



HOMES FOR A CHANGING REGION

PHASE 2: IMPLEMENTING BALANCED HOUSING PLANS AT THE LOCAL LEVEL

YEAR TWO: GURNEE, MONTGOMERY AND NORTHLAKE

CHICAGO METROPOLIS 2020 AND THE METROPOLITAN MAYORS CAUCUS

November 2008

Homes for a Changing Region is a collaborative project between two regional organizations, the Metropolitan Mayors Caucus (MMC), which represents the 273 communities in the Chicago metropolitan area, and Chicago Metropolis 2020 (CM 2020), an activity of the Commercial Club of Chicago. In Phase One of the project, the two organizations, with the help of a well known development consultant, Fregonese Associates, projected housing supply and demand in the six-county Chicago metropolitan region through the year 2030 and identified imbalances that would likely impact the regional housing market. Recommendations to address the imbalance and to create more options for homeowners were made. Specific strategies at the local, regional and state level were identified.

In Phase Two of the project, now two-thirds complete, the MMC and CM 2020 are working with nine specific Chicago-region communities and their respective Councils of Governments to show how the recommendations and strategies proposed in Phase One can be put into practice. Last year we published reports on Aurora, Libertyville and Oak Forest, Illinois. This year we are presenting reports on Gurnee, Montgomery and Northlake, Illinois. In the third and final year, we will report on Blue Island, Plainfield and Woodstock, Illinois.

We have been greatly encouraged by the outcomes of our joint planning efforts in the six communities we have worked with thus far. Each community has identified a number of strategies that can lead to housing and community development that will serve its anticipated future residents over the next 20-25 years.

The MMC and CM 2020 wish to thank the Phase Two outside contributors to the project – The Searle Funds at The Chicago Community Trust, the Harris Family Foundation, the John D. and Catherine T. MacArthur Foundation, and the Field Foundation of Illinois– as well as the members of the project’s Mayors Advisory Group and Technical Advisory Group for their ongoing support. Special thanks are in order to Mayor Kristina Kovarik of the Village of Gurnee, Mayor Marilyn Michelini of the Village of Montgomery, and Mayor Jeffrey Sherwin of the City of Northlake and their staffs for the extensive help they provided for their community studies.

Beth Dever of the MMC and King Harris and Nancy Firfer of CM 2020 are serving as Directors of Phase Two of the project. Fregonese Associates continues to be the project’s principal consultant and has had primary responsibility for preparing this report.

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INTRODUCTION

In 2005, the Metropolitan Mayors Caucus (MMC) and Chicago Metropolis 2020 (CM 2020) released *Homes for a Changing Region*, a report focusing on the current and future housing needs of the Chicago region.

This forward-looking report examined the trends that were facing the Chicago region's housing market and recommended strategies for communities to address potential mismatches between housing supply and demand. The report noted that:

- Fast growing segments of the population, including Latinos and seniors, would be seeking types of housing which were not being planned in sufficient numbers in the region. These included small single-family homes, townhouses and apartments.
- More large lot single-family homes were being planned than would probably be needed.
- The region had seen escalating housing costs resulting from rising land costs and impact fees, and consumers had shown preferences for larger housing with more amenities.
- If current trends continued, as many as 870,000 households would be paying an excessive amount of their income for housing and housing-related costs by 2030.

To address these challenges, the *Homes* report recommended a series of local, regional and state strategies to create more housing options for residents. At a local level these strategies included the creation of comprehensive housing plans which would present a "big picture" of what housing development could look like in a given community. The plans would also address key issues such as zoning, impact fees and building code requirements. At a regional level strategies included integrated planning for housing, land use, economic development and transportation, as well as the use of land trusts, sub-regional rehabilitation

programs, and expanded first-time homeowner assistance programs. At the state level strategies included more funding for housing planning, expanded incentives for private development, financial support for land acquisition and infrastructure, and school funding reform.

In 2006 the MMC and CM 2020 launched a three-year demonstration project designed to show how the recommendations from the *Homes* report could be implemented at the local level. In the first year the MMC and CM 2020 worked with three Illinois communities - Aurora, Libertyville and Oak Forest - to create a detailed analysis of each community's housing needs and opportunity areas. This work resulted in a set of small-area and city-wide policy recommendations. In addition, three dimensional "fly-through" visualizations were created for each community to show what new housing developments could look like.

In 2007-2008 the MMC and CM 2020 completed year two of the demonstration project, this time working with the communities of Gurnee, Montgomery and Northlake. Once again the communities created forward-looking housing policy plans, with the addition of new tools including an employment analysis. This document presents the housing policy plans developed by the three communities as well as additional comments on local and regional housing planning.



Planning for a range of housing types, including townhomes, will benefit the Chicago region.

THE NEW REALITIES OF 2008

While only one year has passed since the completion of Year One of the demonstration project, economic realities impacting the housing market have changed dramatically.

Northeastern Illinois, along with the rest of the country, is dealing with the worst foreclosure crisis in memory. Mortgage products, such as adjustable rate mortgages, interest only mortgages, no money down mortgages and “no doc” mortgages, which were commonplace at the start of 2007, are now, for the most part, things of the past. Tens of thousands of homes are in foreclosure, and many neighborhoods are feeling the brunt of the problem. Foreclosures, coupled with declining property values, are impacting municipal and school district tax revenue, and several communities are confronted with a funding crisis.

Construction of new homes has declined dramatically. Established builders have gone into bankruptcy, and a number of planned developments, often featuring medium sized and larger homes with expensive amenities, have seen sales dwindle or simply disappear. While land prices in some areas have dropped almost 50%, the cost of home construction materials has increased because of commodity inflation worldwide.

To make matters worse, homeowners and renters are trying to adjust to major increases in the cost of energy. Gasoline prices have skyrocketed and have made commuting costs far higher than they were in the past. The cost of maintaining a home has risen appreciably because of sharp increases in home heating oil, natural gas and electricity costs. Household budgets that were already in many cases strained by the high cost of housing are reaching a breaking point. Family income is not going up in real terms for a sizeable number of residents in the region.

When the MMC and CM 2020 first published *Homes for a Changing Region* in 2005, the arguments presented in favor of comprehensive, forward-looking housing planning seemed



Planning increases the ability of a community and a region to create housing that will serve the needs of all its citizens in the years to come.

WHAT IS HOUSING “AFFORDABILITY”?

- While varying from household to household, **“affordable”** is generally defined as **spending 30% of household income on housing costs** (including utilities, insurance and taxes).
- **Higher income households** tend to **pay less than 30% of their household incomes toward housing costs** (underpaying).
- **Lower income households** tend to **pay more than 30% of their household incomes toward housing costs** (overpaying).

straightforward. Planning would substantially increase the likelihood that a given community and a region would create the kind of housing that would serve the needs of all its citizens in the years to come. Skillful planning would maximize the value of land in terms of development, facilitate transit oriented development and the efficient use of transportation networks, foster economic development by allowing workers to live nearer to their employment sites, and improve the overall quality of life for all citizens by mitigating the growth of airborne pollution and greenhouse gas emissions.

HOUSING PLANNING- MORE IMPORTANT THAN EVER

Three years later, as the nation tries to deal with a serious foreclosure and energy crisis, planning for future housing needs seems more critical than ever. Eliminating the mismatch between the types and price points of homes being built and the needs of prospective buyers is a must given today's mortgage market. Homeowners should not be cajoled or pressured into buying homes they cannot afford. Zoning policies, impact fees and permitting policies should facilitate a range of home ownership options and, where possible, lower the cost of building a new housing unit. The creation of workforce housing near job sites should also be a priority as commuting costs escalate.

Failure to deal with workforce housing issues will certainly diminish our region's ability to compete in an increasingly global economy. To spur the kind of labor productivity we need to compete with low cost labor providers around the world, we need a workforce that is not strained by long commutes and severe economic pressures impacting household budgets.

Those of us who have been actively involved in the *Homes* project remain optimistic about future prospects for housing development in our region. We have already seen how progressive municipal leadership, armed with the tools of modern planning, can visualize and craft housing development plans which promise to serve the needs of future residents and workers in their communities. We have seen how imaginative development and redevelopment plans can make communities more attractive places in which to live.



As the foreclosure crisis continues alongside rising energy costs, creating a housing plan with a range of affordability levels is more important than ever. An effective housing policy must particularly address the need for workforce housing.

THE FUTURE CAN BE BRIGHTER

The three communities we worked with in 2007-2008 offer cases in point.

Gurnee has a real opportunity to creatively use mixed-use development and perhaps bus rapid transit to substantially upgrade its important East Grand Avenue Corridor. It can also implement a village-driven rehabilitation effort to upgrade selected housing units in its older sections.

Montgomery has a large available land tract which can be the focal point of a new sustainable housing development strategy in the community, one that would feature Traditional Neighborhood Development coupled with Context Sensitive Design. The neighborhood which would be created under this new strategy would have a diverse range of housing types and would maximize the benefits of parks, walkways and other attractive features.

Northlake has a major development opportunity adjacent to a floodway near Wolf Road and North Avenue. This one opportunity would transform an important focal point of the community and create almost half the housing the city needs to meet its projected 2030 housing demand.

We believe that the housing policy plans developed for the six communities we have worked with thus far plus the three we will work with in the final year can provide models for what other communities in the region can do. They also show that community driven and guided housing planning, “bottom-up type planning,” can be productive and ultimately appealing to community leadership without the controversy that often characterizes housing “solutions” which are mandated from above.



New mixed-use development and streetscape improvements could significantly benefit key corridors in Gurnee, such as East Grand Avenue.



An increased emphasis on traditional neighborhood design could offer Montgomery many functional, fiscal, and aesthetic benefits.



Near North Wolf Road and North Avenue, Northlake has a unique opportunity to create a mix of uses, preserve a wetland area and offer a range of housing options.





HOUSING POLICY PLAN GURNEE

PROJECT SUMMARY

The Village of Gurnee chose to participate in the *Homes for a Changing Region* demonstration project because it wanted to obtain a clear picture of its future housing needs as it worked on strategies and policies for an updated Village Comprehensive Plan. It recognized opportunities for redevelopment in selected areas, especially along commercial corridors near its eastern boundary with Waukegan. As a successful job-rich community, Gurnee also wanted to consider actions in the housing area which would strengthen it competitively in the future.

Over a nine-month period village officials worked with planning experts from Fregonese Associates and met with representatives from Fregonese, the Metropolitan Mayors Caucus and Chicago Metropolis 2020 to discuss Fregonese research findings as well as ideas for future development. The Fregonese research, which used analytical techniques discussed in the Appendix, projected housing supply and demand in Gurnee through the year 2030 and also considered what the village's capacity was, under current zoning regulations, to build the housing that would be needed to meet this projected demand:

- In the area of owner-occupied housing, the research suggested that Gurnee had a “barbell” problem in terms of projected housing supply. It was projected to have a shortage of homes serving the needs of both low-income and upper-income families. It currently has a surplus of mid-market housing and will need relatively few new mid-market units to meet its projected 2030 needs. However, it should be noted that builders in the area may not begin developing upper-income housing until the housing market improves.
- In the area of rental housing, the research again indicated that Gurnee had a current and projected shortage of rental units for lower

income families as well as a shortage of rental units for upper income families. It currently has a surplus stock of moderate-income and workforce housing, some of which may be improved to serve the needs of upper-income families and some of which may “trickle down” and become affordable to more moderate-income families.

Analysis by Fregonese Associates also indicated that the village had the capacity to add as many as 2,800 new housing units under existing zoning regulations. If Gurnee wishes to meet all of the currently projected housing demand for rental and owner-occupied units, it will have to develop strategies to expand new housing capacity to 3,400 units.

After analyzing all the research data, village officials and *Homes* researchers identified a number of possible strategies to address Gurnee's future housing needs. These strategies called for the village to:

- Convert selected commercially zoned areas into mixed-use corridors featuring workforce housing and appropriate commercial ventures. Top priority areas in this regard would be East



Gurnee is working on strategies and policies for an updated Village Comprehensive Plan. This Housing Policy Plan will clarify the Village's future housing needs.

PROJECT SUMMARY

Grand Avenue, right up to the community's border with Waukegan, and Old Grand Avenue near the center of the village. One strategy that might make such conversions successful, one employed by many cities and towns across the country, would be to encourage public/private development partnerships. When the village has available funding, it could offer financial incentives, density bonuses, etc., to developers wishing to partner with it in redevelopment. Roadway improvements and streetscape improvements would be part of any such conversion program. So would what is known as "context sensitive design," an approach in street design which focuses on the impact design has on the surrounding community.

- Work jointly with Waukegan to improve Grand Avenue east of Route 41. Waukegan has already embarked on an ambitious redevelopment program and sees Grand Avenue as one of the gateways to its rapidly changing lakefront.
- Seek opportunities to create workforce housing. The ongoing success of Gurnee's sizeable job base will depend on its ability to attract a quality workforce. Especially in the next few years, when underemployment, not unemployment, may be the nation's top economic problem, providing workforce housing near job sites will be a major competitive advantage for Gurnee.
- Explore the possibility of creating more senior rental housing. In some cases it may be possible to purchase existing single-family homes owned by seniors wishing to move into rental properties and to convert these homes into long-term workforce affordable housing using deed restrictions.
- Work with local employers to create Employer Assisted Housing (EAH) programs, programs which offer down payment assistance grants to

qualified employees. Over 70 EAH programs already exist in Illinois and are supported by State tax credits.

- Create incentives to rehabilitate housing in East Gurnee. Actively encourage the expansion of county-wide rehabilitation programs. In cases where county or state-imposed income restrictions limit the number of families that can be given incentives to rehabilitate property, consider establishing a Gurnee-funded rehabilitation incentive program aimed at upgrading property. Modest grants in the range of \$5,000 to \$10,000 per household may spur rehabilitation.
- Evaluate the prospect of creating a bus rapid transit (BRT) line along Route 132 from the adjacent lakefront communities to the Gurnee Mills shopping mall. Such a BRT line could spur redevelopment along the Grand Avenue corridor and provide affordable transportation from Waukegan and North Chicago to Gurnee's job rich retail/amusement area. PACE currently has requested funding from the federal government for an arterial transit signal priority (TSP) project along Grand Avenue.



EXISTING CONDITIONS

Demographic Trends

Gurnee sits in the northern part of the Chicago region in Lake County. It has a strong job base anchored by a successful regional outlet mall and two nearby amusement centers. While the village has older sections which date back to the nineteenth century, most of its western area is relatively new and features mid-to-upscale single-family homes. In 2006 Gurnee had approximately 31,170 residents, and its population is projected by the Chicago Metropolitan Agency for Planning (CMAP) to grow to 35,800 by 2030. Gurnee’s job base, though, which stood at 19,800 in 2000, is forecast to jump 54% to 30,600 by 2030.



Exhibit 1: Population and Household Forecast, 2006-2030

	2006 (est.)	2030	% change
Population	31,170	35,791	15%
Households	11,728	13,713	17%

Source: 2006 CMAP Forecast

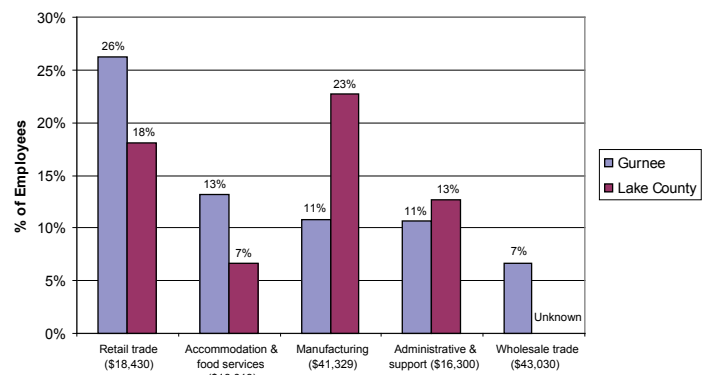
This population growth, while meaningful, is substantially less than the 2000-2030 population growth forecast for Lake County – 645,000 to 873,000, according to the Illinois Department of Commerce and Economic Opportunity (DCEO).

