

2.5 PLANNING ISSUES – HOUSING CHAPTER

Objectives:

1. To promote a balanced supply of housing types and prices countywide in order to meet the profound changes and shifts in the socio-demographic profile of Kane County residents.
2. To provide support to municipalities seeking to stabilize their communities through foreclosure prevention strategies, and code enforcement and rehabilitation programs.
3. To encourage the preservation and development of diverse and affordable housing near existing employment centers and public transportation.
4. To maintain and create a diverse and affordable housing stock in communities that have existing or planned infrastructure.
5. To encourage the removal of barriers in regulations that unnecessarily increase housing costs and discourage housing diversity.
6. To maintain, enhance, and create neighborhoods that are safe, free from environmental and public health hazards, provide a sense of community, and offer a choice of housing.
7. To prioritize housing in locations that offer infill and redevelopment opportunities, encourages compact, mixed-use, multi-modal development, and enhances community livability, increases walkability and decreases auto dependence.

Chapter Focus

One of the major housing challenges for the County and municipalities over the next 30 years, and carried over from the 2030 Plan, is to meet the housing needs of a more diverse and aging population by creating a range of housing opportunities and choices that promote equitable affordable housing. Since the adoption of the 2030 Plan, municipalities have been making significant progress meeting this challenge, but are now faced with new challenges as a result of the mortgage foreclosure crisis. As we plan for the growth in population and households, Kane County promotes development patterns that prioritize housing in locations that have existing or planned infrastructure, preserve the existing housing stock, utilize infill and redevelopment opportunities, incorporates compact, mixed-use development, and increases mobility choices, such as walking, biking, and transit in Kane County. Meeting the needs for attractive housing of a diverse and aging population is also necessary to attract a

competitive workforce and innovative employers. Recognizing that the majority of the County's future housing stock will be the result of municipal decisions, the County is committed to engaging in a leadership role to promote the 2040 housing objectives – those that lead to a more livable, sustainable, and healthy Kane County.

This chapter examines:

- Housing Patterns in the Region
- State of Housing Developments in Kane County
- Kane County's Housing Needs for a Changing Demographic
- Responding to the Mortgage Foreclosure Crisis
- Addressing Housing and Community Development Needs
- The Housing, Jobs, Transportation Connection

Housing Patterns in the Region

The GO TO 2040 Plan developed for our region and adopted by the Chicago Metropolitan Agency for Planning (CMAP) in 2010 describes the problem with the current housing and land use patterns in the region,

“The region's development over the last several decades has resulted in a pattern of land use that is not sustainable. Development in the last half of the 20th Century has overall been a story of outward expansion, consuming vast amounts of land and requiring huge investments in water, wastewater, and transportation infrastructure.

During this time, much development occurred unevenly, resulting in an imbalance between where jobs are located and where people live. As population expanded, many people moved to low-density, solely residential neighborhoods accessible only by car. At the same time, jobs shifted from major concentrations in the region's industrial hubs to dispersed and less accessible employment centers across the region. These changes were driven by diverse factors, including infrastructure investment decisions, tax policies, resident preferences for larger homes and lots, and movement toward areas with lower crime and better schools, to name a few.

*... the result of these major shifts is a disparity in where people work and where people live, and more particularly where affordable housing is located in relation to job centers. Further, this imbalance has hindered access to transit, increased energy use and household costs related to transportation, and helped to fuel the region's increasing traffic congestion. The environmental impacts of rapid growth in undeveloped areas are also severe, and the region has lost much of its former open space and agricultural land. **Recognizing these issues, CMAP concludes that the region should alter the trend of land use that emerged over the past several decades, in favor of a development pattern that promotes livability.**”*

The GOTO 2040 Plan goes on to advocate,

“What is perceived as cheaper “greenfield” development is, in the long run, more costly by many measures. Infrastructure costs increase as new roads, sewer, water, and utilities must cross significant distances to accommodate spread-out development. National and regional research shows that compact development patterns can significantly reduce the cost of local roads and other infrastructure, with the cost savings accruing to local governments and developers. The

cost of providing services such as fire and police protection or garbage pickup is also generally lower in a denser area.

A regionally balanced range of housing can also reduce the need for long-distance travel, as it gives residents more options to live near where they work. Currently, housing is limited near many of the region's job centers, forcing lower-income workers to make long commutes from more-affordable residential areas. While many residents may still choose to make long commutes due to lifestyle or occupation choices, GO TO 2040 seeks to make this decision a choice, rather than a necessity.”¹

State of Housing Development in Kane County

After agriculture, housing remains the second largest land use in Kane County. Between 2000 and 2010, Kane County gained 43,049 households for a total of 182,047. However, 88.7% (161,559)² of the total households in Kane County reside in the 30 municipalities, now including three new municipal incorporations since 2001: Villages of Big Rock (2001), Kaneville (2006), and Campton Hills (2007). The Chicago Metropolitan Agency for Planning projects the number of households in Kane County to increase by 94,383 (53%) to accommodate an additional 269,379 people in the next 30 years^{1a}. By 2040, over 90% of all households in Kane County will reside within municipal incorporated areas.

Kane County and its municipalities have contributed to the current problem of housing and land use patterns described in CMAP's GOTO 2040 Plan. Table 4 shows the 2011 numbers for housing developments in the region. As one of six counties in the region, Kane County has a high percentage in almost every category, including almost one quarter of all future lots.

