



Homes for a Changing Region: Richton Park Action Plan

August 2023



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Action Plan:

Executive Summary

Homes for a Changing Region (“Homes”) is a program spearheaded by the Metropolitan Mayors Caucus, supported by BRICK Partners, and funded by the Illinois Housing Development Authority (IHDA). Homes is designed to help local governments in the greater Chicago region analyze, diagnose, and develop market and evidence-based solutions for the housing challenges they face. Over the last four months, the Homes team has engaged key stakeholders and studied housing trends specific to Richton Park. The Homes team identified several key challenges which form the basis of recommendations that the Village can follow to achieve a balanced and healthy housing stock. These challenges are as follows:

- **Richton Park is home to a growing number of older adults and seniors, many of whom face challenges with housing costs.** One in seven households in Richton Park are 65 years or older, and over half of senior homeowners are challenged with housing costs. Stakeholders expressed the importance of helping these households retain homeownership.
- **Business buyer activity has created challenges for some Richton Park households.** In the years following the 2008 recession, a number of homes in Richton Park were purchased by outside corporate landlords. Compared to local “mom and pop” landlords, outside corporate landlords are more likely to create problems for renter households.
- **Richton Park has experienced market challenges in developing new housing.** Several factors, including the effects of the 2008 recession, county-level property tax rates, and rising interest rates, have created market challenges to developing new housing in Richton Park. However, initiatives by the Village have helped the local housing market recover. The Village’s recent planning and zoning efforts have set the stage for new housing development that can meet the needs of Richton Park households ranging from first-time homebuyers to senior residents.

Action Plan:

Executive Summary

Based on this analysis, the *Homes* team recommends the following actions for the Village to consider:

- **Connect Richton Park households with resources offered by partner agencies:** The Village can inform residents of housing rehabilitation, homebuyer counseling, homeowner assistance, and fair housing resources available through the South Suburban Housing Center and IHDA. The Village can also invite these agencies to host workshops in Richton Park.
- **Implement a rental regulatory framework to address issues caused by outside corporate landlords:** The Village can implement a rental registration and inspection program to help ensure the community's rental housing stock provides quality conditions for renter households. The program can be tailored to avoid burdensome regulations or fees for local landlords while holding outside corporate landlords accountable.
- **Encourage new housing development through creative planning approaches:** The Village can consider allowing additional housing types in the Las Fuentes neighborhood, to help offset remaining infrastructure costs, so long as this housing would reflect the scale and character of existing single-family homes. While awaiting completion of its Town Center plan update, the Village can identify a master developer who could coordinate development of several sites within the Town Center area.
- **Continue and expand partnerships with key south suburban entities:** The Village can encourage housing development through a continued partnership with the South Suburban Land Bank and Development Authority. The Village can also explore the potential of expanded partnerships with the Southland Development Authority as well as Governor's State University and other regional employers.
- **Communicate new funding resources to potential developers:** A new incentive offered by the Cook County Assessor's Office, along with several new initiatives of the South Suburban Mayors and Managers Association, can assist with housing development in Richton Park. The Village can help developers identify sites with potential to utilize these new resources.

Housing Needs Analysis

This section summarizes the quantitative and qualitative findings of the housing needs analysis, initially presented to a stakeholder group in Richton Park in May of 2023. Unless otherwise stated, data is provided by the U.S. Census Bureau, including its American Community Survey

Background

The Village of Richton Park is a suburban community located about 30 miles south of Chicago in southern Cook County. Richton Park experienced a slight drop in population over the past decade, decreasing from 13,646 residents in 2010 to 12,775 residents in 2020. During this time Richton Park saw a slight increase in the number of households, growing from 4,997 households in 2010 to 5,063 households in 2020. The slight decrease in population and increase in households reflects a trend of fewer people in each household.

Richton Park is a moderate-income community. The median household income in Richton Park is \$65,132, which is lower than the regional median income of \$78,790. The median income for homeowners in Richton Park is \$93,382 while the median income for renters is \$37,411.

Population and Households, 2010-2020

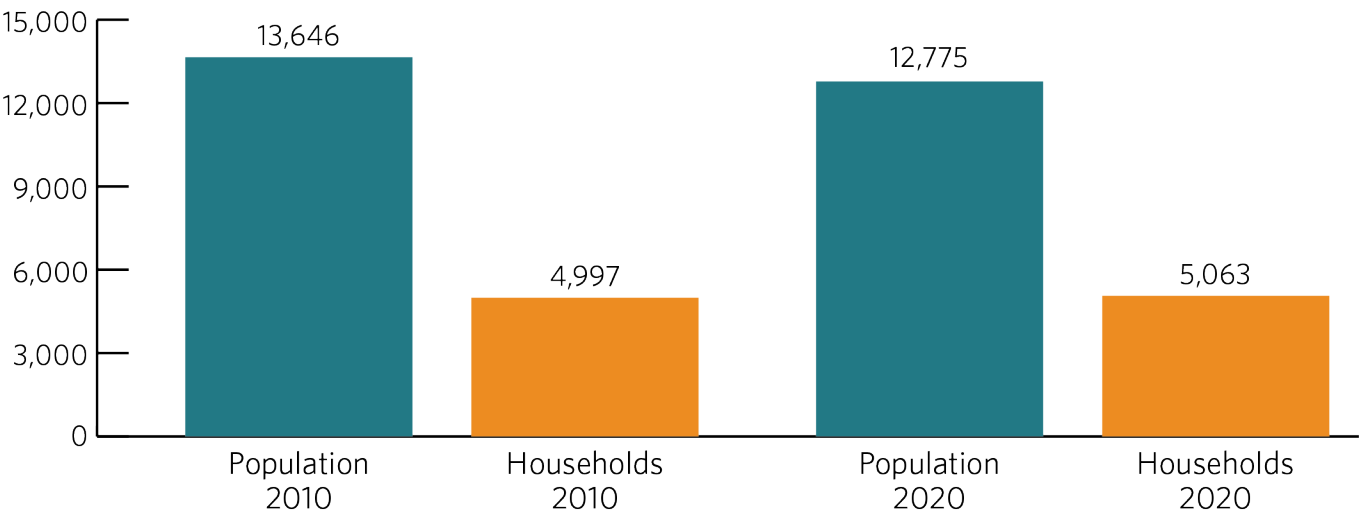


Figure 1.
Population and Households

Source: US Census, 2010 and 2020.

Housing Needs Analysis

Richton Park offers a diverse mix of housing types. As of 2021, 55 percent of all residential units are single-family homes. About 10 percent of homes are duplexes or townhomes, 3 percent of homes are triplexes or quadruplexes, 10 percent of homes are in small multifamily buildings (5-9 units), 5 percent are in mid-size multifamily buildings (10-20 units), and 17 percent are in large multifamily buildings (20+ units).