Compared to its neighbors to the east – Waukegan, North Chicago and Zion – and many of its neighbors to the west, Gurnee is affluent and upscale. The village’s median household income in 2000, according to the Census, was \$75,700 (and is now estimated to be close to \$85,000) and nearly half of its adult population had a bachelor’s degree or higher. Seventy-eight percent of its homes were owner-occupied in 2000. The estimated median value of a home in Gurnee was about \$272,000 in 2005.

While affluence characterizes a large percentage of Gurnee’s current residents, the same cannot be said for a significant number of people who work daily in the village. Half the village’s workforce has average take home pay of under \$20,000, reflecting the moderate pay scales within its retail, hotel/motel and administrative/support sectors (see Exhibit 2).

One of the challenges Gurnee may face in the future is attracting workers for its key economic “engines” – retail and amusement businesses. Up until now some workers have been willing to commute medium and long distances to come to Gurnee from places as far away as Chicago (see Exhibit 7 on page 13). With commuting times lengthening and gas costs escalating, the cost of commuting has risen sharply. Either wages must rise to compensate workers or steps must be taken to reduce average commuting times. One obvious way to deal with the problem is to attract more workers from adjacent communities. A second way to improve the attractiveness of Gurnee as a work place is to develop more rental and owner-occupied housing within the price range affordable to Gurnee’s workforce.

Exhibit 2: Leading Employment Sectors by Percentage and Sector Average Pay in Gurnee and Lake County (2002)



Source: U.S. Economic Census 2002

CURRENT HOUSING ANALYSIS

Gurnee’s current economy faces a second challenge, this time from the north. The nearby State of Wisconsin has been aggressively luring Illinois manufacturers and businesses north of the border. One of Wisconsin’s current advantages is its sizeable base of affordable workforce housing. As Exhibit 5 shows, two of Gurnee’s top five employment sectors – manufacturing and wholesale trade – may be impacted by Wisconsin’s aggressiveness. Significantly, they are the two highest paying sectors in Gurnee’s economy.

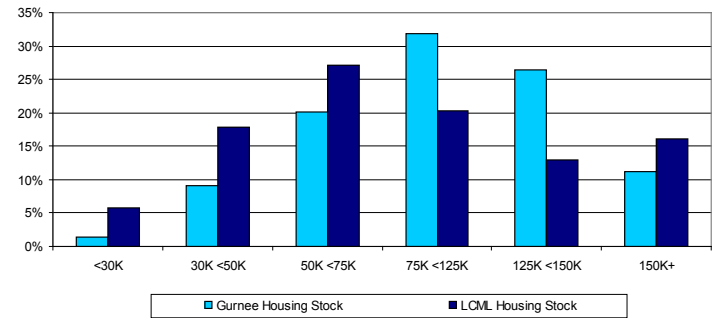
Lake County, which includes Gurnee, is growing rapidly with population expected to increase from 645,500 in 2000 to 873,000 in 2030. Population growth is not expected to be uniform across age cohorts. Population under 25 is expected to decline. Population over 65 is expected to grow significantly. Latino inflow will continue to be substantial.

Current Housing Analysis

An analysis of the forty communities which make up the Lake County Municipal League (LCML – member communities listed in the Appendix) indicates that family incomes of homeowners in LCML communities are more disbursed along the income spectrum than family incomes of Gurnee residents, who tend to be more affluent than residents of LCML communities (see Exhibit 3). The rental housing stock in the LCML, however, is very similar in terms of its price range to rental housing available in Gurnee (see Exhibit 4). In both the LCML and Gurnee the majority or near majority of available rental units are affordable to moderate income workforce households whose yearly incomes range between \$30,000 and \$50,000. Relatively few rental units are available to serve the needs of low and upper income families.

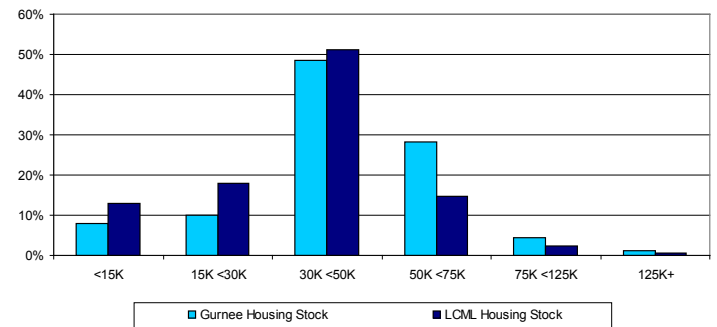
Demographic and economic forecasts suggest that Lake County communities will need more housing, both rental and owner-occupied, at both the lower and upper income ends of the housing spectrum. Gurnee will need to do its part to provide some of this housing.

Exhibit 3: Household Income of Homeowners: The LCML Compared with Gurnee (2000)



Source: Fregonese Associates

Exhibit 4: Household Income of Renters: The LCML Compared with Gurnee (2000)



Source: Fregonese Associates



Relatively few rental units are available in Gurnee to serve the needs of low and upper income families.

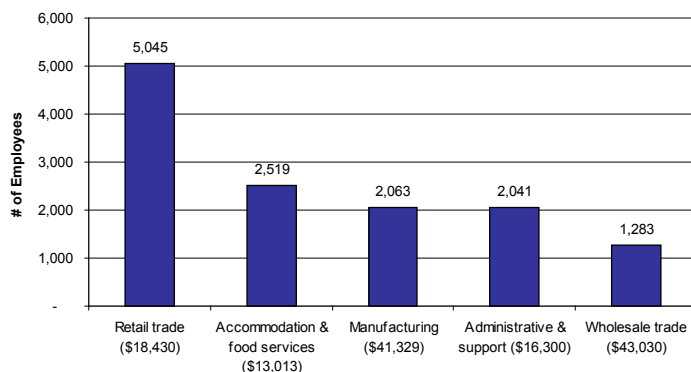
WORKFORCE OVERVIEW

Gurnee is an employment-rich village (see Exhibit 5). The largest number of workers, about 26%, work in the retail trade. This includes positions at Gurnee Mills and other retailers. While this is a large employment sector, the average annual wages are low at \$18,430. The accommodation and food services sector, another relatively low-wage sector, averages just over \$13,000 per year and provides employment to 13% of Gurnee’s workers. The low average wage reflects the fact that many workers in this sector are part-time workers.

Smaller but significant sectors include manufacturing, administrative and support, and wholesale trade (see Exhibit 5). Manufacturing and wholesale trade, in particular, have relatively high annual wages at \$41,000 and \$43,000 respectively. While almost 8% of Gurnee’s workers live within the village, the rest are commuting from points near and far around the region (see Exhibit 6). Over 10% of the workers live in Waukegan, while 8% live in Chicago and 3.5% live in Kenosha, Wisconsin.

Where do residents of Gurnee work? As Exhibit 7 indicates, the majority work in Lake County outside of Gurnee. Close to 13% commute to Chicago and a few residents work in Wisconsin.

Exhibit 5: Leading Employment Sectors in Gurnee (2002)



Source: U.S. Economic Census 2002

Exhibit 6: Where Do Gurnee’s Workers Live?

City/Town	% of Workforce
Waukegan, IL	10.4%
Chicago, IL	8.0%
Gurnee, IL	7.7%
Kenosha, WI	3.5%
Zion, IL	3.5%
Other	66.9%

Source: U.S. Census Bureau 2004

Exhibit 7: Where Do People Who Live In Gurnee work?

City/Town	% of Workforce
Lake County (not Gurnee)	55.4%
Gurnee, IL	16.3%
Chicago, IL	12.9%
Wisconsin	2.4%
Other	13.0%

Source: U.S. Census Bureau 2004



photo credit: Brandy Shaul

About 26% of Gurnee’s workforce is employed at retailers including those at Gurnee Mills. However, only eight percent of the workforce actually lives in Gurnee.

PROJECTING FUTURE HOUSING NEEDS

Prototype Households

The following prototype households were designed to better illustrate the housing needs of Gurnee’s workforce. These hypothetical households are based on the village’s estimated median household income of \$84,810. The likelihood of renting versus owning is based on regional calculations of tenure choice (rent vs. own) by income level and age of head of household. The trend in the Chicago region, as throughout most of the country, is that older and higher income households are more likely to own the homes that they live in than are younger and lower income households.



These hypothetical households are based on the village’s estimated median household income of \$84,810. The likelihood to own or rent is created using Census data to estimate the probability of a household in each of 49 age/ income cohorts selecting an owner-occupied or rental unit.



50% MHI

\$42,405

Single Man

25-35 years old

Manufacturing worker

RENT

\$1,060/month

45% likelihood

PURCHASE

\$138,000

55% likelihood

80% MHI

\$67,848

Young Family

25-35 years old

Wholesale worker; Administrative assistant

RENT

\$1,696/month

35% likelihood

PURCHASE

\$221,000

65% likelihood

100% MHI

\$84,810

Single Mother

35-45 years old

Manufacturing plant manager

RENT

\$2,120/month

8% likelihood

PURCHASE

\$276,000

92% likelihood

120% MHI

\$101,772

Working Couple

55-65 years old

Logistics; Department store assistant manager

RENT

\$2,544/month

2% likelihood

PURCHASE

\$332,000

98% likelihood

Source: Fregonese Associates

PROJECTING FUTURE HOUSING NEEDS

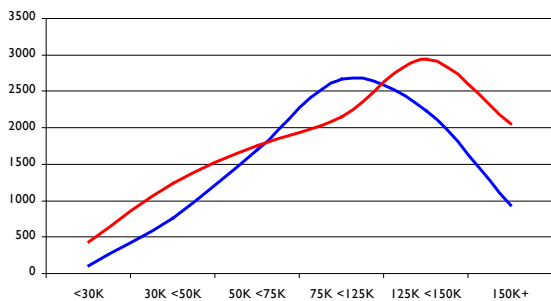
Given Gurnee’s existing demographics and economic situation as well as challenges it may face in the future, we used the forecasting models we have employed in past *Homes for a Changing Region* studies to project future demand and supply of both owner-occupied and rental housing in Gurnee by the year 2030.

Ownership Housing

Our projection of Gurnee’s likely demand for owner-occupied housing units in 2030 compared with its existing stock of such units suggests that Gurnee will need to focus new housing construction at both the upper and lower ends of its housing market. As Exhibit 8 indicates, Gurnee needs to add 1,834 units of owner-occupied housing serving the needs of families whose income exceeds \$125,000 and 794 units of housing for families whose income is below \$50,000. While most of the units needed will have to be built, some of the projected upscale demand will likely be met via by the rehabilitation of the current surplus of 455 units serving the needs of families earning between \$75,000 and \$125,000.

Adding the 1,834 units needed to meet the needs of upper-income families should be no problem for Gurnee given its recent history of adding upscale units to its housing stock. Building or rehabilitating 794 additional units to serve the needs of moderate-income families will be a bigger challenge. Some townhomes in planned unit developments might address part of this need. Condominium apartments included in mixed-use developments, especially if TIF financing is available, could be considered. Selected rehabilitation of existing properties, which might be purchased by the village, rehabilitated and sold with deed restrictions related to resale pricing, could represent still another approach to meeting future needs.

Exhibit 8: Current Owner Housing Stock (Blue Line) Compared with Future Demand (Red Line) and Future Targets for New Owner Units by Income



Annual Income	Targets (Estimated Units)
<\$50K	794
\$50-125K	(455)
\$125K+	1,834
TOTAL	2,173

Gurnee		Owner Units						Total
		Affordable →		Workforce →		Market Rate →		
		<30K	30K <50K	50K <75K	75K <125K	125K <150K	150K+	
	Housing Stock Affordable at 30% of Income (2000 Stock Adjusted to 2006 Prices)	111	765	1,696	2,671	2,228	937	8,408
	2030 Projected Housing Demand by Income	432	1,238	1,755	2,157	2,947	2,052	10,581
	Target Units Needed to Meet Projected Demand by Income	321	473	59	n/a	719	1,115	2,173
	Additional Units Beyond Forecasted Need Within this Income Range	n/a	n/a	n/a	514	n/a	n/a	514

Source: Fregonese Associates

PROJECTING FUTURE HOUSING NEEDS

Rental Housing

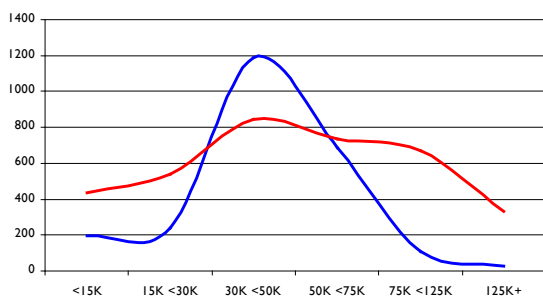
Our analysis of Gurnee’s 2030 demand for rental housing compared with its existing rental housing stock as of 2000 parallels our owner-occupied housing analysis: it indicates that the village will have a very modest need for rental units serving the needs of moderate-to-middle income families and a clear shortage of units serving the needs of both low-income and upper-income families (see Exhibit 9). This “barbell” of need is reflective of projected 2030 rental housing conditions throughout the Lake County Municipal League (see Exhibit 4 on page 12).

To address future rental housing needs, our projections indicate that Gurnee would have to add 1,114 rental units to its housing stock (see Exhibit 9). Eight hundred sixty-eight units, the majority, would have to be upscale units. Five hundred forty-one units would have to be earmarked for lower-income families, including seniors. A fair number of these units may “trickle down” from the current surplus of 342 units, serving the needs of families with incomes ranging between \$30,000 and \$50,000. Many of the others could come from two or three partially

subsidized senior housing developments. Additional units might even come from density bonuses and other incentives which could be given to builders of multi-unit rental developments if they set aside a percentage of units for moderate income renters.

In the end the most realistic way of dealing with future needs for low-income owner-occupied and rental units might be to participate in a sub-regional affordable housing initiative involving neighboring communities such as Libertyville, Waukegan, North Chicago and Zion. Gurnee could contribute meaningful capital to a housing fund which could be used to subsidize both new rental and owner-occupied construction in the sub-region. Such funding could be earmarked for families of employees who work in Gurnee and the other participating communities. It might even be supplemented by Gurnee employers via Employer Assisted Housing (EAH) programs similar to the ones that have been successfully employed in the Chicago metropolitan region.

Exhibit 9: Current Rental Housing Stock (Blue Line) Compared with Future Demand (Red Line) and Future Targets for New Rental Units by Income*



Annual Income	Targets (Estimated Units)
<\$30K	541
\$30-75K	(295)
\$75K+	868
TOTAL	1,114

Gurnee	Rental Units							Total
	Affordable →	Workforce → Market Rate →						
	<15K	15K <30K	30K <50K	50K <75K	75K <125K	125K+		
Housing Stock Affordable at 30% of Income (2000 Stock Adjusted to 2006 Prices)	196	242	1,187	687	107	25	2,444	
2030 Projected Housing Demand by Income	438	541	845	734	669	331	3,558	
Target Units Needed to Meet Projected Demand by Income	242	299	<i>n/a</i>	47	562	306	1,114	
Additional Units Beyond Forecasted Need Within this Income Range	<i>n/a</i>	<i>n/a</i>	342	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	342	

Source: Fregonese Associates

HOUSING CAPACITY

Capacity Analysis

If our projections indicate that Gurnee will need to add 1,200 additional units of rental housing and 2,200 units of owner-occupied housing by 2030, does Gurnee have the capacity to add such units? Our capacity analysis indicates that over 2,800 additional units could be added based on Gurnee’s existing zoning regulations (See Exhibit 10). Gurnee’s capacity is fairly well split between single-family homes in the residential zones and mixed-use and multi-family capacity along some of its arterial roads and within its commercially focused areas. Almost 30% of Gurnee’s potential capacity is in commercial zones.