“During decades of rapid but largely uncoordinated expansion, the region grew in patterns that were not sustainable. New homes cropped up in areas that were difficult to reach by automobile and virtually impossible by public transit. Jobs created were often far from the region's residential centers, keeping commuters tied up in traffic and wasting billions of dollars in lost time and fuel. Patterns of development consumed land at a rapid rate, with serious implications for natural resources – including less open space, potential water shortages, and diminished air quality.”
-CMAP, GO TO 2040 Plan.

¹ Chicago Metropolitan Agency for Planning. 2010. GO TO 2040 Plan.

² U.S. Census Bureau. www.census.gov.

Table 4.³ Housing Developments in the Chicago Region and County Market

	Chicago Region Market	Kane County Market	Kane County % of Market
Total Subdivisions	2,443	689	28.20%
Active Subdivisions	1,328	175	13.18%
Future Subdivisions	1,115	196	17.58%
Furnished Model Homes	596	146	24.50%
Finished & Vacant Homes	1,569	302	19.25%
Homes Under Construction	1,557	331	21.26%
Vacant Developed Lots	47,757	7,425	15.55%
Future Lots	215,447	47,428	22.01%

Finished Vacant Home: A home which is completely constructed, but shows no signs of occupancy.

Home Under Construction: A house is considered UC when the slab (or basement) is poured. It is carried as UC until all signs of construction are gone and the house is ready for occupancy.

Vacant Developed Lots: Lots are considered to be VDL when one can drive down the street in front of them.

Future Lots: When a preliminary plat is submitted to a city or county for development approval.

When the data is sorted by the Conceptual Land Use areas (Table 5) and the Public Participation Areas (PPA) (Table 6), the results are striking as to where new single family development is continuing the housing and land use patterns of the recent past.

Table 5.^{3a} Housing Developments in Kane County by Strategy Area

	Finished Vacant Homes	Lots Under Construction	Vacant Developed Lots	Future Lots
Sustainable Urban Area	165	88	1,911	8,965
Critical Growth Area	160	220	5,332	34,743
Food, Farm and Small Town Area	0	0	73	3,955
Kane County Total	325	308	7,316	47,673

Table 6.^{3b} Housing Developments in Kane County by PPA

	Finished Vacant Homes	Lots Under Construction	Vacant Developed Lots	Future Lots
North PPA	161	164	3,921	29,698
Central PPA	96	60	1,702	9,543
South PPA	68	84	1,693	8,422
Kane County Total	325	308	7,316	47,673

³ Metrostudy, 2012. Third Quarter Data.

The Fox River communities in the Sustainable Urban Area contain the majority of the County's population and the richest diversity of housing due to history, available infrastructure and years of neighborhood investment. This is attributed to communities having established sewer and water services, transportation networks, and a variety of businesses with employment opportunities. The urban communities of Algonquin, Aurora, Batavia, Carpentersville, East Dundee, Elgin, Geneva, Montgomery, North Aurora, Sleepy Hollow, South Elgin, St. Charles, Wayne, and West Dundee have achieved remarkable accomplishments in downtown revitalization, stimulated reinvestment in historic buildings and have created a market for residential condos, townhomes and apartments helping to preserve and enhance the character of their community and neighborhood quality of life. While growth has slowed, this has allowed the Sustainable Urban Area communities time to plan for future housing that meets the need of our changing population and that builds on the successes they have already achieved in creating places that are sustainable, livable, compact, bicycle and pedestrian friendly, respectful of nature, and with a stronger sense of place. Due to the recession and the mortgage foreclosure crisis, the Sustainable Urban Area communities are facing challenges of abandoned homes and code enforcement. Sustainable Urban Area communities previously experiencing rapid new residential housing development in the western fringes extending into the Critical Growth Area are now faced with an oversupply of vacant lots that have already been improved with roads, utilities, stormwater infrastructure, and sometimes landscaping. The Sustainable Urban Area and the Critical Growth Area have a 23.8 and 12.9 year supply of new completed, vacant homes, respectively^{3c}.

The Critical Growth Area communities include Campton Hills, Elburn, Gilberts, Pingree Grove, Hampshire, Huntley, and Sugar Grove. Many of these communities are looking to enhance or create their town center in order to provide a community focal point and gathering places for their residents. While the dominant housing type in the Critical Growth Area is single-family detached homes on large lots, many municipalities are offering more diverse housing choices within walking distance to their town center. In unincorporated Kane County, the Mill Creek master planned community offers a good example of more diverse housing in a walkable neighborhood, a village center with condos, townhomes, and apartments. In addition, future housing in unincorporated areas of the County should restrict the subdivision of land with severe physical limitations for septic systems, buildings, and roads, as well as require development to preserve and enhance natural features such as vegetation, wildlife, waterways, wetlands, topography, and scenic vistas. The Critical Growth Area will continue to face challenges of traffic congestion and a sustainable water supply.