Overall, housing units are nearly split between owners and renters. Roughly 54 percent of households own their home and 46 percent rent their home.

Beyond the above baseline information, a review of housing data and discussions with local stakeholders has identified the following three key takeaways regarding housing in Richton Park.

Housing Stock in Richton Park

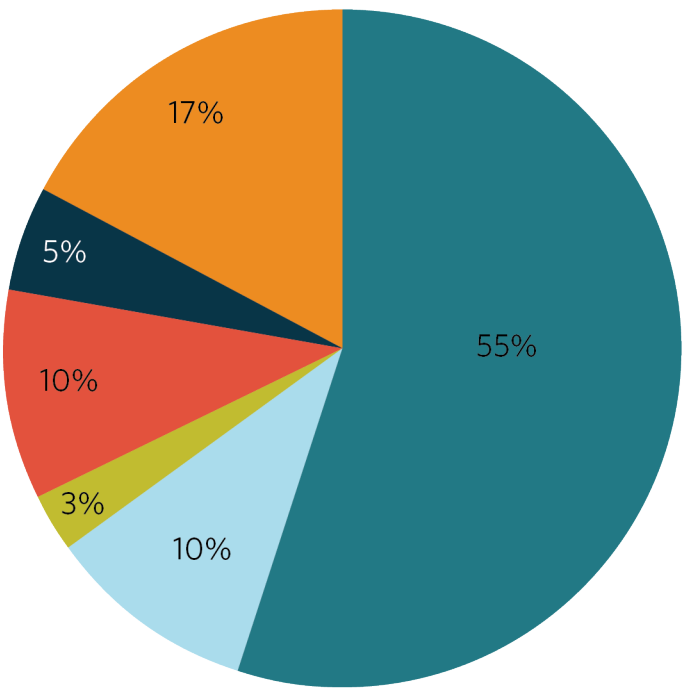


Figure 2.
Housing Stock

- Single-Family Home
- Townhome or Duplex
- Triplex or Quadruplex
- Small Multifamily Building (5-9 Units)
- Mid-size Multifamily Building (10-19 Units)
- Large Multifamily Building (20+ Units)

Source: American Community Survey, 2017-2021

Housing Needs Analysis

Richton Park Has A Growing Number Of Seniors And Older Adults, And Many Are Housing Cost Burdened.

Households in Richton Park are growing older. The Village has a median age of 42, which is higher than the region’s median age of 38. One in five residents in Richton Park are 65 years or older. As shown in the chart below, the share of Richton Park households that are seniors or approaching senior age has grown over the past 20 years.

Many of Richton Park’s seniors have limited, fixed incomes. About 580 seniors, nearly half of the senior population, earn less than \$20,000 per year. As shown in the chart below, over half of senior homeowners and two-thirds of senior renters are housing cost burdened, meaning they pay more than 30 percent of their monthly income on housing. These households would benefit from access to additional funding resources to assist with repairs and accessibility improvements to their homes.

Age Cohorts 2000-2021

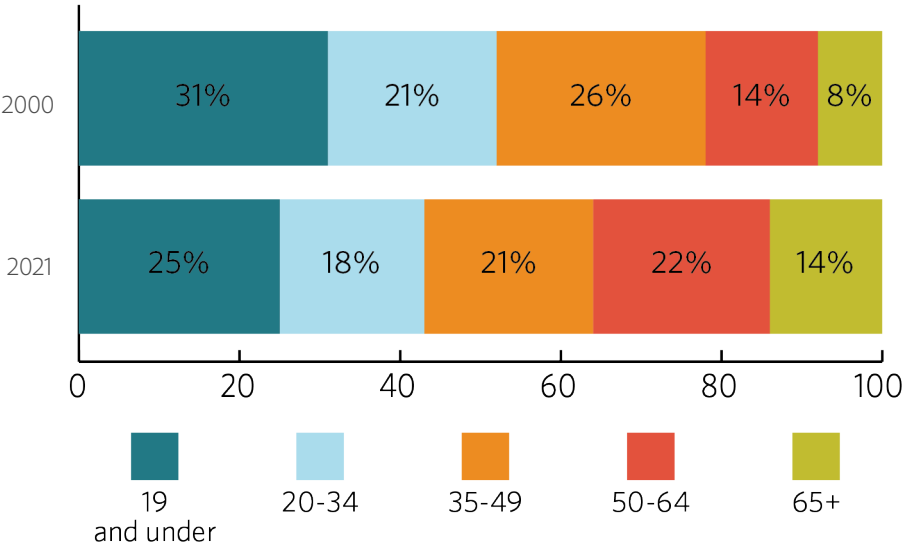


Figure 3.
Age of Households

Source: US Census, 2000; American Community Survey, 2017-2021

Housing Cost Burden Among Seniors

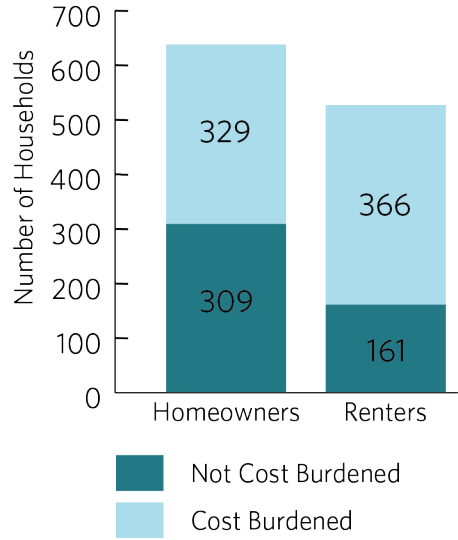


Figure 4.
Housing Cost Burden Among Seniors

Source: American Community Survey, 2017-2021

Housing Needs Analysis

Richton Park has taken steps in ensuring its seniors have high quality and affordable housing options. The Residences at Carriage Creek is a 60-unit senior housing development that was built in 2004. About one block away, Town Center Pointe is a 55-unit affordable senior housing development that opened in March of 2023. Both developments provide various amenities for residents and are located close to the Village's community center, Metra station, and Town Center area.

While recognizing the benefits of senior housing developments, Village stakeholders also voiced the importance of helping older households build wealth through homeownership. During the May kickoff meeting, stakeholders noted that older households in Richton Park would benefit from assistance in purchasing their first home or paying off their mortgage. In addition, the Village of Richton Park has established a goal through its Strategic Plan to increase homeownership in the community. These community priorities underscore the need for resources that support Richton Park's seniors, as well as all households, successfully access and maintain homeownership

Housing Needs Analysis

Business Buyer Activity Has Created Challenges For Richton Park Households.