Gurnee has a good potential mix of housing capacity by housing type based on Fregonese Associates projections (see Exhibit 11). One strategy for meeting the gap between the village’s forecasted need and capacity is to allow some slightly higher density housing types in each zone. For example, this might mean allowing some medium lot single-family homes in the R-1 zone or some townhomes in the R-3 zone. These zoning changes could be made without significantly changing the character of the zones. Additionally, the village



Gurnee Land Use Plan, 1997 - East Grand Avenue

Exhibit 10: Housing Capacity by Zone

Residential Zone	Units
R-1	318
R-1 PUD	22
R-2	150
R-2 PUD	155
R-3	397
R-3 PUD	105
R-4	13
R-4 PUD	105
R-5	1
R-5 PUD	517
R-6	8
R-6 PUD	192
C/O-1	106
C/O-1 PUD	682
C/S-3	47
Total	2,817

Source: Fregonese Associates



Capacity analysis indicates that over 2,800 additional housing units could be added based on Gurnee’s existing zoning regulations (See Exhibit 10).

Exhibit 11: Housing Capacity by Type

Housing Type	Units
Apartment	473
Condo	478
Townhouse	521
SFR Small	653
SFR Medium	437
SFR Large	255
Total	2,817

Source: Fregonese Associates

HOUSING CAPACITY

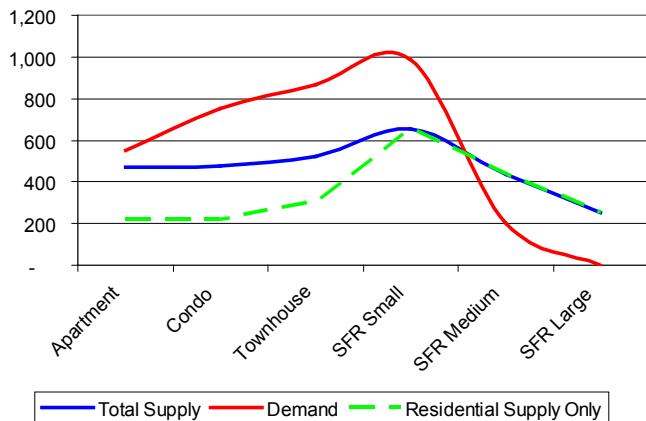
could accommodate its future housing need and potentially grow beyond its forecast by encouraging new and increasingly popular mixed-use development in areas that are currently only used commercially. Some vacant areas, such as the Lodesky Farm near Six Flags, could be developed with mixed use buildings, townhomes and some compact single-family homes.

Lastly, the future need is converted into housing types based on existing development at each price point, demographic trends and market projections. Exhibit 12 below shows the comparison between Gurnee’s housing supply and demand.

While the majority of Gurnee’s future housing demand is still for owner-occupied housing, there is likely to be increasing demand for housing types attractive to both young families and seniors. This will include some small-lot single-family homes, as well as townhomes, condos, and apartments, which meet the needs of these market segments.



Exhibit 12: Comparing Total Supply, Residential Supply and Demand



Source: Fregonese Associates

FOCUS AREA

Focus Area

East Grand Avenue, between the Waukegan city limits and Route 41, was identified by both village leadership and the consulting team as an ideal focus area for redevelopment in Gurnee. East Gurnee is an older part of the village and has fallen behind West Gurnee in terms of commercial and residential development. Mixed-use development, coupled with attractive streetscaping and enhanced bus service, could revitalize East Grand Avenue and its surrounding neighborhoods and expand the village's tax base. Our analysis of existing properties along East Grand suggests that such redevelopment is feasible.

Redevelopment would require both public and private action. The village could create a variety of possible design plans to attract private developers. These plans would include proposed new streetscapes – sidewalks, street trees, street furniture, and bus shelters – and overall street design. It is also possible that East Grand Avenue design work could be expanded beyond Gurnee village limits into Waukegan. On its own Waukegan has embarked on a number of ambitious redevelopment plans including plans to improve stretches of East Grand Avenue. Waukegan's active support of ideas like bus rapid transit along East Grand would be an asset in terms of winning federal and state support for such a project.

Focus Area: East Grand Avenue photomorph highlighting potential infill redevelopment



Redevelopment along East Grand Avenue, the focus area for this report, is an exciting opportunity for the village. It could also become a model for communities throughout the region.

RECOMMENDED STRATEGIES

Already a successful community with a strong job and tax base, Gurnee has clear opportunities to address its projected housing needs. Among the strategies Gurnee can consider implementing are the following:

Revise zoning along key commercial corridors to allow mixed-use development.

Priority corridors for mixed use development would be East Grand Avenue, the Neighborhood Business District (C-B1), the Community Business District (C-B2), and the Village Center Residence/Business District (C-S3). Each corridor has good accessibility and relatively low density buildings ripe for redevelopment. Current zoning regulations encourage single uses, from large-lot residential to low density retail development. What is appealing about mixed-use development is that it can enhance Gurnee's strong commercial base while expanding its capacity for residential development. We believe that each commercial corridor presents an attractive opportunity for a public/private development project in the future.

Expand housing opportunities for workers in Gurnee's retail and amusement sectors.

To protect key sectors of its existing job base at a time when commuting costs have sharply escalated, Gurnee needs to explore a variety of strategies to expand housing opportunities near worksites for its low and moderate-income workers. As it approves new housing developments, it should encourage the inclusion of townhomes and condominiums as well as for-sale and for-rent apartments. New mixed-use developments may present opportunities to create such dwelling units. Selective housing rehabilitation in older sections of the village can also be used to expand the supply of affordable family housing. If rehabilitation is subsidized directly by the village, deed restrictions related to resale pricing can keep units affordable on a long-term basis.

Additionally, because Gurnee has several large employers, the village should work with its largest employers and other interested companies to take

advantage of the State's Employer Assisted Housing Program. This program helps employees with down payment and closing cost assistance, reduced interest rates, mortgage guarantees or, in the case of rentals, with rent subsidies.

Explore opportunities to create more senior housing.

As Gurnee's population ages, there will be a growing demand for senior housing development in both rental and owner-occupied units. Local seniors who wish to stay in the village can sell their homes and move into these units. Some of their homes could be purchased by the village and converted into deed restricted affordable family housing.



As commuting prices continue to rise, affordable townhome housing would help protect key sectors of Gurnee's existing job base.

RECOMMENDED STRATEGIES

Create incentives to rehabilitate housing in East Gurnee.

As part of a larger program to redevelop and upgrade sections of East Gurnee, the village should consider providing incentives to rehabilitate older residential properties in the area. These incentives, in the form of modest reconstruction subsidies or low interest loans, could come from two sources, Lake County or the village itself. Lake County funding, limited to begin with, would come with family income restrictions that might restrict its use to a small number of applicants. Village funding would have no such restrictions and would offer maximum flexibility in terms of use.

Promote multi-modal transportation.

At present Gurnee's commercial and residential areas are totally auto-oriented. The village has several interesting opportunities to diversify its transportation infrastructure, most notably by considering bus rapid transit or bus service via signal prioritization along the Grand Avenue corridor. As we have pointed out earlier, such bus service could bring workers from Waukegan and North Chicago directly to the village's main retail and amusement areas. It also could make potential mixed-use developments along Grand Avenue more attractive to residents.

Transportation improvements should also incorporate context-sensitive design. By looking beyond just the right-of-way and considering how the surrounding community will interact with streets, sidewalks, crossings and other design elements, the village can ensure that transportation improvements benefit all road users and produce a superior outcome.



A bus rapid transit or bus service along the Grand Avenue corridor could help shuttle workers from outlying areas directly to the village's main retail areas. It could also be a catalyst for more mixed-use development along Grand Avenue.

CONCLUSION

Gurnee is in an ideal position to address its future housing and commercial development needs. Job rich, and with a long-term record of successful commercial and residential development, the village has the resources and the opportunities to move ahead.

Its future housing needs are not unlike those of many communities in the metropolitan Chicago region – it needs more housing at both ends of the housing spectrum. Adding more upscale housing for the long term should present little difficulty because Gurnee remains a very attractive place to live. Adding housing to serve the needs of moderate-income workers and seniors will take more thought, but, as indicated in this document, a number of strategies are available to community planners.





HOUSING POLICY PLAN MONTGOMERY

PROJECT SUMMARY

Montgomery’s village leadership wanted assistance in charting the community’s future housing development after it experienced explosive growth between 2000 and 2007. During this short seven-year period, Montgomery’s population soared from 5,500 to well over 14,000, a figure which exceeded its 2030 Chicago Metropolitan Agency for Planning (CMAP) population forecast of 11,300, though this estimate only included Kane County. Having recently completed a boundary agreement with Yorkville, Montgomery recognized that it only had a small number of sizeable land tracts to develop before it was built out, and it wanted to develop those tracts in a way that would enhance life in the community and create a diverse mix of housing choices. Montgomery also wanted to update, and perhaps modify, its Mill District Master Plan (Village Center) around what it believed would be its future Park and Ride.

Over a nine-month period village officials met with planning consultants from Fregonese Associates, as well as representatives of the Metropolitan Mayors Caucus and Chicago Metropolis 2020, to discuss the village’s current and projected housing needs. Fregonese planners developed detailed projections of rental and owner-occupied housing supply and demand by the year 2030 and also estimated village capacity to develop additional housing units.

The Fregonese projections indicated that the village would have a shortage of rental units for both lower



income families, those whose median household income (MHI) was less than \$30,000 per year, and upper income families whose MHI exceeded \$75,000 per year. As for owner-occupied units, the projections showed the need to add units to serve households at all income levels. In terms of village capacity to add additional housing units, the Fregonese analysis indicated that as many as 6,635 new units could be built under current zoning rule and that these units could enable the village to reach a 34,600 population level by 2030.

After reviewing all of the projections, the Fregonese team recommended that the village adopt a Housing Policy Plan which would call for the following:

- In general terms, continued support of diverse housing developments which would include single-family homes to meet the needs of middle and upper income buyers; smaller lot single-family homes, attached homes and town homes to serve the needs of moderate to middle income buyers; and a range of multi-family units, which could be included in mixed-use developments, to meet the needs of seniors and moderate income working families. We note, in passing, that the Village has been pursuing such a strategy since the year 2000.
- The development of large vacant tracts of land using what is termed “neighborhood design” which would entail a mix of uses and



PROJECT SUMMARY

housing types and would feature walkable neighborhoods, open spaces and trails. To illustrate this concept, the Fregonese design team came up with a rough proposal for a tract of land at the corner of Montgomery Road and Hill Avenue.

- A heightened village focus on sustainability strategies to reduce energy and water consumption in new and existing homes, reduce driving needs and maximize the use of open space in development projects.
- Updating the Mill District Master Plan (Village Center) to include more mixed use development and more compact housing units which could serve the needs of both moderate and upper income families.
- A village effort to get local employers, such as Caterpillar, to launch Employer Assisted Housing (EAH) programs which would encourage their employees to live in or near Montgomery.



EXISTING CONDITIONS

Located just south of Aurora some 40 miles west of Chicago, Montgomery more than doubled in population from 5,471 in 2000 to 14,400 in 2006. In fact, Montgomery has already exceeded its 2030 CMAP forecast of 11,300 (which only included Kane County). Current projections indicate that village population could exceed 34,600 by 2030.



CURRENT HOUSING ANALYSIS

Montgomery is one of 27 communities that make up the Metro West Council of Government (hereafter “Metro West”). For statistical reasons we analyzed 20 of the 27 communities to come up with the comparative information below; a list of the 20 communities appears in the Appendix on page 60.

As Exhibit 1 indicates, both Montgomery and Metro West communities have a preponderance of housing that serves the needs of the middle market.

Montgomery has a decent supply of homes that serve the needs of moderate income families whose yearly income ranges between \$30,000 and \$50,000, but very few units that meet the affordability needs of families with incomes below \$30,000. At the other end of the housing market, Montgomery has a noticeable shortage of homes serving the needs of upper income families.

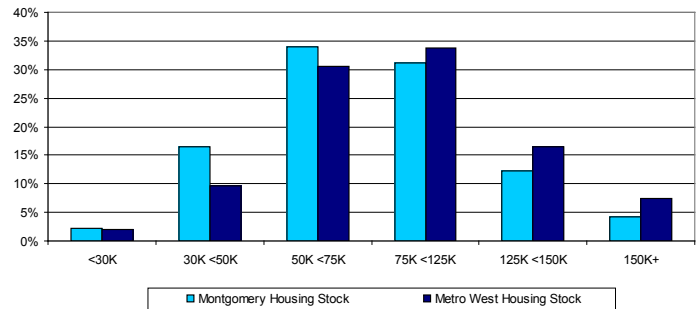
Metro West communities have significant stocks of workforce affordable ownership housing. While about 1/3 of the total owner-occupied housing is affordable between \$50,000 and \$75,000, Metro West has very little housing for those earning \$30,000 or less. At the same time, the COG has insufficient amounts of housing for those earning over \$150,000. For a detailed breakdown of current and future supply and demand for housing within the 20 Metro West communities we measured, see page 66 of the Appendix.

Montgomery itself, based on its 2000 housing stock, has about 65% of its owner-occupied housing affordable to those earning from \$50,000 to \$125,000. This means that Montgomery is serving many households and families who are earning at or above the area’s median household income.

Montgomery’s current rental housing stock is, in general, similar to the rental stock of the entire Metro West area, whose median household income was about \$58,000 in 2000. As Exhibit 2 indicates, the majority of existing rental units in the village and Metro West communities serve the needs of households whose yearly income ranges between

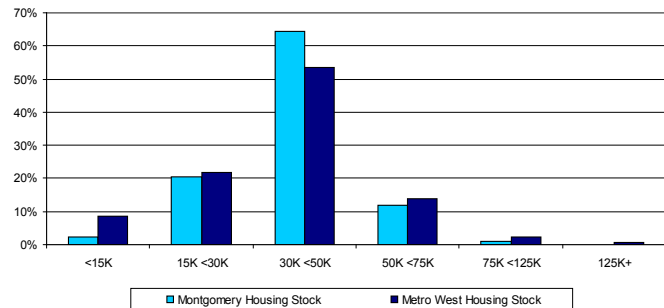
\$30,000 and \$50,000 per year. A smaller number of rental units serve the needs of lower income families, including seniors and households in need of subsidized housing, and there are relatively few rental units that serve the needs of upper income families.