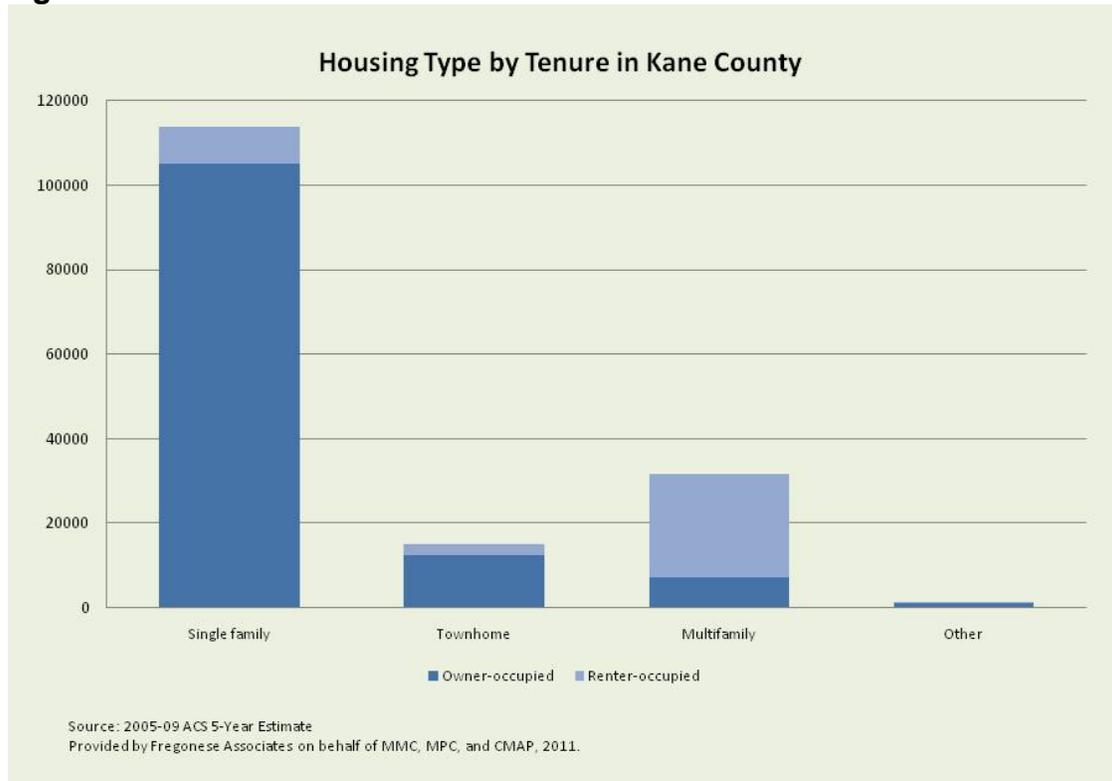
The Agricultural Villages in Kane County include Big Rock, Burlington, Kaneville, Lily Lake, Maple Park, and Virgil. These villages are attractive due to the area's rural character, small-town charm, and small size with populations between 326 and 1,126 residents^{2a}. New growth pressures may be faced by these agricultural

villages in the next 30 years. As growth is accommodated, it will be important to incorporate a variety of housing choices while preserving rural character and maintaining the existing features that define the town’s community character in order to maintain an alternative to the typical suburban sprawl.

Kane County’s Housing Needs for a Changing Demographic

The Kane County’s housing stock today is approximately 77% owner-occupied and 23% rental-occupied. Between 2000 and 2010, the County gained more than 28,831 owner-occupied housing units and 7,747 rental-occupied housing units.^{2b} The predominant housing type by tenure is owner-occupied single-family (105,134 units), followed by rental-occupied multi-family housing (24,303 units), and then owner-occupied townhomes (12,335 units)⁴ (Figure 41). The majority of homeowners in Kane County are White and Latino, while a majority of renters in Kane County are Black/African-American and Latino⁵

Figure 41^{4a}



The housing needs of Kane County residents in the next 30 years will be as varied as the population. For years the single-family detached home suited the primary needs and desires of homebuyers. Because single-family detached

⁴ Fregonese Associates on behalf of Metropolitan Mayors Caucus, Metropolitan Planning Council, and Chicago Metropolitan Planning Agency. 2011. 2005-2009 ACS 5-Year Estimate.

⁵ Claritas – Economic Planning Systems, Kane-Elgin Consortium Comprehensive Housing Market Study.

housing is the primary housing type, it is expected to continue to fill much of the demand. However, Kane County's population over the next 30 years is projected to have more 20 something's and seniors, and will be more racially and ethnically diverse with a greater number of single-parent households, shifting demands for housing type and price.^{1a}

Kane's Latino population, in the last 10 years, has increased 7%. The Village of Pingree Grove and the Village of Montgomery have experienced the largest increase in the Latino population during this same time period, a 17.94% and 13.16% increase, respectively (Tables 7 and 8). By 2040, CMAP's projects a 30% increase in the Latino population for the Chicago region. In addition, "growth among all racial and ethnic groups is projected to continue to shift toward suburban areas."^{1b} According to the report, *Homes for a Changing Region (2005)*, a mismatch was found between the kind of housing likely to be needed by the Chicago region's growing population and the kind of housing being planned. A look at the region's housing patterns by race and ethnicity showed that "Whites in the Chicago region live in single-family detached homes at almost double the rate that minorities do. Minorities are more likely to reside in attached single-family homes and apartments" (Figure 42).

