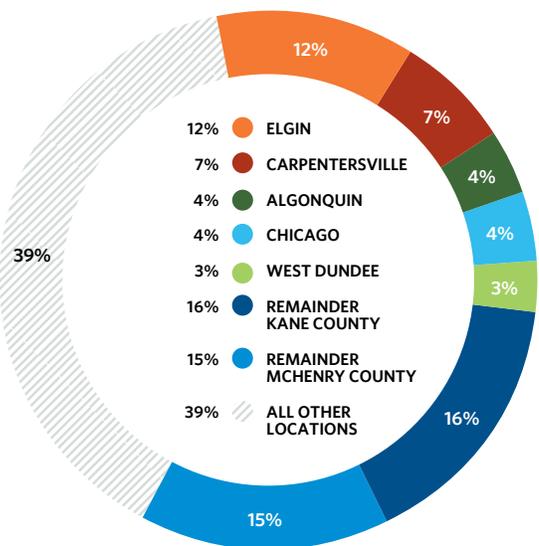
Where do East Dundee’s workers live?

Job counts by distance/direction in 2011, all workers



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

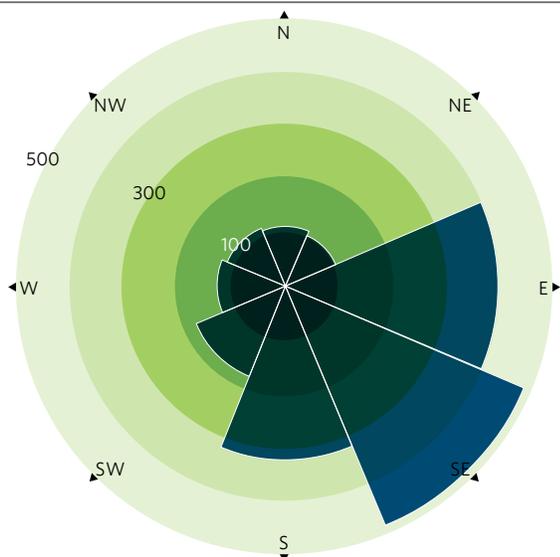
Where do East Dundee’s workers live, 2011?



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

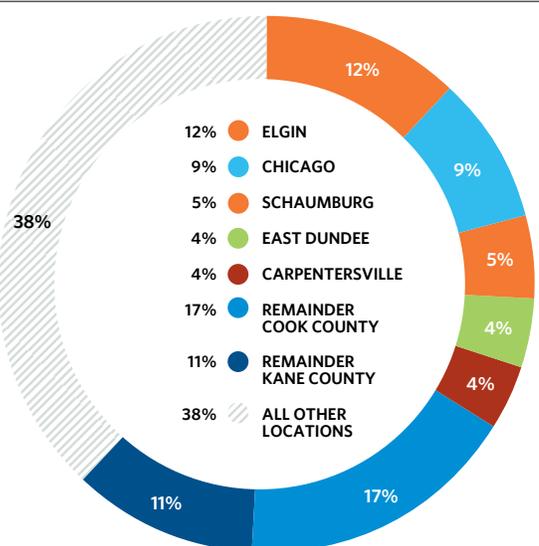
Where do East Dundee’s residents work?

Job counts by distance/direction in 2011, all workers



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

Where do East Dundee’s residents work, 2011?



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

28. American Society of Civil Engineers. “Traffic Generated by Mixed-Use Developments - Six-Region Study Using Consistent Built Environmental Measures.” *Journal of Urban Planning*, October 2010.

Projecting Future Housing Needs

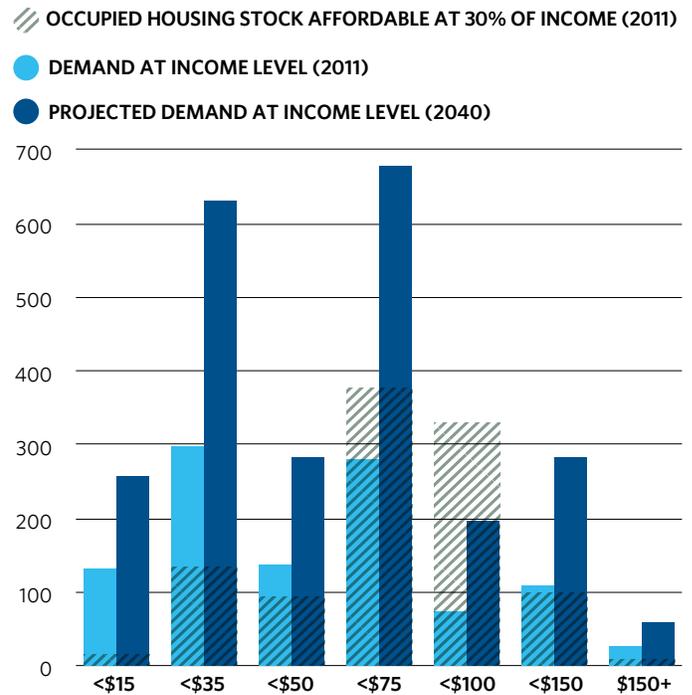
Proactive housing planning needs to take into account those who might live in the community in the future. Blending together Census data and CMAP’s local household and population projections for the year 2040, some realistic estimates can be made of who will want to live in the Village over the next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

Future Ownership Needs

Over the next 30 years, CMAP projections indicate that more than 1,300 new owner-occupied units would be needed to meet future demand. Meeting all of this growth would double the number of households in the Village. Where will this demand come from?

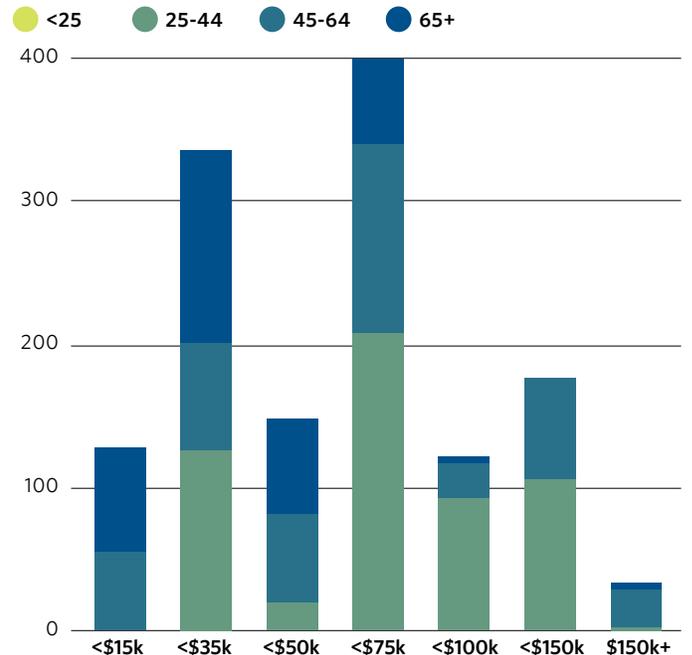
The current supply of units affordable to households earning between \$75,000 and \$100,000 would be sufficient to meet projected growth. Shortages, however, could occur at all other income levels. The largest gaps between current supply and projected demand are for units affordable to households earning between \$50,000 and \$75,000 and between \$15,000 and \$35,000. Projected shortfalls in supply for low- and moderate-income households, particularly for households below \$35,000, reflect the potential for further increases in the number of cost-burdened owners. For households earning less than \$15,000, the financial realities of property acquisition, construction costs, and financing make development very difficult. Working age owners (25-44 and 45-64) are a key component of future demand at all income levels.

East Dundee 2011 households and housing stock compared with 2040 owner demand



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

East Dundee 2011-40 change in owner demand by age and income



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

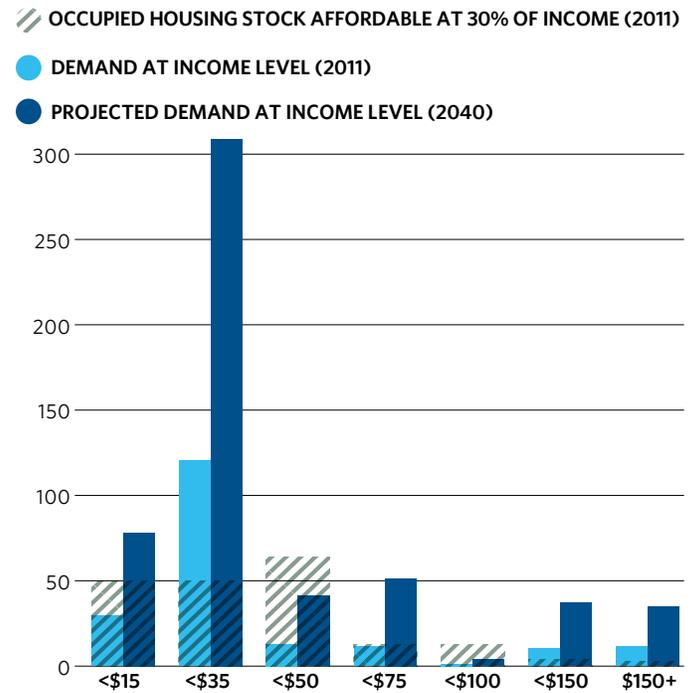
Future Rental Needs

Projected to add only 300 rental units, meeting future rental demand between now and 2040 will be far easier for the Village. Over half of additional renters would come from households earning between \$15,000 and \$35,000 annually. Through forward-thinking planning, the Village is prepared to accommodate approximately 40 percent of potential growth through River Haven Place and Gardiner Place. These developments target the exact households likely to be future renters and should serve as a model for future developments.



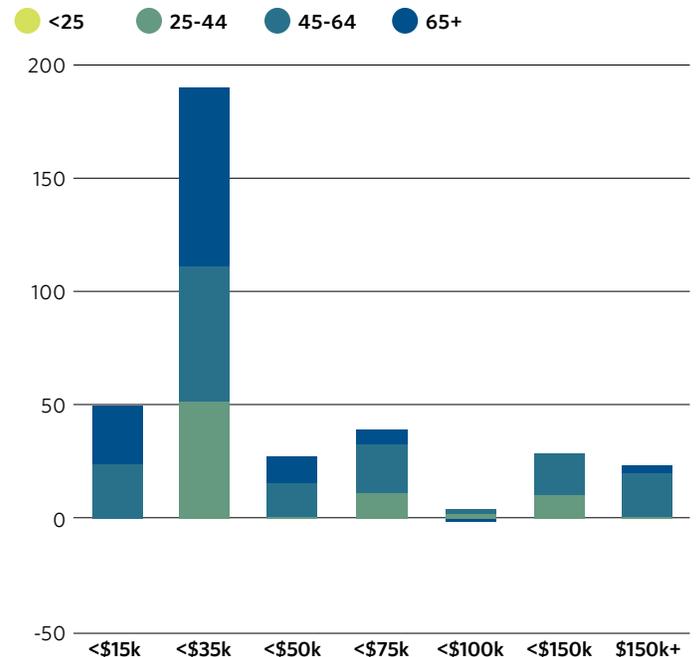
Gardiner Place should serve as a model for future local developments.
 Source: Chicago Metropolitan Agency for Planning.

East Dundee 2011 households and housing stock compared with 2040 renter demand



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

East Dundee 2011-40 change in renter demand by age and income



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

Housing Demand by Type of Unit

Based on the breakdown of projected future owners and renters in East Dundee along with national estimates of future demand for four broad housing types, a forecast of demand for additional housing in 2040 arises. This “balanced housing profile” shows demand for 1,696 units between now and 2040.²⁹ Slightly over 450 of the units would be large-lot single-family homes. The additional 600 small-lot single-family homes, 450 townhomes, and 230 multi-family units would be driven by low- and middle-income seniors along with the working-age owner population.

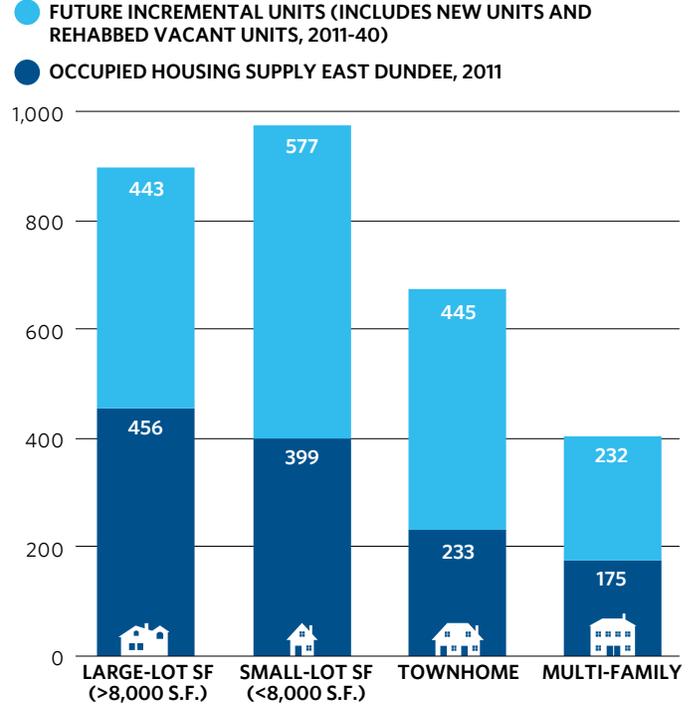
This profile is consistent with the feedback received through the online survey conducted as part of the project. On the website, residents were asked to rate images of various housing types, choosing whether the image was appropriate for East Dundee. The image that most residents found appropriate was a small-lot single-family home. Similarly, the public was asked what types of housing (single-family, apartment/condo, townhome/duplex, or other) seniors and young households (under 30) would prefer. Respondents thought that providing apartments and townhomes were an important part of attracting both age groups.



River Have Place contains the types of units of interest to future residents.

Source: Chicago Metropolitan Agency for Planning.

East Dundee future balanced housing profile



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

29. Note that this figure is higher than the projected increase in households between 2011 and 2040 (1,642) because of the inclusion of potential future vacant units. See the Appendix for more information about the methodology.

Small-lot single-family units and townhomes

What one person calls a townhome another may call a townhouse, condominium, or even small-lot single-family home. The goal of this report is not to define the right design for the community, but rather to provide information on the general types of units people may prefer in the future so that East Dundee can explore the right version of that type for the Village. Examples of moderate density single-family homes and townhouses from other communities in the region are provided below. Similar densities can be achieved in numerous styles and layouts. Density may be increased while maintaining a neighborhood feel with open space and natural elements.

Density: 5-8 dwelling units/acre



Source: Chicago Metropolitan Agency for Planning.

Density: 5-8 dwelling units/acre



Source: Chicago Metropolitan Agency for Planning.

Density: 6 dwelling units/acre



Source: Chicago Metropolitan Agency for Planning.

Density: 8-10 dwelling units/acre



Source: Chicago Metropolitan Agency for Planning.

Capacity for Growth

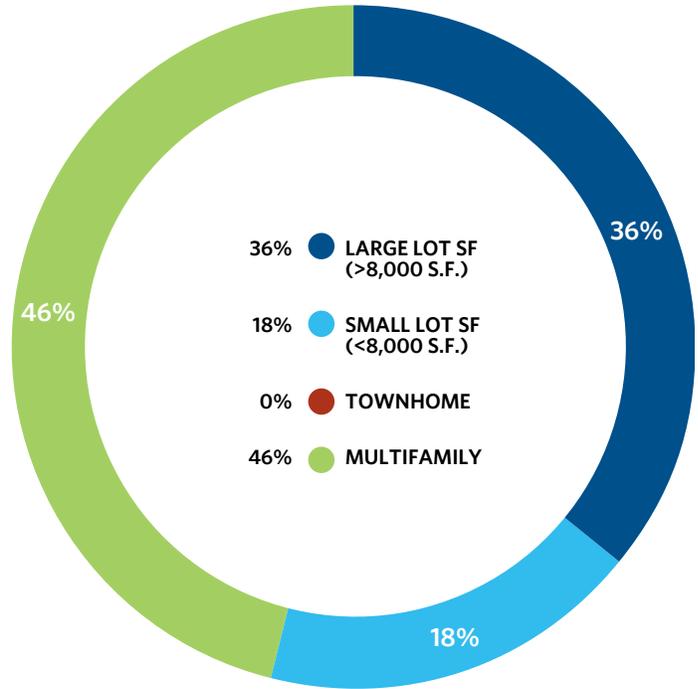
Forecasted population and household growth is only one half of the equation in considering future housing needs. As a community with numerous assets, it is understandable why many people want to live in East Dundee now and in the future. To plan for future households and housing, it is also important to look at capacity. To understand the Village’s ability to accommodate projected growth, two key sources of capacity were reviewed: development/redevelopment and vacancy.³⁰

Development/Redevelopment Analysis

The development/redevelopment analysis considers how East Dundee could grow over the next 30 years based on current land use regulations, development approvals, and key development sites. CMAP and the Village calculated the total square footage of vacant and redevelopable land in the Village by reviewing Cook County and Kane County Assessor data. Then, East Dundee’s current zoning and development standards were applied to those figures to calculate how many units could be built. For this analysis, build-out estimates were not prepared for nearby unincorporated areas that may be developed over the next 30 years.

Without including nearby unincorporated lands, it was estimated that East Dundee has the capacity for approximately 501 additional dwelling units compared to the approximately 1,700 units that would be needed should the Village decide to plan for the estimated increase in its population possible by 2040. This capacity would allow the Village to accommodate about 30 percent of the projected household growth. Of the projected capacity, 150 units are part of River Haven Place and Gardiner Place.

East Dundee maximum capacity by unit type



Source: Chicago Metropolitan Agency for Planning analysis of East Dundee zoning ordinance and Cook County and Kane County Assessor data.

Table 4: Maximum capacity by unit type

TYPE	UNITS
Large-lot single-family (>8,000 square feet)	181
Small-lot single-family (<8,000 square feet)	90
Townhome	-
Multi-family	229
TOTAL	501

Source: Chicago Metropolitan Agency for Planning analysis of East Dundee zoning ordinance and Cook County and Kane County Assessor data.

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



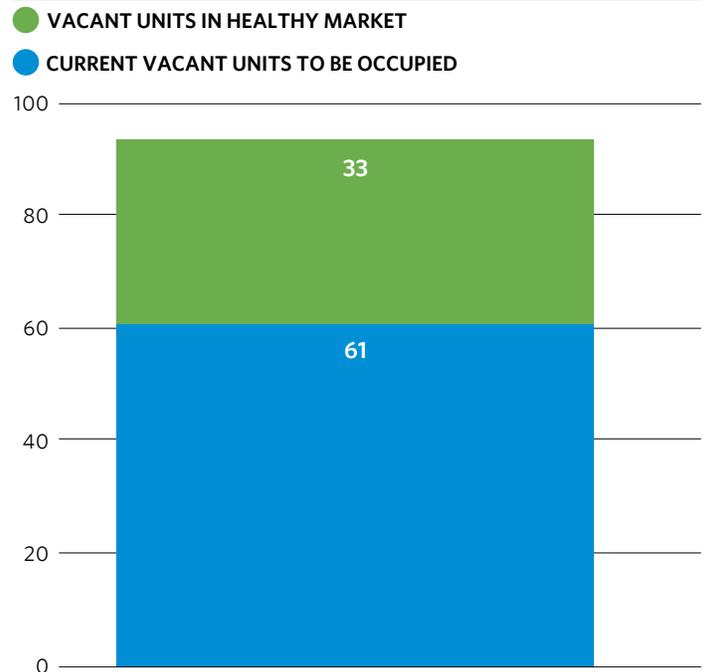
The redevelopment of some commercial facilities could include housing.

Source: Chicago Metropolitan Agency for Planning.

Vacancy Analysis

Because of the current housing market, many homes now vacant may not be so in the future, allowing people to move in without building new units. According to 2007-11 ACS estimates, East Dundee has approximately 94 vacant units, or about 6.9 percent of all homes in the Village. Normal long-term vacancy rates for a strong community are 7.4 percent among rental units and 1.5 percent among owner units.³¹ Given the number of local owner and rental units and a healthy housing market, the Village should only have approximately 33 vacant units, a vacancy rate of approximately 2.4 percent. Therefore, 61 currently vacant units could be occupied in the future as East Dundee grows and the market stabilizes. This capacity would allow the Village to accommodate about 4 percent of projected growth.

East Dundee breakdown of current vacant units



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

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

Urban Design Focus Area

In June 2013, the *Homes for a Changing Region* team conducted a community workshop in East Dundee. Residents, community leaders, officials, and others presented their views on a focus area selected by the Village: the southern side of Illinois Route 72 east of Illinois Route 25. This large unincorporated tract presents East Dundee with an interesting opportunity for new commercial and/or residential development.

Stakeholders at the meeting presented a number of different visions, ranging from completely developing the area with industrial uses or new housing units. A consensus seemed to form around a development with office and light industrial structures along Illinois Route 72 and residential units behind. Such a development would integrate job and housing opportunities. Pictures of what this development might look like appear below.

Illinois Route 72 looking east today



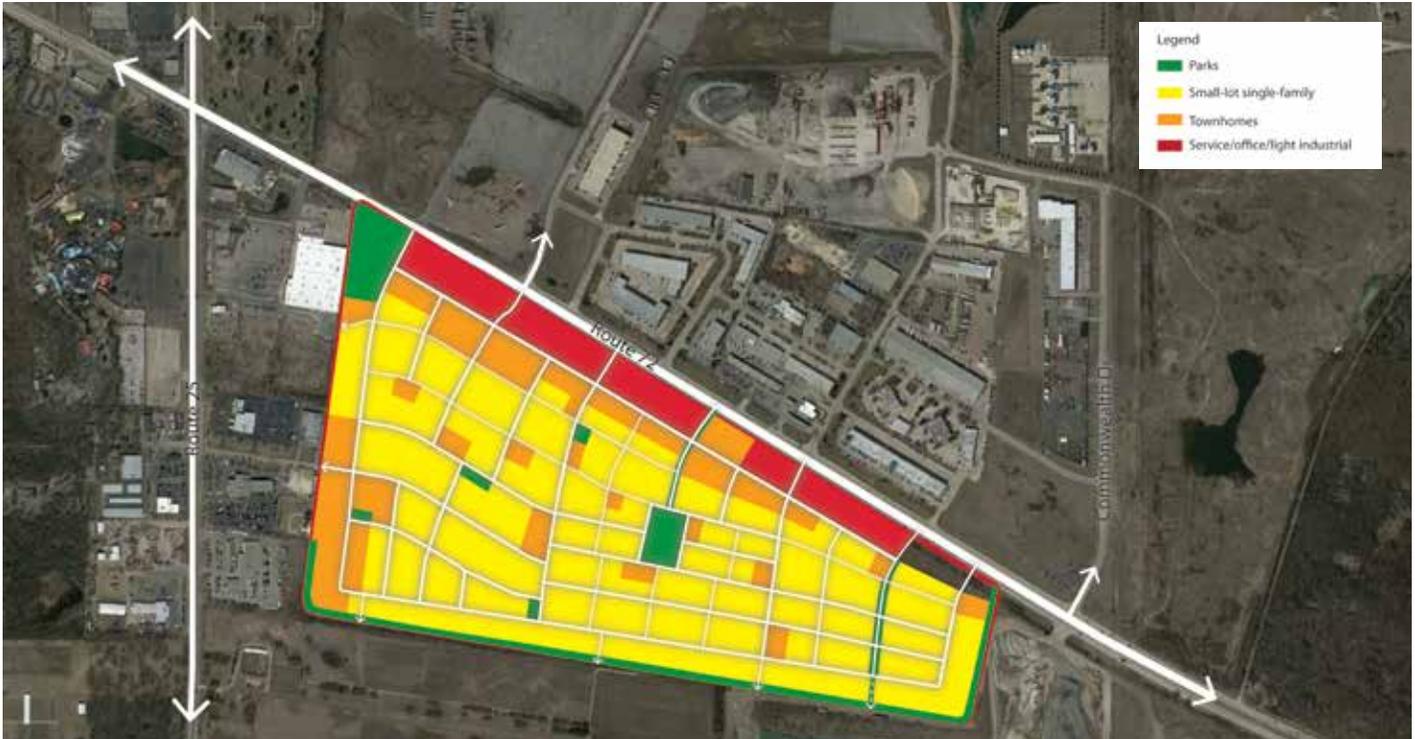
Source: Chicago Metropolitan Agency for Planning.