Exhibit 1: Comparing Montgomery’s Current Owner Housing Stock with that of the Metro West COG



Source: Fregonese Associates

Exhibit 2: Comparing Montgomery’s Current Rental Housing Stock with that of the Metro West COG



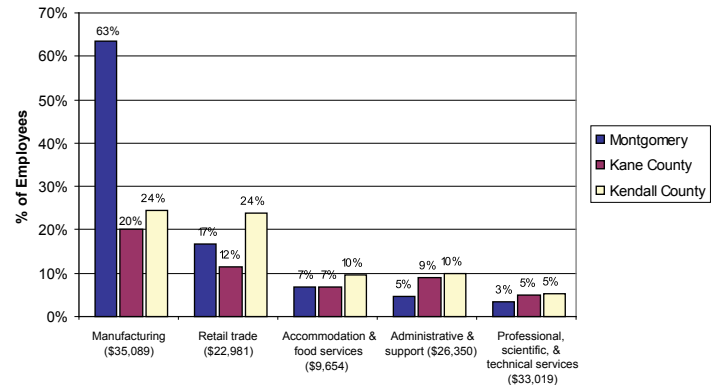
Source: Fregonese Associates



WORKFORCE OVERVIEW



Exhibit 3: Leading Employment Sectors by Percentage and Sector Average Pay in Montgomery and Kane and Kendall Counties (2002)



Source: U.S. Economic Census 2002

Though Montgomery has more residents than workers, the village has a growing job base. The largest employment sector is manufacturing with over 3,000 workers and an average annual wage of \$35,089 (see Exhibit 3). Smaller sectors include retail trade (807 jobs averaging \$22,981), accommodation and food services (324 jobs averaging \$9,654) and administrative (226 jobs averaging \$26,350).

Many people who live or work in Montgomery commute relatively short distances. Over 32% of those who live in Montgomery work in Aurora, Oswego or Montgomery itself (see Exhibit 4). Over 37% of those who work in Montgomery live in Aurora, Boulder Hill or Montgomery (see Exhibit 5).

Montgomery's job base is also expected to grow over the next twenty-two years and may reach 7,700 by 2030. In regional terms Montgomery has a well educated workforce. As of 2000, 82% of its residents had a least a high school diploma; 20% had a bachelor's degree or higher. Median household income in the village was \$54,600 in 2006 with less than 4% of its residents below the poverty line.

Exhibit 4: Where do people who live in Montgomery work?

City/Town	% of Workforce
Aurora, IL	20.4%
Naperville, IL	6.4%
Montgomery, IL	6.4%
Chicago, IL	6.1%
Oswego, IL	5.2%
Other	55.5%

Source: U.S. Census Bureau 2004

Exhibit 5: Where do people who work in Montgomery live?

City/Town	% of Workforce
Aurora, IL	26.0%
Chicago, IL	3.8%
Montgomery, IL	3.7%
Boulder Hill, IL	3.6%
Oswego, IL	3.6%
Other	59.3%

Source: U.S. Census Bureau 2004

PROJECTING FUTURE HOUSING NEEDS

Prototype Households

The following prototype households were developed to help illustrate the housing needs of Montgomery’s workforce. These prototypes are based on Montgomery’s estimated median household income of \$54,600. The likelihood of renting versus owning is based on regional calculations of tenure choice (rent vs. own) by income level and age of head of household. The trend in the Chicago region, as throughout most of the country, is that older and higher income households are more likely to own the homes that they live in than are younger and lower income households.



These hypothetical households are based on Montgomery’s estimated median household income of \$54,600. The likelihood to own or rent is created using Census data to estimate the probability of a household in each of 49 age/ income cohorts selecting an owner-occupied or rental unit.



50% MHI
\$27,300

Single Man
25-35 years old

Assistant manager (retail)

RENT
\$680/month
63% likelihood

PURCHASE
\$89,000
37% likelihood

80% MHI
\$43,700

Young Family
25-35 years old

Project assistant;
Retail assistant

RENT
\$1,100/month
45% likelihood

PURCHASE
\$148,000
55% likelihood

100% MHI
\$54,600

Single Mother
35-45 years old

Manufacturing manager

RENT
\$1,370/month
18% likelihood

PURCHASE
\$185,000
82% likelihood

120% MHI
\$65,500

Working Couple
55-65 years old

Office manager;
Manufacturing technician

RENT
\$1,640/month
6% likelihood

PURCHASE
\$260,000
94% likelihood

Source: Fregonese Associates

PROJECTING FUTURE HOUSING NEEDS

Projecting Montgomery’s future housing needs presented an interesting challenge to the *Homes* consulting team. By 2006 Montgomery’s population – 14,407 - already exceeded CMAP’s forecast for the village for the year 2030. After discussing the situation with village officials, the consulting team decided to project a population of 34,684 in 2030, equal to the village’s estimated housing development capacity based on current zoning regulations, a 2006 special census, and a new boundary agreement with Yorkville.

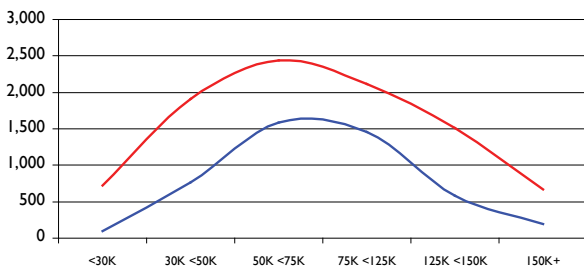


Ownership Housing

We project that Montgomery will need to add 4,675 additional owner-occupied housing units by the year 2030 (see Exhibit 6). A broad range of housing will be needed to meet demand. There will be a real challenge to provide such housing for moderate income families. Townhome, attached home and condominium units within new developments may be able to meet this need. Density bonuses and expedited permitting might help developers achieve desired price points. New owner-

occupied housing for middle income and upper income families should not be hard to develop. To achieve the best possible mix of housing to meet future demand, we suggest that the village replace single-family zoning with Traditional Neighborhood Development incorporating a variety of housing types and land use which promotes sustainable development. Our focus area development (see below) incorporates such principles in its design.

Exhibit 6: Current Owner Housing Stock (Blue Line) Compared with Future Demand (Red Line) and Future Targets for New Owner Units by Income



Annual Income	Targets (Estimated Units)
<\$50K	1,762
\$50-125K	1,508
\$125K+	1,404
TOTAL	4,675

Montgomery	Owner Units							Total
	Affordable →		Workforce →		Market Rate →			
	<30K	30K <50K	50K <75K	75K <125K	125K <150K	150K+		
Housing Stock Affordable at 30% of Income (2000 Stock Adjusted to 2006 Prices)	100	768	1,589	1,460	578	194	4,689	
2030 Projected Housing Demand by Income	723	1,907	2,438	2,119	1,510	666	9,364	
Target Units Needed to Meet Projected Demand by Income	623	1,139	849	659	933	471	4,675	
Additional Units Beyond Forecasted Need Within this Income Range	n/a	n/a	n/a	n/a	n/a	n/a	n/a	

Source: Fregonese Associates’ housing needs assessment model. The Appendix to this report provides detailed information on the approach and methodology used to derive the figures used in this exhibit.

PROJECTING FUTURE HOUSING NEEDS

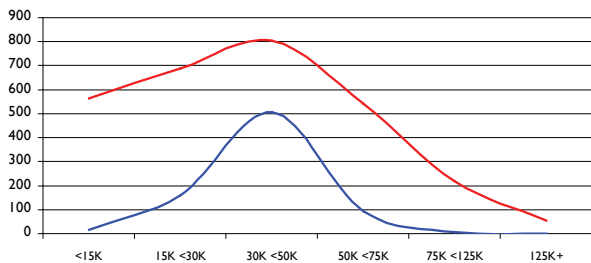
Rental Housing

The *Homes* forecasting tool predicts that Montgomery will need 2,082 new rental units to meet expected demand by 2030 (See Exhibit 7). Significantly, a sizeable number of these units will be needed by lower income families which would include senior families. Given current and projected housing construction costs, adding these units will be challenging. Subsidized rental senior housing units will be able to meet part of the demand. Family rentals at a range of income levels will be needed to meet rental needs in other new multi-family housing.



Adding middle market and upscale rental units should not be difficult. Mixed-income housing development both in the Mill District and in new planned unit developments should meet demand. Our guess is that a future production “shortfall” will occur at the lower end of the market.

Exhibit 7: Current Rental Housing Stock (Blue Line) Compared with Future Demand (Red Line) and Future Targets for New Rental Units by Income



Annual Income	Targets (Estimated Units)
<\$30K	1,075
\$30-75K	745
\$75K+	263
TOTAL	2,082

Montgomery	Rental Units							Total
	Affordable →		Workforce →			Market Rate →		
	<15K	15K <30K	30K <50K	50K <75K	75K <125K	125K+		
	Housing Stock Affordable at 30% of Income (2000 Stock Adjusted to 2006 Prices)							786
	2030 Projected Housing Demand by Income							2,868
	Target Units Needed to Meet Projected Demand by Income							2,082
	Additional Units Beyond Forecasted Need Within this Income Range							n/a

Source: Fregonese Associates’ housing needs assessment model. The Appendix to this report provides detailed information on the approach and methodology used to derive the figures used in this exhibit.

HOUSING CAPACITY

Capacity Analysis

Our 2030 projections indicate that Montgomery will need 4,675 additional owner-occupied housing units and 2,082 additional rental units, a total of 6,757 units. Does Montgomery have the capacity to add this many units?

By getting specific feedback from the village staff, analyzing data on vacant land, reviewing building permit data and estimating redevelopment capacity of existing parcels, we were able to calculate the potential aggregate expansion capacity of each of Montgomery’s housing zones (see Exhibit 8).

The capacity indicated* – 6,635 units – falls slightly short of the projected demand of 6,757 units. Zoning adjustments plus denser development in certain places could make up the difference.

What kind of housing should be built to meet future demand? Matching the likely family incomes of Montgomery’s future residents with estimated housing capacity, we developed a suggested mix of housing types (see Exhibit 9).

While the majority of new homes called for would still be the single-family housing that dominates Montgomery’s housing mix today, almost 1,000 smaller housing units – townhomes, condos and apartments – can be created. Many of these smaller units will appeal to Montgomery’s growing senior population.

* See Appendix, pages 58-59 for detailed information regarding the derivation of Future Demand and Capacity estimates.

Exhibit 8: Montgomery Housing Capacity by Zone

Residential Zone	Units
E-R	-
R-1	-
R-2	525
R-3	1,994
R-4	620
R-5A	55
R-5B	203
R-6	779
None	-
Other Residential	2,458
Total	6,635

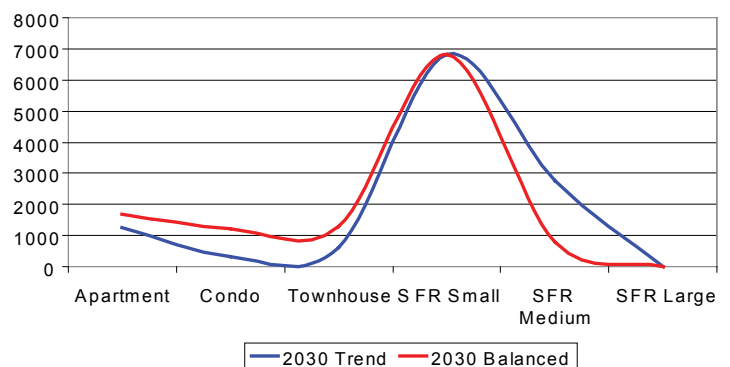
Source: Fregonese Associates

Exhibit 9: Montgomery Housing Capacity by Type

Housing Type	Units
Apartment	556
Condo	108
Townhouse	319
SFR Small	3,667
SFR Medium	1,985
SFR Large	-
Total	6,635

Source: Fregonese Associates

Exhibit 10: Montgomery Housing Capacity



Source: Fregonese Associates

FOCUS AREA

Focus Area

Village leaders requested design advice for a vacant area southwest of the intersection of Montgomery Road and Hill Avenue. The Fregonese consulting team decided to use this site to illustrate the possible benefits of a Traditional Neighborhood Development which would feature:

- A mix of housing types and uses.
- The incorporation of sustainability principles including energy conservation, reduced water use, solar power generation, “green” streets, walkable destinations, park land and effective use of open space.
- Development connected with the surrounding areas including the Montgomery Preserve.
- The preservation of open spaces and the flood plain.

We believe that such a traditional development would be very appealing to future Montgomery residents and create an attractive model for development throughout the Metro West region.

Focus Area: Montgomery and Hill Roads.



This aerial visualization illustrates potential Traditional Neighborhood Development at Montgomery and Hill Roads.

THE FOCUS AREA INCLUDES:

420 Dwelling Units

- 60 small-lot homes
- 25 townhomes
- 335 condos/apts

Retail

- 120,000 sf

Office

- 160,000 sf

RECOMMENDED STRATEGIES

After a decade of a very rapid growth, Montgomery now has an opportunity to diversify its housing to maximize its attractiveness to current and future residents and to solidify its tax and economic base. Our analysis, which has focused on future housing needs, suggests that a number of forward-looking policies and strategies should be adopted by the village:

Use new development, and particularly Traditional Neighborhood Development, as an opportunity to broaden Montgomery's appeal.

During a period when regional population is aging, commuting costs are sharply rising and sustainability is becoming a national concern, Montgomery has an opportunity to diversify its housing stock and adopt planning models which maximize the value of its land while reducing daily commuting needs. Traditional Neighborhood Development design can meet all of these needs by providing a variety of housing types, in many cases within walking distance of retail development, as well as ample community park land.

To complement and support the more compact housing types which are used in Traditional Neighborhood Development, Montgomery can use Context Sensitive Design to encourage walkable and bicycle-friendly areas. Montgomery's expanding network of bike trails is a great start, and the village can ensure that cycling is a viable means of transportation, as well as a recreational option. Context sensitive design is an approach in street design and transportation planning which looks beyond simply the right-of-way. It specifically considers how people in the surrounding community will interact with streets, sidewalks, crossings, and other design elements.

Create incentives for significant new development in the Mill District to help support a future Park and Ride facility.

The Mill District, with its new village hall and other development, has a historic past and the potential for a bright future. The policies that Montgomery can put in place to help the Mill District blossom include



Traditional Neighborhood Development design, as shown above, can provide a variety of housing types, in many cases within walking distance of retail development, as well as ample community park land.

creating public-private partnerships, zoning for mixed-use, creating bonuses for ideal development types, and making infrastructure improvements to support future development. These policies will be necessary to create the types of density which will make Montgomery a good candidate for a Metra station. They will also usher in the way for Transit-Oriented Development if the Mill District is approved for a Metra station.

Montgomery has ambitious goals and it can use public policy and private developers to move toward these goals. The village is using tax increment



Montgomery's Mill District.

RECOMMENDED STRATEGIES

financing as a strategy to encourage development. The village should consider creating additional TIF districts in key redevelopment areas.

In addition to just changing the zoning in the Mill District to allow mixed-use residential development, it can create a mixed-use zoning code which provides bonuses to developers for public benefits such as open space, underground parking and/or affordable housing. This is necessary in order to create more compact housing which is livable and desirable.

Encourage employers to develop employer assisted housing (EAH) programs.

EAH programs, which provide employees with incentives to move closer to their jobs, help employees with down payment and closing cost assistance, can, under certain circumstances, entail reduced interest rate mortgages, and may, in the case of rental housing, involve rent subsidies. It is important that any EAH program in Montgomery be designed to appeal to both large and small employers. Over 70 employers in the Chicago metropolitan area have created EAH programs, and it is highly likely that Montgomery employers will be interested in creating their own programs after their advantages are explained, such as the

opportunity to reduce many of their employees' commutes significantly, increasing workforce recruitment and retention, etc.

Create standards which require more sustainable residential development.

The village has seen considerable new development, and there are new subdivisions approved and ready for future construction. The village should create an approach that will be sensitive to the local environment, and that attempts to achieve sustainability in the use of key resources such as land, energy and water.

The following village-wide sustainability strategies can be used in new developments as well as retrofitting existing areas of Montgomery:

Provide incentives for alternative energy production and energy conservation.