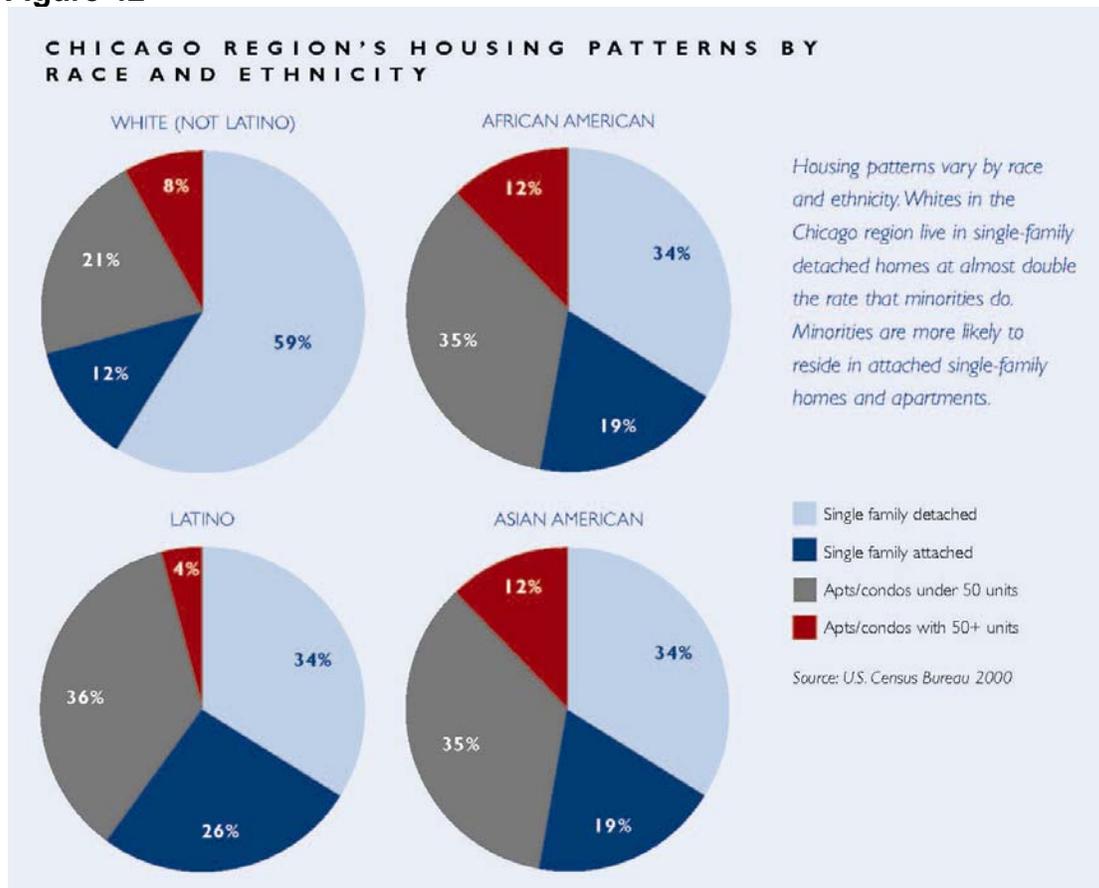
Table 7^{2c}

Top 5 Kane County Municipal Increases in Hispanic or Latino Population, 2000-2010			
GEOGRAPHY	2000 Hispanic or Latino	2010 Hispanic or Latino	Change, 2000-2010
Kane County	95,924	158,390	62,466
Aurora city	46,557	81,809	35,252
Elgin city	32,430	47,121	14,691
Carpentersville village	12,410	18,877	6,467
Montgomery village	741	4,923	4,182
St. Charles city	1,535	3,349	1,814

Table 8^{2d}

Top 5 Kane County Municipal Percentage Increases in Hispanic or Latino Population as a part of Total Population, 2000-2010			
GEOGRAPHY	2000 Hispanic or Latino	2010 Hispanic or Latino	Percent Change, 2000-2010
Kane County	23.74%	30.74%	7.00%
Pingree Grove village	4.03%	21.98%	17.94%
Montgomery village	13.54%	26.70%	13.16%
Carpentersville village	40.57%	50.08%	9.51%
Gilberts village	3.36%	12.71%	9.34%
Elgin city	34.32%	43.55%	9.23%