Following the 2008 recession, Richton Park saw an increase in residential properties being purchased by “business buyers.”¹ Many of these business buyers are corporations with no direct ties to the communities they own homes in. While business buyer activity took place in other parts of Cook County and the Chicago region, the issue was more prevalent in Richton Park. As shown in the chart below, this trend peaked in 2013 when nearly half of all residential property sales in Richton Park went to business buyers. The issue remained prevalent in Richton Park throughout much of the past decade before returning closer to regional averages in recent years.

Share of Sales, Business Buyers, Richton Park

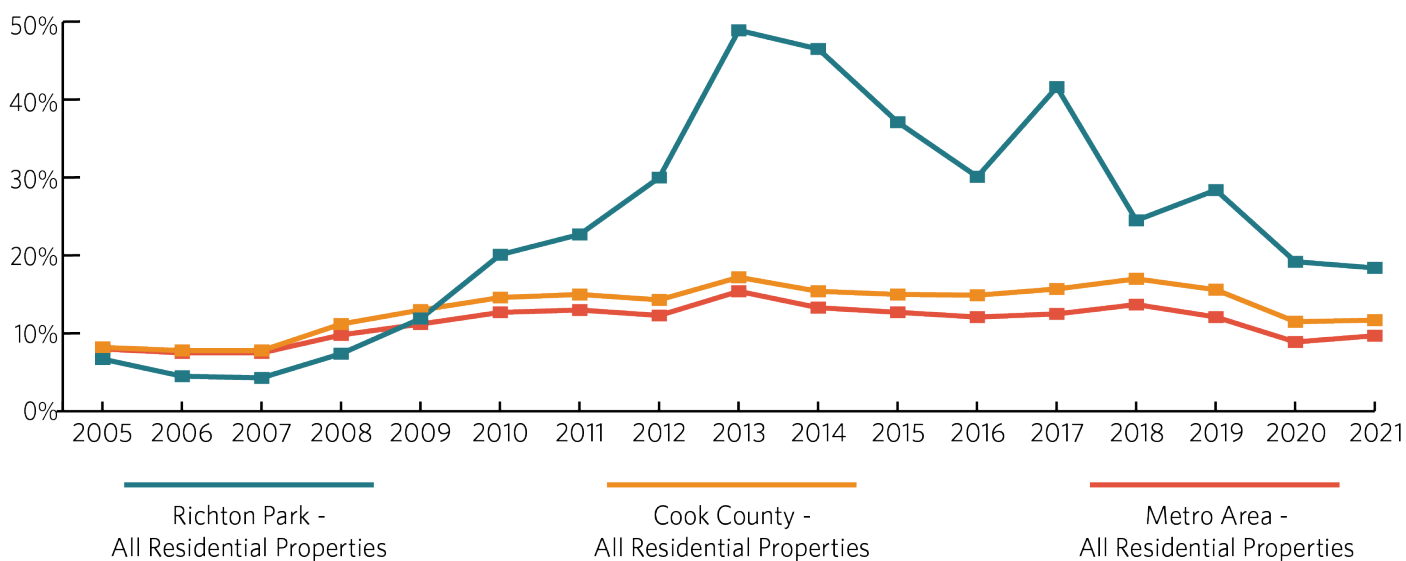


Figure 5.
Share Of Residential Properties Purchased By Business Buyers

Source: DePaul University Institute for Housing Studies Calculations of Data from County Recorder of Deeds via Property Insight, County Assessor's Offices.

1: "Business buyers" represents investor types from small mom-and-pop landlords to large Wall Street-traded equity funds.

Housing Needs Analysis

One factor contributing to corporate ownership of homes was the issue of foreclosures. In Richton Park and elsewhere, residential foreclosures surged after the 2008 recession, providing opportunities for corporations to obtain homes at discounted prices. Over the past decade, foreclosure rates in Richton Park have decreased significantly, now resembling that of Cook County and the Chicago region (see Figure 6). However, corporate landlords remain active. During the May kickoff meeting, village residents shared that they have noticed a new strategy where corporations pressure market senior households and outbid households in the traditional home sale process. Village staff, through the process of performing inspections during changes in occupancy, have noticed the continued prevalence of outside corporations owning homes in Richton Park.

Foreclosure Filings per 100 Residential Parcels, Richton Park

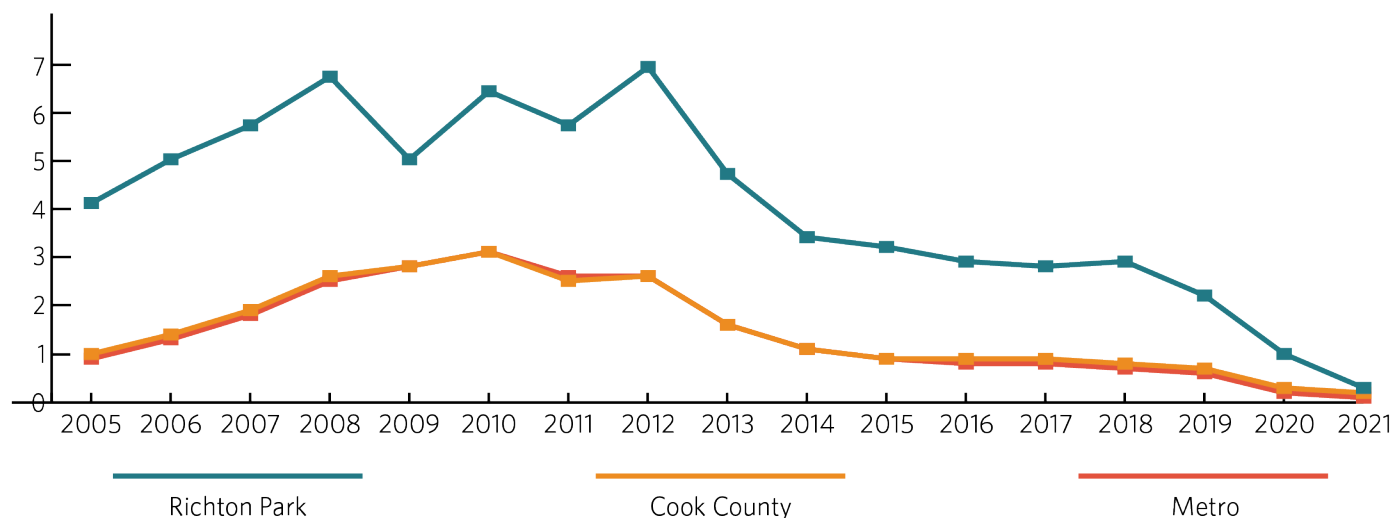


Figure 6.
Residential Foreclosure Rates

Source: DePaul University Institute for Housing Studies Calculations of Data from County Circuit Courts via Property Insight, Record Information Services, County Assessor's Offices.