Montgomery can adopt policies and engage in strategies that encourage energy conservation and promote the use of alternative energy sources, such as solar power.

Montgomery could offer incentives for projects demonstrating a commitment to energy conservation. New and renovated structures could receive expedited permitting, density bonuses, tax abatements, or refunds that support incorporating structural elements and fixtures or appliances that conserve energy. Specifically, the village can work with other state and national programs to encourage extra insulation in floors, walls and ceilings; energy-saving windows; long-lasting, energy-efficient lighting; healthy ventilation and high-efficiency thermostats; and energy and water-efficient appliances. The Energy Star program of the US Environmental Protection Agency and Department of Energy provides resources, incentives, and certification of builders.

The village can also promote the existing State of Illinois Energy Efficiency Affordable Housing Construction Program, which is run through the Department of Commerce and Economic



Encouraging the use of solar panels is one way Montgomery can support sustainable development. The village can also work with other state and national programs to encourage extra insulation; energy-saving windows; energy-efficient lighting; energy and water-efficient appliances; and other sustainable practices.

RECOMMENDED STRATEGIES

Opportunity (DCEO) and provides grants to Illinois-based non-profit and for-profit housing developers who include energy efficient building practices in the rehab or new construction of affordable housing units.

Solar energy, captured using solar panels and other technologies, can provide significant energy for households in a clean and sustainable manner. Montgomery could move in several directions to promote increased use of solar energy. The village could first promote State programs such as those providing solar thermal grants and solar energy rebates. Interested developers can contact DCEO regarding these programs

Approve designs that maximize passive solar gain.

The design of a structure can greatly impact a building's energy use. Geographically-appropriate building design can make use of natural energy flows and take advantage of natural solar energy year-round. Structures in the Chicago region, faced with cold winters and hot summers, can maximize winter sunlight and heat retention in the winter and

partial building shading for summer relief. Several simple design steps can help maximize passive solar gain:

- Orienting the long side of a home to the south or at least within 30 degrees of due south
- Design homes with south-facing windows
- Building heat-conductive walls out of materials that can serve as thermal mass

Focus on water quality and conservation.

Existing streets and open spaces present a key opportunity for incorporating sustainable urban design elements that can be implemented without massive investment or reorganization of the urban form. Green Streets, bio-swales, native landscaping, and green roofs are important strategies for improving water quality. Montgomery can strengthen existing policies and adopt new ones, including some as it services and upgrades existing infrastructure, that create green water features in the future. These include:

- Replacing asphalt with permeable pavement in some locations, such as is being done at the new Village Hall
- Reducing parking standards and ensuring that required parking lot landscaping includes native vegetation
- Continuing to encourage or require native vegetation along streets and in parks
- Creating drainage swales along the sides of streets that allow vegetation to percolate and manage stormwater more efficiently and affordably than sewers
- Designing bonuses or competitive grants for developers who construct green roofs (similar to incentives created by the City of Chicago) and incorporate green design elements on-site, such as rain gardens and bio-swales



Street swales like this one above help to reduce the amount of stormwater runoff into the public sewer system.

RECOMMENDED STRATEGIES

- Promoting Montgomery’s award-winning Naturalized Stormwater Basin Guidelines
- Ensuring compliance with the Kane County Stormwater Ordinance
- Encouraging cluster developers and smaller lot sizes

In terms of water conservation, the village can continue to encourage the use of rain barrels and water management devices such as dual-flush toilets and highly-efficient showers, washing machines and other appliances. Incorporating these devices into the average home can reduce water use by 35% or more, according to the Rocky Mountain Institute, and save the average household about \$170 (U.S. EPA estimate).

CONCLUSION

After a decade of impressive growth Montgomery now has an opportunity to carefully plan for its future build out. Its planned transit-oriented development in the Mill District offers great promise to create a true downtown for the community. Its undeveloped land provides an opportunity to diversify its housing stock and create attractive new neighborhoods based on Traditional Neighborhood Design and sustainability principles.





HOUSING POLICY PLAN NORTHLAKE

PROJECT SUMMARY

Northlake’s leadership has intently focused in recent years on redevelopment opportunities throughout the community. Located near both Chicago and O’Hare Airport, Northlake has many positive attributes that make it an attractive place for developers, especially those experienced in mixed-use development. It actively sought to participate in the *Homes for a Changing Region* demonstration project as a means to get outside input and feedback related to its future redevelopment ideas as well as a forward-looking projection of its anticipated housing needs.

During initial discussions between Northlake leadership and representatives from Fregonese Associates, the Metropolitan Mayors Caucus and Chicago Metropolis 2020, several major redevelopment ideas were discussed including a possible project adjacent to a floodway near Wolf Road and North Avenue. That discussion led to further thought about improvements along North Avenue.

What surprised everyone participating in the discussions was that the possible Wolf Road/North Avenue flood plain development could create over half of the new housing that Northlake was projected to need by the year 2030. Fregonese research had indicated that current city zoning regulations would allow the addition of slightly over 600 new housing units before the city was built out.

The research also indicated that the city would have a modest shortfall of rental housing by 2030 and a need to create close to 400 additional units of owner-occupied housing serving families earning below \$75,000 per year.

After reviewing all the research data, the Fregonese team suggested that the city consider the following housing development strategies:

- Create a major mixed-use development near a floodway area adjacent to Wolf Road and North Avenue and near the new Wolf Ridge Condominiums project. This development
- Seriously consider annexing property on the northern border of the city. Ideally, reach a boundary agreement with Franklin Park which would eliminate all the unincorporated land between the two cities. Direct control of the unincorporated land would be a plus to both communities, as each has a strong interest in preserving and enhancing their neighborhoods.
- Encourage local housing rehabilitation using incentives including pre-approved home enhancement designs. The preponderance of Cape Cod-style homes in the city presents a real opportunity for standardized design work. The city has already had notable success with its “tract infill” development program.
- Consider further mixed-use development as well as streetscaping improvements along North Avenue. Also explore the possibility of creating Bus Rapid Transit along North Avenue.
- In future years, plan to redevelop and improve selected multi-family rental dwelling units. Some of these units might be converted to affordable condominiums.



would feature new open spaces surrounded by infill housing, dominated by townhomes and small lot single-family homes. It would also feature redesigned North Avenue streetscapes using what is known as “context sensitive design.” City parking requirements related to new development would have to be modified to make the project possible.

EXISTING CONDITIONS

Located less than 20 miles from Chicago's city center, Northlake has over 11,000 residents and hopes to grow modestly by the year 2030. 67% of Northlake residents have a high school degree and close to 8% have a college degree or higher. Job rich – it had close to 11,000 jobs in 2000 and anticipates adding another 2,600 jobs by 2030 – Northlake had an average family income of close to \$57,000 in 2006.

Northlake is a solid, well run community that wants to maintain its identity while stabilizing and enhancing its commercial, retail and residential base. Like any other essentially built out community, it needs to come up with innovative redevelopment ideas that can be executed on a profitable basis. While it lacks a train-based city center, it does incorporate two key commercial corridors – Wolf Road and North Avenue – and may have some interesting mass transit options in the future such as Bus Rapid Transit (BRT). It needs to pay special attention to unincorporated Cook County land adjacent to its northern border. If the neighborhood in this adjacent land starts to deteriorate, it will have a negative impact on Northlake community life.



Single-family Cape Cod-style housing in Northlake.



The new Wolf Ridge Condominiums provide a new type of housing for Northlake.



Single-family housing in Northlake.

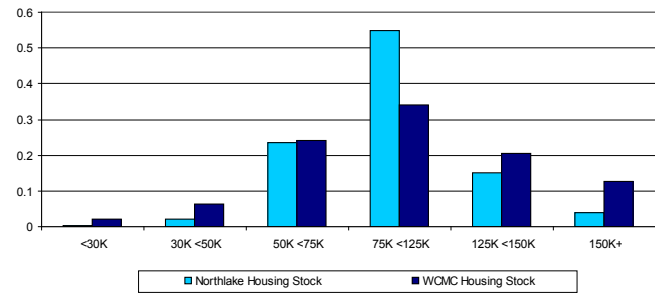
CURRENT HOUSING ANALYSIS

Northlake is one of 36 communities that make up the West Central Municipal Conference (WCMC – member communities listed in the Appendix). Northlake’s mix of owner-occupied housing is notably different from the mix found in the WCMC (see Exhibit 1). It has a significant number of housing units which serve the needs of middle income families whose incomes range from \$75,000 to \$125,000. Relatively speaking, it has less housing available compared to its WCMC neighbors to meet the needs of families above or below this middle income segment.

Northlake’s stock of rental housing, like that of WCMC communities, clearly meets the needs of moderate income families whose incomes range from \$30,000 to \$50,000 (see Exhibit 2). Northlake’s 870 renter-occupied housing units are mainly in multi-family units with almost 40% of them in buildings of 20 or more units. Both Northlake and WCMC communities have relatively few rental units serving the needs of families at both ends of the income spectrum.

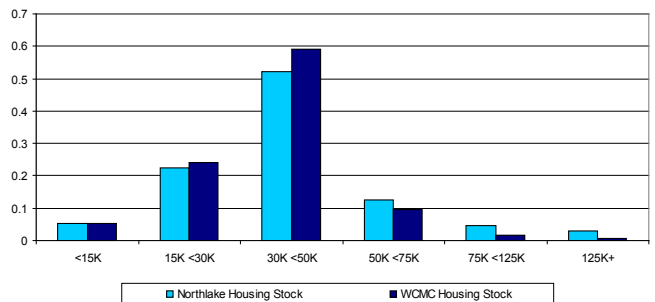
By 2030, the WCMC is expected to change in several age cohorts. According to Illinois Department of Community and Economic Opportunity data, the senior population is expected to increase, while the younger age groups are projected to decrease as a percent of the whole. In the context of the larger national issues, such as an aging population and climate change, Northlake and the WCMC, with their accessible locations, are in a strong position to meet much of the region’s future housing needs.

Exhibit 1: Household Income of Northlake and WCMC Owners (2000)



Source: Fregonese Associates

Exhibit 2: Household Income of Northlake and WCMC Renters (2000)



Source: Fregonese Associates



Housing analysis indicates that Northlake has few rental units serving the needs of lower income families.

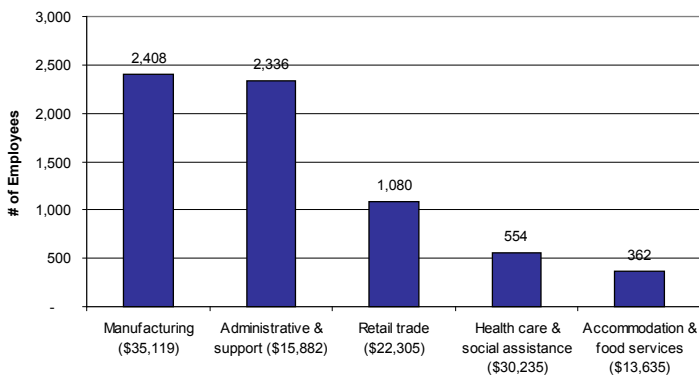
WORKFORCE OVERVIEW

As described earlier, Northlake is a job-rich community. The largest employment sector is manufacturing, with over 2,400 employees and an average annual wage of about \$35,000 (see Exhibit 3). This sector is closely followed by administrative and support with about 2,300 workers and lower average annual wages of almost \$16,000. Retail trade, health care and social assistance, and accommodation and food services round out the top five sectors. Compared with Cook County, Northlake has significantly higher percentages of manufacturing and administrative positions (see Exhibit 4).

According to 2002 U.S. Economic Census data, about 17% of Northlake's residents work in Chicago, while 8% work in Franklin Park and

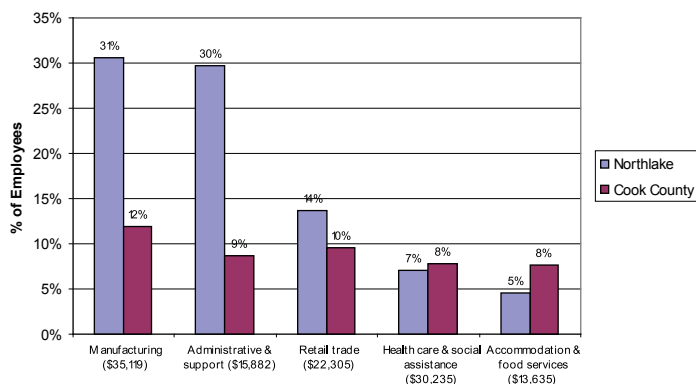
about 6% also work in Northlake (see Exhibit 5). This suggests that many people who live in Northlake are able to take advantage of the city's central location and proximity to multiple job centers in the region. Meanwhile, about one-quarter of Northlake's workers come from Chicago, with smaller percentages living in Northlake or commuting from Melrose Park, Cicero and Elmhurst (see Exhibit 6).

Exhibit 3: Leading Employment Sectors in Northlake (2002)



Source: U.S. Economic Census 2002

Exhibit 4: Leading Employment Sectors in Northlake Compared with Cook County by Percentage (2002)



Source: U.S. Economic Census 2002

Exhibit 5: Where do people who live in Northlake work?

City/Town	% of Workforce
Chicago, IL	16.9%
Franklin Park, IL	7.9%
Northlake, IL	6.2%
Melrose Park, IL	5.0%
Elmhurst, IL	3.8%
Other	60.2%

Source: U.S. Census Bureau 2004

Exhibit 6: Where do people who work in Northlake live?

City/Town	% of Workforce
Chicago, IL	24.6%
Northlake, IL	3.9%
Melrose Park, IL	2.4%
Cicero, IL	2.1%
Elmhurst, IL	1.6%
Other	65.4%

Source: U.S. Census Bureau 2004

WORKFORCE OVERVIEW

Prototype Households

The following prototype households were developed to better illustrate the housing needs of some people who might live in Northlake. These prototypes are based on the city’s estimated median household income of \$56,760. The likelihood of renting versus owning is based on regional calculations of tenure choice (rent vs. own) by income level and age of head of household. The trend in the Chicago region, as throughout most of the country, is that older and higher income households are more likely to own the homes that they live in than younger and lower income households.



These hypothetical households are based on Northlake’s estimated median household income of \$56,760. The likelihood to own or rent is created using Census data to estimate the probability of a household in each of 49 age/ income cohorts selecting an owner-occupied or rental unit.



50% MHI

\$28,380

Single Man

25-35 years old

Hotel manager

RENT

\$710/month

63% likelihood

PURCHASE

\$93,000

37% likelihood

80% MHI

\$45,408

Young Family

25-35 years old

Office assistant;
Retail assistant

RENT

\$1,135/month

63% likelihood

PURCHASE

\$148,000

37% likelihood

100% MHI

\$56,760

Single Mother

35-45 years old

Nurse

RENT

\$1,419/month

18% likelihood

PURCHASE

\$185,000

82% likelihood

120% MHI

\$68,112

Working Couple

55-65 years old

Office manager;
Manufacturing technician

RENT

\$1,703/month

6% likelihood

PURCHASE

\$222,000

94% likelihood

Source: Fregonese Associates

PROJECTING FUTURE HOUSING NEEDS

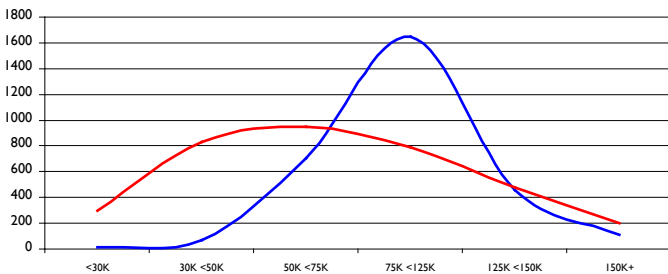
As described previously, Northlake is largely built out. New housing can be developed through small-scale infill projects or by redeveloping parts of its commercial corridors. With about 600 units needed in the next several decades, the city is carefully considering what types of housing it will require in the future.