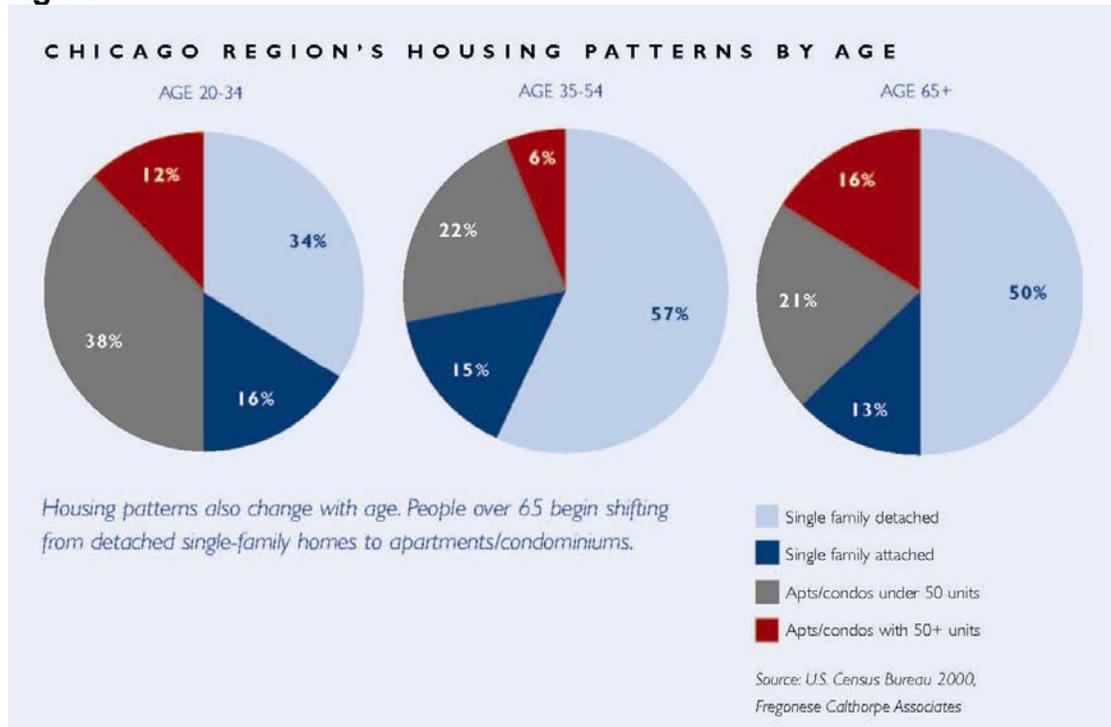
Figure 42⁶



Nationwide, by 2011, the baby boomer generation will begin to enter the senior population, 65 years and older^{2e}. Following regional and national trends, Kane County's senior population is expected to dramatically increase. By 2040, those between the ages of 65 and 84 years are expected to double, and those between the ages of 85 and older are expected to triple^{1c}. According to the report, *Homes for a Changing Region (2005)*, "people over 65 increasingly want to live in more compact communities, including those with apartment buildings of 50 or more units, small apartment complexes, duplexes, town homes, and in small homes designed to be relatively maintenance free" (Figure 43). Seniors living in suburban homes will most likely choose to live in mixed-age living environments that cater to active lifestyles, including walkable suburban town centers. By offering a variety of affordable housing choices within Kane County's existing communities, seniors will have the opportunity to "age in place" –having access to amenities, public services, and live near their families.

⁶ Chicago Metropolis 2020 and the Metropolitan Mayors Caucus. 2005. Homes for a Changing Region.

Figure 43^{5a}



Generation Y, approximately the ages between 10 and 29, also known as the Echo Boomers or children of the Baby Boomers, make up on average 25% of the municipal population in Kane County. Generation Y exceeds the Baby Boomer generation and by 2040 in Kane County, Generation Y is expected to outnumber the Baby Boomers by 34,707^{1d,2f}. With less of an interest in homeownership, this generation will largely be renters. Rather than a lifestyle in the suburbs with a long commute, the Echo Boomers are showing a desire for urban living with public transportation options and opportunities and to live a more sustainable, “green” lifestyle. A community that offers housing in close proximity to work, shopping, and entertainment; a place that is walkable and offers alternative modes of transit will play an important role in their housing decisions. According to a report by the National Association of Realtors, even a community in the suburbs that offers a “compact, walkable lifestyle that is affordable will be attractive... especially if it has transportation alternatives.”⁷

Responding to the Mortgage Foreclosure Crisis

The housing boom in the nation from 2000 to 2007 drove new development and increased homeownership rates. During this time period in Kane County, over 94% of all building permits per unit were issued when compared to decade totals. On average, between 2000 and 2007, 5,072 building permits per unit were issued annually (Table 9). The recession of 2008, ended the housing boom affecting individuals, neighborhoods, local governments, and communities in

⁷ National Association of Realtors. June, 2010. On Common Ground.

Illinois and across the nation. By 2009, Illinois ranked fourth in foreclosures nationwide⁸. The percentage of mortgage foreclosures in Illinois from 2000 to 2006 was around 2 percent, rising to 4.25 percent in 2007 and 2008, and by the end of 2009 the percentage of mortgage foreclosures rose to 5.5 percent.⁹ In 2010, Kane County had over 150% more foreclosure filings than it had in 2007. However, the rate at which these filings have taken place, during this same time frame, has consistently decreased on a yearly basis.^{2h}

Table 9^{2g}

Kane County Building Permits, 2000-2010					
	Number of Units				
	Single Family	Two Family	Three and Four Family	Five or More Family	Total
2000	4,351	14	166	1253	5,784
2001	4,705	14	209	864	5,792
2002	4,734	6	264	889	5,893
2003	4,807	4	183	638	5,632
2004	4,586	2	100	119	4,807
2005	5,455	22	0	22	5,499
2006	4,390	0	0	133	4,523
2007	2,562	12	0	72	2,646
2008	1,047	2	4	48	1,101
2009	519	0	4	0	523
2010	527	12	4	22	565
Decade Total	37,683	88	934	4,060	42,765

Note: Inclusive of Kane County's 30 municipalities

Kane County communities have been impacted by the high foreclosure rates, leading to vacant, abandoned, and sometimes vandalized properties, often leading to a rise in criminal activity.¹⁰ According to the Woodstock Institute (2009), "while foreclosure filing activity remains highly concentrated in lower-income communities and communities of color, some of the largest increases in foreclosure activity were seen in middle- and upper- income suburban communities."¹¹ In 2010, the number of vacant housing units in Kane County totaled 11,568, an increase of 6,471 housing units since 2000²ⁱ.