Housing Needs Analysis

During the May kickoff meeting, Village stakeholders also voiced concerns about the issues caused by corporate ownership. Village residents shared that corporate ownership has created additional challenges for renter households in Richton Park. In some cases, management companies employed by corporate landlords have created application requirements that make accessing rental opportunities more difficult. Stakeholders also reported cases where renters are pressured by outside management companies to maintain homes in ways that violate their rights as tenants. These reports align with other evidence that corporate landlords, under pressure to deliver profits to shareholders, are more likely to evict tenants, raise rents, and avoid responsibility for basic maintenance and repairs than “mom and pop” local landlords.

Richton Park’s housing market has strengthened over the past decade, reducing some pressures driving the issue of corporate ownership. As shown in Figures 5 and 6, the pace of business buyer activity and foreclosures in Richton Park decreased substantially in recent years. In addition, the homeownership rate among single-family homes, which was near 90 percent prior to the 2008 recession, fell to around 80 percent but has since stabilized.

However, many homes remain under ownership of outside corporate landlords and new challenges may be emerging. Data on foreclosures mentioned above does not show the impacts that have occurred since federal foreclosure prevention measures ended in December of 2021. At the June expert panel, Derek Adkisson of the South Suburban Housing Center reported that the number of clients turning to their agency for foreclosure assistance tripled from 2021 to 2022. And during the first half of 2023, the agency has seen as many clients seeking foreclosure assistance as that of the entire previous year. While this statement speaks to foreclosures throughout the south suburbs, rather than Richton Park specifically, it highlights the persistent issue of foreclosures.

Richton Park would benefit from a strategy to address issues caused by corporate ownership of homes. In addition, the Village can reduce foreclosures and the prevalence of corporate landlords, working towards the Village goal of increasing homeownership, by connecting households facing foreclosure with critical resources.

Homeownership Rate Among Single-Family Homes 2010-2021

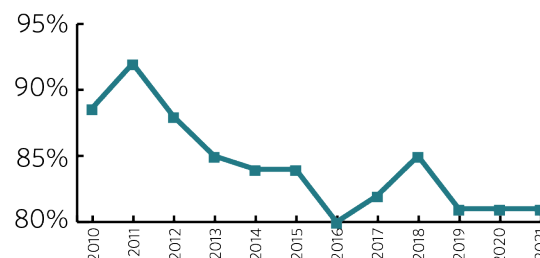


Figure 7. Homeownership Rate Among Single-Family Homes

American Community Survey, 2010-2021.

Housing Needs Analysis

Richton Park Has Experienced Market Challenges In Developing New Housing.

As stated above, economic downturn caused by the 2008 recession had lasting impacts on the housing market in Richton Park. As shown in the chart below, the recession caused home sale prices in Richton Park and neighboring communities to fall below the level they were in 2000 and remain below this level throughout much of the next decade. Stagnant housing prices affected homeowners in Richton Park, limiting the amount of wealth they could build through their home values appreciating. The stagnant housing market also severely impacted potential for new housing development during this time. While the recession's impact on housing prices was felt throughout Cook County, housing prices took longer to recover in the south suburbs.

Over time, the housing market in Richton Park recovered. As shown in the chart above, housing prices in Richton Park and neighboring communities began rising during the past decade and increased quickly since 2020 when low mortgage interest rates enabled more households to purchase homes. Another way to notice the local housing market's recovery is through decreases in vacancies. According to the U.S. Census, the homeowner vacancy rate in Richton Park fell from 7 percent during the height of the recession to 1 percent in 2021. The rental vacancy rate also fell significantly during this time, down from 15 percent to only 4 percent.

Housing Price Sales Compared to Prices in 2000

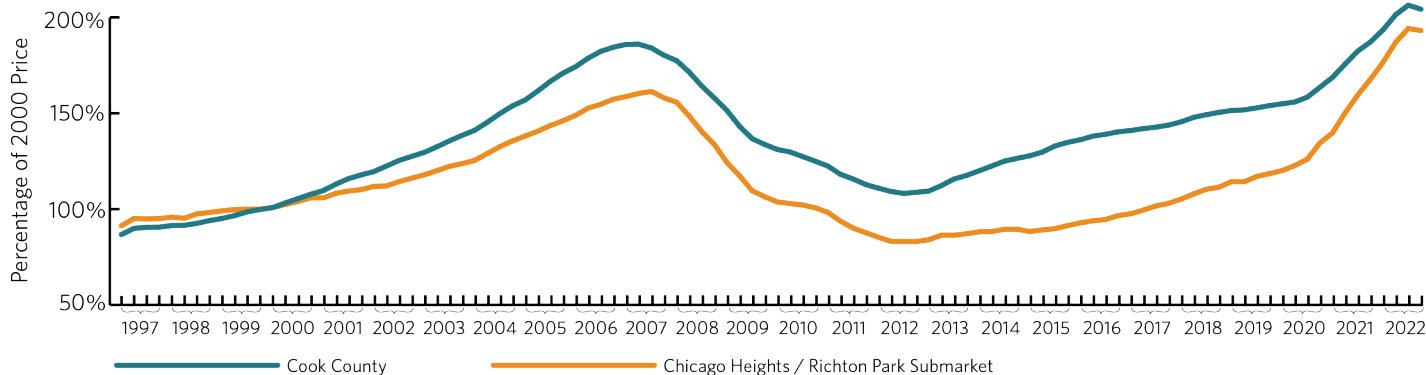


Figure 8. Housing Price Sales Compared To 2000 Price Level

Source: DePaul University Institute For Housing Studies' Cook County Submarket Price Index, tracking price trends for single family homes. The submarket that includes Richton Park also includes Chicago Heights, Park Forest, Matteson, Sauk Village, Flossmoor, Lynwood, Glenwood, Olympia Fields, South Chicago Heights, and Ford Heights.

Housing Needs Analysis

Village efforts have contributed to these positive changes in the local housing market. The Village implemented a vacancy registration program in 2018 that helped reduce vacancies in subdivisions that were most impacted by economic downtown. In addition, Richton Park has established a whole-of-government approach to improving quality of life for residents and marketing the community, as documented in the Village of Richton Park's 2020-2025 Strategic Plan.

As the local housing market has improved, Richton Park has seen some successes in development yet still experiences some lingering challenges. As previously mentioned, Town Center Pointe was recently built, having opened in 2023. In addition, a developer has been successful in building new homes within Richton Park subdivisions, helping neighborhoods such as the Greenfield neighborhood gradually move closer to being completely developed. Meanwhile, other areas, such as the Las Fuentes neighborhood, have been slower to develop. Richton Park's Town Center has seen renewed investment in recent years; however, several sites remain undeveloped, in large part due to factors affecting development at the sub-regional and national level. For decades, high property tax rates have hampered housing and economic development in Richton Park and other communities in south suburban Cook County. Today, high interest rates and construction costs further complicate the effort to generate new housing development.