Illinois Route 72 looking east in the future



Source: Fregonese Associates.

Focus area concept plan

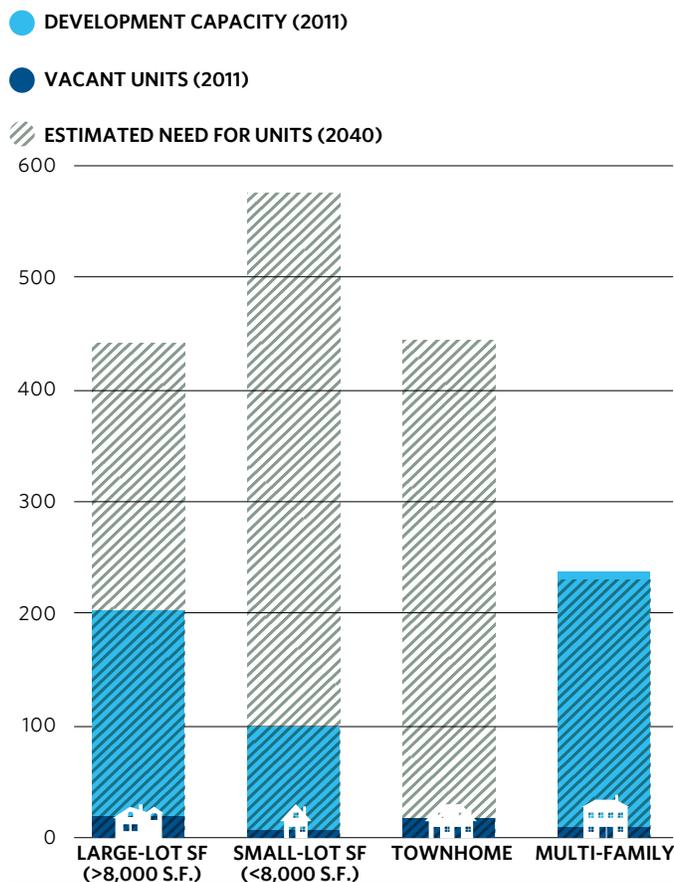


Source: Fregonese Associates.

Conclusions and Recommendations

Taking into account the capacity available through development, redevelopment, and vacancy, East Dundee can accommodate 33 percent of the projected housing units that could be desired by future residents by 2040, or about 560 additional residents. The remaining approximately 1,140 households represent unmet demand, people who may want to live in East Dundee but might not be able due to a lack of available units. Given limited capacity for new development, East Dundee must plan carefully for future housing, building off of the local employment base and a revitalized downtown while fostering an open housing market.

East Dundee demand vs. vacancy and capacity by housing type



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



The Village's downtown represents an opportunity.

Source: Chicago Metropolitan Agency for Planning.

The B-1 and B-2 zones in downtown East Dundee provide most of the multi-family capacity. Through its efforts to create a downtown plan, the Village has discussed the importance of adding denser residential options in and around the downtown area through the redevelopment of key parcels, thereby increasing the number of people patronizing restaurants and retail. As the plan is not yet complete, this report offers the chance to inform its creation. Based on a review of the local zoning ordinance, the downtown planning process should consider ways in which zoning changes might further the development of residential in the area.

Both the B-1 and B-2 zones only permit residential development above the first floor if all other requirements are met, including the provision of one off-street parking space per unit. The B-1 zone requires that the off-street parking spaces must be provided on the same lot. **Therefore, the downtown planning process should explore how best to deal with parking in the downtown area, including a review of potential modifications for the B-1 and B-2 standards.** Particular attention should be paid to whether on-street or shared parking should be counted in meeting parking standards.

The B-1 and B-2 zones cover not just the Village's primary commercial/ mixed-use streets (River Street, Main Street, Meier Avenue), but also a number of other streets that may be better suited for denser supporting residential development around downtown (e.g. portions of Jackson Street and Johnson Street). **The planning process should consider permitting townhomes in selected locations around the downtown core as part of the broader goal of adding residential options that support the area.**

The Village's current zoning does not provide as many opportunities for small-lot single-family and townhome units, a key part of attracting future middle-income working-age households, particularly those between 25 and 44. **If the Village wishes to continue accommodating the demand for these types of units, land in and around the Village will need to be zoned for such development.** Recognizing the need to develop such alternative housing types, the Village pursued the development of River Haven Place, helping meet such demand. The largest single way to accommodate both housing types would be the annexation and development of the area west of Illinois Route 25 and south of Illinois Route 72. Additional residential development in this location would be close to both an expanding industrial area and Sears's corporate headquarters, allowing residents living in such a development the potential for short commutes to nearby employers.

Yet, even the pursuit of downtown redevelopment and the development of nearby unincorporated areas are unlikely to meet all future demand. Therefore, East Dundee should focus on housing efforts that maintain the quality of its existing housing stock so those units will remain ready and able to address changing housing demand in the future. **To help ensure the quality of local units, it is recommended East Dundee explore the creation of a rehabilitation program.**

Funding to operate such a program could come from local, state, or federal sources, as described in the Subregional Report. Success of the Village's TIF districts has led to the establishment of the Commercial Façade Improvement program and may provide a model if East Dundee chooses to fund the program locally. Local funding of the program allows for far greater flexibility in designing a program tailored to local needs. Ideally such a program would include components that allow energy efficiency and accessibility improvements. Due to the Village's small size, the most efficient way to operate such a program may be to delegate the administration to a regional rehabilitation organization. The mapping exercise indicates that rehabilitation may be particularly needed for the older neighborhoods northwest of the downtown.

Part of future housing planning is ensuring that the Village's ordinances offer the flexibility to respond to the changing dynamics of the local housing market. Officials have indicated that most new residential development goes through East Dundee's Planned Unit Development (PUD) process. While this approval method allows both the developer and the Village greater flexibility in creating new housing, PUD regulations also include maximum density requirements that are taken from the Comprehensive Plan and the underlying zoning. These densities cannot be exceeded without a full rezoning of the property, requiring a far longer and more intense approvals process. Village officials have noted that these standards may be incompatible with the projected need for townhomes and small-lot single-family units. **Therefore, East Dundee should monitor the existing density standards and consider exploring modifications that would allow the ordinance to respond to future demand.**

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

- The Village provides a welcome packet to all new East Dundee residents. This resource is a wonderful method for the Village to demonstrate its interest in community members of all backgrounds. **The Village should ensure that this packet reflects the community's commitment to openness by including a statement of welcome for peoples of all backgrounds. Additionally, this document, along with all other Village materials, should be made available in a variety of languages, particularly in Spanish, and should be accessible to persons with disabilities, including those with sight or hearing impairments.**
- An important part of demonstrating openness is ensuring residents can communicate about local issues. The Village website does not appear to currently provide information about how residents can file complaints about housing discrimination. **Therefore, East Dundee should provide such contact information on its website along with including the information in the welcome packet.**

- Statewide, the Illinois Accessibility Code (IAC) requires that new residential housing be accessible to persons with disabilities. Under the IAC, prior to issuing permits, municipalities must evaluate whether the designs comply with the IAC. However, municipalities are not obligated to assess whether the plans comply with the federal Fair Housing Act under the IAC. The federal law requires that multi-family housing with four or more units include basic attributes of accessibility (e.g., accessible entrances, accessible routes, accessible kitchens and bathrooms, and accessible common areas). **Therefore, when East Dundee issues residential building permits, the community should confirm that it evaluates whether the proposed designs demonstrate compliance with the new construction provisions of the Fair Housing Act, ensuring accessibility/usability by persons with disabilities.** The Village exhibited its emphasis on accessibility and visitability through the recently constructed River Have Place and Gardiner Place.
- Universal design reflects the broad concept that building, products, materials, and environments should be inherently accessible to people with and without disabilities. The idea is to create homes that accommodate those with and without physical impairments through construction modifications to doorways, hallways, and bathrooms. Communities such as the Village of Bolingbrook and the City of Naperville have adopted visitability ordinances to ensure that new construction or major housing renovations can provide for the needs of the disabled and growing senior populations. **Therefore, East Dundee should adopt a visitability ordinance in line with the local housing market to incorporate these principles into local codes and ordinances.**

A Final Thought

These recommendations reflect the strength of East Dundee's local leadership by building off of current efforts. By reinvesting in existing neighborhoods, East Dundee will be prepared to manage the ever-changing housing market and carefully consider if and how new development should fit into the community given scarce development capacity.

Rehabilitation repayment structures

The structure of a rehabilitation program depends on many factors, including the housing and households targeted, the local housing market, and the funding source. As a rule of thumb, however, there are three main methods.

- *Grant*- Assistance to the homeowner can be provided as a straight grant, with no recollection of the funds. This format is the most administratively simple, as it does not require monitoring of the property into the future.
- *Loan*- Rehabilitation funds can be provided to the property owner as a traditional loan, where the program operator charges an interest rate (typically below market rate) and requires periodic payments (monthly, quarterly, annually, etc.) over a number of years. This design is the most administratively intense, requiring personnel to manage the portfolio of loans and track repayment.
- *Deferred Loan*- In this type of program, the operator provides a loan for rehabilitation, with repayment deferred until the property is sold. Interest is not typically charged on such loans. Some programs will forgive the loan if an owner-occupant lives in the home for a set time period. The administrative burden of this format falls somewhere in the middle. The program must monitor homes to ensure money is collected upon resale or that the loan is released after the agreed upon period.



Garden Drive.

Source: Chicago Metropolitan Agency for Planning.

Housing Policy Plan: Elgin

Project Summary

Elgin’s slogan is “the city in the suburbs” and rightly so. The City is the eighth largest municipality in Illinois and a major population and employment hub in one of the largest metropolitan areas in the United States. Founded in 1835, the City has been at the forefront of regional and national development trends for over 100 years. Elgin contains all the strengths and challenges associated with both urban and suburban areas.

Older neighborhoods surround a dense urban core. With a planning area that extends to Illinois Route 47, the community can annex additional land to grow westward. Metrostudy, a leading provider of primary and secondary housing market information, reported in January 2014 that Elgin had more single-family housing starts in 2013 than any other community in the Chicago metropolitan area. The City has access to both major roadways (I-90, U.S. 20, Randall Road, etc.) and transit, including three Metra stations and the Pace Transportation Center. The Fox River offers Elgin not only a recreational asset, but also an important natural resource. The City limits the use of deep wells by using the Fox River for drinking water.

Like many of its neighbors, Elgin must balance residential areas with different needs. Maintaining the quality of neighborhoods, particularly the housing stock and the commercial base, in older areas while also pursuing expansion of the residential and commercial base west of Randall Road is a significant challenge. A key part of establishing a vision for development in Elgin is determining how to react to these development pressures given an interest in continuing to support revitalization in mature neighborhoods.

Elgin’s last comprehensive plan was adopted in 2005 and the City is currently crafting a new plan. This report provides a series of policy recommendations that Elgin will include when developing a new comprehensive plan. These recommendations are based on a detailed analysis of existing conditions and future needs for the City’s housing market. Recommendations include:

- **Exploring regulatory changes to continue diversifying the local housing stock.**
- **Guidance on how to address stalled developments, mainly those west of Randall Road.**
- **Spurring development and redevelopment in older areas through a review of regulations.**
- **Demonstrating that Elgin is open to all future residents.**

Demographic Trends

The City of Elgin is located in both Cook County and Kane County, bordering the communities of East Dundee and West Dundee to the north, Hoffman Estates and Bartlett to the east, Campton Hills and South Elgin to the south, and Pingree Grove to the west.

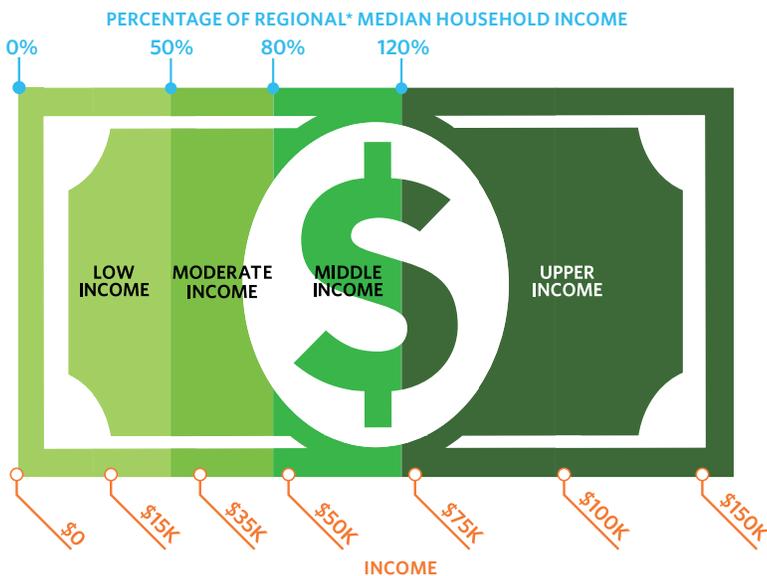
Elgin grew over the last 11 years by both adding people and land. The population surged to approximately 108,600 in 2011, making it the eighth largest municipality in the state. The Chicago Metropolitan Agency for Planning (CMAP) produced population and household projections as part of GO TO 2040, the seven-county region's comprehensive plan for sustainable prosperity through mid-century and beyond.³² These figures indicate that if GO TO 2040 is implemented and if the City takes advantage of its numerous assets, its population could rise to almost 158,510 by 2040, an increase of approximately 50,000 residents.³³ With a significant amount of unincorporated land west of Randall Road and numerous redevelopment sites, Elgin has the capacity to meet this potential population. What is the best method for doing so?

Table 1: General Elgin statistics

	POPULATION	HOUSEHOLDS
2000 Decennial Census	94,487	31,543
2011 American Community Survey (ACS)	108,681	35,837
Change, 2000-11	14,194	4,294
Change as %, 2000-11	15%	14%
GO TO 2040 projection, 2040	158,510	52,033
Change, 2011-40	49,829	16,196
Change as %, 2011-40	46%	45%

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

Income



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

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

32. See <http://www.cmap.illinois.gov/2040>.

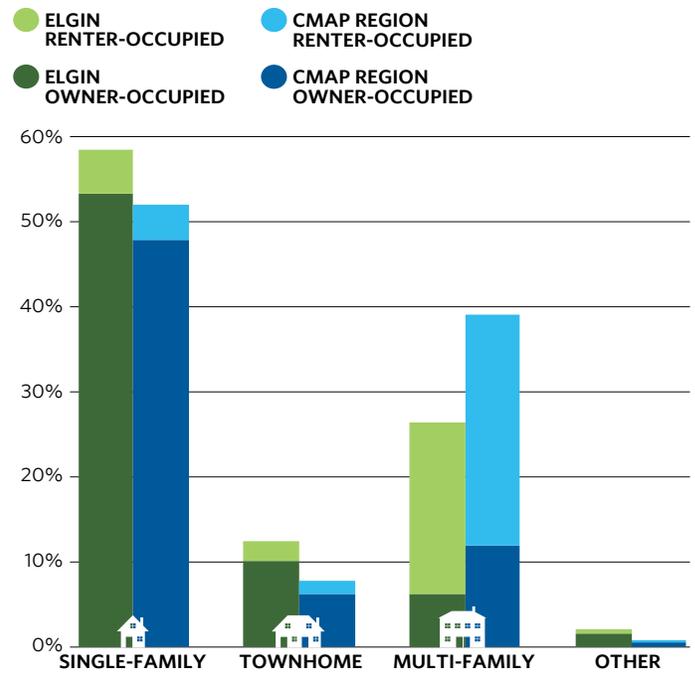
33. See the Appendix for more information about these projections.

Current Housing Market

The City of Elgin grew from its historic core along the Fox River. In the post-war period, the City’s growth expanded both east and west of its older neighborhoods, particularly east of Illinois Route 25 and west of McLean Boulevard. Beginning in the early 1990s, future growth focused on areas west of Randall Road (e.g. the Far West Area). Due to its size and age, Elgin contains single-family homes, townhomes, multi-family units, and mobile homes.

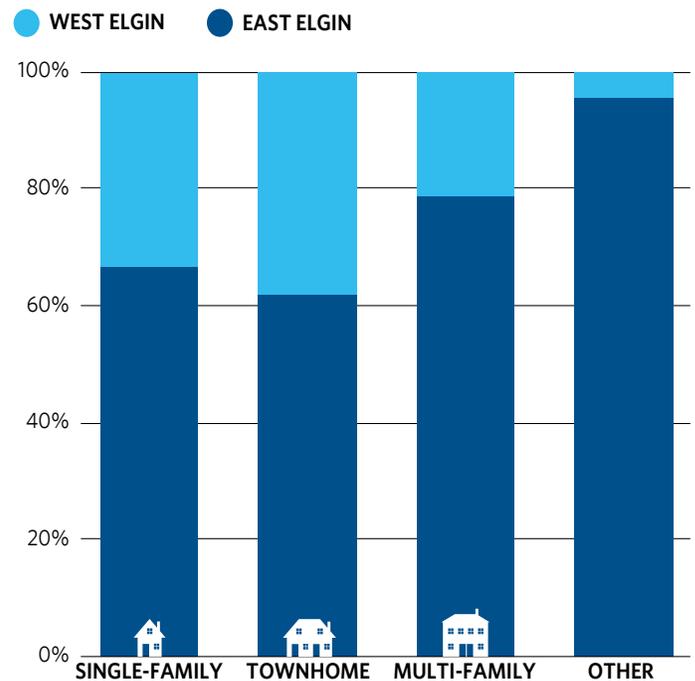
Single-family homes account for 58 percent of local units, with the vast majority occupied by owners. Approximately 27 percent of households in Elgin rent compared to approximately 32 percent of households in the region. In 2011, almost 20 percent of renters in Elgin occupy single-family homes, an increase from the 13 percent figure reported in the 2000 Census. Other communities in the Chicago area are experiencing a similar trend toward more single-family rentals.³⁴ As highlighted in the Metropolitan Planning Council’s (MPC) *Managing Single-Family Rental Homes* white paper, fundamental changes in the housing market over the past five years present new challenges for municipalities as the number of single-family rentals increases.³⁵

Housing type by owner/renter



Source: American Community Survey 2007-11 data.

Elgin housing type by location



Note: McLean Boulevard was used as the dividing line between east and west Elgin. Source: American Community Survey 2007-11 data.

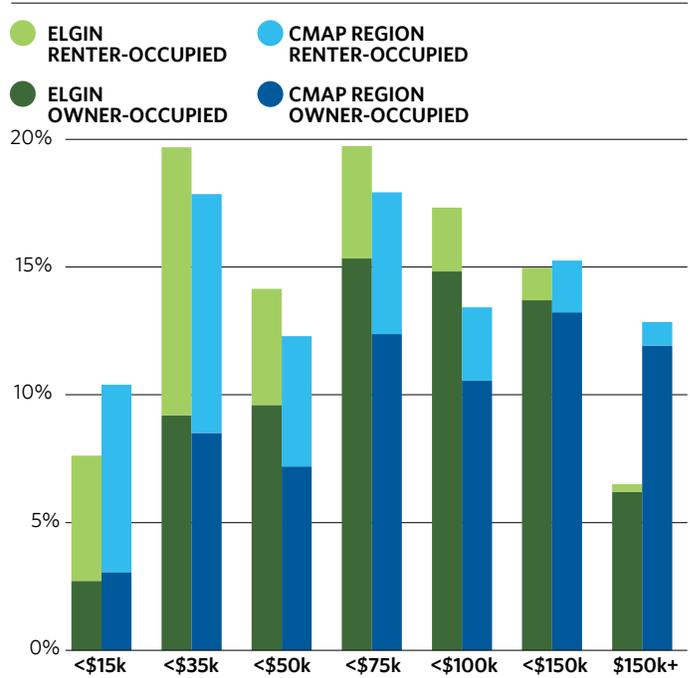
34. *Single-Family Housing Tenure Changes in the CMAP Region*. (February, 2013). Chicago Metropolitan Agency for Planning. See <http://tinyurl.com/d5zzfd5>.

35. *Managing Single-Family Rental Homes*. (June, 2013). Metropolitan Planning Council. See <http://tinyurl.com/kidjm2h>.

Similar to communities throughout the region, the percentage of renting households falls as income rises in Elgin. Most households are middle-income. Areas east of McLean Boulevard contain approximately 70 percent of all occupied housing units but 81 percent of all rental units. Eastern parts of the City offer relatively more rental units than western sections. Households earning less than \$35,000 are more likely to be renters if they live west of McLean Boulevard.

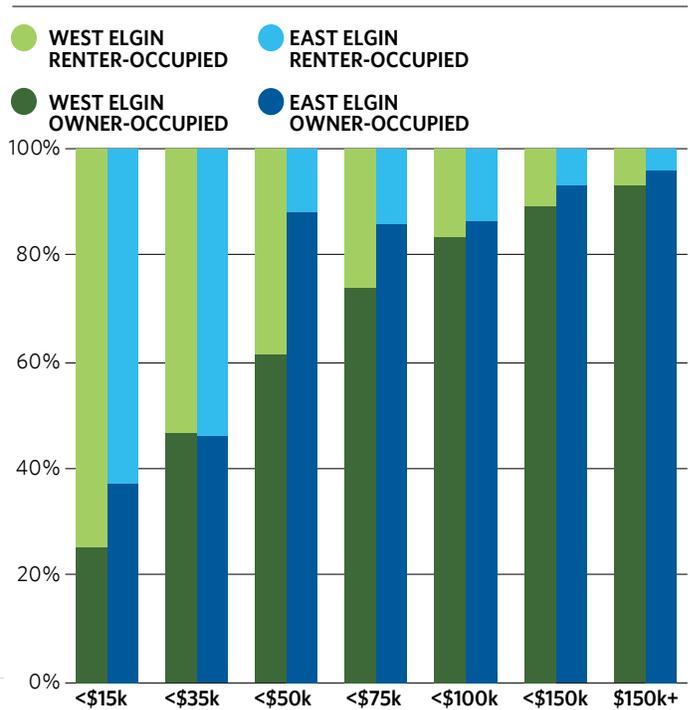
Elgin currently operates many programs that help maintain its sizable stock of existing units. Since 2000, the City has allocated more than \$6.8 million of Community Development Block Grant (CDBG) funding to rehabilitate single-family homes owned or occupied by local low- and moderate-income families. Starting in 1998, the City has funded architectural rehabilitation grants for low- and moderate-income families living in historic districts or in historic landmark properties. This program, which covers up to 75 percent of rehabilitation work, has led to a total investment of \$2.2 million at more than 130 homes. Finally, starting in 1995, the City has allocated \$1.9 million for architectural rehabilitation efforts at landmark homes or properties in a historic district, regardless of household income. This program, which covers up to 50 percent of rehabilitation work, has led to a total investment of more than \$4 million at more than 170 homes. All four Elgin historic districts are located east of the Fox River.

Owner/renter by household income



Source: American Community Survey 2007-11 data.

Elgin owner/renter and household income by location



Note: McLean Boulevard was used as the dividing line between east and west Elgin.
Source: American Community Survey 2007-11 data.