For the purpose of stabilizing communities and mitigating housing problems, Kane County and the cities of Aurora and Elgin altogether received more than \$7.5 million in Federal Neighborhood Stabilization Program funds, which have

⁸ Bloomquist, Daren. 2010. A record 2.8 million properties receive foreclosure notices in 2009. <http://www.realtytrac.com/landing/2009-year-end-foreclosure-report.html>

⁹ Federal Deposit Insurance Incorporation. Conventional subprime mortgage delinquencies, Illinois.

¹⁰ Campos, Leslie and Timothy Collins. Sept. 2010. Impacts of the Mortgage Crisis on Rural Illinois. Illinois Institute for Rural Affairs.

¹¹ Woodstock Institute. 2009.

been put to use purchasing and rehabilitating vacant and foreclosed homes. These dilapidated properties would otherwise adversely affect neighborhood living conditions and the value of surrounding properties. Foreclosed houses up-and-down the Fox Valley are being renovated and are available for purchase to eligible homebuyers. Long-term, sale proceeds finance the purchase of additional homes and are reinvested into additional activities, helping to encourage additional investment in the Sustainable Urban Area.

While many Kane County homeowners have felt the effects, both directly and indirectly of the rise in foreclosures, renters have been impacted as well. With the loss of a job, or a cutback in hours, lower-income renters face difficult financial decisions and can become “at-risk” for homelessness. The Homelessness Prevention and Rapid Re-Housing Program, funded under the American Recovery and Reinvestment Act of 2009, provides financial and legal assistance to either prevent low-income individuals and families, only in renter households, from becoming homeless or help those who are experiencing homeless to be quickly re-housed and stabilized. Under the program, more than \$2 million have been put to use by area non-profit agencies to provide short-term assistance to approximately 77 households as of March 31, 2011. The County also facilitates coordination among five non-profit agencies selected to administer the program and have access to additional federal funding in excess of \$1.5 million.

Proactive efforts on behalf of Kane County and some municipalities have helped manage the surge of vacant and foreclosed properties. In 2010, the County began requiring the registration of all vacant residential dwellings. Having reliable contact information for vacant properties has facilitated the swift remediation of nuisance and property maintenance code enforcement issues. The Village of South Elgin created a Vacant Dwelling Management Program that requires owners of vacant properties to register their property with the Village. The Program has helped establish relationships with those responsible for vacant properties to ensure code compliance. As a result, in 2010, the Village did not have to maintain private lawns, saving tax payers approximately \$5,000. The City of St. Charles is using Geographic Information Systems (GIS) to track foreclosed properties and ensure code enforcement of vacant and foreclosed properties. The Village of Carpentersville has implemented a “Follow-the-Paver” Program that focuses code enforcement activities in areas with recent street repairs. Each area is thoroughly inspected, property maintenance violations are corrected and unregistered residential units are brought into compliance and licensed. Kane County has invested in many of the Village’s street improvement projects.

Addressing Housing and Community Development Needs

As the municipalities respond to the housing needs for the next 30 years, Kane County will support municipalities in meeting CMAP's regional strategy of housing preservation. The County has been and continues to be committed to housing preservation in order to maintain the existing housing stock to meet housing market demands, maintain and increase housing affordability, maintain community character, promote sustainable development by constraining the expansion of the urban footprint, and to contribute to the region's economy.

Federal programs, such as the Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) programs, assist Kane County in addressing housing and community development needs. While CDBG funds are used to improve housing quality, build neighborhood infrastructure, and expand economic opportunities for residents, HOME funds assist in the development of quality affordable housing for low-income households, including workforce and senior housing. The Home Investment Partnership (HOME) Program is the largest Federal block grant to State and local governments that support a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership to low-income people. Combined these two programs provide the County \$1.8 million in these services. These programs provide gap financing for projects that strengthen the livability of communities.

As a precursor to receiving federal funds, the County must complete a planning document known as the "Consolidated Plan". Once adopted by the County Board, the Consolidated Plan is submitted to the U.S. Department of Housing and Urban Development and will guide the use of federal housing funds over a five year period. The plan identifies the most-urgent housing and community development issues facing our area and establishes a strategy for using available federal resources to tackle those issues. Included in the plan is a housing market analysis, which will take into account the varying market conditions in a number of areas within the County. Based in part on the results of the analysis, the plan will identify the housing needs specific to each of those areas. Federal funds will then be used to make strategic investments in projects and activities that address the housing needs in each area of Kane County. The 2010-2014 Housing and Community Development Consolidated Plan for the Kane County/City of Elgin Consortium identified the following high-priority needs to be addressed with the CDBG and HOME Program funds: affordable housing services, neighborhood infrastructure, public facility improvements, emergency shelter services, planning and capacity-building.

Kane County's Community Development Fund was established in 1998 by the County Board to receive and distribute an estimated \$1.25 million in funding provided annually by the United States Department of Housing and Urban Development (HUD) under its Community Development Block Grant (CDBG) Program. The overall goal of the County's Community Development Program is

to foster viable urban communities by providing decent housing, creating suitable living environments, and expanding economic opportunities, principally for low- and moderate-income persons. Kane County provides Community Development Funds to units of local government and non-profit organizations for a wide array of activities/projects, including affordable housing, neighborhood infrastructure, public facility improvements, homelessness, and planning.