Ownership Housing

Demand/supply analysis of Northlake’s long-term need for owner-occupied housing indicates that an additional 552 housing units can meet projected demand by 2030. Some of this need could be supplied by a possible Wolf Road/North Avenue mixed-use flood plain development.

A key challenge for Northlake will be meeting the expected demand for owner-occupied housing serving the needs of moderate income families. Some of this demand will be met as part of the current surplus of middle income housing “trickles down” to moderate income families. Additional units might be created by set asides in developments which include condominiums, apartments, and townhomes, so long as the economic incentives provided to developers (density bonuses, expedited permitting, etc.) justify a balanced housing mix. If such development does not become feasible, then additional rental units, in many cases government subsidized, will be needed.

Exhibit 7: Current Owner Housing Stock (Blue Line) Compared with Future Demand (Red Line) and Future Targets for New Owner Units by Income



Annual Income	Targets (Estimated Units)
<\$50K	1,056
\$50-125K	(614)
\$125K+	110
TOTAL	552

Northlake	Owner Units							Total
	Affordable →		Workforce →		Market Rate →			
	<30K	30K <50K	50K <75K	75K <125K	125K <150K	150K+		
Housing Stock Affordable at 30% of Income (2000 Stock Adjusted to 2006 Prices)	11	68	707	1,645	456	113	3,000	
2030 Projected Housing Demand by Income	301	834	946	792	479	200	3,552	
Target Units Needed to Meet Projected Demand by Income	290	766	239	<i>n/a</i>	23	87	552	
Additional Units Beyond Forecasted Need Within this Income Range	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	853	<i>n/a</i>	<i>n/a</i>	853	

Source: Fregonese Associates

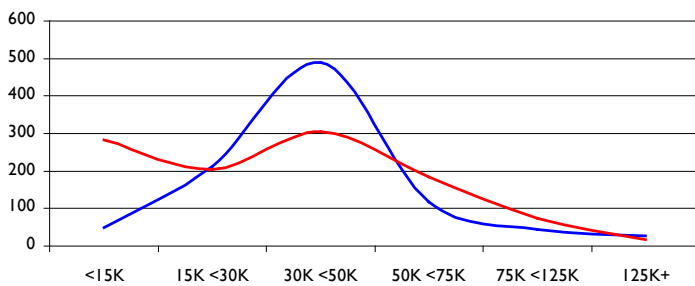
PROJECTING FUTURE HOUSING NEEDS

Rental Housing

Projections of Northlake’s future rental housing needs indicate that only 132 additional rental units will be needed to meet demand by the year 2030 (see Exhibit 8). Many of these units will “trickle down” from the current surplus of units serving the needs of families whose yearly income ranges between \$30,000 and \$50,000. Many of the remaining units could come from a senior development or set asides in new mixed use developments. As for upscale units needed, these will either “trickle up” from the surplus of existing moderate income units or be created in new developments.



Exhibit 8: Current Rental Housing Stock (Blue Line) Compared with Future Demand (Red Line) and Future Targets for New Rental Units by Income



Annual Income	Targets (Estimated Units)
< \$30K	228
\$30-75K	(116)
\$75K+	20
TOTAL	132

Rental Units							Total
Affordable →		Workforce →			Market Rate →		
<15K	15K <30K	30K <50K	50K <75K	75K <125K	125K+		
49	211	488	117	43	27	935	
283	205	304	185	73	17	1,066	
234	<i>n/a</i>	<i>n/a</i>	68	30	<i>n/a</i>	332	
<i>n/a</i>	6	184	<i>n/a</i>	<i>n/a</i>	10	200	

Northlake	Housing Stock Affordable at 30% of Income (2000 Stock Adjusted to 2006 Prices)
	2030 Projected Housing Demand by Income
	Target Units Needed to Meet Projected Demand by Income
	Additional Units Beyond Forecasted Need Within this Income Range

Source: Fregonese Associates

HOUSING CAPACITY

Capacity Analysis

With a projected need of 170 additional rental housing units and 475 owner-occupied units, does Northlake have the capacity to add needed housing stock? Our analysis of Northlake’s current zoning regulations indicates that the city can add up to 610 new housing units to meet future demand, just short of the projected need of 645 units (see Exhibit 9). Modest modification of selected zoning rules could make up the difference.

We should note, in passing, however, that most of what we are terming additional capacity comes from mixed-use redevelopment in commercial zones. If we only consider the city’s capacity for new single-family homes and townhomes, then future capacity drops to about 200 units.

What specific types of housing can be built to absorb available capacity? By reviewing existing development as well as demographic and market trends, we can project the mix of housing types shown in Exhibit 10.

A key opportunity area to demonstrate strategies for meeting Northlake’s housing need is in the area northeast of N. Wolf Road and North Avenue. This focus area is described in greater detail on page 48.

Exhibit 9: Housing Capacity by Zone

Residential Zone	Units
R-1	144
R-2	1
R-2A	0
R-3	14
R-3A	1
B-1	-
B-2	450
B-3	-
Total	610

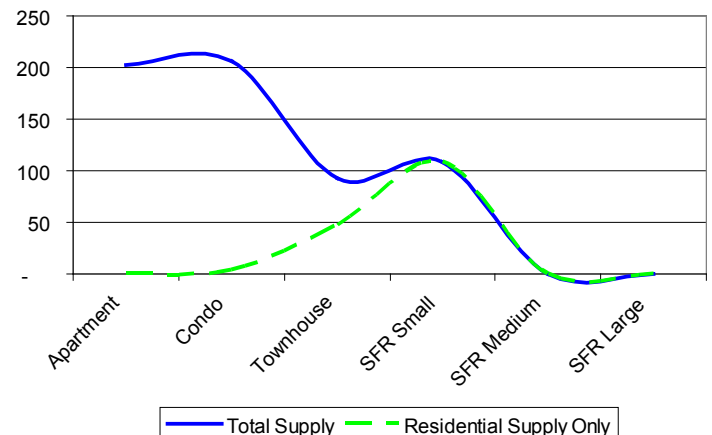
Source: Fregonese Associates

Exhibit 10: Housing Capacity by Type

Housing Type	Units
Apartment	203
Condo	207
Townhouse	92
SFR Small	108
SFR Medium	-
SFR Large	-
Total	610

Source: Fregonese Associates

Exhibit 11: Residential Supply and Total Supply Compared



Source: Fregonese Associates

FOCUS AREA

Focus Area

Northlake has a real opportunity to address future housing needs, add to its economic base and, at the same time, address a flood plain issue in a very attractive way which would create open space and preserve the adjacent environment. The city can also build on the momentum created by the Wolf Ridge Condominium project on North Wolf Road and create an area-wide model of more compact mixed-use, townhome and small lot single-family development along with open space preservation in the area.

A tract of land, bounded by North Avenue to the south, Wolf Road to the west, East Country Club Drive and Belle Drive to the north and North Prater to the east, would appear to be available for major mixed-use redevelopment. Incorporating part of an existing flood plain, the tract has real potential for an attractive development which would create open space and, at the same time, preserve the local environment.

To make the development possible, the city would have to purchase and remove homes in the flood plain. Development financing, perhaps including a TIF, would be needed.

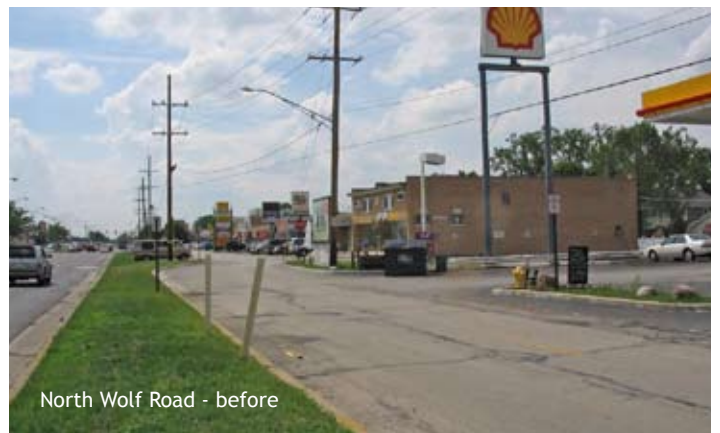
In an L-shape lining the south and west sides of the focus area, the design would include mixed-use development, composed of retail, housing and some office space. The buildings would be oriented toward the street, with the parking in well-designed rear lots. Adjacent streetscapes would be redesigned to create a more pedestrian-friendly, quieter experience for users. The design for North Avenue might include street trees, enhanced sidewalks and reconfigured access lanes. The new development would also encourage access to the wetland and park area.

To the north and west of the open space, taking advantage of this new open space, a compact mix of small lot single-family homes and some townhomes would be oriented toward the wetland preserve. It is likely that Wiltse Drive and East Drive would be realigned or removed.



Focus area, northeast of North Wolf Road and North Avenue.

Focus Area: North Wolf Road photomorph highlighting potential infill redevelopment



North Wolf Road - before



North Wolf Road - after

Taking advantage of this new open space, a compact mix of small lot single-family homes and townhomes would be oriented toward the wetland preserve. It is likely that Wiltse Drive and East Drive would be realigned or removed.

FOCUS AREA

Visualizations



Development at the corner of North Wolf Road and North Avenue will serve as a focal point for a mixed-use, walkable neighborhood.



The new open space will be an attractive amenity to the compact single family homes and townhomes in the northwest part of the focus area.



The commercial and mixed-use development along North Avenue will be easily accessible to the open space and trail network to the north.



Using the most flood-prone areas as a park will create a strong attractor for the entire development.



Mixed-use development along North Wolf Road will complement the new Wolf Ridge Condominiums.



The open space would be conducive to both active and passive uses, including trails, sport fields, picnic tables and benches.

RECOMMENDED STRATEGIES

Well-managed and with a solid economic base, the city has numerous opportunities available to maintain and improve its current housing stock and meet its projected housing needs. A number of future strategies can make these opportunities a reality:

Proactively work to maintain and upgrade Northlake's existing housing stock.

Northlake already has an active public/private program to buy, improve and resell existing homes in need of repair or upgrade. The program could be expanded to focus on the Cape Cod-style housing which is common throughout the city. City-hired architects could create a variety of model upgrade plans, and these plans could be promoted via a redevelopment program which might feature city-supported low cost loans and modest rehabilitation subsidies. Programs like this already exist in a few Chicago-area communities, including Tinley Park and Park Forest. Homeowners would benefit from such a program because design work would be done for them and permits could be provided at very low cost as long as rehab work followed pre-approved city designs. It is quite possible that state and federal energy efficiency grants might become available to participants in the program

Encourage high-quality infill development on key sites with high potential.

The city is already successfully pursuing such a strategy, focusing on corner lots with infill potential. Such tract infill enhances neighborhoods and encourages others to maintain and improve their homes.

Redesign North Avenue in a way that is supportive of walkable, mixed-use development.

North Avenue is a key Northlake thoroughfare with real mixed-use development potential. High traffic counts and an auto-centric design, however, currently limit the avenue's appeal to anyone other than drivers. Applying what is known as Context Sensitive Design (CSD) to North Avenue could significantly improve its value to the community.

Context Sensitive Design refers to an approach in street design which looks beyond simply the right-of-way. It considers how the surrounding community will interact with streets, sidewalks, crossings and other design elements. Visualizations we have created for the Northlake focus area show one possible configuration of North Avenue which would foster mixed-use development by enhancing the existing parallel access road. We also would suggest that Northlake explore the potential for Bus Rapid Transit service along North Avenue.

Encourage mixed-use development with housing along key transportation corridors.

The city's Wolf Ridge Condominiums project on North Wolf Road illustrates the potential value of compact and mixed-use development on key roadways. The Wolf Road/North Avenue flood plain development which is the subject of our focus area (see below) would bring mixed-use development to a new level in the city. Additional development projects could follow.

Reduce high parking requirements in order to encourage mixed-use residential development along with other multi-family (condo or apartment) projects.

Northlake has very high parking requirements which reduce development opportunities by impacting density potential. Other communities in the region



Reducing parking requirements in key areas and creating pedestrian friendly sidewalks as seen above encourages mixed-use residential developments.

RECOMMENDED STRATEGIES

and the nation have unlocked development potential by reducing parking requirements, especially in the case of developments with access to shared parking or public transportation.

Stabilize the housing stock in unincorporated neighboring areas through targeted annexation.

There are several large areas surrounding Northlake which are currently in unincorporated Cook County.

The city believes that the stability of these areas would be better ensured within a city's limits.

Although it is unrealistic for Northlake to incorporate all of these areas, the city should identify targeted areas for annexation. At the same time, Northlake should work together with Franklin Park to create a boundary agreement.

CONCLUSION

Northlake would appear to be in an excellent position to address its future housing needs. Its housing expansion needs are modest, and it has some very interesting, potentially exciting, mixed-use redevelopment possibilities along its key commercial corridors. It has an excellent location – near downtown Chicago and O'Hare Airport – which will make it attractive to residents and employers well into the future.



APPENDIX

OVERVIEW

The creation of a local housing policy plan enables a community to systematically plan for future housing development that will serve the needs of its future residents, including residents at all levels of the income spectrum. A policy plan is developed by:

- Analyzing current community housing needs using census data on the existing housing and household income;
- Analyzing a community's economic profile by identifying jobs existing in the community, the pay rates associated with them, and the kind of housing which would serve the needs of the local workforce;
- Estimating future housing needs using demographic and income projections (in this case supplied by the Chicago Metropolitan Agency for Planning – CMAP) as well as existing data and trend analysis;
- Studying the amount of land supply by zone and housing type and projecting future demand;
- Analyzing existing commuting patterns – in and out – of a given community;
- Analyzing existing zoning that includes a calculation of full build-out capacity under current regulations;
- Considering how sub-regional and regional factors may impact future housing development;
- Identifying strategies for land use and financing that will help a community achieve its housing development targets; and
- Providing visualizations, including photo simulations and three dimensional video, of how future development might look.

The ultimate goal of a local housing policy plan is to create a stock of “balanced” housing in a community. Balanced housing means more than

a mix of price points for housing being sold or rented. It also means creating a balance of housing types that will best serve the needs of future residents. For example, current and future senior citizens will likely prefer apartments, townhomes or small single-family homes. Multi-generational families may want homes that include auxiliary apartments. Mass transit commuters may want units near transportation nodes to minimize their need for automobiles.

Whatever type of housing is created, it should be affordable to family units, whether they are made up of one individual or many family members. While there is no precise definition of “affordability,” a commonly used yardstick is that a family should spend no more than 30% of its pre-tax income on housing and housing-related costs such as utilities, insurance and local property taxes.

Communities are home to families at all income levels. Typically, the largest number of family units fall in the middle of the income spectrum at 80% to 120% of Median Household Income (MHI). MHI, of course, can vary significantly from community to community. The three communities studied in year two of the *Homes* project offer a case in point. Estimated MHI in Gurnee is \$84,810; in Montgomery it is \$54,599; and in Northlake it is \$56,760.

WHAT IS HOUSING “AFFORDABILITY”?

- While varying from household to household, **“affordable”** is generally defined as **spending 30% of household income on housing costs** (including utilities, insurance and taxes).
- **Higher income households** tend to **pay less than 30% of their household incomes toward housing costs** (underpaying).
- **Lower income households** tend to **pay more than 30% of their household incomes toward housing costs** (overpaying).