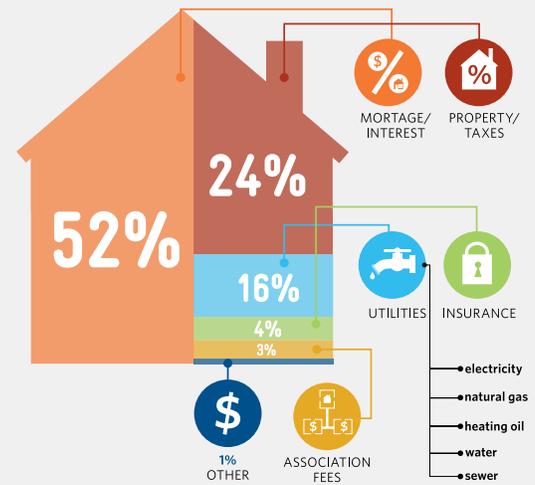
Housing Affordability

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

Over the last decade, rapidly rising property values accelerated far faster than incomes in the U.S., increasing the number of cost-burdened households. Since the recession, affordability issues have persisted despite declines in home values and mortgage rates due in part to declining incomes, slow employment growth, and stringent credit requirements.³⁶ As households became renters, supply did not initially keep pace with the sudden spike in demand. Harvard University indicates that currently more than 10 percent of owners and 25 percent of renters in the U.S. pay more than 50 percent of their income on housing costs.³⁷

What is included in monthly owner costs?

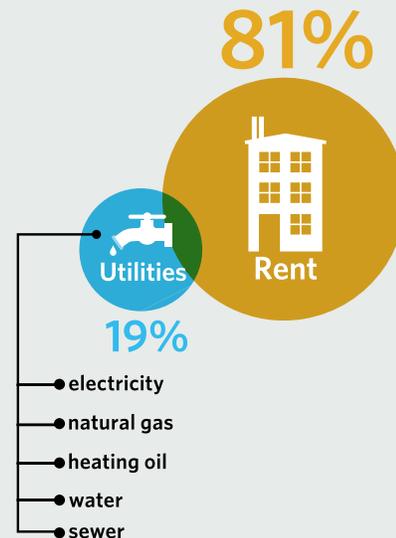
Average Monthly Costs for Owners* in Chicago Metropolitan Area, 2009



Source: Chicago Metropolitan Agency for Planning analysis of the 2009 American Housing Survey. The 2009 AHS data includes Cook, DuPage, Grundy, Kane, Kendall, Lake, McHenry, and Will counties in the metropolitan area.

What is included in gross rent?

Average monthly costs for renters in Chicago Metropolitan area, 2009



Source: Chicago Metropolitan Agency for Planning analysis of the 2009 American Housing Survey. The 2009 AHS data includes Cook, DuPage, Grundy, Kane, Kendall, Lake, McHenry, and Will counties in the metropolitan area.

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

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

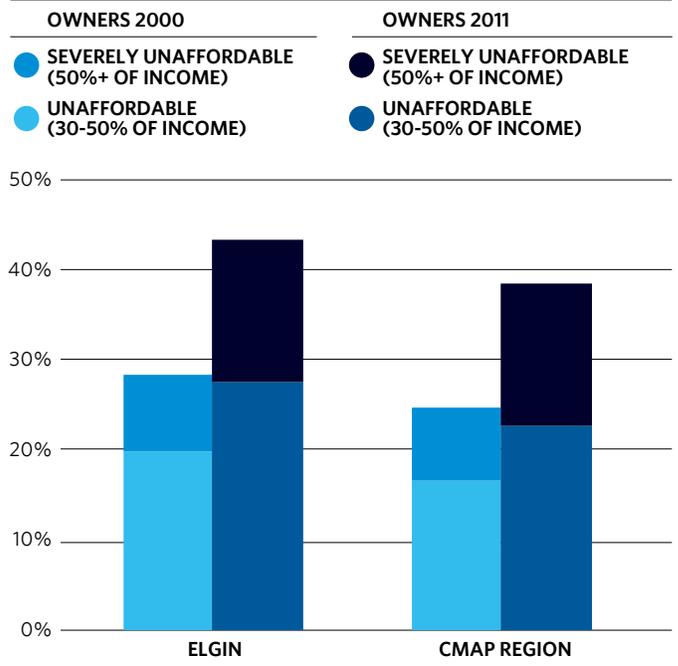
What is "Affordable Housing?"

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

Much like the region and the nation, the number of cost-burdened owners and renters in Elgin increased over the past 11 years. More than 50 percent of local renters pay at least 30 percent of their income on gross monthly rent. Similarly, the proportion of homeowners paying more than 30 percent of their income on monthly housing costs increased from 28 percent in 2000 to 44 percent in 2011.

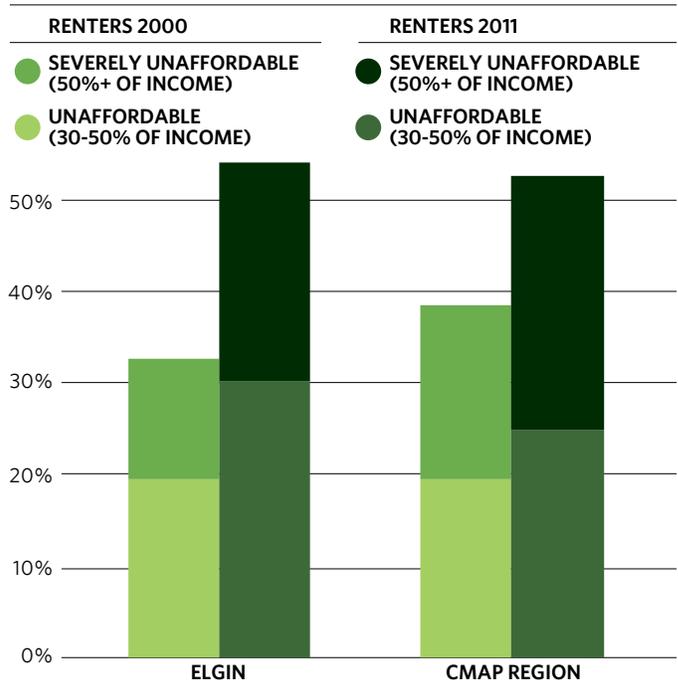
As explained in the subregional report, Elgin's rate of completed foreclosures was higher than many nearby counties and communities. Such findings are a symptom of the housing cost issues faced by local owners. Analysis of 2007-11 American Community Survey (ACS) data indicates that similar shares of owners and renters are cost-burdened in areas of the City east and west of McLean Boulevard. Future sections of this report will look at those income groups that are most burdened by housing costs.

Percent of owner occupied households paying more than 30% of income on monthly owner costs



Source: 2000 U.S. Census and American Community Survey 2007-11 data.

Percent of renter occupied households paying more than 30% of income on gross rent



Source: 2000 U.S. Census and American Community Survey 2007-11 data.

Utilities and Affordability

Utility costs can increase or decrease the number of cost-burdened households because they contribute to gross housing costs. In 2007, the Center for Neighborhood Technology (CNT) developed the “Elgin Energy and Emissions Profile”, which examined energy consumption, vehicle miles traveled, and greenhouse gas emissions at a community-wide scale. This report was part of the Municipal Energy Profile Project (MEPP) that included the development of profiles for over 270 municipalities in the Chicago metropolitan region. The profiles serve as a baseline from which communities can develop more specific strategies and accurately measure progress in achieving reductions in energy consumption and emissions. The MEPP Guidebook examined both municipal and community scale best practices for strategies in energy and transportation. The project was funded by the Illinois Clean Energy Community Foundation, and data partners included ComEd, Nicor Gas, Peoples Gas, North Shore Gas, and the Illinois Department of Transportation. Table 2 highlights residential natural gas and energy usage in the City along with Cook County and Kane County in 2007. At that time, the average Elgin household spent about the same amount as the average Kane County household on energy costs, but less than the average Cook County household.

Recently, Elgin has undertaken a few different efforts to reduce local energy costs. In 2009, the City received just over \$1 million dollars from the U.S. Department of Energy via an Energy Efficiency Conservation Block Grant (EECBG). Almost \$350,000 of that grant was allocated specifically to audit energy consumed by single-family homes in Elgin and to fund energy efficiency measures within those homes to reduce consumption. The City conducted 38 audits and loaned 18 persons the funds necessary to make the improvements recommended by those audits. Loan repayments will replenish a revolving fund that can be used for more energy audits and improvements in the future. The City moved forward with municipal aggregation in 2012, offering residents lower electricity rates. This means Elgin collectively negotiated for who will supply electricity for residents and eligible small businesses. Finally, Elgin complies with the state-mandated Energy Efficient Building Act, which establishes energy efficiency requirements for new construction of and certain improvements to all buildings, including single-family homes.³⁸ Continuing to find ways to reduce residents’ energy costs is an important part of helping decrease the number of cost-burdened households.



The Elgin Artspace Lofts include energy efficient features.

Source: Chicago Metropolitan Agency for Planning.

Table 2: Residential energy use in Elgin, Kane County, and Cook County, 2007

	ELGIN	KANE COUNTY	COOK COUNTY
Average electricity use per household	8,109kWh	8,203 kWh	7,692 kWh
Average annual \$ for electricity per household*	\$872	\$883	\$828
Average natural gas use per household	983 Therms	1,008 Therms	1,130 Therms
Average annual \$ for natural gas per household*	\$873	\$898	\$1,274
Average annual energy costs	\$1,745	\$1,781	\$2,102

Source: Elevate Energy Community Profile.

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

38. 20 ILCS 3125/ Energy Efficient Building Act.

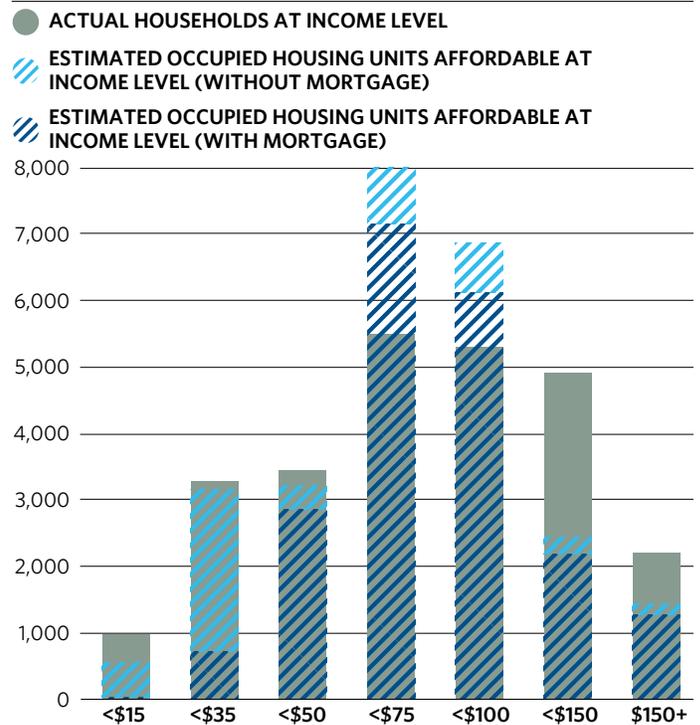
Current Ownership Housing Market

As previously discussed, mortgage and interest payments made up approximately 56 percent of the average regional homeowner’s monthly housing costs in 2009. Therefore, it is unsurprising that unit affordability depends greatly on whether a home is mortgaged. Units affordable to homeowners earning less than \$35,000 are typically not mortgaged in Elgin. Intuitively this makes sense, as owners who do not carry a mortgage typically pay less in total housing costs. Unfortunately these units are unlikely to remain available for lower income households once sold and, normally mortgaged upon purchase.

The likelihood of owning a home with or without a mortgage depends in part on age. Approximately 52 percent of owners without mortgages are over the age of 65 versus only 8.7 percent of owners with mortgages. Therefore, the bulk of Elgin’s supply of owner units affordable to households earning less than \$35,000 per year are occupied by seniors, while the working age population occupies most of the units affordable to households earning more than \$35,000 per year.

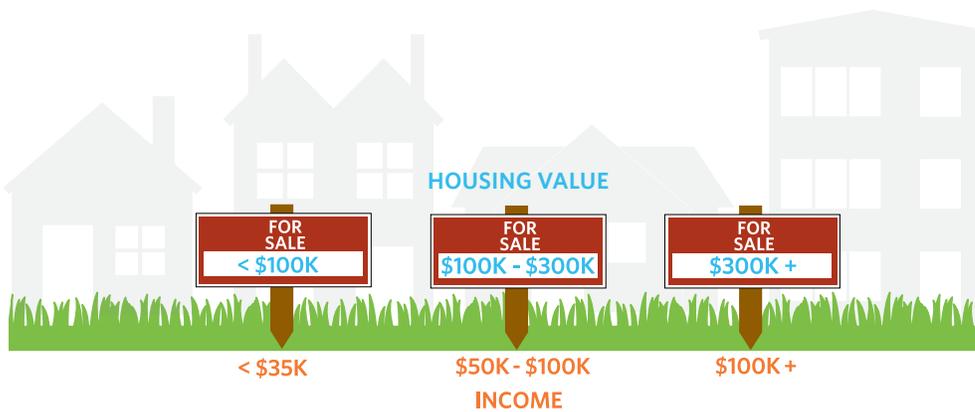
Many cost-burdened owners are likely buying units affordable to households making \$50,000-\$100,000, explaining the large oversupply of units for these income groups and the shortages at all other income levels. Yet, the supply of units in this range also serves those upper income households who choose to pay less than 30 percent of their income on housing costs.

Elgin comparison of owner household incomes with occupied units affordable at each income level



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

Translating incomes into housing values



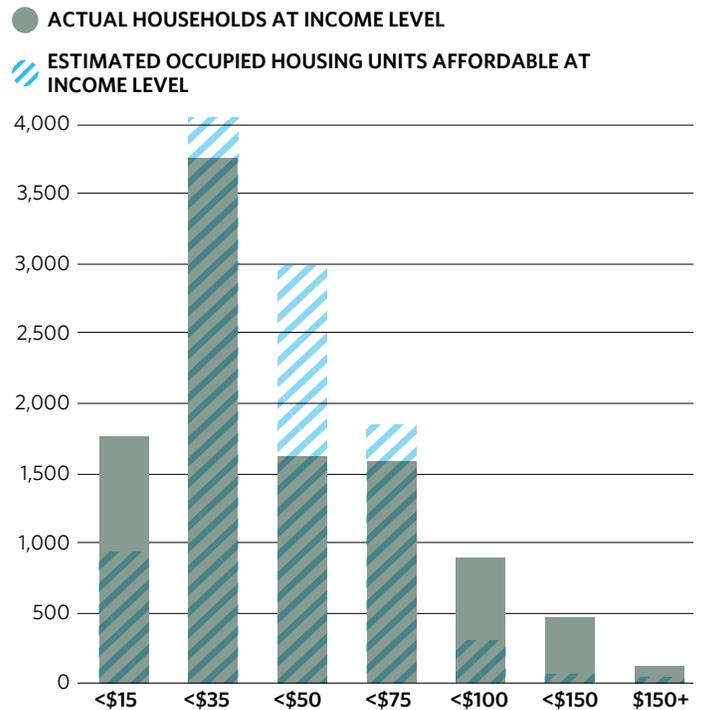
With so many factors influencing what home a household can afford to purchase (housing cost, income, downpayment, credit score, etc.), it can be difficult to figure out how the seven income groups analyzed in the Homes for a Changing Region report correspond to local housing values. A long-standing rule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

Source: Chicago Metropolitan Agency for Planning.

Current Rental Housing Market

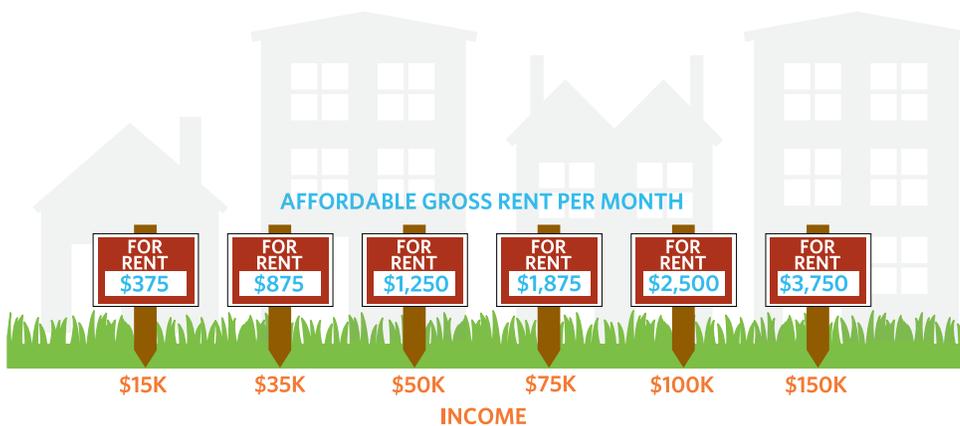
In Elgin, more than 50 percent of renters earn below \$35,000. While the presence of so many units affordable to households earning between \$15,000 and \$35,000 would seem to help local rental affordability, 2007-11 ACS data indicates that 92 percent of renter households in Elgin earning less than \$35,000 pay more than 30 percent of their income on housing costs. This discrepancy is likely the result of two underlying factors. First, U.S. Census income definitions do not include housing assistance, such as Housing Choice Vouchers. Some households in these lower income ranges may be able to afford units through public assistance. Second, middle- and upper-income households may be choosing to pay less than 30 percent of their income on housing costs, occupying units affordable to low-income households. Low-income renters, in turn, must seek out units that are affordable to higher income levels, driving up the number of cost-burdened renters.

Elgin comparison of rental household incomes with occupied units affordable at each income level



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

Translating incomes into rents



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

Source: Chicago Metropolitan Agency for Planning.

Jobs, Transportation, and Housing

Elgin is an employment hub for the region. As a result, the City has built-in demand for its housing stock, as people who work in the community may want to live there as well, taking advantage of the potential to reduce their commute time and costs.

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

These potential issues show how transportation and affordability are linked. Some housing locations are inherently more or less costly by virtue of their location. If a housing unit is located farther away from jobs or retail, the typical occupant will need to spend more time and money commuting, leaving less money for housing and other expenses. Moreover, a mismatch between the location of jobs and affordable housing reduces economic competitiveness as employers experience difficulty with employee recruitment and retention.³⁹ This section explores how the local job base impacts the Elgin housing market.

Table 3: Subregion* earnings

INDUSTRY	AVERAGE EARNINGS**
Health care and social assistance	\$57,180
Educational services	\$43,102
Manufacturing	\$62,859
Administration and support	\$27,716
Finance and insurance	\$60,782
Retail trade	\$28,916
Wholesale trade	\$75,555
Accommodation and food services	\$18,239
Construction	\$74,277
Information	\$68,828
Professional, scientific, and technical services	\$71,549
Transportation and warehousing	\$52,713

Source: Economic Modeling Specialists International (EMSI).

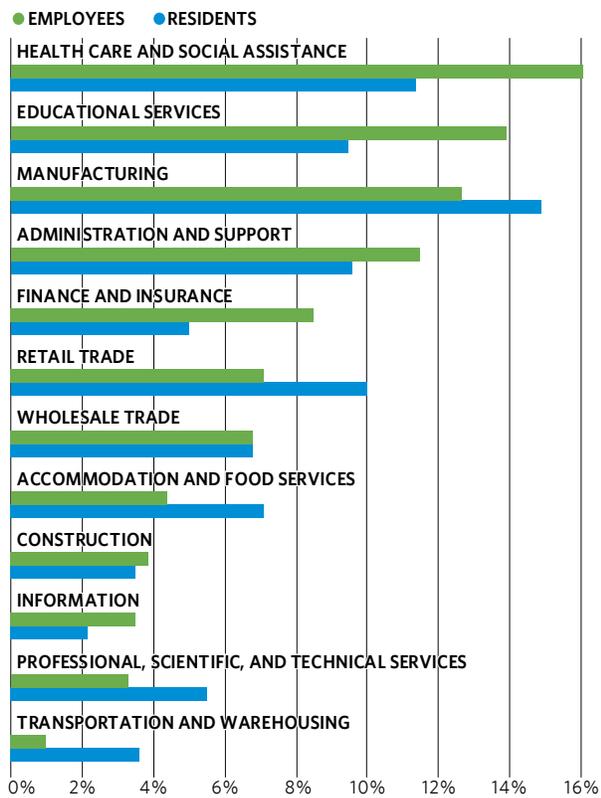
*Subregion includes the following ZIP Codes: 60110, 60118, 60120, 60123, and 60124.

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

Jobs

In 2011, the City of Elgin contained approximately 57,800 jobs and 45,700 employed residents.⁴⁰ The Elgin Area Chamber of Commerce reports that the five largest local employers include School District U-46, Sherman Hospital, JP Morgan Chase, St. Joseph's Hospital, and Grand Victoria Casino. As a number of health care and educational facilities are major employers, it is not surprising that both health care and education hold the largest shares of local jobs. Similarly, a number of residents are employed in the health care and educational services sectors, though manufacturing is the sector in which the largest share of residents are employed (15 percent). Table 3 details the average earnings in the subregion for the industries in which most residents or employees work.⁴¹ The largest industries for both residents and employees offer middle-income earnings. Some less-populated industries offer higher wages, such as the Management sector in which only 220 employees work with average annual earnings of approximately \$97,000.

In what industries do Elgin residents and employees work, 2011?



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

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

41. The subregion includes the following ZIP Codes: 60110, 60118, 60120, 60123, and 60124.

42. *Jobs-Housing Balance Technical Report*. (2009). Chicago Metropolitan Agency for Planning. See <http://tinyurl.com/m2cyste>.

43. American Society of Civil Engineers. "Traffic Generated by Mixed-Use Developments - Six-Region Study Using Consistent Built Environmental Measures." *Journal of Urban Planning*, October 2010.

Transportation

Because the City contains job opportunities that generally match the industries in which residents work, the potential exists to reduce the job-housing mismatch. In 2011, 26 percent of employed residents worked in Elgin. Despite the relatively high percentage, this share represents a steep numeric decline from past figures. In 1980, 55 percent of Elgin residents worked in the community. In a 2009 analysis, CMAP found that among high employment municipalities, Elgin experienced the greatest decline in the share of jobs held by local residents between 1980 and 2004, declining by more than half.⁴²

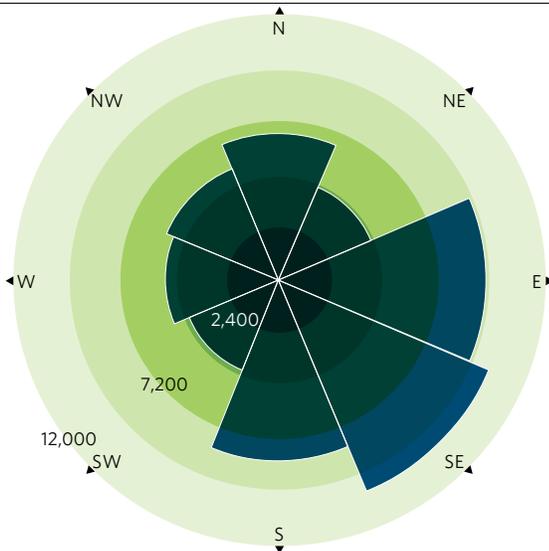
The declining share of citizens who work in the community increases commute times for employees and residents. Approximately 27 percent work at locations outside of either Kane

County or Cook County. The locations from which employees commute to jobs in Elgin are even less concentrated, with almost 40 percent coming from locations outside of Kane County or Cook County. These distributions are similar to those found in many communities throughout the region, creating longer commuting times and higher commuting costs for residents and workers.

Research by Reid Ewing and others in the Journal of Urban Planning and Development has shown that the biggest factor in reducing vehicle miles traveled, a major driver of transportation costs, comes from “putting offices, shops, restaurants, residences, and other codependent activities in close proximity to each other.”⁴³ Elgin’s size, form, and access to transit are assets to be capitalized upon when planning for future growth.