The Kane County/Elgin HOME Consortium is a city-county partnership authorized by HUD for the purposes of receiving Federal HOME Program funds. In order to access HOME funds, Kane County and the City of Elgin formed a Consortium – or partnership – in 2004. The Consortium consists of twenty-three municipalities (that participate in the County’s CDBG program), and the City of Elgin. The City of Aurora also participates in the HOME Program independently. Regardless of the conduit, HOME funds may be used to finance the construction of new affordable housing units, rehabilitate existing housing, and provide both homebuyer and rental assistance to low-income people. Each consortium determines the specific uses for HOME funds after evaluating the housing needs of their citizens and prioritizing the types of activities and projects that will best meet those needs. The HOME program addresses the highest priority identified in the Consolidated Plan, affordable housing, by supporting a variety of housing initiatives.

The County generally takes a two-pronged approach when addressing housing needs with federal funding. It aims to preserve units of affordable housing throughout the County, and to expand the supply of affordable housing in areas where it is lacking and near employment centers. The County addresses the first goal by providing income-eligible homeowners with loans to rehabilitate and maintain their homes. The second goal is met by providing gap financing, under flexible terms, for the development or redevelopment of new units of affordable housing.

The Housing, Jobs, Transportation Connection

An integrated approach to planning for housing, jobs, and transportation can help create more sustainable, livable communities, improving residents’ quality of life. A balance of housing options countywide located near public transportation, can allow residents to live closer to their jobs, reduce commute times, and improve air quality. Maintaining and developing a diverse and affordable housing stock with compact, mixed-use development near employment centers and accessible to public transportation, can provide residents with transportation choices or alternatives to driving. Time typically spent in the car can now be spent on leisure time with family and friends, and allows residents to lead more active lifestyles by walking or biking to work, shopping, or other daily activities. According to the American Planning Association in their report *Jobs-Housing Balance (November 2003)*, “land-use patterns, which have increased travel distances because of the separation of homes, jobs, and other destinations – can

be blamed for approximately one-third of the increase in driving. Better-planned communities with balanced jobs and housing can help reduce travel distances and thus limit the growth in trip lengths.” Achieving a balance between housing and jobs without straining the transportation system is a growing concern within the Chicago metropolitan region. The majority of workers drive to their place of employment, often with long commute times, resulting in traffic congestion. This decreases the overall livability, desirability, and affordability of an area.

“Most places are unaffordable when it comes to combined housing and transportation costs. 72% of American communities are unaffordable for typical regional households when transportation costs – the second largest expense in a family budget- are considered along with housing costs. Under the traditional definition of housing affordability, where a rent or mortgage payment consumes no more than 30 percent of household income, three out of four (76 percent) US communities are considered “affordable” to the regional typical household making their area’s median income. However, under an expanded definition of affordability, where housing and transportation costs consume no more than 45 percent of income, the number of affordable communities decreases to 28 percent, resulting in a loss of 86,000 neighborhoods that are within reach for a typical family.”¹²

Transportation costs are determined by community characteristics, including proximity to jobs, access to services, housing density, walkable destinations, and extent and frequency of transit service. Compact, mixed-use, multi-modal development can help reduce transportation costs, improving affordability. In the nine county Chicago region, low-density towns located in areas on the urban edge are spending approximately 30 percent of their income on transportation costs, while those living in compact urban communities spend as low as 12 percent of their income on transportation costs. For lower income households, transportation costs are even higher. Households earning 80 percent average median income in the Chicago area (income of \$41,344) spend 22 cents of every dollar of income on transportation costs (Figure 44).^{12a}

Location Efficiency is a term used to describe the conditions under which households devote substantially less of their income to meet their day-to-day transportation needs. Location efficiency can be as significant as housing costs when determining overall affordability, often making more location efficient neighborhoods less expensive than relatively inefficient areas despite higher housing costs. According to Center for Neighborhood Technology, a leading think-and-do tank in Chicago:

“Low transportation cost, location-efficient neighborhoods are compact, mixed-use, transit-rich places, with homes located near