While recognizing these factors, the Village of Richton Park has continued pursuing new housing development. The Village obtained grants for several infrastructure improvements around its Town Center including new sidewalks, a brownfield remediation project, and a rail line beautification project. The Village has also been proactive in welcoming the development of a diverse mix of housing types through its 2009 Town Center Streetscape Manual, 2016 Comprehensive Plan, and several zoning ordinance updates made since 2017. Today, several undeveloped sites near the Town Center are zoned to allow mixed-use buildings, townhomes, and multifamily buildings. In addition, undeveloped land along Cicero Ave south of Sauk Trail is zoned to allow a mix of single-family homes and townhomes.

In many communities, townhomes and small or mid-size multifamily buildings are in scarce supply compared to single-family homes and large multifamily buildings, leading these housing types to be referred to as "missing middle housing." In Richton Park, however, these housing types are not missing. As shown in Figure

Housing Needs Analysis

2, about 28 percent of homes in Richton Park are townhomes and small or mid-size multifamily buildings. In this regard, Richton Park outperforms the south suburban Cook County submarket described above, in which only 20 percent of homes are townhomes and small or mid-size multifamily buildings.



Figure 9.
"Missing Middle Housing" Types

Source: Opticos Design, Inc.

While already present in Richton Park, continued development of these housing types can help the Village meet emerging housing needs, particularly if these homes are built for owner-occupancy. Townhomes, duplexes, triplexes, quadruplexes, and small multifamily buildings can provide options for seniors to downsize to a smaller home, reducing maintenance responsibilities from that of a single-family home, while still living in a home they own. As the number of senior households increases, the need for downsizing options will also increase. These housing types can also serve as options for younger households and families to purchase a starter home. Construction of these housing types would also create community benefits by making room for additional households, supporting local businesses and economic development, generating property taxes, and reducing the property tax burden throughout the Village.

Considering the benefits from developing the diverse mix of housing that the Village has planned and zoned to allow, it is important for Richton Park to consider all potential tools to overcoming market challenges to new housing development.

Recommendations

This plan has identified three major housing challenges in the Village of Richton Park:

- **A need to support older adults and seniors who are struggling with housing costs;**
- **Challenges created by outside corporate landlords;**
- **A need to overcome housing development challenges.**

The *Homes* team has identified strategies to address these challenges. In June of 2023, the team convened an expert panel that focused on maintaining and improving Richton Park's housing stock, addressing corporate ownership trends, supporting existing Richton Park homeowners and renters, and encouraging the development of diverse housing types. As a follow up to this conversation, the action plan recommends the following strategies for Richton Park to encourage a balanced and well-maintained supply of housing for its residents:

- **Connect households with resources offered by partner agencies;**
- **Implement a rental regulatory framework to address issues caused by outside corporate landlords;**
- **Encourage new housing development through creative planning approaches;**
- **Continue and expand partnerships with south suburban entities; and**
- **Communicate new funding resources to potential developers.**

Each recommendation is detailed more thoroughly below.

Recommendations

Strategy #1:

Connect Richton Park Households With Resources Offered By Partner Agencies.

Households in Richton Park face a variety of housing issues. Richton Park has a growing number of seniors, many of whom have limited incomes for repairs or accessibility improvements to their homes. Village stakeholders reported that renter households have had their rights as tenants violated by corporate landlords. Village stakeholders also stated that younger households face increased challenges in purchasing their first home, and many older homeowners need additional assistance paying off their mortgage and retaining homeownership. While not specific to Richton Park, the South Suburban Housing Center has witnessed sharp increases in foreclosure counseling needs over the past two years.

To respond to these various issues, the Village of Richton Park can connect households with available housing resources offered by partner agencies.

South Suburban Housing Center

During the Richton Park expert panel, Derek Adkisson of the South Suburban Housing Center (SSHC) spoke about several resources offered by the SSHC. All of these services, detailed below, are free to clients, and SSHC encourages municipalities to help market those services through newsletters, social media and joint workshops.

Home Buyer Counseling and Workshops

SSHC provides tailored one-on-one counseling for households working towards homeownership. HUD-certified counselors help households understand the mortgage process and mortgage options, identify down payment assistance options, set an action plan, avoid predatory lending, review mortgage documents, and accomplish next steps after purchasing their home.

SSHC also hosts a free, virtual Homebuyer Education Course that is offered monthly and taught by HUD-certified housing counselors.

Recommendations

Mortgage Delinquency and Foreclosure Assistance Counseling and Workshops

SSHC offers one-on-one counseling sessions for existing homeowners who are struggling with mortgage payments or are behind on payment and facing the possibility of foreclosure. HUD-certified counselors help a homeowner review and evaluate options, develop an action plan based on the homeowner's desired resolution, assist with compiling financial documents, and can negotiate and advocate on behalf of the client with the lender. The counselor can also review documents offered by the lender and provide attorney referrals if needed.

SSHC also offers workshops geared towards homeowners facing mortgage delinquency or foreclosure. The workshops focus on foreclosure prevention techniques, loan modification and mortgage fraud scam awareness, resolution options for families in foreclosure, and information about various mortgage assistance options. Workshops are presented by HUD-Certified housing counselors, along with an expert foreclosure defense attorney. Especially of note to Richton Park, municipalities may partner with the SSHC to provide workshops at a convenient location for residents.

Fair Housing Enforcement

As a regional fair housing enforcement agency, the SSHC serves clients who believe they were discriminated against by housing providers, lenders, realtors, appraisers, property management companies, and more. The organization helps residents through: listening, documenting, and evaluating a complaint for possible violation of a fair housing law; advising residents of their rights and options; and, when necessary, assistance in filing an administrative or court complaint. As a sub-component of the SSHC's fair housing enforcement program, renters who believe their rights as renters have been violated can contact the SSHC for guidance in understanding their rights and options.

In addition to supporting residents who reach out to the agency, the SSHC is available to provide fair housing rights presentations to residents, housing providers, and municipal staff.

Recommendations

Illinois Housing Development Authority

The Illinois Housing Development Authority (IHDA) offers several resources that can support Richton Park households, and that SSHC can help them access.