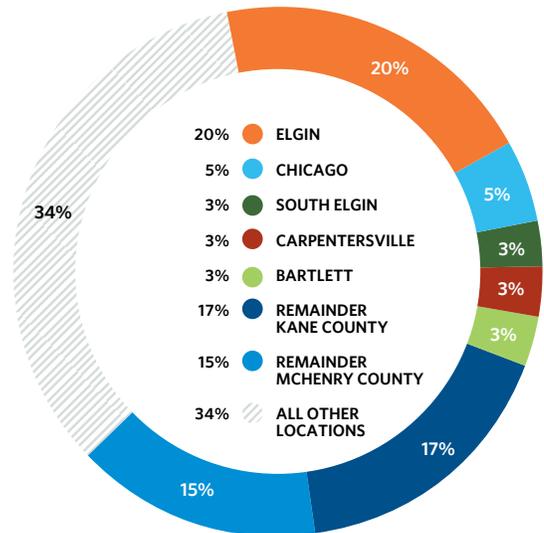
Where do Elgin’s workers live?

Job counts by distance/direction in 2011, all workers



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

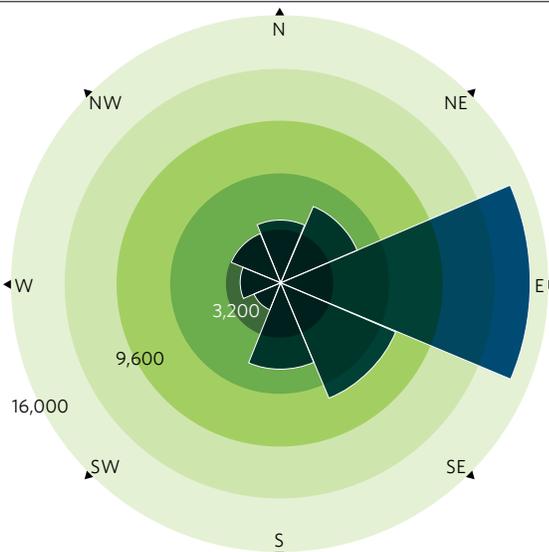
Where do Elgin’s workers live, 2011?



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

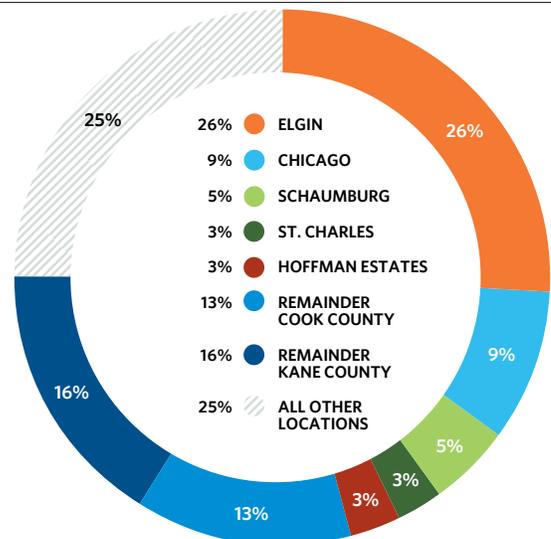
Where do Elgin’s residents work?

Job counts by distance/direction in 2011, all workers



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

Where do Elgin’s residents work, 2011?



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

Projecting Future Housing Needs

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

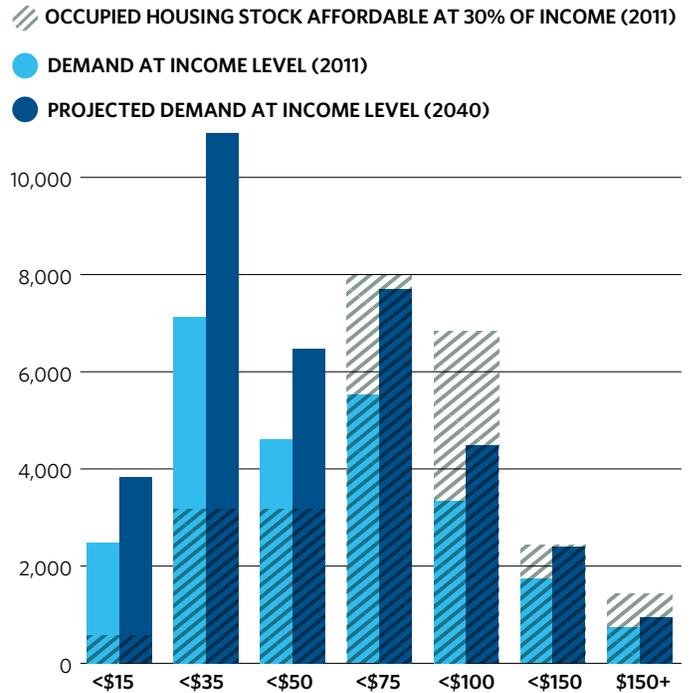
Future Ownership Needs

Carpentersville will have a shortage of owner-occupied housing units affordable to families whose incomes are below \$50,000 and a modest surplus of affordable units for families whose incomes exceed \$50,000. Meeting the needs of present and future middle- and upper-income owners will require maintaining existing units. Projected shortfalls in supply for low-, moderate-, and middle-income households could further increase the number of cost-burdened owners, as buyers attempt to purchase homes affordable to middle- and upper-income households. For households earning less than \$15,000, the financial realities of property acquisition, construction costs, and financing make development very difficult.

For households earning less than \$50,000, the current supply could be outpaced by demand. Over 70 percent of households making \$15,000-\$35,000 per year will be seniors. New ownership options must meet the needs of an aging population. This growth also underlines the importance of considering multigenerational housing options. For households earning less than \$15,000, the financial realities of property acquisition, construction costs, and financing make development very difficult.

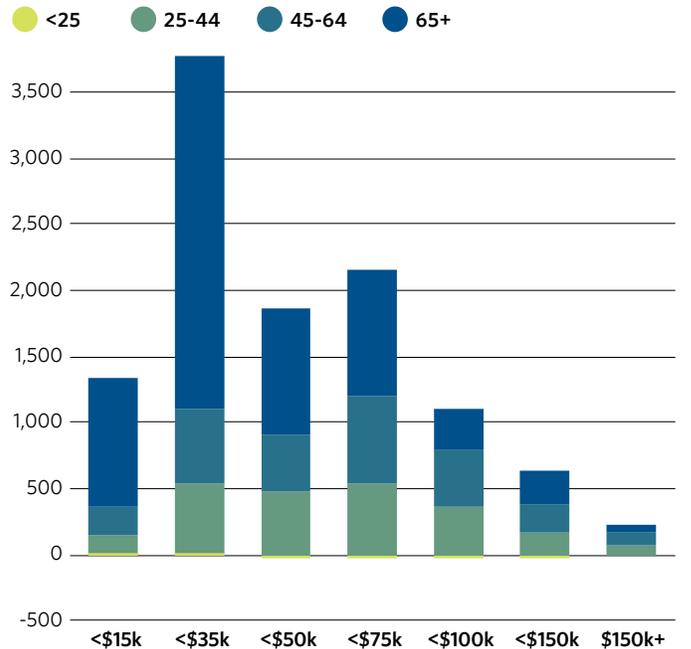
Owner demand will remain strong in both eastern and western portions of the City, with approximately 60 percent of future owner households west of McLean Boulevard. This area contains the strongest demand for units affordable to middle- and upper-income owners. Regardless of income level, owner demand in western neighborhoods will primarily come from working age households (25-44 and 45-64). In eastern neighborhoods, over 80 percent of owner growth will come from low-income seniors.

Elgin 2011 households and housing stock compared with 2040 owner demand



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

Elgin 2011-40 change in owner demand by age and income



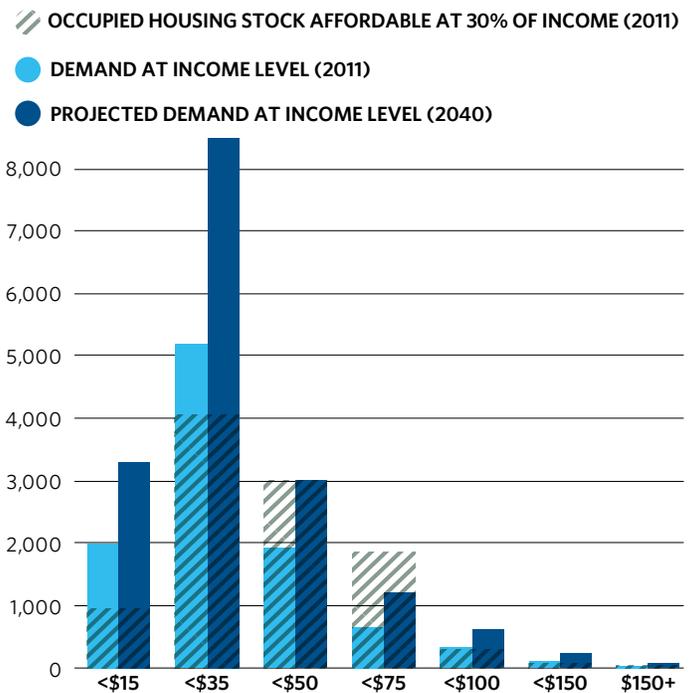
Source: Chicago Metropolitan Agency for Planning analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Future Rental Needs

Between 2011 and 2040, Elgin could add almost 6,700 additional rental units. The majority of that growth will come from households earning less than \$35,000. Demand for middle- and upper-income rentals can largely be addressed by the existing housing stock. Unaddressed demand for low-income units could increase the number of cost-burdened renters. While both younger and older households will want additional rental options, about half of the growth in demand among households earning less than \$35,000 will be from renters older than 65.

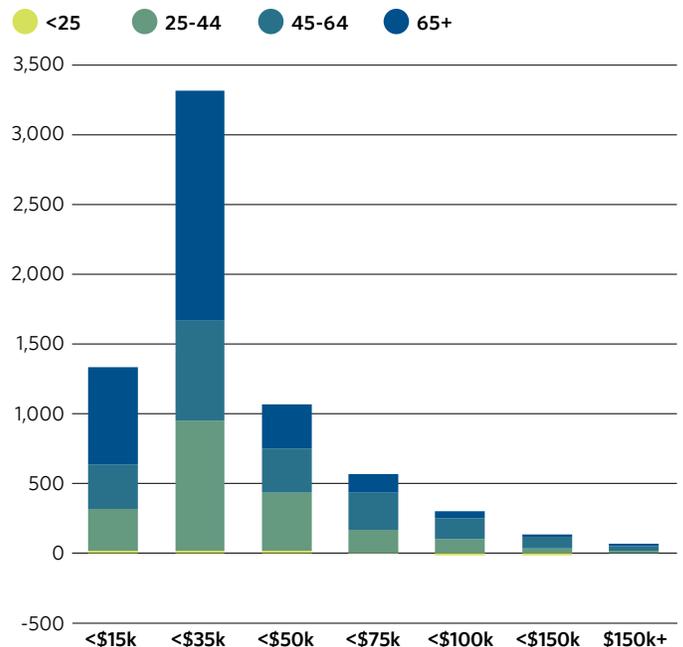
While additional units will be needed if the City decides to provide for rental demand, the ultimate price point of those units will depend in part on local economic development efforts. Increased educational and employment opportunities can boost household incomes. Approximately 60 percent of the future demand for rental units will come from neighborhoods east of McLean Boulevard.

Elgin 2011 households and housing stock compared with 2040 renter demand



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

Elgin 2011-40 change in renter demand by age and income



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

Housing Demand by Type of Unit

Based on the breakdown of projected future owners and renters in Elgin, along with national estimates of future demand for four broad housing types, a forecast of demand for additional housing units in 2040 arises. This “balanced housing profile” shows demand for 17,880 additional units between now and 2040.⁴⁴ Approximately 3,700 additional units would be large-lot single-family homes. The additional 5,300 small-lot single-family units, 3,300 townhomes, and 5,500 multi-family homes demonstrate increasing demand for denser unit types by people across the age and income spectrum.

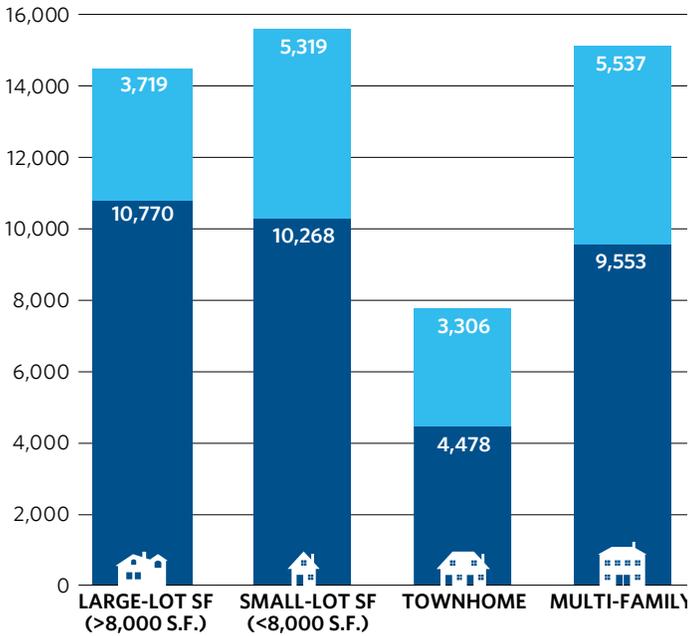


Townhomes are an important part of future housing demand.

Source: Chicago Metropolitan Agency for Planning.

Elgin future balanced housing profile

- FUTURE INCREMENTAL UNITS (INCLUDES NEW UNITS AND REHABBED VACANT UNITS, 2011-40)
- OCCUPIED HOUSING SUPPLY ELGIN, 2011



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

44. Note that this figure is higher than the projected increase in households between 2011 and 2040 (16,196) because of the inclusion of potential future vacant units. See the Appendix for more information about the methodology.

Capacity for Growth

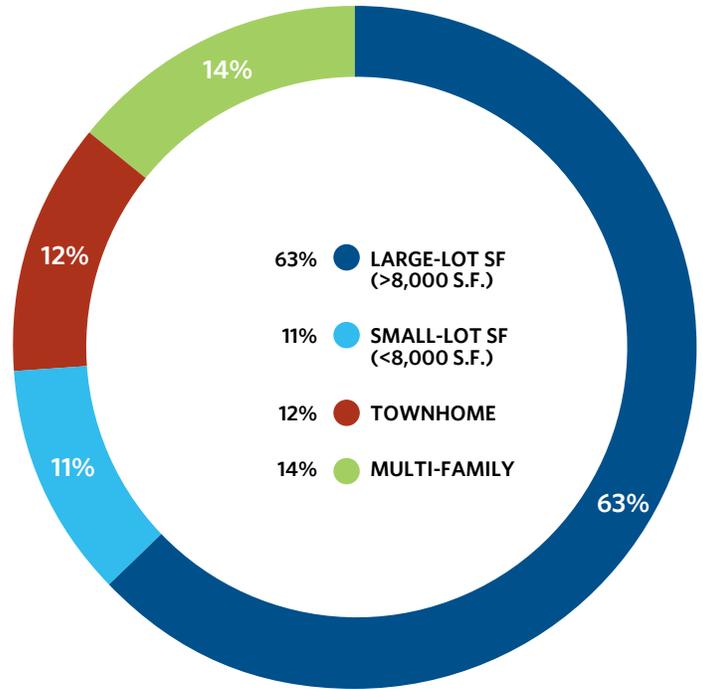
Forecasted population and household growth is only one half of the equation in considering future housing needs. As a community with numerous assets, it is understandable why many people want to live in Elgin now and in the future. To plan for future households and housing, it is also important to look at capacity. To understand the City’s ability to accommodate projected growth, two key sources of capacity were reviewed: development/redevelopment and vacancy.⁴⁵

Development/Redevelopment Analysis

The development/redevelopment analysis considers how Elgin could grow over the next 30 years based on current land use regulations, development approvals, and key development sites. CMAP and City staff calculated the total square footage of vacant and redevelopable land in and around the City by reviewing Cook County and Kane County Assessor data. Then, Elgin’s current zoning and development standards were applied to those figures to calculate how many units could be built.

Based on this analysis, the City has the capacity for approximately 17,132 additional dwelling units compared to the 17,880 units that would be needed should the City decide to plan for the estimated increase in its population possible by 2040. This capacity would allow the City to accommodate about 97 percent of the forecasted household growth. Almost 10,300 units of the anticipated capacity come from approved developments primarily in the Far West Area. While Elgin could add further capacity for residential development via annexation in the Far West Area, such additional capacity would seem largely unnecessary. The capacity for approximately 10,800 units of large-lot single-family homes is almost three times more than the projected future demand for that unit type. As noted previously, Elgin is currently developing a new comprehensive plan. The City intends to amend its land development regulations soon after the plan’s completion. If the community decides to reduce the amount of vacant land allocated for large-lot single-family homes in its new plan, it is anticipated that correlating changes to local zoning and development standards would reduce future capacity.

Elgin maximum capacity by unit type



Source: Chicago Metropolitan Agency for Planning analysis of Elgin zoning ordinance and Cook County and Kane County Assessor data.

Table 4: Maximum capacity by unit type

TYPE	UNITS
Large-lot single-family (>8,000 square feet)	10,790
Small-lot single-family (<8,000 square feet)	1,935
Townhome	2,068
Multi-family	2,339
TOTAL	17,132

Source: Chicago Metropolitan Agency for Planning analysis of Elgin zoning ordinance and Cook County and Kane County Assessor data.

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



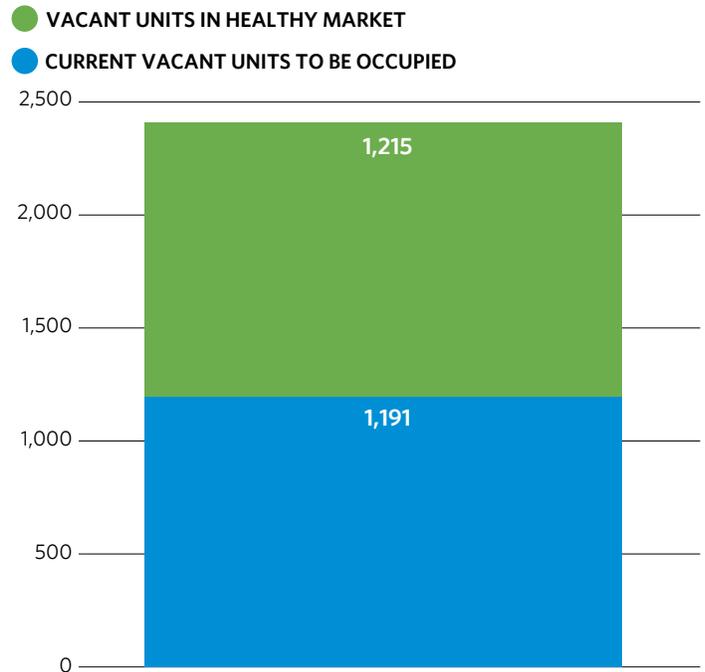
Unfinished or unbuilt single-family subdivisions in the western part of the City drive local capacity.

Source: Chicago Metropolitan Agency for Planning.

Vacancy Analysis

Because of the current housing market, vacancy may decline in the future, allowing people to move in without building new units. According to 2007-11 ACS estimates, Elgin has approximately 2,400 vacant units or about 6.3 percent of all homes in the City. Given the number of local owner and rental units and a healthy housing market, the City should only have approximately 1,200 vacant units, a vacancy rate of approximately 3 percent.⁴⁶ Therefore, about 1,200 currently vacant units could be occupied in the future as Elgin grows and the market stabilizes. This capacity would allow the City to accommodate a relatively small share of projected growth (about 6.7 percent).

Elgin breakdown of current vacant units



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

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

Urban Design Focus Area

In July 2013, the *Homes* team reached out to residents, community leaders, officials, and others through MetroQuest, an online survey tool. More than 150 respondents shared their views on both the types of units they would prefer in the City and where they would like to see them.

Because the survey and mapping results can be abstract, many communities find it helpful to distill the responses into a picture of the desired vision at a specific location. Based on discussions with City staff and the capacity analysis in this report, one of the key issues surrounding future housing in Elgin is the numerous developments already approved by the City. The vast majority of the City's future housing capacity is found in planned large-lot single-family subdivisions west of Randall Road. In some cases, lots have been platted and streets, sewer, water, and other infrastructure have been installed. Recognizing the significance of this issue, staff recommended that the visualization focus on an existing stalled development near U.S. 20 and Russell Road.

The following images illustrate the sentiments recorded through MetroQuest. The photo shows a selected area of the development along Gansett Parkway with small-lot single-family and townhome units integrated into an existing large-lot single-family area. The conceptual plan shows that the entire area would also include multi-family units and a supporting retail/service node along U.S. 20 to make the area a true mixed-use neighborhood.

Aerial of the Focus Area (outlined in red)



Source: Fregonese Associates.

Gansett Parkway looking east today



Source: Chicago Metropolitan Agency for Planning.

Gansett Parkway looking east in the future



Source: Fregonese Associates.

Focus area concept plan



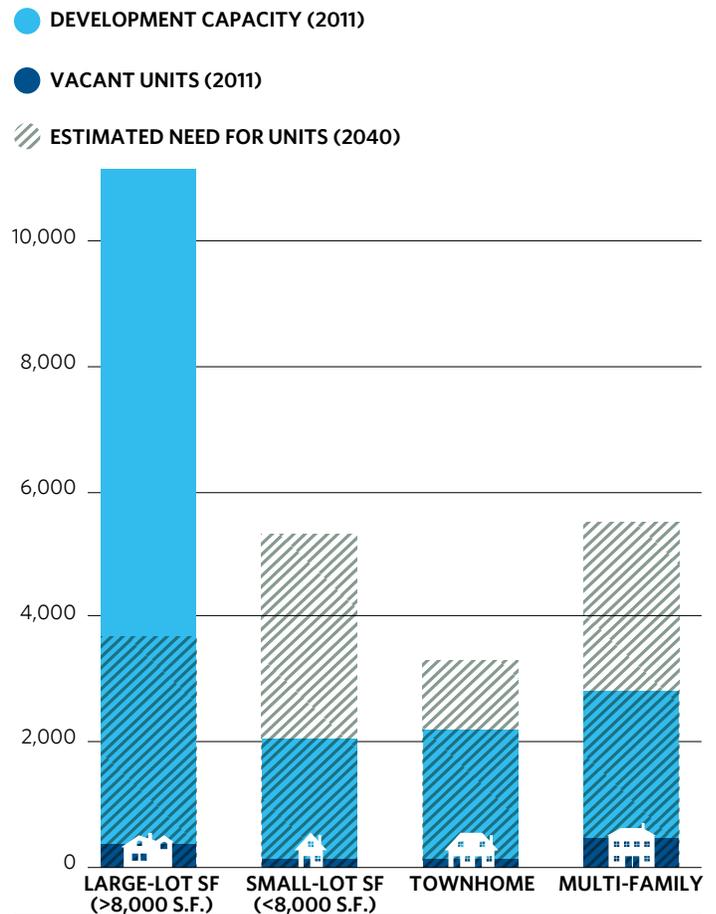
Source: Fregonese Associates.

Conclusions and Recommendations

Taking into account the capacity available through development, redevelopment, and vacancy, Elgin can accommodate all of the projected housing units that could be desired by future residents by 2040, with a slight excess of capacity (about 400 units). Therefore, the question is not whether Elgin can accommodate future growth. Rather, the key question is how Elgin can start to adjust its planning to better respond to the likely unit types that future households will demand. Virtually all capacity comes from large-lot single-family homes approved for development west of Randall Road, while future households will be interested small-lot, townhome, and multi-family units.

Again, the community is currently working on a new comprehensive plan, an excellent first step to address the mismatch between capacity and projected demand. **As the City develops its new comprehensive plan, Elgin should carefully consider its future land use plan and, ultimately, any potential revisions to its land development regulations based on the capacity and growth projections in this report.** In particular, the land use plan should reflect that the development capacity for future large-lot residential development far outstrips the projected future demand for this type of housing. As Elgin grows, additional capacity will need to be found for small-lot single-family, townhome, and multi-family developments that meet the needs of owners and renters from across the age and income spectrum. Accommodating growth in a way that corresponds to public feedback means balancing development of the Far West Area and reinvestment within the City's older, established neighborhoods and historic core.