OVERVIEW

Above this large middle income group are families whose incomes exceed 120% of MHI. Below the group are two other population segments. First, a segment with moderate household income, income which ranges between 30% and 80% of MHI. Second, a group of low income households with incomes below 30% of MHI.

Each of these segments presents challenges to communities seeking to create “balanced” housing:

- The **middle income** segment (80-120% of MHI), which needs what we describe as Workforce Housing, must be able to find an ample supply of affordable housing in its price range. Given the fact that teachers, police officers, fire fighters, nurses and a large number of skilled and semi-skilled workers fall into this category, it is critical for a community’s well being and success that their needs be served. One of the problems facing a growing number of municipalities in the Chicago region is that the cost of creating new workforce housing is driving home pricing beyond the affordability range of working families.
 - **Moderate income** families at the lower end of the moderate income range (30% to 50% of MHI) generally seek rental properties if they are available and affordable. Unfortunately, there is a major shortage of affordable rental properties in Chicago’s suburbs. Few new units are being created, even with a variety of government subsidy programs.
 - **Moderate income** families at the upper end of the moderate income range (50-80% of MHI) generally want to be homeowners if they can find Moderate Income Housing they can afford. The sharp increase in regional housing prices between 2000 and 2007 put much previously affordable housing beyond the affordability range of this income group. Newly developed housing, to be financially viable to this group, must be small scale - either townhomes, attached homes or small single-family homes.
- Quite often the most realistic alternative for such moderate income families is to buy existing housing and improve it after they take possession. Other families in this income segment seek out rental properties if they are available. In some instances new owner-occupied and rental property can be made available to moderate income families thanks to government tax credits and other financial support.
- **Upper income** residents (> 120% of MHI) want more fully featured Market-Rate and Upscale Housing which is competitive in attractiveness to housing elsewhere in the region. Many communities want to retain long-term residents whose career success allows them to buy more expensive housing.
 - **Low income** families, families whose incomes fall below 30% of AMI, almost always need affordable rental housing. Communities have a responsibility to create some Low Income Housing because low income families exist throughout the Chicago region, even in the most prosperous municipalities. Many communities have created senior housing to provide for the needs of lower income senior citizens. Other communities, recognizing that low-income individuals work in a variety of occupations within their jurisdictions, have public housing or other rental units set aside for their needs. Local, state and federal government subsidies can be sought to create such housing. Local assistance in the form of density bonuses, reduced impact fees, expedited permitting, and land grants can also be used to provide incentives for developers interested in building such housing. A few communities have created home sharing programs which allow individuals to pool income to afford moderate rents.

APPROACH AND METHODOLOGY

The following section describes the general approach, methodology and assumptions for the *Homes for a Changing Region* housing policy plans.

Age/Income Based Analysis

The local housing policy plans developed for this study take local, sub-regional, and regional issues into consideration to provide strategies to encourage a balanced housing stock that meets the needs of each community.

The methodology used for this analysis is based on a demographically-driven approach to housing planning. The approach is based on the age and income demographics of the current and potential future populations in each community. We examine the communities' housing needs based on what people can afford, not just what the market is providing. We add to our previous methodology an analysis of the commuting patterns for each community, an analysis of land supply by zone and housing type, and a comparison between future supply and demand.

The ultimate goal for these housing policy plans is to serve as the first step in creating a balanced stock of affordable housing for each community in the region. Balanced housing means not just a mix of price points but also a mix of housing types. Balanced housing means a community has and is creating housing that will meet the future demographic needs of the municipality.

By this definition "affordable" is not referring to low income housing but rather to the relationship between incomes and housing costs. The "30% rule" which is commonly used in housing studies assumes that housing is only affordable for a household if it spends less than 30% of its gross income on housing and housing related expenses.

Calculating the Current and Future Needs for Housing

The *Homes for a Changing Region* project has utilized several data sources to estimate each

community's current housing stock and demand. While the main data source is U.S. Census and American Community Survey data, the price points for both rental and owner-occupied units have been adjusted to 2006 based on local appreciation and rental data. Essentially, this study looks at the housing supply in 2000 adjusted to 2006 prices.

The current housing stock overview is based on converting the home values and rents of the existing housing supply to the associated affordable income category. The current housing demand is based on the actual income distribution of the residents of the community being studied. This allows us to see, for example, how the actual incomes of the residents match up with the price points of the housing stock for both rental and owner properties.

Again, throughout this project, we assume that in order for a home to be affordable, the household should not be spending more than 30% of its income on housing or housing-related expenses. The reality in many communities, however, is that a significant number of families are spending more than 30% of their incomes on housing costs. Often, some families may choose to spend more than 30% to gain the benefits of living in a given community or because they feel that living in a certain type of housing is worth the extra expense. However, the reality is that some families struggle to find affordable housing.

There are several other considerations to keep in mind when looking at the results of a housing supply/demand analysis:

1. The figures shown do not fully take into account senior citizens who own their own homes but now have moderate to low incomes. The homes these seniors are living in would be beyond their income capabilities if they had to buy them today.

APPROACH AND METHODOLOGY

2. Current demand figures at the low end do not take into account families who choose to “double up” or share a unit to cover the housing cost of a rental or owner-occupied property.
3. The demand figures do not take into account families who decide to live in a moderately priced dwelling unit when they could afford a more expensive unit.

In any case, current supply and demand are compared, and the matches and mismatches at each range of household income are identified. It is important to keep in mind that these results reflect an “ideal” housing distribution based on income, not necessarily actual housing decisions made by families in a given community.

Future Demand

The future demand for housing was estimated using demographic and household data supplied by the Chicago Metropolitan Agency for Planning (CMAP) and county-level age projections for 2000-2030 from the Illinois Department of Commerce and Economic Opportunity (DCEO). Once again, demand figures assume that households will not spend more than 30% of their income on housing.

The future supply of housing in the pilot communities projects the number of housing units that will be needed to meet estimated future demand. The projections assume that average household size will not vary greatly from where it is today. If household size increases or decreases, additional or fewer housing units will be needed. As for what specific type of housing will meet demand – a townhouse, an attached home, an apartment or a single-family home – or its nature – owner-occupied or rental - that is a matter of conjecture. Planners, however, have a fairly good idea of what types of units will meet demand given the pricing in current housing markets and demographic and other trends. The end product of the future demand analysis is a new estimate of housing need (either a surplus or a gap) by the year 2030.

Estimating the Capacity for New Housing

Projecting future demand is one thing. Determining whether a community has the capacity to create the new housing units needed is another. Housing planners can estimate capacity in a number of ways. The *Homes* planning team relies on a Geographic Information Systems (GIS) based analysis to identify the amount of housing development potential in a given community. Such an analysis is a multi-step process which involves:

1. Calculating the amount of vacant land and land which can be redeveloped by zone using 2001 CMAP land use data, aerial photos and local adjustments.
2. Removing any constrained lands from the calculation, such as environmentally-sensitive areas, steep slopes, and flood-plains.
3. Using minimum lot sizes and density regulations to estimate maximum densities by zone.

The result is a capacity estimate for each zone for both vacant and developed land.

Translating Demand Into Specific Types of Housing

Even after future demand is projected and capacity potential studied, thought must be given to the type of housing that will be needed to meet demand.

For each community, we considered recent housing development trends, local housing prices, current village or city policy initiatives, our conversations with village or city staff and elected officials, and regional forecasts to translate demand at each price point into an estimate of demand by specific housing type.

Six basic housing types have been considered during the *Homes* project:

Multi-Family:

- Apartments – apartments are typically located along denser corridors and around transit stations and present a denser, more affordable rental type of housing. This category also includes below-market (subsidized) apartments.

APPROACH AND METHODOLOGY

This housing, designed for the lowest-income individuals and families, is usually located within multifamily buildings, some of which also include market-rate units.

- Condominiums – condominiums are an entry-level type of ownership housing generally containing a higher level of finishes than apartments. Condominiums may also be the residential component of mixed-use developments. This may appeal to many retirees who are looking to reduce the burden of home maintenance.

Attached and Detached Single-Family

- Townhomes – A townhome is an attached residential housing type that encourages many benefits of an urban lifestyle, combined with the advantages of a single-family home.
- Small-lot single-family home – small single-family homes may serve as starter homes or may be ideal for retirees looking to decrease the burden of maintenance.
- Medium-lot single-family homes – medium single-family homes are homes on about 8,000 square foot lots. These typically provide ample space for families.
- Large-lot single-family – large-lot homes are usually on lots of about ¼ acre or more. The large lots and high level of amenities make these homes the most expensive type, especially in the suburban setting.

Implementation

Creating a local housing policy plan requires the active involvement and support of a municipality's mayor, its city or village officials and staff, and its community leadership in general. Ideally, a local housing commission or housing study group is brought into the policy creation process early and often. Policies and strategies suggested by data analysis must be matched with "on the ground" knowledge possessed by local leadership and residents.

COMMUNITIES USED FOR COMPARISON BY LOCAL COUNCIL OF GOVERNMENT*

LAKE COUNTY MUNICIPAL LEAGUE

Antioch
Bannockburn
Barrington Hills
Beach Park
Deer Park
Fox Lake
Green Oaks
Gurnee
Hainesville
Hawthorn Woods
Highwood
Indian Creek
Island Lake
Kildeer
Lake Barrington
Lake Bluff
Lake Villa
Lakemoor
Lindenhurst
Long Grove
Mettawa
Mundelein
North Barrington
North Chicago
Old Mill Creek
Park City
Port Barrington
Riverwoods
Round Lake
Round Lake Beach
Round Lake Heights
Round Lake Park
Third Lake
Tower Lakes
Volo
Wadsworth
Wauconda
Waukegan
Winthrop Harbor
Zion

METRO WEST COUNCIL OF GOVERNMENT

Batavia
Burlington
East Dundee
Elburn
Elgin
Geneva
Gilberts
Hampshire
Lily Lake
Maple Park
Montgomery
North Aurora
Oswego
Pingree Grove
Sleepy Hollow
South Elgin
St. Charles
Sugar Grove
Virgil
West Dundee

WEST CENTRAL MUNICIPAL CONFERENCE

Bellwood
Berkeley
Berwyn
Broadview
Brookfield
Cicero
Countryside
Elmwood Park
Forest Park
Forest View
Franklin Park
Harwood Heights
Hillside
Hodgkins
Indian Head Park
La Grange
La Grange Park
Lyons
Maywood
McCook
Melrose Park
Norridge
North Riverside
Northlake
Oak Park
River Forest
River Grove
Riverside
Rosemont
Schiller Park
Stickney
Stone Park
Summit
Westchester
Western Springs
Willow Springs

* The Chicago region is split into nine suburban municipal associations, called Councils of Government (COG). For purposes of comparison, communities in the Homes report are compared to their COG, in order to review their housing needs against those of their sub-region as a whole. When communities are part of more than one COG, we assigned them to the COG with which they are most associated. Therefore, a community may be a member of a particular COG but not be listed here. For example, Highland Park is a member of the Lake County Municipal League, but was included in the Year One report as a member of the Northwest Municipal Conference. In addition, if we did not have comparison data for a community because it is either too new or was not part of the region in 2000, it was not included in the analysis.

MAYORS' ADVISORY GROUP

Mayor Anthony W. Arredia, *City of Des Plaines*

Mayor Gerald R. Bennett, *City of Palos Hills*

President Joseph Cook, *Village of Channahon*

President Kerry Cummings, *Village of Glenview*

Mayor Don DeWitte, *City of St. Charles*

Mayor Zenovia G. Evans, *Village of Riverdale and Co-Chair, Metropolitan Mayors Caucus Housing Committee*

Mayor Bill Gentes, *Village of Round Lake*

Mayor Jeffery A. Harger, *Village of Libertyville*

Mayor Elliot Hartstein, *Village of Buffalo Grove*

Mayor Larry Hartwig, *Village of Addison*

Mayor JoAnn M. Kelly, *City of Oak Forest*

Mayor Kristina Kovarik, *Village of Gurnee*

Mayor Michelle Markiewicz Qualkinbush, *Calumet City*

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Mary Randle, *Metro West Council of Government*

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Katie Foryster, *City of Oak Forest*

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Ty Warner, *Chicago Metropolitan Agency for Planning*

Bill Wiet, *City of Aurora*

Marti Wiles, *City of Chicago*

HOUSING FACTSHEET OVERVIEW

1 Population and Household Forecast 2000-2030

The data for 2000 comes directly from the U.S. Census. The projections for 2030 reflect an estimate of each community's potential population and household growth.

	2000	2030	% change
Population	28,834	35,791	24%
Households	10,629	13,713	29%

2 Estimated 2030 Housing Demand by Income

The tables in this section compare the number of dwelling units in 2000 (adjusted to 2006 prices in each pilot community) that were "affordable" to households within an income category to the projected demand for such units in 2030. A unit is defined as "affordable" if a household can live in it by allocating no more than 30% of its income for housing-related costs (rent, mortgage payments, utilities, etc).

If the 2000 housing stock (adjusted to 2006 prices in each pilot community) for an income category exceeds the 2030 demand projections, it means that a municipality may already have units beyond its forecasted need. If, however, 2030 demand is higher than the 2000 housing stock, additional units will be needed to meet projected demand.

Rental Housing

Gurnee		Owner Units						Total
		Affordable →		Workforce →		Market Rate →		
		<30K	30K <50K	50K <75K	75K <125K	125K <150K	150K+	
	Housing Stock Affordable at 30% of Income (2000 Stock Adjusted to 2006 Prices)	111	765	1,696	2,671	2,228	937	8,408
	2030 Projected Housing Demand by Income	432	1,238	1,755	2,157	2,947	2,052	10,581
	Target Units Needed to Meet Projected Demand by Income	321	473	59	n/a	719	1,115	2,173
	Additional Units Beyond Forecasted Need Within this Income Range	n/a	n/a	n/a	514	n/a	n/a	514

Ownership Housing

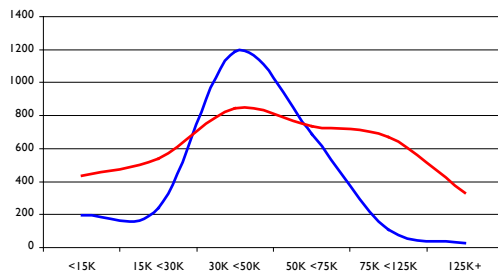
Gurnee		Rental Units						Total
		Affordable →		Workforce →		Market Rate →		
		<15K	15K <30K	30K <50K	50K <75K	75K <125K	125K+	
	Housing Stock Affordable at 30% of Income (2000 Stock Adjusted to 2006 Prices)	196	242	1,187	687	107	25	2,444
	2030 Projected Housing Demand by Income	438	541	845	734	669	331	3,558
	Target Units Needed to Meet Projected Demand by Income	242	299	n/a	47	562	306	1,114
	Additional Units Beyond Forecasted Need Within this Income Range	n/a	n/a	342	n/a	n/a	n/a	342

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

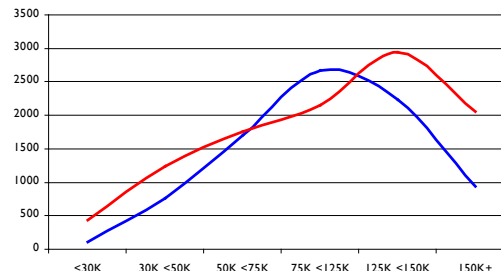
3 Estimated 2030 Affordable Housing Demand Compared to 2000 Housing Stock (Adjusted to 2006 Prices in Each Pilot Community)

This section contains the charts which illustrate the data from the tables above.