Illinois Homeowners Assistance Fund (ILHAF)

Created by the federal American Rescue Plan Act, the Illinois Homeowner Assistance Fund is designed to prevent mortgage delinquencies and defaults, foreclosures, loss of utilities or home energy services, and displacement of homeowners who have experienced financial hardship since the onset of the Covid-19 pandemic. The Illinois Homeowner Assistance Fund provides up to \$60,000 to income-eligible homeowners to pay delinquent mortgage payments, property taxes, and/or homeowner's insurance costs. Homeowners may apply directly to IHDA at illinoishousinghelp.org or with assistance from a HUD-approved housing counseling agency such as the South Suburban Housing Center.

Home Repair and Accessibility Program (HRAP)

The Home Repair and Accessibility Program assists low- and very low-income households with health, safety, and energy efficiency improvements for their homes. The program offers three project types: rehabilitation and repair of homes, for which the property is eligible for up to \$45,000 in improvements; accessibility improvements, subject to the same \$45,000 cap; and roof only projects, for which up to \$21,500 is eligible in repairs. Assistance is provided in the form of a 3- to 5-year forgivable loan.

Property eligibility differs for each project type. Full and roof-only rehabilitation funds may only be used in an owner-occupied single family home. For accessibility improvements, the property may be either owner- or renter-occupied so long as there is a documented need. All program participants must have household incomes not exceeding 80% of area median income.

IHDA contracts with partners to administer the Home Repair and Accessibility Program. The Village of Richton Park can connect residents to partners, such as Neighborhood Housing Services, who received the most recent round of HRAP funding. Funding is limited and many partner agencies maintain a waitlist.

To help residents access limited funds, the Village of Richton Park can apply to receive and administer the

Recommendations

Home Repair and Accessibility Program, either on its own or as part of a broader south suburban consortium. Applications for the next round of funding are anticipated to open in 2024. In advance, the Village of Richton Park can connect with and learn from other south suburban communities, such as Park Forest and Chicago Heights, which applied for and were awarded Home Repair and Accessibility Program funding in 2022. The Southland Development Authority has been in discussions about supporting a future consortium application.

Homeowner Assistance Fund Home Repair Program (HAFR)

The Homeowner Assistance Fund Home Repair Program is designed to support eligible homeowners in addressing home maintenance needs that were delayed and exacerbated due to the COVID-19 pandemic.

IHDA is currently reviewing applications from nonprofits and other partner agencies who will then administer these funds. Partner agencies are expected to be selected this fall. Once partner agencies begin administering funds, up to \$60,000 per homeowner will be available for home repairs.

The Village of Richton Park should closely monitor the selection of partner agencies and connect residents with these agencies. Again, per the South Suburban Economic Growth Initiative, the Southland Development Authority has been in discussions about supporting a future consortium application.

IHDA Homebuyer Assistance Programs

The IHDAccess Mortgage program assists eligible borrowers with down payment and closing costs. Each mortgage comes with an affordable, fixed interest rate. Each program is available to first-time and repeat homebuyers statewide and can be utilized for purchasing existing homes or for new construction.

- IHDAccess Forgivable offers assistance for 4 percent of the purchase price, up to \$6,000, through a forgivable loan. The borrowers do not need to pay the loan back as long as they live in the home for ten years. If they sell or refinance the home within the first ten years, a portion of the down payment will need to be paid back to IHDA.
- IHDAccess Deferred offers assistance for 5 percent of the purchase price, up to \$7,500, through an interest-free deferred loan. The borrower will be required to repay the funds when they sell the house, refinance, or pay off their mortgage.
- IHDAccess Repayable offers assistance for 10 percent of the purchase price, up to \$10,000, through an interest-free loan repaid monthly over a 10 year period.

Recommendations

Next Steps

Richton Park can leverage this array of programs to more comprehensively meet the housing needs of its residents. Though strategies vary by program, the table below visualizes how Richton Park staff can work to connect residents with resources offered by partner agencies.

Program	Staff Strategy
SSHC Housing Counseling, Workshops, and other resources.	<ul style="list-style-type: none">▪ Inform residents through Village communications (i.e., newsletters, water bills, and social media) about SSHC resources.▪ Partner with SSHC to host workshops in Richton Park.▪ Encourage lenders who are most active in Richton Park to partner with SSHC.
IHDA Illinois Homeowner Assistance Fund (ILHAF)	<ul style="list-style-type: none">▪ Inform residents through Village communications that online applications are currently open.▪ Refer residents to SSHC for assistance with applications.
IHDA Home Repair and Accessibility Program (HRAP)	<ul style="list-style-type: none">▪ Inform residents through Village communications about agencies that currently administer HRAP.▪ Connect with staff in neighboring communities who recently applied for and received HRAP, as well as the Southland Development Authority which has been in discussions with them about a consortium proposal.▪ Independently, or part of a Consortium, apply for HRAP when the next application opens, which is anticipated to be in 2024.
IHDA Homeowners Assistance Fund Home Repair (HAFHR)	<ul style="list-style-type: none">▪ Monitor what agencies are awarded HAFHR funds this fall.▪ Inform residents through Village communications about these agencies and their application process for homeowners.
IHDA Home Buyer Assistance Programs	<ul style="list-style-type: none">▪ Inform residents through Village communications.▪ Invite IHDA to speak at local Village events.

Recommendations

Strategy #2:

Implement A Rental Regulatory Framework To Address Issues Caused By Outside Corporate Landlords.

A rental regulatory framework can help the Village of Richton Park ensure that the community's rental housing stock is well-managed, well-maintained, and provides quality conditions for the community's renter households. While home-rule municipalities can implement a rental licensing program, which allows the municipality to revoke a license, if necessary, this is not an option for non-home-rule municipalities. However, the Village can still pursue effective strategies through registration and inspection programs.

A rental registration program is a tool to gather information from property owners such as the name, address, and phone number of the owner or property manager. Rental registration programs benefit municipalities that want to keep an updated database of rental properties and improve relations with property owners. A registration program would benefit Richton Park in that it would clarify how many homes are owned by outside corporations, which are more prone to create issues for renters, as opposed to local mom-and-pop landlords who have direct ties to the community. The Village could also notice trends in repeated issues caused by specific corporate landlords.

A rental inspection program holds property owners accountable to specific maintenance standards in the local building code. Rental inspections can protect Richton Park's tenants from harms associated with neglect and disinvestment. A fee may be charged to cover the municipality's program administration expenses. Both the inspections and fee must be reasonable and based on a legitimate government interest such as public health and safety.

To protect tenant and landlord rights, an inspection schedule must be constrained by neutral, reasonable legislative and administrative standards (i.e., passage of time, nature of the building, etc.). The best inspection programs reflect local conditions such as staff capacity, the number of rental properties, and the

Recommendations

age and condition of the housing stock. Municipalities may elect to inspect a certain percentage of rental properties annually, at change of occupancy, at transfer of property, and/or when a property has been subject to one or multiple complaints or violations. For example, the Village of Woodridge inspects 20 percent of its rental units each year, on a rolling basis, and inspects properties upon sale.