Elgin demand vs. vacancy and capacity by housing type



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

As Elgin grows westward, it should emulate the qualities of its older areas, such as neighborhoods with a mix of housing types.



Source: Chicago Metropolitan Agency for Planning.



Source: Chicago Metropolitan Agency for Planning.

To accommodate additional small-lot single-family, townhome, and multi-family developments, the City should consider national trends showing an increased desire for mixed-use neighborhoods or areas containing a mix of housing types. **As the City develops its comprehensive plan, it should explore a node system, concentrating retail, services, and employment opportunities in higher density concentrations rather than increasing non-residential development along arterial roadways.** These nodes can then be supported by the integration of denser housing options into and around each node. Ideally such nodes would be concentrated along roadways with existing or proposed transit resources, such as Randall Road.

Implementing some of the recommendations of this Plan and the future comprehensive plan will require financial resources. Multiple funding sources can or will be allocated toward housing issues in the Elgin area over the next few years.

- The City of Elgin is an entitlement community and annually receives CDBG funding (approximately \$770,000 in 2013).
- Elgin is a member of the Kane County Consortium, which annually receives Home Investment Partnership Program (HOME) funds (approximately \$570,000 in 2013).
- The Hope Fair Housing Center received funding (\$1.4 million) through a national settlement with Wells Fargo and some of these funds will be targeted for use in portions of Elgin with high foreclosure rates.

- The Community Foundation of the Fox Valley was awarded \$3 million in funding from the Illinois Attorney General's office under the National Mortgage Settlement for the redevelopment of approximately 40 properties as a first step in a broader regional revitalization strategy.
- Neighborhood Housing Services (NHS) received \$1.75 million from the Illinois Attorney General's office under the National Mortgage Settlement for the expansion of lending, construction, and outreach from the Fox Valley and southern Cook County offices.

The availability of these funding sources just as the City will be developing a new comprehensive plan is fortuitous. **Elgin should capture the opportunity offered by this convergence to provide leadership and guidance in the strategic use of these funds to address the issues that matter most to the City, such as reinvestment in older, established neighborhoods and the historic core.** Elgin can use its role to leverage and guide these resources to implement these recommendations.

While the preceding recommendations lay a broad framework for planning strategically about housing in Elgin, the City must also develop a plan for the large-lot single-family capacity from existing entitlements located in the Far West Area, some of which stalled during the housing downturn. **As developers seek amended approvals to restart large multi-phase developments, Elgin should use the opportunity to the transition some units from large-lot single-family homes to the types anticipated in this report.** The critical question in such developments will be whether or not utilities were previously stubbed to platted lots.

One variation on the large-lot single-family housing type would be to explore multigenerational housing given the future demand for senior housing. Such units offer households with three or more generations the flexibility needed to cohabitate. Features of such units often include more private areas for independent living, such as small kitchenettes, private bathrooms, and even multiple living areas. Retrofitting existing developments to allow accessory dwellings, including granny flats and units over garages, would require zoning amendments. These types of units should be regulated within developments, with specific locations identified on approved site plans. The use of covenants, conditions, and restrictions and the site specific locations of such additional dwelling units should be discussed. To introduce the concept, Elgin could consider working with a consultant to create a demonstration project to address management or enforcement concerns.

Residents of Elgin seek both the development of portions of the Far West Area along with reinvestment in the City's older established neighborhoods and historic core. Considering how best to make use of underutilized areas is an issue facing communities throughout the region. CMAP found that, when completing GO TO 2040, there were more than 100,000 acres of vacant or under-used land in municipalities throughout the region. GO TO 2040 recommends the redevelopment of this land with a mix of residential and non-residential uses, accommodating half of the region's growth — about 1.2 million people.

In the rehabilitation and redevelopment of older neighborhoods, the City should build off of its educational and transit assets. The recently adopted National Street Station Area Plan lays out a vision for how the area around the National Street Metra Station can be revitalized through a combination of housing rehabilitation for nearby residential neighborhoods combined with new multi-family and townhome units. A similar plan should be developed to capitalize on the Big Timber Metra Station, as the area around it already contains a large parking lot and a number of office and warehouse facilities. The City should continue with its efforts to revitalize downtown Elgin by increasing the number of residents who live in the area. Stakeholders noted the difficulty in drawing residential development to the downtown area, in part because of school quality. A significant amount of future growth may be driven by seniors, offering the chance to add households for whom school quality is less of an issue in downtown. Great care should be taken siting such a project because of the City's emphasis on late-night entertainment in certain parts of downtown. The ground-floor of such a project will need to be carefully planned and designed to ensure it contributes to the greater vision for downtown.

This report anticipates that future housing demand in the City over the next 30 years will include demand for owner and renter housing units in both the Far West Area and in areas east of McLean Boulevard. Elgin staff has noted that applications for new residential developments in older areas of the City are significantly less than those in the Far West Area. Addressing this discrepancy is an important part of spurring development that fits the local vision.

One option is to consider the impact of the current local development fee structure. Section 17 of the City's ordinance imposes development impact fees on development that occurs in Elgin. Only development located in a designated redevelopment area, on a property for which an equivalent fee has been paid under a previous ordinance, or on a property owned by a public school district, library district, or water reclamation district are exempt from the fee. **Because of this structure, developments both close to the city-center and on the western edges are treated similarly. Elgin should explore modifications to its existing development fee structure to incentivize the reuse of underutilized land closer to the City center.**

As discussed previously, there are many facets of affordability. Targeting any number of these aspects can help to reduce the number of cost-burdened residents. **In areas with existing concentrations of low-income households, it is recommended that the City not seek new developments that would dramatically increase the supply of units targeted to this income range.** Rather, the City should focus on projects and programs that increase educational and employment opportunities, tackling issues of affordability among low-income households by seeking ways to boost incomes rather than lower housing costs. Efforts could include funding workforce training programs, creating or expanding employment centers near these areas, and encouraging walking, cycling, and transit connections between these neighborhoods and employment centers. The flexibility of CDBG offers one potential funding source for such efforts. That said, maintaining the quality of Elgin's housing stock within these areas is particularly important, and the continued funding of projects that rehabilitate existing residential units should be supported.

Because of the important role that seniors will play in the future housing market, accessibility in new and rehabilitated housing is very important. **One way to meet this need would be for Elgin to evaluate whether or not “visitability” should be standardized and incorporated into local codes and ordinances.** The idea is to create homes that accommodate those with and without physical impairments through construction modifications to doorways, hallways, and bathrooms. Communities such as the Village of Bolingbrook and the City of Naperville have adopted visitability ordinances to ensure that new construction or major housing renovations can provide for the needs of the disabled and growing senior populations. Several builders in Elgin already employ principles of visitability, albeit in varying degrees.

Finally, a key component for any community seeking to maintain an efficient and effective housing market is ensuring that local housing and service providers continue to show openness to current and future residents of all backgrounds. As an entitlement community, Elgin has already taken steps to identify ways to continue fostering openness by collaborating with Kane County and Aurora on an Analysis of Impediments to Fair Housing Choice (AI) in 2012. This document includes six recommendations for the City to improve fair housing issues over the next five years. **Elgin should remain committed to addressing the issues identified in that document by implementing the recommendations of the AI by the end of 2017.**

Beyond the City's AI, Elgin can further expand openness in the following ways.

- The City welcome guide includes information on many local departments and organizations along with the associated contact information. **The City should ensure that this packet reflects the community's commitment to openness by including a statement of welcome for peoples of all backgrounds.**
- **The City should continue to work towards providing all documents, including the welcome packet, in a variety of languages based on identified local needs, particularly Spanish.** Such documents should be accessible to persons with disabilities, including those with sight or hearing impairments.

A Final Thought

Creating an effective long-term housing strategy makes sense for any community, but the housing market does not operate in a vacuum. A well regarded school system is a vital part of sustaining a strong housing market. Stakeholders have noted that some portions of the City are challenged in this regard. There are no simple answers to these educational issues. Elgin should continue to work closely with local school boards. Local education officials should actively solicit help from regional educational institutions as well as nationally recognized school improvement groups. Finally, many schools are of good quality, marred by a bad reputation. The City and school boards should highlight the positives of all local schools to combat any stigmas.



Homes in the neighborhood around downtown West Dundee.

Source: Chicago Metropolitan Agency for Planning.

Housing Policy Plan: West Dundee

Project Summary

West Dundee stands at an important moment. As an affluent community with a historic downtown, numerous retail options, good roadway access, and many housing options, more households will want to live in the community as time goes on. With two large greenfield development sites within the community along with possible redevelopment sites, West Dundee must decide how it wishes to grow in light of the mix of housing future households will desire.

Answering this question is difficult. West Dundee must balance two residential areas with very different design styles. A walkable historic core with a mix of housing types surrounds a downtown with potential for growth along the Fox River. Areas west of Illinois Route 31 are predominantly suburban neighborhoods, with retail and services along Illinois Route 31 and Illinois Route 72. Expansion westward is slowly shifting the population and retail away from downtown and Spring Hill Mall, creating vacancies in existing retail corridors.

The Village last tackled this question in its 2005 Comprehensive Plan. Because of the recession some concepts need to be updated and retested given the current market realities. This report provides a series of policy recommendations that West Dundee will use in the coming years to establish a new vision. The Village will be a community that builds off of its existing neighborhoods and the Fox River while pursuing strategic expansions.

Recommendations include:

- **Exploring regulatory changes to continue diversifying the local housing stock.**
 - **Addressing barriers to residential development in downtown.**
 - **Working with Carpentersville to ensure the viability of the area around Spring Hill Mall.**
 - **Demonstrating that West Dundee is open to all future residents.**
-

Demographic Trends

Located in northeastern Kane County, the Village of West Dundee is bordered by Carpentersville to the north; East Dundee to the east; Elgin to the south; and Sleepy Hollow to the southwest. The Village is also bordered by unincorporated areas in all directions.

West Dundee’s population grew by a third over the past decade to approximately 7,200. The Chicago Metropolitan Agency for Planning (CMAP) produced population and household projections as part of GO TO 2040, the seven-county region’s comprehensive plan for sustainable prosperity through mid-century and beyond.⁴⁷ These figures indicate that if GO TO 2040 is implemented and if the Village takes advantage of its numerous assets, its population could rise to 12,036 by 2040, an increase of approximately 4,800 residents (Table 1).⁴⁸

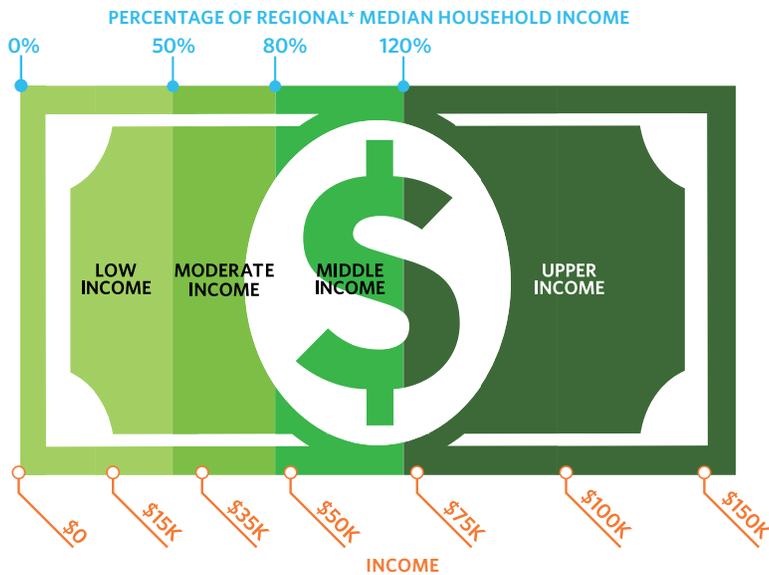
West Dundee could accommodate this growth in many different ways. Both the Haegar property along Illinois Route 31 and the Galvin Site along Randall Road could be transitioned from farmland into residences. West Dundee’s historic downtown or the number of underutilized properties around Spring Hill Mall could be redeveloped or rehabilitated. What is the best course for the Village?

Table 1: General West Dundee statistics

	POPULATION	HOUSEHOLDS
2000 Decennial Census	5,428	2,059
2011 American Community Survey (ACS)	7,208	2,748
Change, 2000-11	1,780	689
Change as %, 2000-11	33%	34%
GO TO 2040 projection, 2040	12,036	4,574
Change, 2011-40	4,828	1,826
Change as %, 2011-40	67%	66%

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

Income



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

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

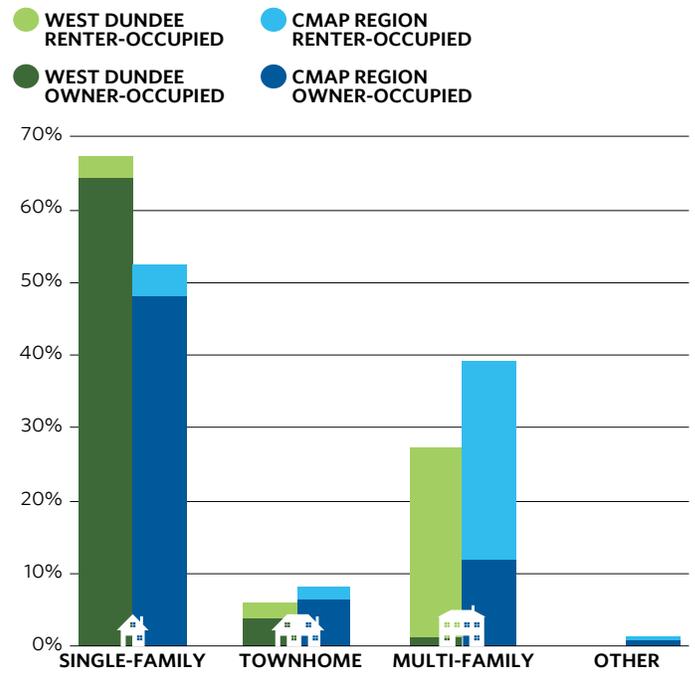
47. See <http://www.cmap.illinois.gov/2040>.

48. See the Appendix for more information about these projections.

Current Housing Market

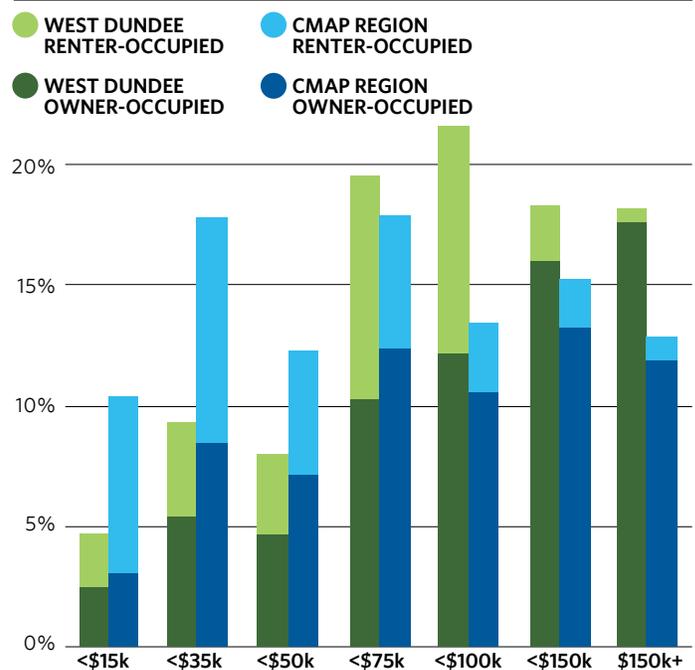
Because of West Dundee’s gradual expansion westward from its historic core along the Fox River, the Village’s housing stock includes everything from historic 19th century units to modern single-family subdivisions. Many multi-family units are located along Illinois Route 31, including the Villages at Canterfield, the newest local multi-family development and the source of most of the growth in West Dundee’s rental stock over the past decade. Single-family homes, which account for two-thirds of all local units, are typically occupied by owners. About 84 percent of renters in the Village live in multi-family structures. This tenure split, with the majority of renters occupying multi-family structures, is very similar to those found throughout the region. Village staff have noticed an increase in the number of single-family rental units over the past couple of years. As highlighted in the Metropolitan Planning Council’s (MPC) *Managing Single-Family Rental Homes* white paper, many communities are struggling with the surge in single-family rentals.⁴⁹ Locally, rental households make up 40 percent to 50 of households at each of the income groups below \$100,000. Approximately 60 percent of local renters earn between \$50,000 and \$100,000. The presence of so many middle- and upper-income renters makes West Dundee’s housing market unique. The Village may be filling unmet demand for quality rental housing in the subregion.

Housing type by owner/renter



Source: American Community Survey 2007-11 data.

Owner/renter by household income



Source: American Community Survey 2007-11 data.

49. *Managing Single-Family Rental Homes*. (June, 2013). Metropolitan Planning Council. See <http://tinyurl.com/kjdjm2h>.

Housing Affordability

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

Over the last decade, rapidly rising property values accelerated far faster than incomes in the U.S., increasing the number of cost-burdened households. Since the recession, affordability issues have persisted despite declines in home values and mortgage rates due in part to declining incomes, slow employment growth, and stringent credit requirements.⁵⁰ As households became renters, supply did not initially keep pace with the sudden spike in demand. Harvard University indicates that currently more than 10 percent of owners and 25 percent of renters in the U.S. pay more than 50 percent of their income on housing costs.⁵¹

West Dundee, in part, bucked the national trend. The portion of renters paying more than 30 percent of their income on housing costs decreased from approximately 45 percent to 25 percent. This highly unusual trend likely stems from the growth in units occupied by households earning between \$50,000 and \$100,000. Regionally, only 13 percent of renters in this income range are cost-burdened versus 52 percent for the renter population as a whole. Growth in the number of middle- and upper-income renters likely helped decrease the overall share of cost-burdened renters. Much like the nation, the portion of owners spending more than 30 percent of their income on housing costs increased between 2000-11. The share of owners in West Dundee who are cost-burdened (approximately 30 percent) still falls short of the regional share (approximately 40 percent).

What is “Affordable Housing?”

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



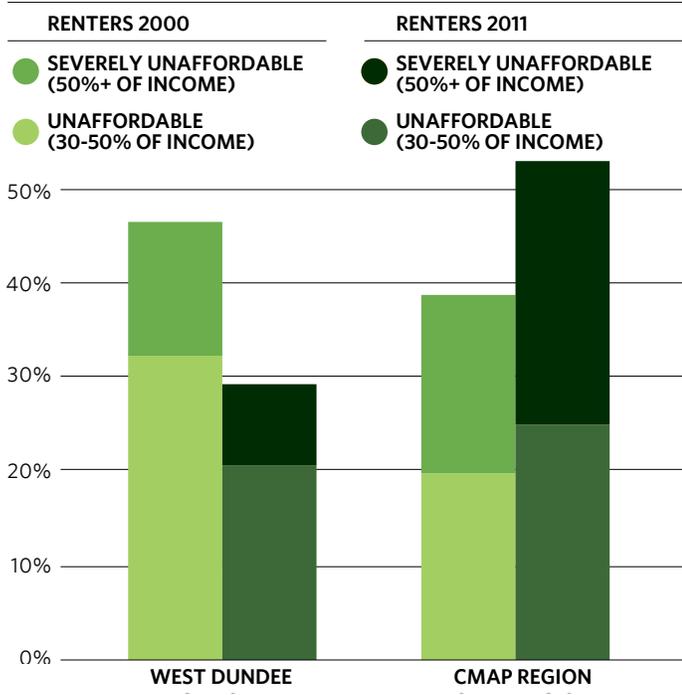
New rental options increased the number of middle- and upper-income renters in West Dundee.

Source: Chicago Metropolitan Agency for Planning.

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

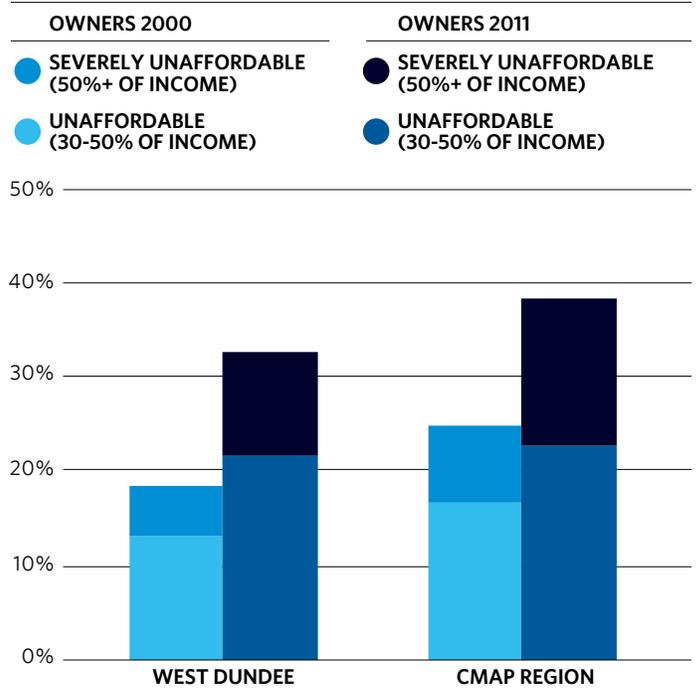
51. Joint Center for Housing Studies. *State of the Nation's Housing 2013*. (June, 2013). Harvard University.

Percent of renter occupied households paying more than 30% of income on gross rent



Source: 2000 U.S. Census and American Community Survey 2007-11 data.

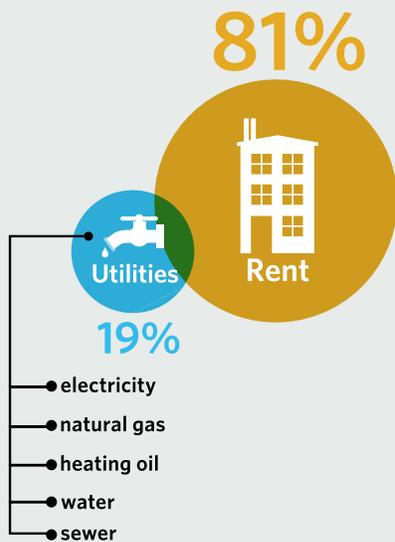
Percent of owner occupied households in paying more than 30% of income on monthly owner costs



Source: 2000 U.S. Census and American Community Survey 2007-11 data.

What is included in gross rent?

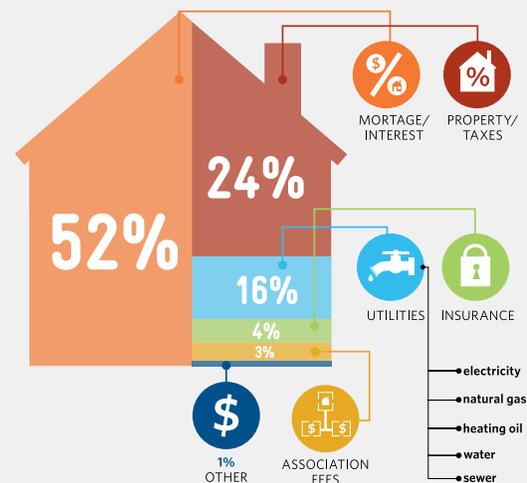
Average monthly costs for renters in Chicago Metropolitan area, 2009



Source: Chicago Metropolitan Agency for Planning analysis of the 2009 American Housing Survey. The 2009 AHS data includes Cook, DuPage, Grundy, Kane, Kendall, Lake, McHenry, and Will counties in the metropolitan area.

What is included in monthly owner costs?

Average Monthly Costs for Owners* in Chicago Metropolitan Area, 2009



Source: Chicago Metropolitan Agency for Planning analysis of the 2009 American Housing Survey. The 2009 AHS data includes Cook, DuPage, Grundy, Kane, Kendall, Lake, McHenry, and Will counties in the metropolitan area.