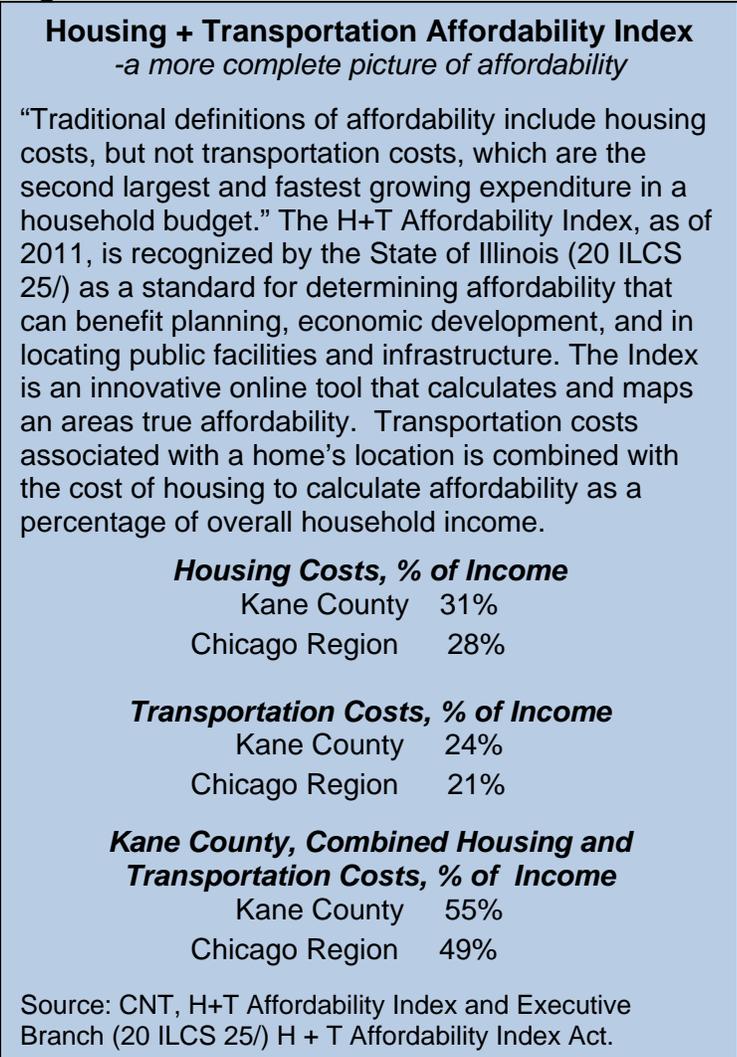
¹² Center for Neighborhood Technology. Housing + Affordability Index. <http://htanindex.cnt.org/> (note: data based on U.S. Census Bureau. 2005-2009 American Community Survey data.

shopping, schools, and jobs. In these neighborhoods, public transportation is an attractive option and streets are designed with pedestrians in mind, with smaller blocks, stores, and community destinations located within walking distance. In contrast, less efficient communities feature lower residential densities and homes that are separated from commercial and institutional uses. Most households in these communities own multiple cars and must drive longer distances to complete daily routines, adding substantially to their transportation expenditures.”^{12a}

In Kane County, the greatest percentage of residential development is not within a mass transit node. Supporting preservation of the County’s existing housing stock is one way to increase resident access to public transportation. Approximately 60% of neighborhoods with older housing have public transportation services available to the residents, whereas 75% of housing built after 1994 has no public transportation available¹³. Preserving the existing housing stock therefore also helps to preserve housing affordability, when transportation costs are taken into account.

Reduced employee commute times and a nearby supply of reasonably priced housing are advantages to employers. Employer Assisted Housing (EAH) is a strategy initiated by employers that provides incentives for employees to live closer to work. Participating employers provide direct financial help to employees for rent, closing costs, or mortgage payments; counseling for employees about housing choices and financing; or other savings program for employees. The Metropolitan Planning Council, who helped launch EAH initiatives in communities throughout the region, has found proven benefits of these programs to employers:

Figure 44



¹³ Chicago Metropolitan Agency for Planning. 2008 Housing Preservation Strategy report.

- Reduced turnover and absenteeism and improved loyalty and productivity.
- Strengthened financial stability for workers, including foreclosure prevention, when employers provide housing counseling and financial assistance to buy or rent homes near jobs.
- Reduced commutes, improved quality of life, increased real estate taxes, and reduced traffic.
- Increased political, business, and community support for housing options.

System Sensor, one of the largest manufacturers of fire detection and notification products in the world and headquartered in St. Charles, was one of the first companies to pilot an EAH program in the Chicago region. System Sensor not only recouped its initial investment in the program, which began in 2000, but ultimately saved approximately \$100,000 per year in the form of workforce stability. Participating Illinois corporations can receive a credit toward their state income tax for cash, land or property donated for the creation of workforce housing. The state's goal is to generate private sector investment in workforce housing¹⁴.

Policies

1. Encourage infill, preservation and rehabilitation of housing in communities that have existing or planned infrastructure.
2. Encourage the development of a diverse and affordable housing stock near public transportation nodes and employment centers.
3. Prioritize housing resources to areas with existing or planned access to alternative modes of transportation.
4. Require that residential developments preserve and enhance natural features such as vegetation, wildlife, waterways, wetlands, topography, and scenic vistas.
5. Consider code revisions reflecting new techniques and innovations to facilitate housing development, rehabilitation, and construction and to reduce the annual cost of homeownership and increase energy efficiency and waste reduction.
6. To increase collaboration and cooperation with the state, CMAP, municipalities, and non-profit groups in order to more efficiently and effectively allocate available resources to address existing and future housing issues.

¹⁴ Metropolitan Planning Council. www.metroplanning.org

7. Focus funding of the Housing and Community Development Consolidated Plan towards projects furthering the renaissance of the Sustainable Urban Area.
8. Continually analyze the effectiveness of Kane County and its municipalities in creating a diverse, affordable housing stock by tracking the regional housing indicators.
9. Discourage residential development in areas detrimental to County farmland preservation goals.
10. Encourage new residential development and redevelopment to be pedestrian, bicycle and transit friendly with links between housing, jobs, and retail.
11. Restrict subdivision of land with severe physical limitations for septic systems, buildings, and roads.