The Village of Antioch, a non-home-rule community, adopted a rental regulation and inspection ordinance in 2022. Michael Garrigan, Community Development Director for the Village of Antioch, attended the Richton Park expert panel to share Antioch's path to adopting the ordinance and the outcomes of the programs since. The Village of Antioch first created a draft ordinance based on ordinances that have been legally upheld in other communities such as Round Lake Park, Round Lake, and Zion. Village staff then convened the landlord community and allowed landlords to review the draft ordinance.

Under the ordinance that was adopted by the Village of Antioch, landlords are required to register each apartment building and submit basic information such as the number of units and an emergency contact. The ordinance also permits the Village to inspect a unit based on tenant complaints. Once a unit has been inspected and meets municipal code standards, the Village provides a certificate of compliance. Antioch's ordinance also requires landlords to report a vacant unit and permits the Village to fine landlords if they do not report a vacancy.

The Village of Antioch customized their regulatory framework to their community. Fees were kept to a minimum. The registration fee is \$25, and landlords pay this only one time if they are registering multiple buildings. There is no annual fee. Landlords pay \$75 for an inspection. Because Antioch has limited staff capacity, the Village chose not to set up a process of inspecting a percentage of rental units each year. To maximize efficiency for staff, the Village is now setting up a software system that places the task of scheduling inspections on the landlord.

Antioch has witnessed positive outcomes since the adoption of their rental ordinance. In just over a year, about 85 percent of the community's rental inventory has registered with the Village. The community has seen reinvestment from landlords because of this program – not just on the outside of properties but within the homes as well.

Recommendations

While the Village of Richton Park inspects rental buildings at transfer of property, it does not have a rental registration program or a program to inspect rental properties on a scheduled basis. The Village of Richton Park should carefully consider the staffing needed to implement a registration and inspection program. Richton Park should also consult with other non-home-rule municipalities that have implemented programs to understand how administrative costs are covered. Along with Antioch, Bensenville, Round Lake Park, and Round Lake would be good contacts.

Richton Park can also refer to guidebooks created by the Center for Community Progress in partnership with the Metropolitan Mayors Caucus. "[Drafting Rental Regulation Ordinances in Illinois Municipalities](#)" outlines how to draft a rental registration and inspection program for both home-rule and non-home-rule municipalities, while "[Raising the Bar](#)" outlines how registration and inspection programs can include reduced fees for landlords who have demonstrated consistent compliance, have completed landlord education, or met other requirements. If Richton Park sees landlord education as an effective tool to include in this effort, the Village can partner with the Community Investment Corporation, a leader in property management trainings which has partnered with communities across the region on topics ranging from preventative maintenance to fair housing and ethics in the industry.

Recommendations

Next Steps

To establish a rental registration and inspection framework that is cost-neutral and tailored for the community's needs, Richton Park can:

- **Review ordinances in other non-home-rule communities within the region such as Antioch, Bensenville, Round Lake, and Round Lake Park.**
- **Invite elected officials or staff from these communities to speak to the Village Board about their programs' components, staffing, and outcomes.**
- **Proactively engage the local landlord community in what a rental registration and inspection program could entail and gather feedback.**
- **Conduct an analysis to determine the right fee structure - and schedule of inspections, if any - to support sufficient staffing.**
- **Consider the role of reduced fees to reward landlords who meet specific requirements.**

Recommendations

Strategy #3:

Encourage New Housing Development Through Creative Planning Approaches.

Richton Park has taken an approach to planning and zoning that pays special attention to the context of each site, recognizing that each location has unique features as well as potential to achieve important goals of the Village. The *Homes* team recommends Richton Park continue this approach, while providing considerations for remaining undeveloped sites that Richton Park may further explore.

Considering the significant costs of remaining infrastructure needs in the Las Fuentes neighborhood, there may be a need to allow for slightly higher density in future development. Currently, the site allows development of large lot single-family homes. Developers may need to build a greater number of homes in order to offset infrastructure costs. As with the Greenfield Townhomes subdivision, new development in Las Fuentes, if slightly higher in density, should still reflect the existing scale and character of the single-family homes next door. Duplexes, triplexes, and quadruplexes can be built in a way that largely resemble the single-family homes in Las Fuentes. The large size of existing single-family homes in Las Fuentes offers potential for these other housing types to blend in well. An additional benefit of duplexes, triplexes, and quadruplexes is that, by nature of being smaller homes, they can be sold at a price range more affordable to moderate income households and potentially even first-time homebuyers.

The Village is currently midway through a transit-oriented development planning process for its Town Center. Once completed next year, the plan will provide insight into how Richton Park can achieve its goals of increased residential and commercial development around its Metra station. While this plan will provide thorough recommendations about the Town Center area, there is an approach to redevelopment that Richton Park can begin considering today that involves identifying a master developer with proven experience that matches the needs of Richton Park. This approach could help coordinate development of several sites within the Town Center area.

Recommendations

An example from neighboring Park Forest illustrates how this approach can work. In 2003, Park Forest began a process of transforming a parcel in its downtown area into what is now Legacy Square, a combined retail and residential space. The Village of Park Forest partnered with a developer that had previously built homes that closely matched Legacy Square's lot sizes and needed price points. By building off of previous, high quality designs, the developer was able to reduce its costs, leading to the successful development of 63 new single-family homes that helped reinvigorate Park Forest's downtown. Richton Park's situation differs in that Richton Park has planned to increase residential and commercial development in its Town Center at a much larger scale than that of Legacy Square's single-family homes. However, Richton Park can attempt to emulate the process of identifying a developer with past development experience that align with the goals of Richton Park.

Next Steps

Richton Park can encourage new housing development through:

- **Considering the development of duplexes, triplexes, and quadruplexes that blend in with the existing homes in the Las Fuentes neighborhood; and**
- **Identifying a master developer with experience that would translate well to the Village's Town Center development.**

Recommendations

Strategy #4:

Continue and Expand Upon Partnerships with South Suburban Entities.

During the May kickoff meeting and June expert panel, Richton Park stakeholders discussed how, despite the many assets of the community, challenges remain in bringing attention of developers to Richton Park in particular and south suburban Cook County in general. Since no entity alone can address issues affecting south suburban Cook County, Richton Park can further explore how expanding its existing partnerships can support new housing development.