Utilities and Affordability

Utility costs can increase or decrease the number of cost-burdened households because they contribute to gross housing costs. In 2007, the Center for Neighborhood Technology (CNT) developed the “West Dundee Energy and Emissions Profile”, which examined energy consumption, vehicle miles traveled, and greenhouse gas emissions at a community-wide scale. This report was part of the Municipal Energy Profile Project (MEPP) that included the development of profiles for over 270 municipalities in the Chicago metropolitan region. The profiles serve as a baseline from which communities can develop more specific strategies and accurately measure progress in achieving reductions in energy consumption and emissions. The MEPP Guidebook examined both municipal and community scale best practices for strategies in energy and transportation. The project was funded by the Illinois Clean Energy Community Foundation, and data partners included ComEd, Nicor Gas, Peoples Gas, North Shore Gas, and the Illinois Department of Transportation.

Table 2 highlights residential natural gas and energy usage in the Village and Kane County in 2007. At that time, the average West Dundee household spent \$27 more per month on energy costs than the average Kane County household. The Village moved forward with municipal aggregation in 2012, offering residents the opportunity for lower electricity rates. This means West Dundee collectively negotiated for who will supply electricity for residents and eligible small businesses. Implementing energy efficient designs as part of rehabilitation and new construction in the coming years can further reduce local energy costs and help decrease the number of cost-burdened households.

Table 2: Residential energy use in West Dundee and Kane County, 2007

	WEST DUNDEE	KANE COUNTY
Average electricity use per household	8,875 kWh	8,203 kWh
Average annual \$ for electricity per household*	\$955	\$883
Average natural gas use per household	1,296 Therms	1,008 Therms
Average annual \$ for natural gas per household*	\$1,151	\$898
Average annual energy costs	\$2,106	\$1,781

Source: CNT Energy Community Profile

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

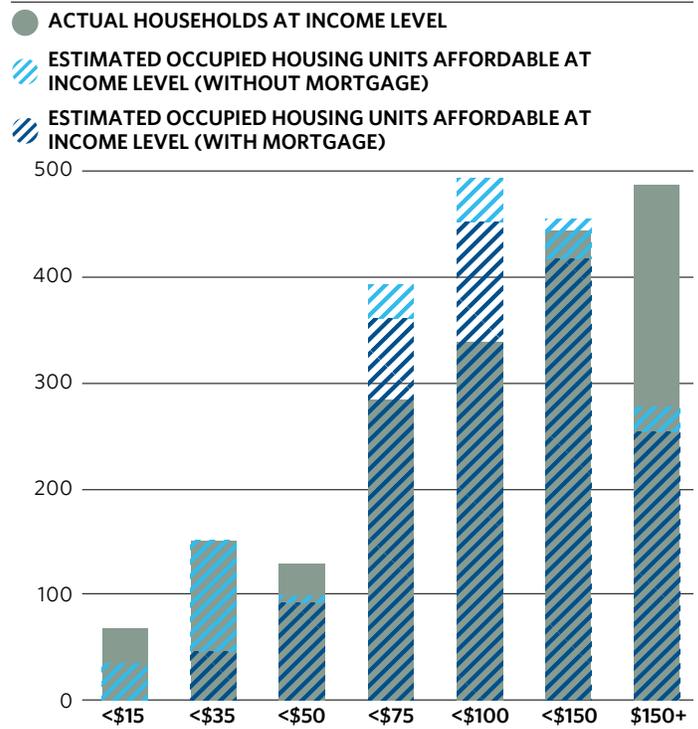
Current Ownership Housing Market

Mortgage status drives the West Dundee owner market. Owner units for households earning less than \$35,000 are only affordable to this income group if the owner does not carry a mortgage, while households above this income level typically pay a mortgage in addition to non-mortgage owner costs. Intuitively this makes sense. Owners who do not carry a mortgage usually pay less in total housing costs.

The likelihood of owning a home with or without a mortgage depends in part on age. Approximately 57 percent of owners without mortgages are over the age of 65, but comprise only 6 percent of units with mortgages. Therefore, the bulk of West Dundee’s supply of owner units affordable to households earning less than \$50,000 per year are occupied by seniors, while the working age population occupies most of the units affordable to households earning more than \$50,000 per year.

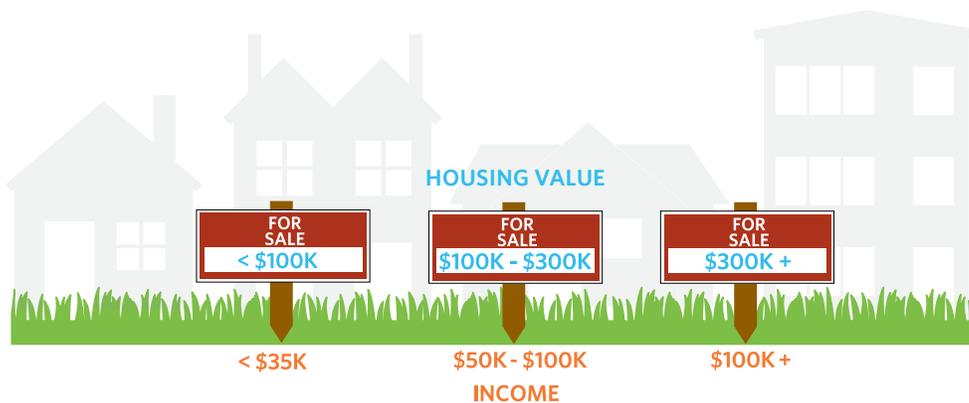
That more than 65 percent of local owners earn more than \$75,000 reflects the affluence of West Dundee homeowners. Comparatively, only 53 percent of owners have incomes above \$75,000 within the region. Due to this affluence, many local owners can choose to pay less than 30 percent of their income on housing costs, as demonstrated by the significant difference between households earning more than \$150,000 and the number of units affordable to owner at that income level. Households making less than \$15,000 often spend large portions of their income on housing costs.

West Dundee comparison of owner household incomes with occupied units affordable at each income level



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

Translating incomes into housing values



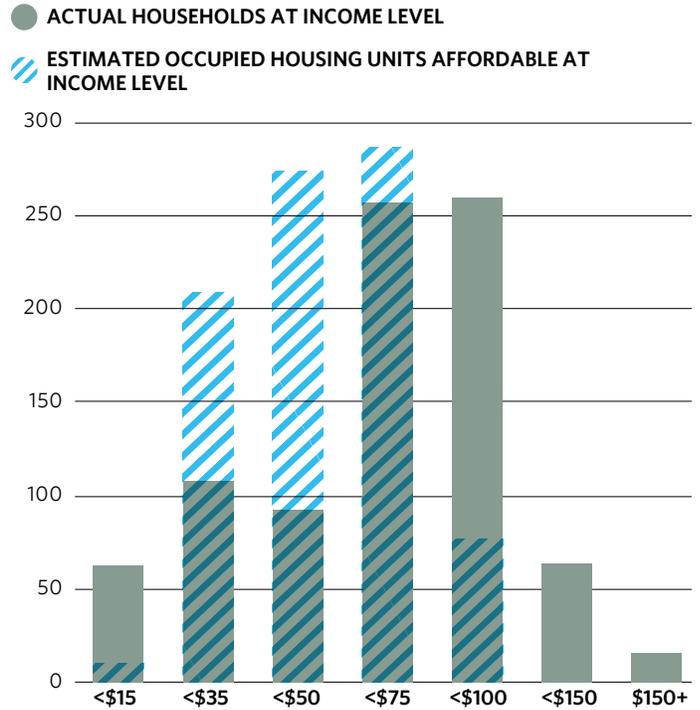
With so many factors influencing what home a household can afford to purchase (housing cost, income, downpayment, credit score, etc.), it can be difficult to figure out how the seven income groups analyzed in the Homes for a Changing Region report correspond to local housing values. A long-standing rule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

Source: Chicago Metropolitan Agency for Planning.

Current Rental Housing Market

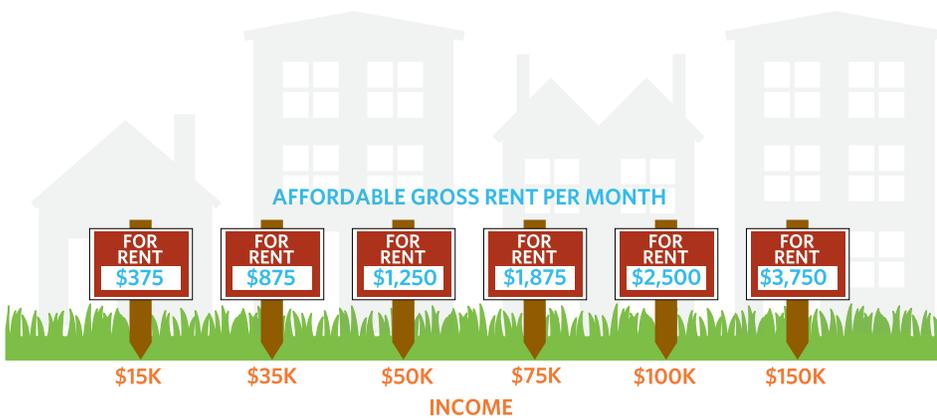
As discussed previously, the structure of the West Dundee rental housing market is unusual because approximately 60 percent of renters earn between \$50,000 and \$100,000 versus 25 percent regionally. The Village’s middle- and upper-income renters have many options for units that cost less than 30 percent of their income. While affordability is generally not an issue in the West Dundee rental market, some low-income residents, such as those earning less than \$15,000, must live in units that cost more than 30 percent of their income. According to 2007-11 American Community Survey (ACS) data, while only 6 percent of renters are seniors, 23 percent of cost-burdened renters are older than 65, indicating that senior renters are disproportionately likely to be paying more than 30 percent of their income on housing in West Dundee.

West Dundee comparison of rental household incomes with occupied units affordable at each income level



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

Translating incomes into rents



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

Source: Chicago Metropolitan Agency for Planning.

Jobs, Transportation, and Housing

With its many retail options, West Dundee contains almost 1.4 jobs for every local household. As a result, the Village has built-in demand for its housing stock, as people who work in the community may want to live there as well, taking advantage of the potential to reduce their commute time and costs.

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

These potential issues show how transportation and affordability are linked. Some housing locations are inherently more or less costly by virtue of their location. If a housing unit is located farther away from jobs or retail, the typical occupant will need to spend more time and money commuting, leaving less money for housing and other expenses. Moreover, a mismatch between the location of jobs and affordable housing reduces economic competitiveness as employers experience difficulty with employee recruitment and retention.⁵² This section explores how the local job base impacts the West Dundee housing market.

Jobs

The presence of Spring Hill Mall, along with a number of major national retailers (Sears, Jewel, Macy's, etc.) along Illinois Route 31 and Illinois Route 72, explains why 57 percent of all local jobs are in the retail trade and accommodation and food services industries. Employed residents, however, work in a wide range of industries, including manufacturing, health care, retail, and educational services. Table 3 details the average earnings in the subregion for the industries in which most residents or employees work. This breakdown highlights that most local employment opportunities are in relatively low earning industries (e.g. retail trade) while residents tend to be employed in better paying occupations (e.g. manufacturing). The relatively high median household income in West Dundee highlights the mismatch between the housing and jobs that exists for both residents and employees.

In what industries do West Dundee residents and employees work, 2011?

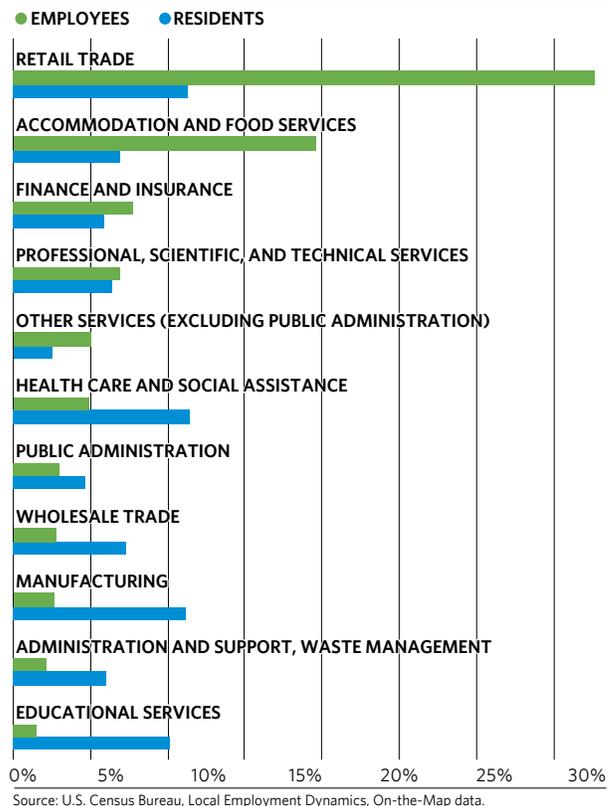


Table 3: Subregion* earnings

INDUSTRY	AVERAGE EARNINGS**
Retail trade	\$28,916
Accommodation and food services	\$18,239
Finance and insurance	\$60,782
Professional, scientific, and technical services	\$71,549
Other services (excluding public administration)	\$37,739
Health care and social assistance	\$57,180
Public administration	\$64,073
Wholesale trade	\$75,555
Manufacturing	\$62,859
Administration and support, waste management and remediation	\$27,716
Educational services	\$43,102

Source: Economic Modeling Specialists International (EMSI).

*Subregion includes the following ZIP Codes: 60110, 60118, 60120, 60123, and 60124.

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

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

Transportation

The local mismatch between jobs and housing drives the need for longer commutes by residents and employees. Only 2.3 percent of employed Village residents work in the community, though approximately 24 percent work in the subregion, including 2 percent in East Dundee. Therefore, residents and employees must commute to jobs that match their skills, often in locations outside of Kane County.

Research by Reid Ewing and others in the *Journal of Urban Planning and Development* has shown that the biggest factor in reducing vehicle miles traveled comes from “putting offices, shops, restaurants, residences, and other codependent activities in close proximity to each other.”⁵³ Building off of local and subregional employment concentrations by providing housing that meets the needs of employers can help decrease the number of cost-burdened owners and renters.

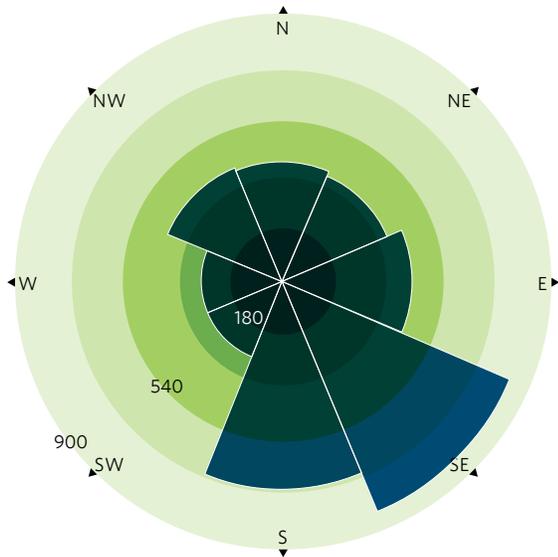


Spring Hill Mall drives local employment, particularly for workers commuting to West Dundee.
Source: Chicago Metropolitan Agency for Planning.

53. American Society of Civil Engineers. “Traffic Generated by Mixed-Use Developments - Six-Region Study Using Consistent Built Environmental Measures.” *Journal of Urban Planning*, October 2010.

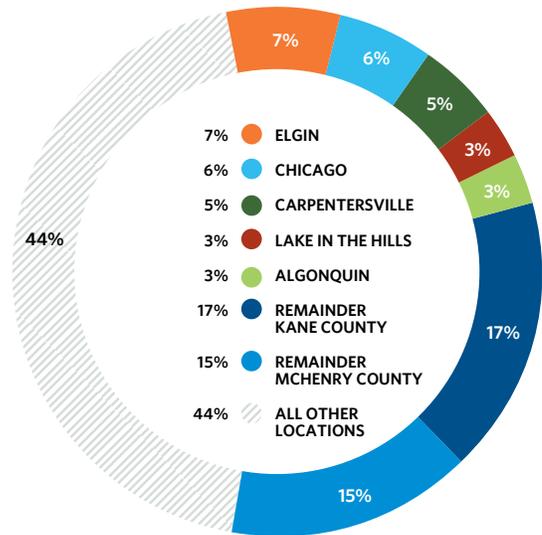
Where do West Dundee's workers live?

Job counts by distance/direction in 2011, all workers



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

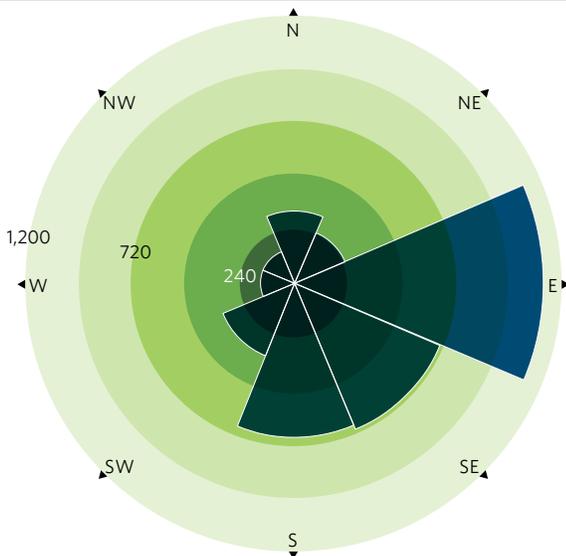
Where do West Dundee's workers live, 2011?



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

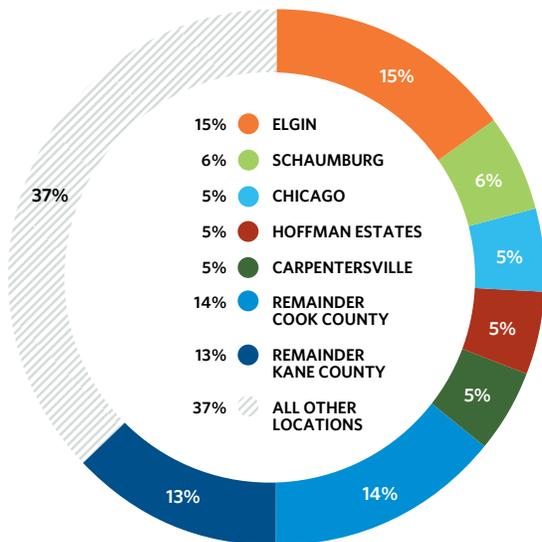
Where do West Dundee's residents work?

Job counts by distance/direction in 2011, all workers



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

Where do West Dundee's residents work, 2011?



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

Projecting Future Housing Needs

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

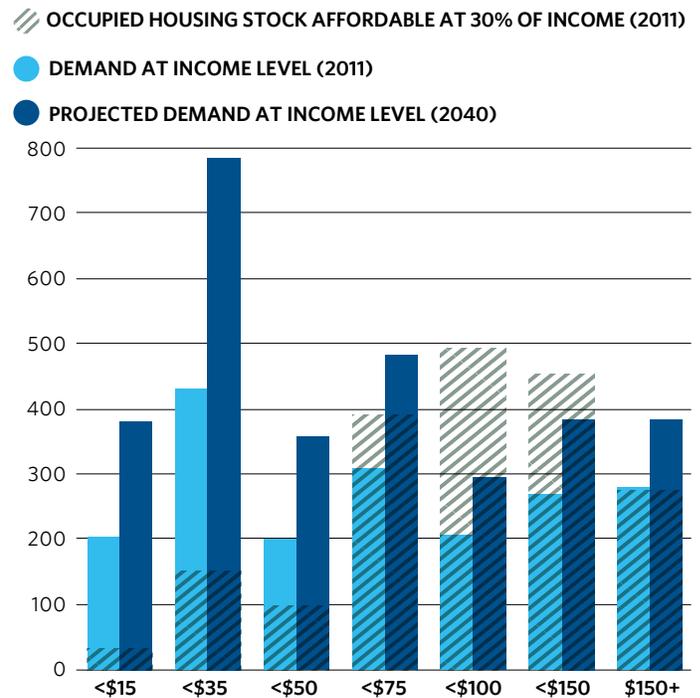
Future Ownership Needs

The number of households looking to own in West Dundee could grow by almost 1,200 over the next 27 years. The current supply of units affordable to households earning between \$75,000 and \$150,000 would be sufficient to meet projected growth. Shortages, however, would exist for all other income groups.

Projected shortfalls in supply for low-, moderate-, and middle-income households, particularly for households below \$50,000, could increase the number of cost-burdened owners. For households earning less than \$15,000, the financial realities of property acquisition, construction costs, and financing make development very difficult. The projected shortfall of units for owners earning more than \$150,000 indicates a potential market for upscale housing.

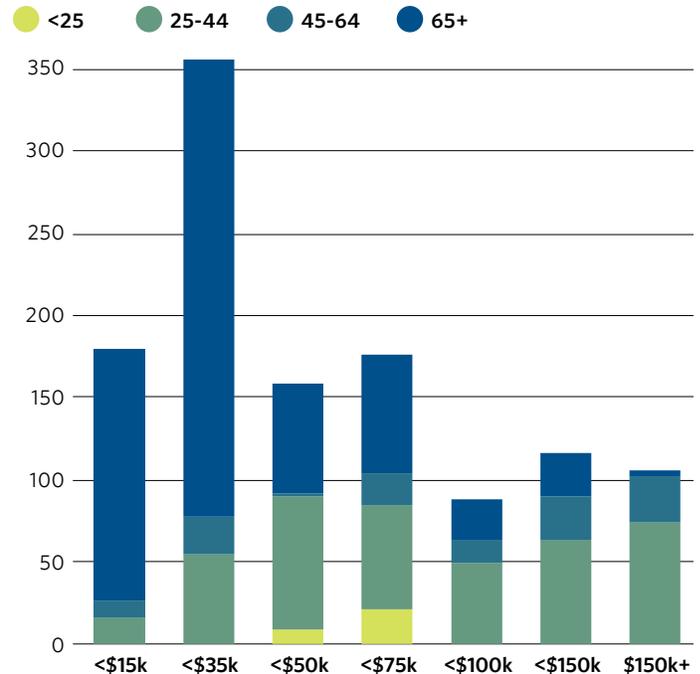
The age groups projected to drive growth play an important role in understanding the types of housing likely to be sought by future owners. Households headed by people 25-44 are a key component of demand at all income levels. The consistency in demand by this age group across many income levels creates an opportunity to consider inclusionary housing policies. The other major age group is seniors. Over 80 percent of the future demand for owner units affordable to households earning below \$35,000 is by households headed by people over 65. Managing this increase will require thinking about how to build new housing attractive to seniors and rehabilitate existing units for those who want to remain in their homes.

West Dundee 2011 households and housing stock compared with 2040 owner demand



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

West Dundee 2011-40 change in owner demand by age and income



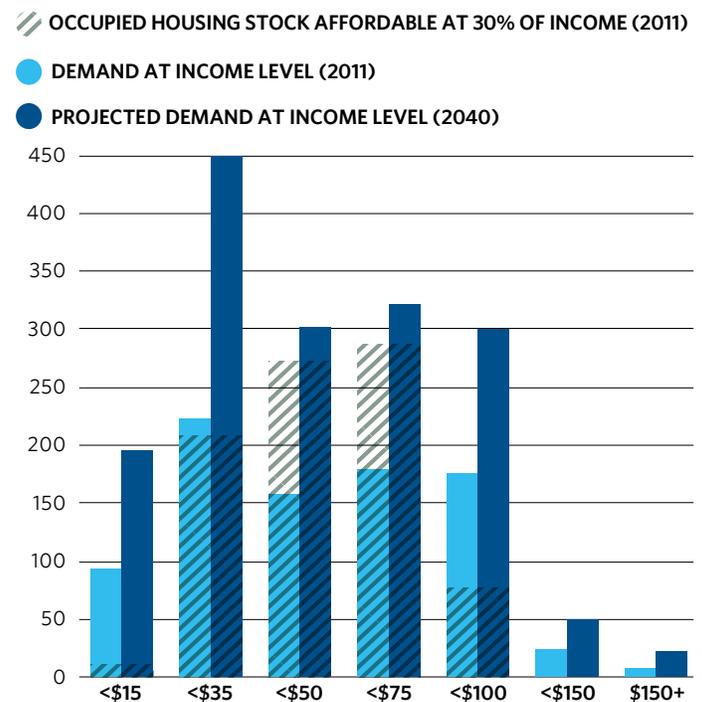
Source: Chicago Metropolitan Agency for Planning analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2007-11 and CMAP GO TO 2040 household forecast inputs.

Future Rental Needs

Rental growth could create shortages of affordable rental housing units in West Dundee in 2040. The largest potential shortages are for units affordable to household earning less than \$35,000 and between \$75,000 and \$100,000. The structure of projected demand represents an opportunity to continue increasing the number of middle-income renters while also expanding options for low-income renter households. Very few households earning more than \$100,000 annually are projected to rent in the future.

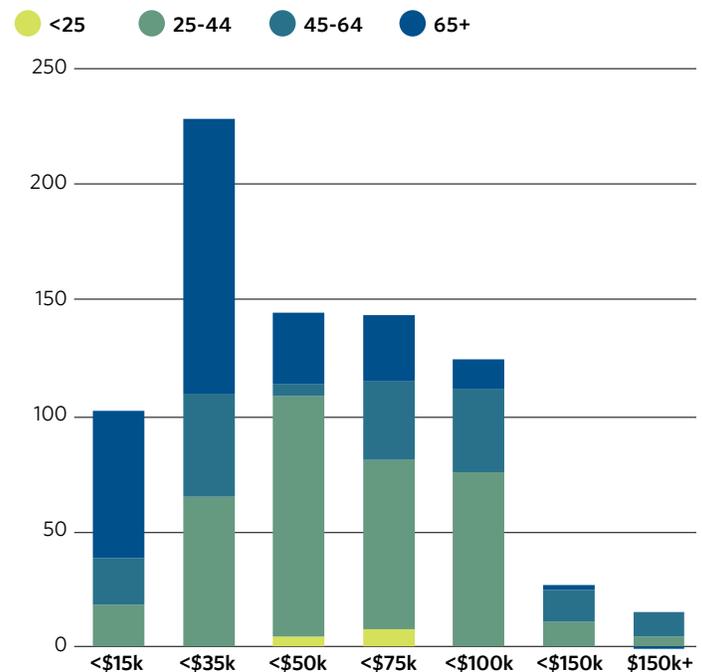
The age groups driving future rental demand correlate with income. For households earning less than \$35,000, seniors represent the key demographic, comprising 56 percent of the projected increase. Rental housing will be needed for people 25 to 44, particularly for households earning above \$35,000. This age group may give the Village an opportunity to work with local employers to meet labor force needs. Expanded rental options should include townhome and multi-family units.

West Dundee 2011 households and housing stock compared with 2040 renter demand



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

West Dundee 2011-40 change in renter demand by age and income



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

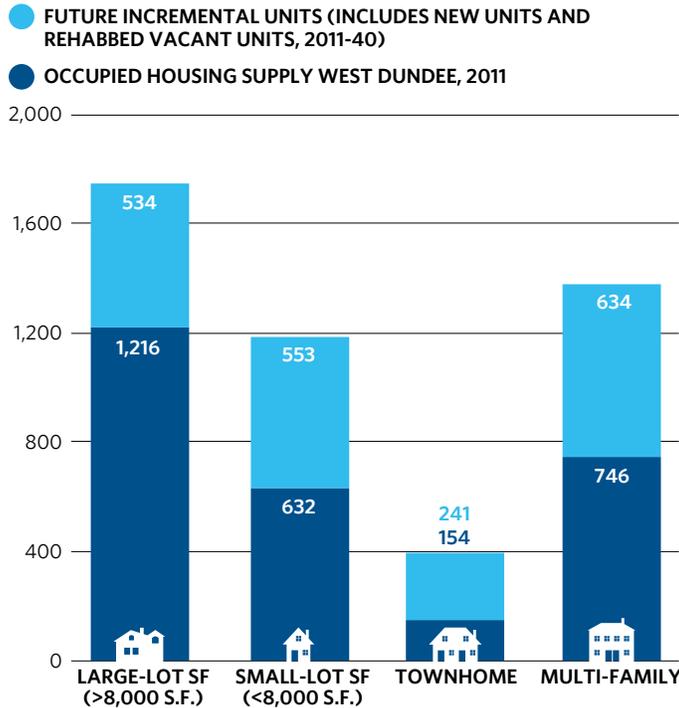
Housing Demand by Type of Unit

Based on the breakdown of projected future owners and renters in West Dundee along with national estimates of future demand for four broad housing types, a forecast of demand for additional housing in 2040 arises. This “balanced housing profile” shows demand for 1,962 additional units between now and 2040.⁵⁴ Slightly over 500 of the units would be large-lot single-family homes. The additional 550 small-lot single-family homes, 240 townhomes, and 630 multi-family units demonstrate the demand for denser housing types driven by the increasing number of low- and middle-income seniors along with the working-age rental population. As part of this project the *Homes* team reached out to residents, community leaders, officials, and others in two ways. In June 2013, the team conducted a community workshop. In July 2013, stakeholders participated in an online survey tool called MetroQuest. This profile is consistent with the feedback received through both methods.



Carrington Reserve is an example of a neighborhood of new small-lot homes. Source: Chicago Metropolitan Agency for Planning.

West Dundee future balanced housing profile



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

Single-family homes

What one person calls a large-lot single-family home another may call a small-lot single-family home depending on where they live and the type of development they envision. The following definitions are used in this report for large-lot and small-lot single-family homes.

- Large-lot single-family homes are units with greater than 8,000 square feet of lot area for each dwelling.
- Small-lot single-family homes are units with approximately 8,000 square feet of lot area for each dwelling.

To better understand these definitions, it helps to think about West Dundee’s local housing stock. While the majority of single-family homes would be classified as large-lot, the recently developed Carrington Reserve subdivision is an example of an area with many small-lot homes.

54. Note that this figure is higher than the projected increase in households between 2011 and 2040 (1,826) because of the inclusion of potential future vacant units. See the Appendix for more information about the methodology.

Capacity for Growth

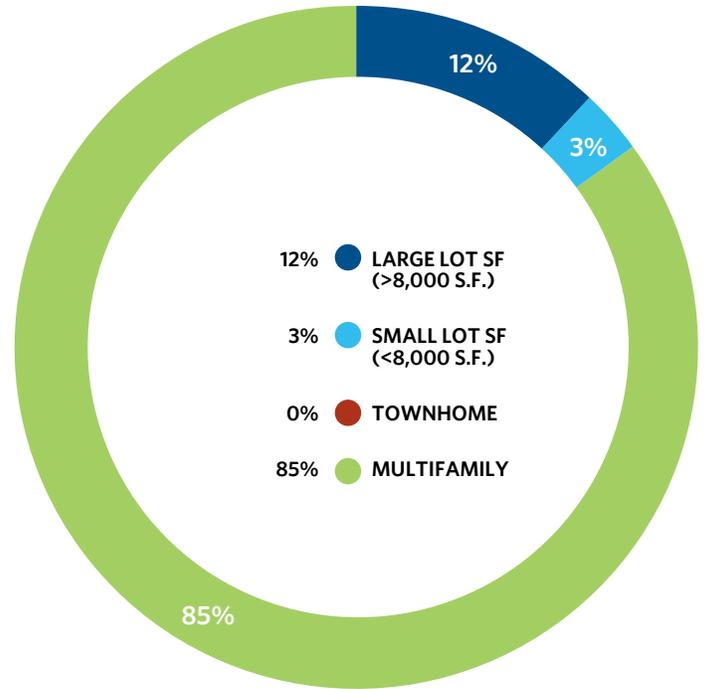
Forecasted population and household growth is only one half of the equation in considering future housing needs. As a community with numerous assets, it is understandable why many people want to live in West Dundee now and in the future. To plan for future households and housing, it is also important to look at capacity. To understand the Village's ability to accommodate projected growth, two key sources of capacity were reviewed: development/redevelopment and vacancy.⁵⁵

Development/ Redevelopment Analysis

The development/redevelopment analysis considers how West Dundee could grow over the next 30 years based on current land use regulations, development approvals, and key development sites. CMAP and Village staff calculated the total square footage of vacant and redevelopable land in and around the Village by reviewing Kane County Assessor data. Then, West Dundee's current zoning and development standards were applied to those figures to calculate how many units could be built given the amount of vacant and redevelopable land within the various zoning districts. For this analysis, build-out estimates were not prepared for two key sites: the 288 acre Galvin site along Randall Road and the 500 acre Haegar site along Illinois Route 31. Because of their size, the Village wanted to understand how many units could be accommodated through infill development alone as part of assessing the role that each site might play in accommodating future growth.

Without including these major sites, West Dundee has the capacity for approximately 523 additional dwelling units compared to the 1,962 units that would be needed should the Village decide to plan for the estimated increase in its population possible by 2040. This capacity would allow the Village to accommodate about a quarter of the forecasted household growth. Development of a long-term community vision for the Galvin and Haegar sites will play a major role in determining how West Dundee chooses to grow.

West Dundee maximum capacity by unit type



Source: Chicago Metropolitan Agency for Planning analysis of West Dundee zoning ordinance and Kane County Assessor data.

Table 4: Maximum capacity by unit type

TYPE	UNITS
Large-lot single-family (>8,000 square feet)	78
Small-lot single-family (<8,000 square feet)	17
Townhome	-
Multi-family	523
TOTAL	618

Source: Chicago Metropolitan Agency for Planning analysis of West Dundee zoning ordinance and Kane County Assessor data.

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

West Dundee must decide on the right balance between redevelopment and greenfield development.



Source: Chicago Metropolitan Agency for Planning.

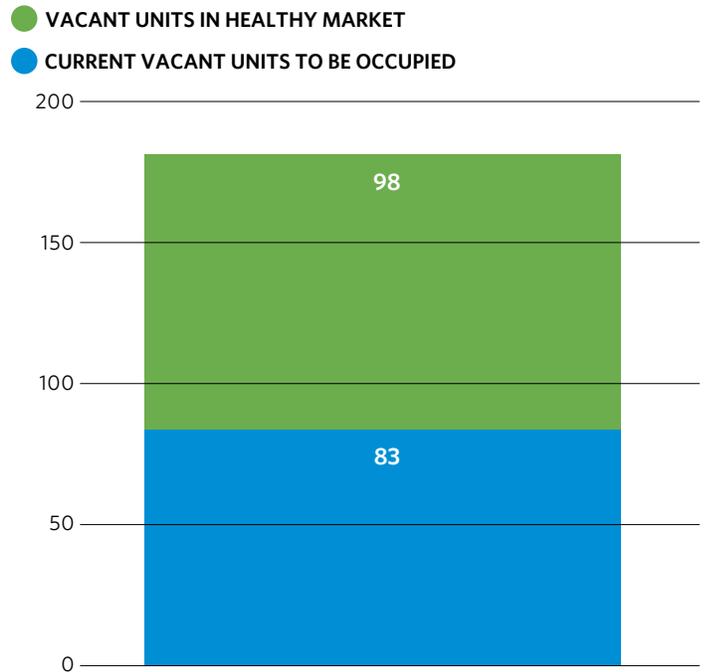


Source: Chicago Metropolitan Agency for Planning.

Vacancy Analysis

Because of the current housing market, many homes now vacant may not be so in the future, allowing people to move in without building new units. According to 2007-11 ACS estimates, West Dundee has approximately 181 vacant units, or about 6.2 percent of all homes in the Village. Normal long-term vacancy rates for a strong community are 7.4 percent among rental units and 1.5 percent among owner-occupied units.⁵⁶ Given the number of local owner and rental units and a healthy housing market, the Village should only have approximately 98 vacant units, a vacancy rate of approximately 3.3 percent. Therefore, 83 currently vacant units could be occupied in the future as West Dundee grows and the market stabilizes. This capacity would allow the Village to accommodate a relatively small share of the projected growth (about 4.2 percent). This finding reinforces the importance of development decisions regarding the Galvin and Haegar sites.

West Dundee breakdown of current vacant units



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

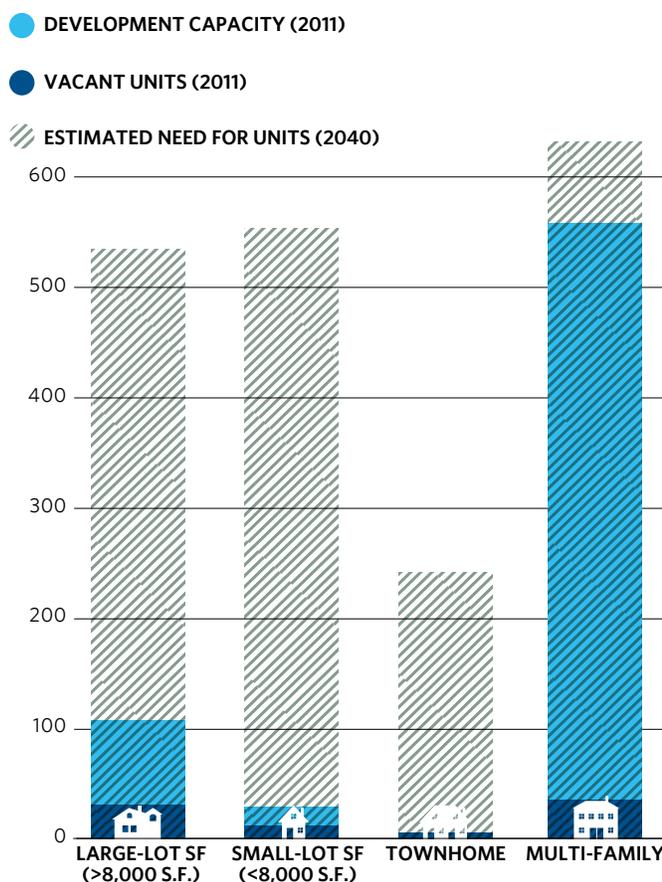
56. Belsky, E., Bogardus Drew, R., McCue, D., *Projecting the Underlying Demand for New Housing Units: Inferences from the Past, Assumptions about the Future*. (November, 2007). Joint Center for Housing Studies, Harvard University. See <http://tinyurl.com/mlwyddq>.

Conclusions and Recommendations

Taking into account the capacity available through development, redevelopment, and vacancy, West Dundee can accommodate 30 percent of the housing units likely to be desired by future residents by 2040, or about 600 additional residents. The remaining approximately 1,350 units represent unmet demand for people who may want to live in West Dundee but might not be able due to a lack of available units.

The Village can accommodate these people in many different ways. The Galvin and/or Haegar sites could be developed. Residential options in downtown West Dundee could be expanded. Infill residential development could occur along major roads. The following policy recommendations explain the role that these options will play in the Village's vision for the future.

West Dundee demand vs. vacancy and capacity by housing type



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



Downtown West Dundee could be attractive for multi-family development.

Source: Chicago Metropolitan Agency for Planning.

The largest projected future demand is for multi-family units, serving seniors and younger working-age households (25-44). Currently the Village's zoning, particularly through the R-4 designation, provides capacity for much of, but not all, that future growth. Areas zoned R-4 are predominantly located along Illinois Route 72, farther away from West Dundee's historic core. Feedback from the mapping exercise that was part of the previously discussed public workshop and MetroQuest site demonstrate that the greatest interest in multi-family development lies in locations closer to the historic downtown and better connected to existing development. **Therefore, the Village should consider allowing multi-family development in walkable amenity rich areas.**

Given future demand for multi-family housing, downtown West Dundee is a logical location for more units. In recent years the community has explored a variety of opportunities to spur development in the area, including purchasing important development sites. In June 2013, the *Homes* team conducted a community workshop in West Dundee. Residents, community leaders, officials, and others presented their views on downtown. Residents expressed interest in multi-family development, particularly mixed-use development. Some groups also recommended infrastructure improvements that would increase bicycle and pedestrian access, particularly along the Fox River.

The Village recently decided to embark on a downtown planning process. Based on public feedback and a review of local ordinances, the downtown planning process should consider ways in which ordinance changes or infrastructure improvements might further residential development. One of the primary constraints for development in the area is the perceived lack of parking, making the creation of higher-density residential development difficult. **Therefore, the downtown plan should explore how best to deal with parking, including ways to manage parking and improve communication about parking availability.**

A key part of continuing the rehabilitation of downtown West Dundee (spurring housing development, increasing business patronage, and helping to address parking issues) is improving non-automotive access. Illinois Route 72 is the primary roadway through downtown, a high traffic four lane street with no on-street parking or bike access. **Given the presence of the Fox River Bike trail passing through East Dundee, the downtown plan should explore improved bike connections between downtown and the trail.** Ideally, such connections would involve the multi-use bridges over the river to the north (along Lincoln Avenue) and south (into South End Park), linking the two via improvements to 1st Street and Lincoln Avenue.

Projected future demand is also strong for large-lot single-family homes, small-lot single-family homes, and townhomes. **Pursuing a mix of these housing types in the development of the Haegar property, particularly the area north of Jelkes Creek, would respond to projected demand.** Such development should include a continuation of the gridded street layout and mix of housing styles found in the Village's oldest neighborhoods. Small-lot single-family and townhome units are a key part of attracting future moderate- and middle-income working age households, particularly those between 25 and 44

During the workshop and on the MetroQuest site, residents discussed the importance of maintaining a healthy local retail base. Between the existing area around Spring Hill Mall and downtown West Dundee, along with potential growth along Randall Road, the community offers a number of locations for retail development. Many residents and officials have noted the decline of the area around Spring Hill Mall as retail options have grown along Randall Road. Is retail viable in all of these locations? **West Dundee should consider a retail market study to guide local decision-making.**

While exploring the future of the Illinois Route 72 and Illinois Route 31 area as part of a market study, the Village should also consider regulatory changes that would allow for non-commercial development nearby. The Village should keep in mind that it shares the responsibility for the long-term health of the area around Spring Hill Mall with Carpentersville. **Therefore, the two communities should work together to explore how best to ensure the long-term economic health of the area.**

Part of future housing planning is ensuring that the Village's ordinances offer the flexibility to respond to the changing dynamics of the local housing market. A number of the Village's residential zones include provisions that establish minimum living area requirements. For example, the RE-1 zone requires that all homes have a minimum of 2,000 s.f. of living area. Lot area, yard setback, and height requirements do an excellent job controlling the bulk and density of housing units, without the need to add such a requirement. **Therefore, the Village should consider not including minimum living area standards when crafting new zones.**

Because of the important role that seniors will play in the future housing market, accessibility in new and rehabilitated housing is very important. **One way to meet this need would be for West Dundee to adopt a visitability ordinance.** The idea is to create homes that accommodate those with and without physical impairments through construction modifications to doorways, hallways, and bathrooms. Communities such as the Village of Bolingbrook and the City of Naperville have adopted visitability ordinances to ensure that new construction or major housing renovations can provide for the needs of the disabled and growing senior populations.

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

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

- The Village provides a welcome packet to all new West Dundee residents. **The Village should ensure that this packet reflects the community's commitment to openness by including a statement of welcome for peoples of all backgrounds.**
- **The Village should ensure that all documents, including the welcome packet, are made available in a variety of languages based on identified local needs.** Such documents should be accessible to persons with disabilities, including those with sight or hearing impairments.
- An important part of demonstrating openness is ensuring residents can communicate about local issues. The West Dundee website reflects this importance as it provides a way for residents to file complaints about local issues through the online service request system. The Village website does not appear to currently provide information about how residents can file complaints about housing discrimination. **Therefore, West Dundee should provide such contact information on its website and in the welcome packet.**

A Final Thought

These recommendations will help West Dundee manage future residential growth in a manner that is responsive to the changing residential market. Focusing on how to reuse and develop the areas closest to existing neighborhoods will support existing commercial corridors and continue strengthening downtown. Considering the types of units that future populations will demand can help West Dundee interact with developers proposing housing further west to ensure that as growth occurs, these areas provide a mix of housing types and amenities in a walkable neighborhood. Ultimately, these policies establish West Dundee as a community with a vision for its neighborhoods now and into the future.

Appendix

Approach And Methodology

The analysis in this report is based, in part, on a model that helps project future housing needs in studied communities. The *Homes* model is part of a suite of open source regional planning tools (Envision Tomorrow) created by Fregonese Associates, a consulting firm based on Portland Oregon.⁵⁷ As described by Fregonese Associates, the model “is a tool that leverages demographic data and the power of scenarios to estimate a community’s future housing needs.” Since becoming involved in the project in 2010, CMAP has made modifications to the open source version, in particular the addition of CMAP’s population and household growth projections. This technical appendix provides an overview of the three analytical components of the model used in this report to determine housing needs for the four communities individually and combined: a housing needs analysis, a capacity analysis, and a future housing type analysis.

Housing Analysis

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

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

57. See <http://www.frego.com/services/envision-tomorrow/>.

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

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

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

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

Age and income cohorts for analysis

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

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

CMAP GO TO 2040 Population and Household Projections

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

Future Housing Demand by Type

The age and income projections that come out of the housing analysis were translated into a future balanced housing profile for each community using national projections of future residential preference for single-family, townhome, and multi-family units. The surveys, compiled by the University of Utah’s Dr. Arthur C. Nelson, include information from the Robert Charles Lesser and Company (RCLCO) and Dr. Nelson’s own projections from his recent book *Reshaping Modern America: Development Trends and Opportunities to 2030*.⁵⁸ These surveys are then compared to the current national housing type distribution from the U.S. Census Bureau’s 2011 American Housing Survey (AHS). The change between the AHS data and average of the future housing type projections was then applied to each community’s current housing type distribution and the estimated increase households from the housing analysis section.

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

Advisory Group: CMAP Housing Committee

Capacity Analysis

While the housing analysis section provides information on demand by future housing by age, income, and housing type, a complete analysis must compare these figures to the present capacity for growth in each community. A capacity analysis was conducted for Carpentersville, East Dundee, Elgin, and West Dundee. The capacity analysis contained two major components.

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

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

Geographic Information Systems

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

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

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

Upper Fox Valley Subregion Housing Factsheet

Population and Household Forecast 2007/2011-40

Upper Fox Valley Subregion

	2007-11 ACS	2040 CMAP	% Change
Households	51,026	73,921	45%
Population	156,278	226,663	45%

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

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

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

Estimated 2040 Housing Demand by Income

Rental Housing - combined Upper Fox Valley Subregion

	<\$15k	<\$35k	<\$50k	<\$75k	<\$100k	<\$150k	\$150k+	TOTAL
Occupied Housing Stock Affordable at 30% of Income (2011)	1,461	4,990	4,194	2,669	482	72	43	13,911
Demand at Income Level (2011)	2,799	6,700	2,701	976	481	202	53	13,911
Projected Demand at Income Level (2040)	4,597	10,918	4,111	1,771	871	402	130	22,800
<i>Target Units Needed to Meet Projected Demand by Income</i>	3,136	5,928	n/a	n/a	389	330	87	8,889
<i>Additional Units Beyond Forecasted Need Within this Income Range</i>	n/a	n/a	83	898	n/a	n/a	n/a	n/a

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

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

Owner Housing - combined Upper Fox Valley Subregion

	<\$15k	<\$35k	<\$50k	<\$75k	<\$100k	<\$150k	\$150k+	TOTAL
Occupied Housing Stock Affordable at 30% of Income (2011)	873	4,559	4,437	11,640	9,457	4,047	2,102	37,115
Demand at Income Level (2011)	3,636	10,935	6,461	7,876	4,473	2,545	1,190	37,115
Projected Demand at Income Level (2040)	5,723	16,983	9,066	10,842	5,884	3,419	1,542	53,459
<i>Target Units Needed to Meet Projected Demand by Income</i>	4,850	12,424	4,629	n/a	n/a	n/a	n/a	16,344
<i>Additional Units Beyond Forecasted Need Within this Income Range</i>	n/a	n/a	n/a	798	3,573	628	560	n/a

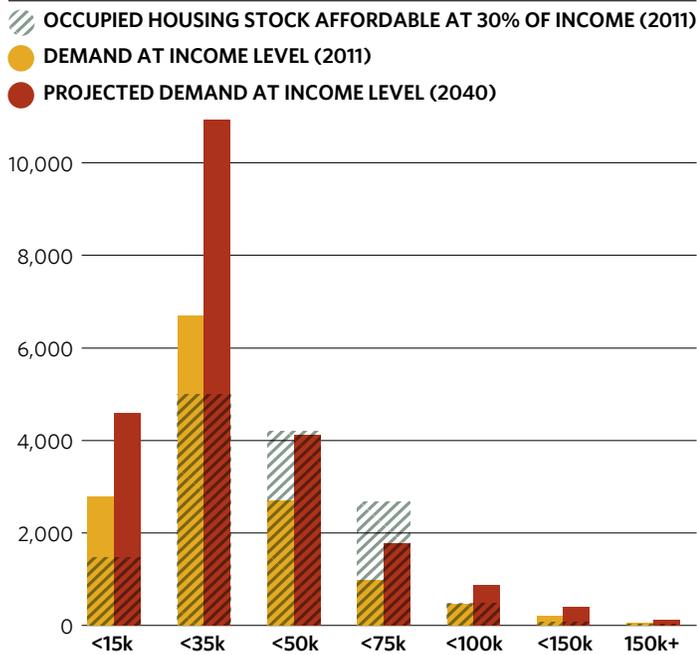
Please note that housing units may not add up exactly to 100 percent due to rounding.