Regarding continued development of the Las Fuentes neighborhood, the Village can consult with the South Suburban Land Bank and Development Authority (SSLBDA), which owns the majority of vacant parcels in the subdivision, and the neighborhood's residents to establish a redevelopment strategy. With new leadership at the SSLBDA, it is an opportune time to further collaborate and establish a redevelopment strategy. The Village can release a Request for Ideas (RFI), a Request for Proposals (RFP), or a Request for Qualifications (RFQ) to potential developers and existing homeowners. This could educate and involve these stakeholders in advancing the goals held by both the Village and existing residents of Las Fuentes.

While the Village is a founding and active member of the SSLBDA Board, it can take greater advantage of the Land Banks's benefits and tools to reactivate vacant or abandoned properties. During the June expert panel, Joe Van Dyk of the SSLBDA shared that strong municipalities such as Richton Park tend to have greater success in reactivating properties by continually updating their partnership agreements with the Land Bank. Richton Park can further explore how its current agreement with the Land Bank can be updated and revised to address evolving Village priorities.

The Southland Development Authority (SDA), an organization created in 2019 to advance economic development priorities, can assist the Village of Richton Park in engaging developers and providing guidance on developer incentive options. In expanding the Village's reach into the development community, the

Recommendations

SDA could be a helpful partner for future development of Richton Park's Town Center and/or Las Fuentes neighborhood.

The SDA has also been on the ground floor of a new Employer Housing Consortium. Through this Consortium, Governors State University (GSU) has an employer-assisted housing pilot program underway, providing housing counseling, moving costs and down payment assistance if an eligible employee buys a home in Richton Park or other communities nearby. The program offered by GSU can assist in housing development in the Village by helping demonstrate to developers the demand and existing resources for housing options in Richton Park. GSU has expressed its interest in supporting more workforce housing, including multifamily housing options, and could be a helpful partner in any future RFP discussions led by the Village.

There may also be potential in engaging other local and regional employers. Many employers have a particular interest in encouraging their employees to live close, especially those with workers whose jobs can't offer virtual options. As municipal leaders identify the programs and policies that will help encourage housing development, employers can provide support in many ways, including serving as spokespersons and advocates at various governmental levels; marketing housing opportunities to employees; and even creating additional employer-assisted housing programs with public and nonprofit partners. First steps in this engagement effort can include convening the CEOs of local businesses and regional employers to discuss local housing priorities, learning more about the housing needs of their employees, and exploring next steps. In Richton Park, it would be particularly useful to involve the SDA, GSU, and other employers that either of these partners suggest in an initial meeting to learn more about GSU's pilot program, the goals of the Employer Housing Consortium, and other possibilities.

Recommendations

Next Steps

Richton Park can encourage new housing development through:

- Engaging existing property owners in Las Fuentes through a Request for Ideas (RFI) as well as potential developers through a Request for Qualifications (RFQ) or Request for Proposals (RFP);
- Considering how its current agreement with the South Suburban Land Bank can be updated to address Village priorities;
- Evaluating the potential benefits of the Southland Development Authority supporting new housing development;
- Engaging the Governor's State University employer-assisted housing program as a resource that can support new housing development; and
- Convening local and regional employers, with support from the Southland Development Authority and Governor's State University, to discuss key housing priorities.

Recommendations

Strategy #5:

Communicate New Funding Resources to Potential Developers

The Village of Richton Park has attempted to spur additional development through its Tax Increment Financing (TIF) districts. While TIF districts have not yet been successful in generating housing development in certain areas, there are other existing incentives available.

During the June expert panel meeting, John McConnell of the Cook County Assessor's Office discussed how the Affordable Housing Special Assessment Program can help encourage new housing development in Richton Park. This new program establishes assessment reductions for multifamily rental developments which have a portion of units that are subject to certain rental price and tenant income restrictions. Because affordability is calculated at a regional level, this program can be utilized to encourage market-rate housing development in Richton Park. For example, the program's affordability requirements currently include: a 1 bedroom unit renting for \$1,049; a 2 bedroom unit renting for \$1,258, and a 3-bedroom unit renting for \$1,454. In addition, the program can be used for mixed-income developments, where some units are priced to meet affordability requirements while others rent at market-rate levels.

Also during the June expert panel meeting, Kristi DeLaurentiis, Executive Director at the South Suburban Mayors and Managers Association (SSMMA), discussed the Southland Reactivation Act with Village stakeholders. The Southland Reactivation Act is a new initiative to reactivate existing properties that have fallen off the tax rolls, are held by either a municipality or a land bank, and have not been reactivated by regular tools such as a tax incentive or redevelopment deal. The Act provides a 12-year property tax incentive for land zoned for commercial or industrial use. The incentive can be used for development that is mixed-used, having commercial on the ground floor and residential apartments or condos above.

Recognizing these challenges to mixed-use developments, Kristi DeLaurentiis discussed an additional resource that can help generate residential development in Richton Park. The SSMMA has a transit-oriented

Recommendations

development fund which is designed to help fund affordable housing near transit stations. While not yet active, the SSMMA anticipates this fund will be re-launched in 2024.

The Village, along with partners such as the Southland Development Authority, the South Suburban Land Bank and Development Authority, and the South Suburban Mayors and Managers Association, can identify sites with potential to utilize multiple incentives listed above and continue communication with the development community about these opportunities.

Next Steps

Richton Park can encourage new housing development through:

- **Continued discussion with the Cook County Assessor's Office to learn more about the Affordable Housing Special Assessment Program; and**
- **Continued communication with developers about sites in Richton Park with potential to utilize multiple existing incentives and funding opportunities.**

Key Contacts

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Affordable Housing Trust Fund Alignment

As stated earlier, this action plan was made possible by a \$305,000 two-year allocation of the Illinois Affordable Housing Trust Fund. An estimated \$43,571 of that allocation was spent on personnel and travel costs on the development of this action plan, which aligns with the objectives of the Trust Fund across all three recommendation areas:

- **Pursue Rehabilitation Strategies for All Properties:** Cicero offers ownership opportunities for moderate-income households, but these properties were built before 1959 and many have deferred maintenance and/or are in various states of disrepair. Out of 12,853 owner-occupied units, 5,980 would be considered affordable to occupants earning between \$20,000 and \$50,000 per year. If these properties were rehabilitated using income-eligible programs, it would preserve them as affordable and decent for their moderate-income owner-occupants.
- **Support Improved Health and Safety at Illegal ADUs:** This policy recommendation provides strategies for these existing naturally occurring affordable housing units to become more livable, safe, and decent. Because the Village believes these units go unreported, it is difficult to estimate the number and asking rent of these units, but anecdotal evidence suggests that they supply housing for low and moderate-income households.
- **Encouraging New Housing Development Through Creative Planning Approaches, Expanded Partnerships, and Communicating New Funding Resources to Developers:** This recommendation assists Richton Park in developing a diverse mix of new housing options targeted to first-time homebuyers, downsizing seniors, and other with low- and moderate- income households.