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

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

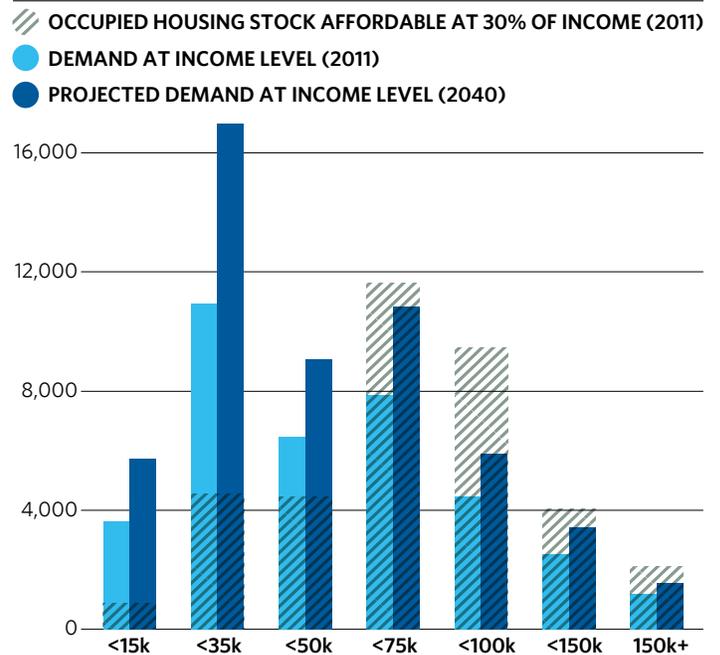
This section contains the charts that illustrate the data from the preceding tables.

Upper Fox Valley 2011 households and housing stock compared with 2040 renter demand



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

Upper Fox Valley 2011 households and housing stock compared with 2040 owner demand



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

Carpentersville Housing Factsheet

Population and Household Forecast 2007/2011-40

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

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

Rental Housing - Carpentersville

	<\$15k	<\$35k	<\$50k	<\$75k	<\$100k	<\$150k	\$150k+	TOTAL
Occupied Housing Stock Affordable at 30% of Income (2011)	475	690	869	528	99	12	7	2,680
Demand at Income Level (2011)	687	1,095	599	174	23	77	25	2,680
Projected Demand at Income Level (2040)	869	1,530	765	272	57	102	34	3,629
<i>Target Units Needed to Meet Projected Demand by Income</i>	394	840	n/a	n/a	n/a	90	27	949
<i>Additional Units Beyond Forecasted Need Within this Income Range</i>	n/a	n/a	104	256	42	n/a	n/a	n/a

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

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

Owner Housing - Carpentersville

	<\$15k	<\$35k	<\$50k	<\$75k	<\$100k	<\$150k	\$150k+	TOTAL
Occupied Housing Stock Affordable at 30% of Income (2011)	265	1,095	1,032	2,865	1,807	1,045	390	8,498
Demand at Income Level (2011)	805	3,017	1,498	1,745	831	413	189	8,498
Projected Demand at Income Level (2040)	1,145	4,387	1,880	2,098	971	475	210	11,166
<i>Target Units Needed to Meet Projected Demand by Income</i>	880	3,292	848	n/a	n/a	n/a	n/a	2,668
<i>Additional Units Beyond Forecasted Need Within this Income Range</i>	n/a	n/a	n/a	767	836	570	180	n/a

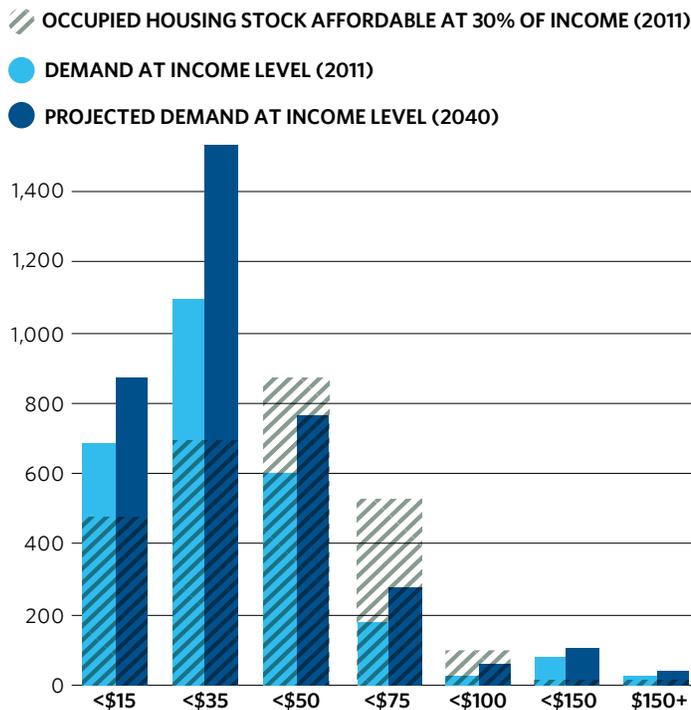
Please note that housing units may not add up exactly to 100 percent due to rounding.

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

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

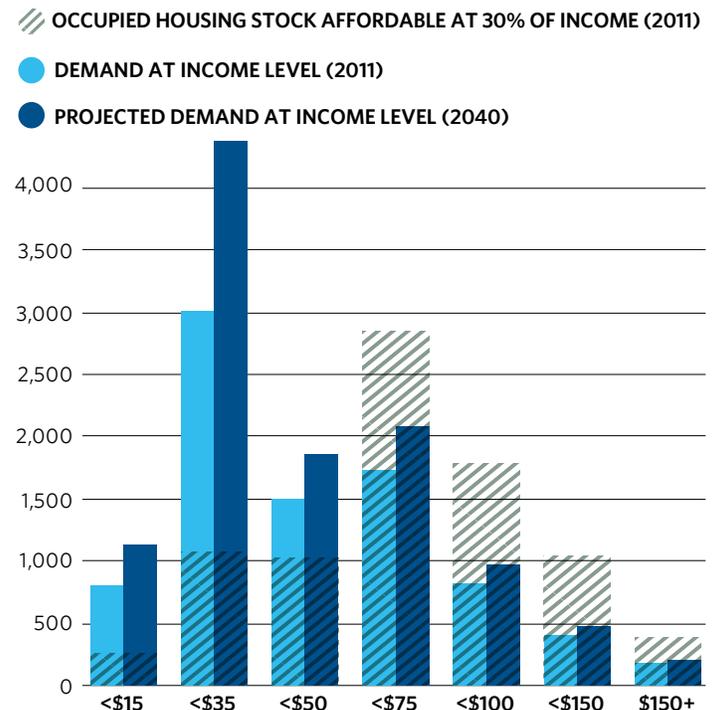
This section contains the charts that illustrate the data from the proceeding tables.

Carpentersville 2011 households and housing stock compared with 2040 renter demand



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

Carpentersville 2011 households and housing stock compared with 2040 owner demand



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

East Dundee Housing Factsheet

Population and Household Forecast 2007/2011-40

	2007-11 ACS	2040 CMAP	% Change
Households	1,263	2,905	130%
Population	2,909	6,783	133%

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

Rental Housing - East Dundee

	<\$15k	<\$35k	<\$50k	<\$75k	<\$100k	<\$150k	\$150k+	TOTAL
Occupied Housing Stock Affordable at 30% of Income (2011)	50	50	65	14	14	4	2	198
Demand at Income Level (2011)	30	121	13	12	0	10	12	198
Projected Demand at Income Level (2040)	79	310	41	51	4	38	35	558
<i>Target Units Needed to Meet Projected Demand by Income</i>	29	260	n/a	38	n/a	34	33	360
<i>Additional Units Beyond Forecasted Need Within this Income Range</i>	n/a	n/a	24	n/a	10	n/a	n/a	n/a

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

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

Owner Housing - East Dundee

	<\$15k	<\$35k	<\$50k	<\$75k	<\$100k	<\$150k	\$150k+	TOTAL
Occupied Housing Stock Affordable at 30% of Income (2011)	17	134	95	378	332	100	9	1,065
Demand at Income Level (2011)	134	300	139	281	76	108	28	1,065
Projected Demand at Income Level (2040)	260	634	286	679	197	285	60	2,401
<i>Target Units Needed to Meet Projected Demand by Income</i>	243	500	191	301	n/a	185	51	1,336
<i>Additional Units Beyond Forecasted Need Within this Income Range</i>	n/a	n/a	n/a	n/a	135	n/a	n/a	n/a

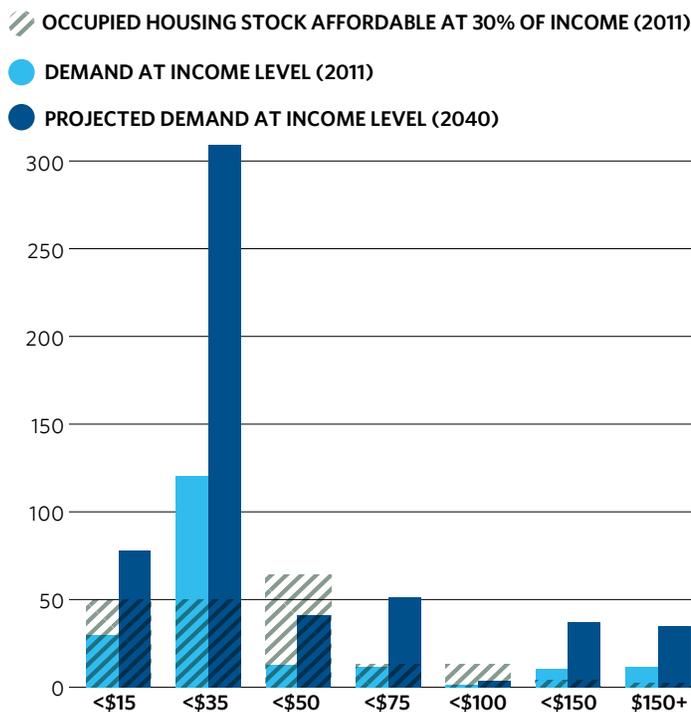
Please note that housing units may not add up exactly to 100 percent due to rounding.

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

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

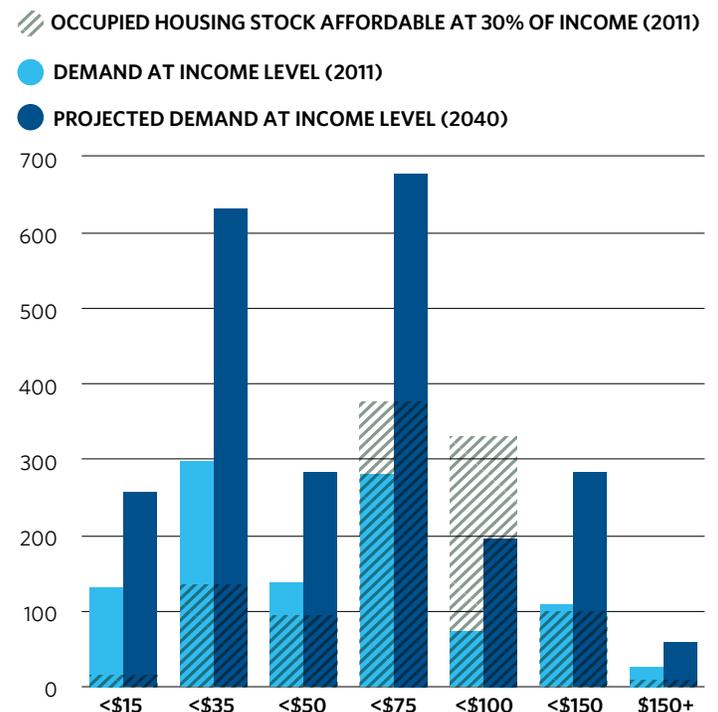
This section contains the charts that illustrate the data from the proceeding tables.

East Dundee 2011 households and housing stock compared with 2040 renter demand



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

East Dundee 2011 households and housing stock compared with 2040 owner demand



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

Elgin Housing Factsheet

Population and Household Forecast 2007/2011-40

	2007-11 ACS	2040 CMAP	% Change
Households	35,837	52,033	45%
Population	108,681	158,510	46%

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

Rental Housing - Elgin

	<\$15k	<\$35k	<\$50k	<\$75k	<\$100k	<\$150k	\$150k+	TOTAL
Occupied Housing Stock Affordable at 30% of Income (2011)	926	4,042	2,988	1,841	294	56	34	10,179
Demand at Income Level (2011)	1,976	5,201	1,929	640	322	91	20	10,179
Projected Demand at Income Level (2040)	3,301	8,505	2,988	1,206	613	216	64	16,893
<i>Target Units Needed to Meet Projected Demand by Income</i>	2,375	4,464	1	n/a	320	160	30	6,714
<i>Additional Units Beyond Forecasted Need Within this Income Range</i>	n/a	n/a	n/a	635	n/a	n/a	n/a	n/a

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

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

Owner Housing - Elgin

	<\$15k	<\$35k	<\$50k	<\$75k	<\$100k	<\$150k	\$150k+	TOTAL
Occupied Housing Stock Affordable at 30% of Income (2011)	558	3,174	3,210	7,995	6,863	2,431	1,428	25,658
Demand at Income Level (2011)	2,487	7,127	4,623	5,557	3,373	1,748	743	25,658
Projected Demand at Income Level (2040)	3,840	10,914	6,505	7,720	4,480	2,386	979	36,824
<i>Target Units Needed to Meet Projected Demand by Income</i>	3,282	7,740	3,295	n/a	n/a	n/a	n/a	11,166
<i>Additional Units Beyond Forecasted Need Within this Income Range</i>	n/a	n/a	n/a	275	2,383	45	449	n/a

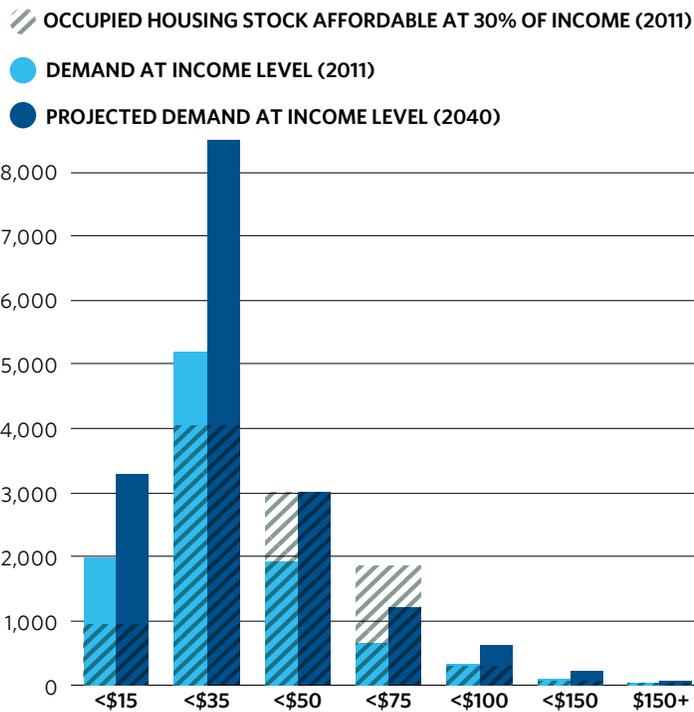
Please note that housing units may not add up exactly to 100 percent due to rounding.

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

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

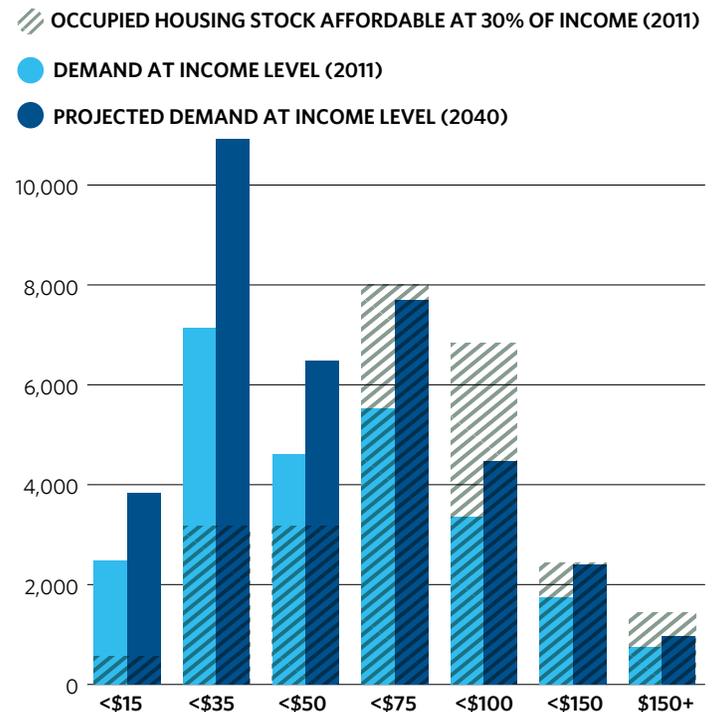
This section contains the charts that illustrate the data from the proceeding tables.

Elgin 2011 households and housing stock compared with 2040 renter demand



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

Elgin 2011 households and housing stock compared with 2040 owner demand



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

West Dundee Housing Factsheet

Population and Household Forecast 2007/2011-40

	2007-11 ACS	2040 CMAP	% Change
Households	2,748	4,574	66%
Population	7,208	12,036	67%

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

Rental Housing - West Dundee

	<\$15k	<\$35k	<\$50k	<\$75k	<\$100k	<\$150k	\$150k+	TOTAL
Occupied Housing Stock Affordable at 30% of Income (2011)	10	209	273	287	77	0	0	854
Demand at Income Level (2011)	93	222	157	178	175	23	6	854
Projected Demand at Income Level (2040)	195	450	301	322	299	49	21	1,637
<i>Target Units Needed to Meet Projected Demand by Income</i>	185	242	29	36	223	49	21	783
<i>Additional Units Beyond Forecasted Need Within this Income Range</i>	n/a							

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

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

Owner Housing - West Dundee

	<\$15k	<\$35k	<\$50k	<\$75k	<\$100k	<\$150k	\$150k+	TOTAL
Occupied Housing Stock Affordable at 30% of Income (2011)	34	151	98	391	491	454	275	1,894
Demand at Income Level (2011)	202	430	200	308	206	269	279	1,894
Projected Demand at Income Level (2040)	381	786	358	484	294	385	385	3,073
<i>Target Units Needed to Meet Projected Demand by Income</i>	347	635	260	93	n/a	n/a	110	1,179
<i>Additional Units Beyond Forecasted Need Within this Income Range</i>	n/a	n/a	n/a	n/a	197	69	n/a	n/a

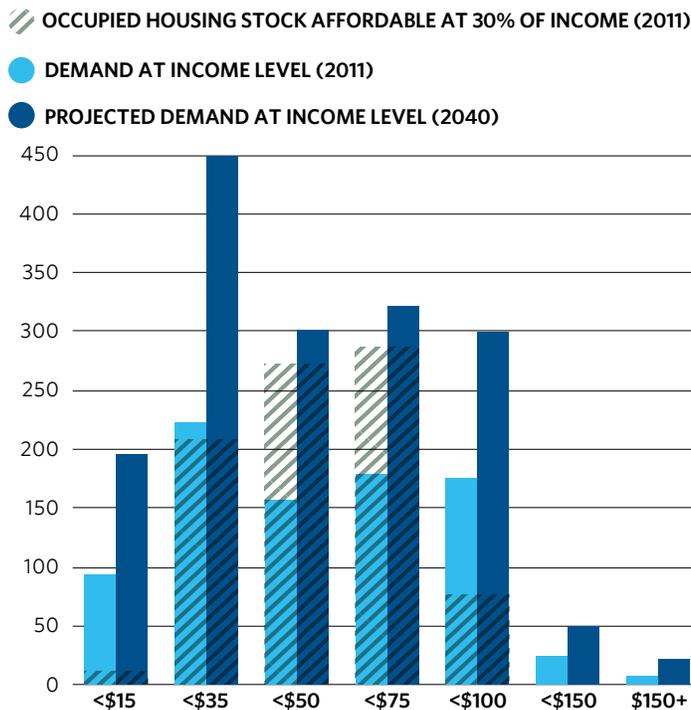
Please note that housing units may not add up exactly to 100 percent due to rounding.

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

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

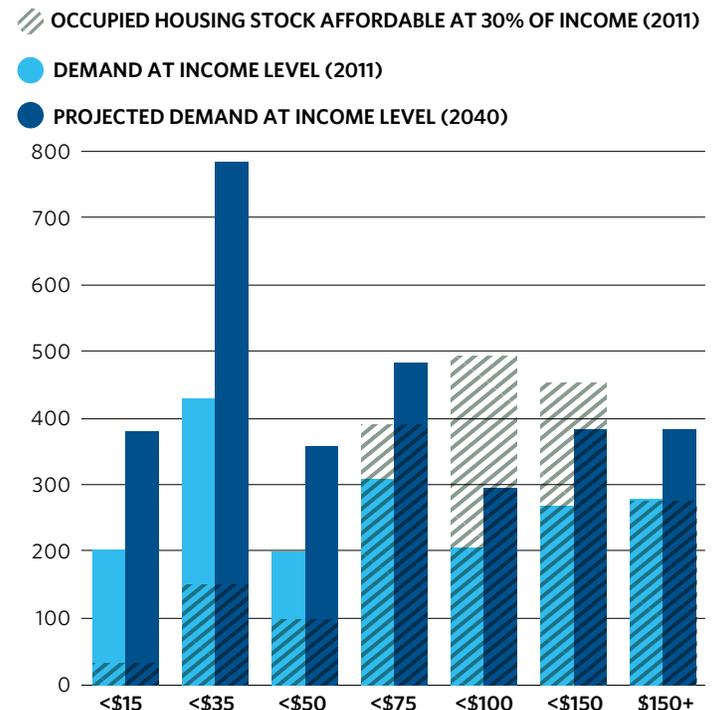
This section contains the charts that illustrate the data from the proceeding tables.

West Dundee 2011 households and housing stock compared with 2040 renter demand



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

West Dundee 2011 households and housing stock compared with 2040 owner demand



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

List of Acronyms

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

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The following funders made this project possible:

The Chicago Community Trust, Illinois Housing and Development Authority, and the Harris Family Foundation.

This project was supported through CMAP's Local Technical Assistance (LTA) program, which is funded by the Federal Highway Administration (FHWA), Federal Transit Administration (FTA), U.S. Department of Housing and Urban Development (HUD), Illinois Department of Transportation (IDOT), and the Chicago Community Trust.