2030 Affordable Rental Demand Compared to Current Housing Stock



2030 Affordable Ownership Demand Compared to Current Housing Stock



— Housing Stock Affordable at 30% of Income (2000 Estimated Adjusted to 2006 Prices)
 — 2030 Projected Housing Demand by Income

Important Note

In reviewing the 2030 housing demand figures, please keep in mind that the projections assume that the character of a given community in terms of income dispersal among its residents will not change significantly between 2000 and 2030. Reviewers should carefully study 2000 US Census figures to see what the baseline income dispersal figures were at that time. Additionally, the projected demand figures, which are based on household income, may overstate the number of low and moderate-income units needed for three key reasons:

- Senior citizens, whose numbers will be growing between 2000 and 2030, often have low yearly incomes but significant assets including their homes which may be fully paid for. Seniors may be living in homes now or in 2030 which they could not afford if they had to purchase the home using their current or projected income.
- Households may choose to “overpay” for their housing in order to live in a given community. A household spending 35%, 40% or even 50% of its income on housing may not feel it is overpaying if it feels that the benefits of living in a community are worth the extra financial burden.
- Households may double up in a dwelling so they can afford to live in a desirable community. This is happening with greater frequency in the Chicago metropolitan area. The demand projections shown do not assume that doubling up will occur.

Additionally, unusual conditions in the region’s housing market between 2000 and 2007 – very low interest rates and the availability of variable rate mortgages and interest only mortgages – may have already had a major impact on a community in terms of the pace of new construction and the types of dwellings built. Projected need figures may have to be adjusted accordingly.

LAKE COUNTY MUNICIPAL LEAGUE

1 Population and Household Forecast 2000-2030

	2000	2030	% change
Population	385,266	599,422	56%
Households	124,861	201,464	61%

2 Estimated 2030 Housing Demand by Income

Rental Housing

	Rental Units						Total
	Affordable →		Workforce →		Market Rate →		
	<15K	15K <30K	30K <50K	50K <75K	75K <125K	125K+	
Housing Stock Affordable at 30% of Income (2000 Estimated)	4,785	6,599	18,806	5,409	880	217	36,697
2030 Projected Housing Demand by Income	9,754	11,899	13,632	8,692	4,378	1,672	50,026
Target Units Needed to Meet Projected Demand by Income	4,968	5,300	n/a	3,282	3,498	1,455	13,329
Additional Units Beyond Forecasted Need Within this Income Range	n/a	n/a	5,174	n/a	n/a	n/a	n/a

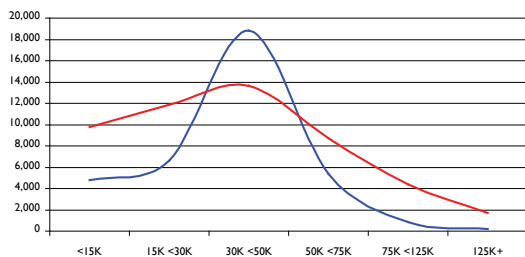
Ownership Housing

	Owner Units						Total
	Affordable →		Workforce →		Market Rate →		
	<30K	30K <50K	50K <75K	75K <125K	125K <150K	150K+	
Housing Stock Affordable at 30% of Income (2000 Estimated)	5,256	16,431	24,976	18,696	11,975	14,839	92,172
2030 Projected Housing Demand by Income	11,610	27,018	33,254	30,585	29,616	25,508	157,591
Target Units Needed to Meet Projected Demand by Income	6,354	10,587	8,278	11,889	17,641	10,670	65,419
Additional Units Beyond Forecasted Need Within this Income Range	n/a	n/a	n/a	n/a	n/a	n/a	n/a

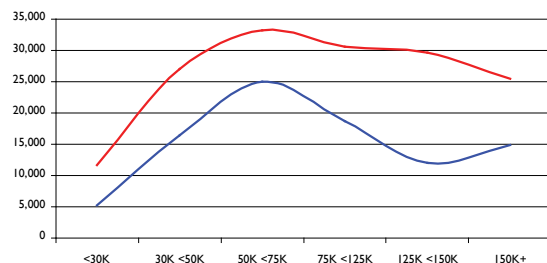
Please note that housing units may not add up exactly to 100% due to rounding.

3 Estimated 2030 Affordable Housing Demand Compared to 2000 Housing Stock

2030 Affordable Rental Demand Compared to 2000 Housing Stock



2030 Affordable Ownership Demand Compared to 2000 Housing Stock



— Housing Stock Affordable at 30% of Income (2000 Estimated)
— 2030 Projected Housing Demand by Income

METRO WEST COUNCIL OF GOVERNMENT

1 Population and Household Forecast 2000-2030

	2000	2030	% change
Population	281,665	504,129	79%
Households	97,661	171,204	75%

2 Estimated 2030 Housing Demand by Income

Rental Housing

	Rental Units						Total
	Affordable →		Workforce →		Market Rate →		
	<15K	15K <30K	30K <50K	50K <75K	75K <125K	125K+	
Housing Stock Affordable at 30% of Income (2000 Estimated)	2,436	6,254	15,371	3,964	636	145	28,806
2030 Projected Housing Demand by Income	6,409	7,435	10,280	7,415	3,906	1,465	36,908
Target Units Needed to Meet Projected Demand by Income	3,972	1,180	n/a	3,450	3,270	1,320	8,101
Additional Units Beyond Forecasted Need Within this Income Range	n/a	n/a	5,092	n/a	n/a	n/a	n/a

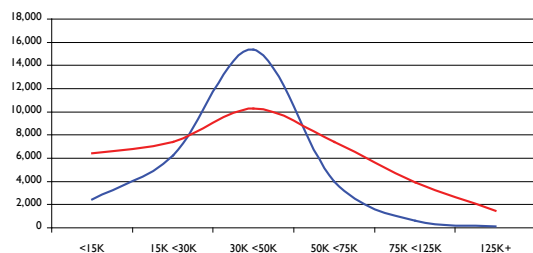
Ownership Housing

	Owner Units						Total
	Affordable →		Workforce →		Market Rate →		
	<30K	30K <50K	50K <75K	75K <125K	125K <150K	150K+	
Housing Stock Affordable at 30% of Income (2000 Estimated)	1,385	6,919	21,893	24,105	11,847	5,328	71,478
2030 Projected Housing Demand by Income	8,049	21,885	30,663	30,037	29,826	18,837	139,297
Target Units Needed to Meet Projected Demand by Income	6,664	14,965	8,770	5,932	17,978	13,509	67,819
Additional Units Beyond Forecasted Need Within this Income Range	n/a	n/a	n/a	n/a	n/a	n/a	n/a

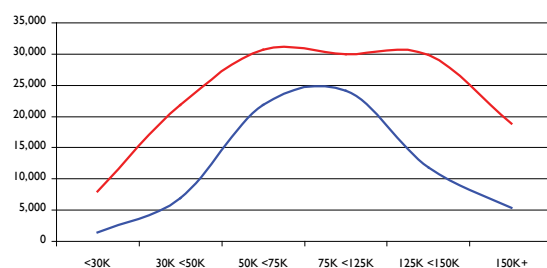
Please note that housing units may not add up exactly to 100% due to rounding.

3 Estimated 2030 Affordable Housing Demand Compared to 2000 Housing Stock

2030 Affordable Rental Demand Compared to 2000 Housing Stock



2030 Affordable Ownership Demand Compared to 2000 Housing Stock



— Housing Stock Affordable at 30% of Income (2000 Estimated)
— 2030 Projected Housing Demand by Income

WEST CENTRAL MUNICIPAL CONFERENCE

1 Population and Household Forecast 2000-2030

	2000	2030	% change
Population	581,098	570,792	2%
Households	202,356	217,618	8%

2 Estimated 2030 Housing Demand by Income

Rental Housing

	Rental Units						Total
	Affordable →		Workforce →		Market Rate →		
	<15K	15K <30K	30K <50K	50K <75K	75K <125K	125K+	
Housing Stock Affordable at 30% of Income (2000 Estimated)	3,793	17,196	42,247	6,754	1,173	361	71,524
2030 Projected Housing Demand by Income	16,413	19,601	22,865	15,619	8,216	3,110	85,824
Target Units Needed to Meet Projected Demand by Income	12,620	2,405	n/a	8,865	7,044	2,749	14,300
Additional Units Beyond Forecasted Need Within this Income Range	n/a	n/a	19,382	n/a	n/a	n/a	n/a

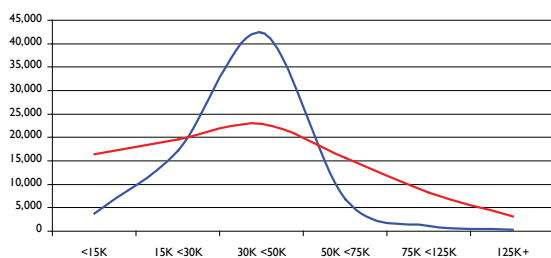
Ownership Housing

	Owner Units						Total
	Affordable →		Workforce →		Market Rate →		
	<30K	30K <50K	50K <75K	75K <125K	125K <150K	150K+	
Housing Stock Affordable at 30% of Income (2000 Estimated)	2,919	8,773	32,930	46,341	28,021	17,384	136,367
2030 Projected Housing Demand by Income	11,020	28,932	33,054	27,597	22,792	16,344	139,738
Target Units Needed to Meet Projected Demand by Income	8,101	20,159	124	n/a	n/a	n/a	3,371
Additional Units Beyond Forecasted Need Within this Income Range	n/a	n/a	n/a	18,744	5,229	1,040	n/a

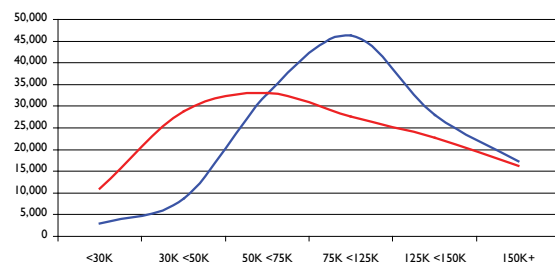
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3 Estimated 2030 Affordable Housing Demand Compared to 2000 Housing Stock

2030 Affordable Rental Demand Compared to 2000 Housing Stock



2030 Affordable Ownership Demand Compared to 2000 Housing Stock



— Housing Stock Affordable at 30% of Income (2000 Estimated)
 — 2030 Projected Housing Demand by Income

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2 Estimated 2030 Housing Demand by Income

Rental Housing

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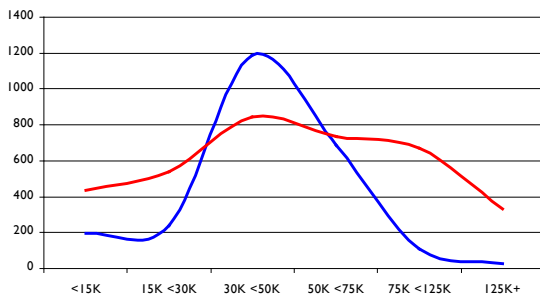
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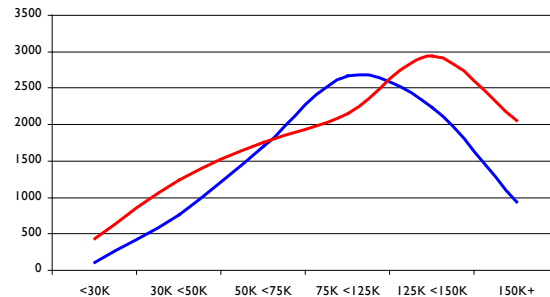
Please note that housing units may not add up exactly to 100% due to rounding.

3 Estimated 2030 Affordable Housing Demand Compared to 2000 Housing Stock (Adjusted to 2006 Prices)

2030 Affordable Rental Demand Compared to Current Housing Stock



2030 Affordable Ownership Demand Compared to Current Housing Stock



— Housing Stock Affordable at 30% of Income (2000 Estimated Adjusted to 2006 Prices)
— 2030 Projected Housing Demand by Income

1 Population and Household Forecast 2006-2030

	2006	2030	% change
Population	14,713	34,684	136%
Households	5,238	12,149	132%

2 Estimated 2030 Housing Demand by Income

Rental Housing

	Rental Units						Total
	Affordable →		Workforce →		Market Rate →		
	<15K	15K <30K	30K <50K	50K <75K	75K <125K	125K+	
Housing Stock Affordable at 30% of Income (2000 Stock Adjusted to 2006 Prices)	17	162	506	93	8	0	786
2030 Projected Housing Demand by Income	563	690	804	541	217	54	2,868
Target Units Needed to Meet Projected Demand by Income	546	529	297	448	209	54	2,082
Additional Units Beyond Forecasted Need Within this Income Range	n/a	n/a	n/a	n/a	n/a	n/a	n/a

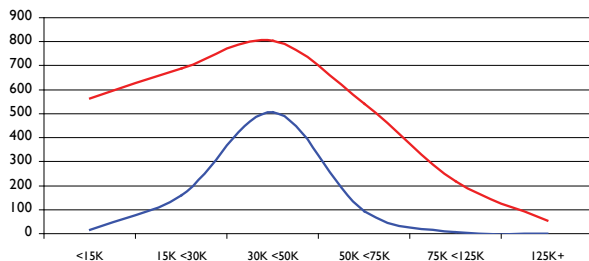
Ownership Housing

	Owner Units						Total
	Affordable →		Workforce →		Market Rate →		
	<30K	30K <50K	50K <75K	75K <125K	125K <150K	150K+	
Housing Stock Affordable at 30% of Income (2000 Stock Adjusted to 2006 Prices)	100	768	1,589	1,460	578	194	4,689
2030 Projected Housing Demand by Income	723	1,907	2,438	2,119	1,510	666	9,364
Target Units Needed to Meet Projected Demand by Income	623	1,139	849	659	933	471	4,675
Additional Units Beyond Forecasted Need Within this Income Range	n/a	n/a	n/a	n/a	n/a	n/a	n/a

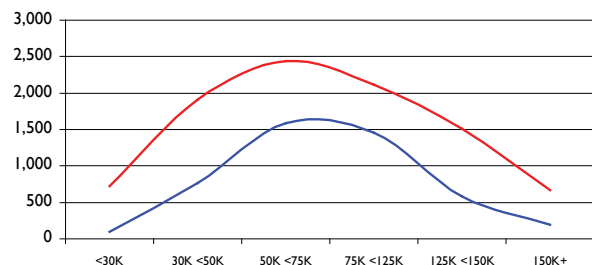
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3 Estimated 2030 Affordable Housing Demand Compared to 2000 Housing Stock (Adjusted to 2006 Prices)

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— Housing Stock Affordable at 30% of Income (2000 Estimated Adjusted to 2006 Prices)
— 2030 Projected Housing Demand by Income

1 Population and Household Forecast 2000-2030

	2000	2030	% change
Population	11,878	12,543	6%
Households	3,873	4,483	16%

2 Estimated 2030 Housing Demand by Income

Rental Housing

	Rental Units						Total
	Affordable →		Workforce →		Market Rate →		
	<15K	15K <30K	30K <50K	50K <75K	75K <125K	125K+	
Housing Stock Affordable at 30% of Income (2000 Stock Adjusted to 2006 Prices)	49	211	488	117	43	27	935
2030 Projected Housing Demand by Income	283	205	304	185	73	17	1,066
Target Units Needed to Meet Projected Demand by Income	234	n/a	n/a	68	30	n/a	332
Additional Units Beyond Forecasted Need Within this Income Range	n/a	6	184	n/a	n/a	10	200

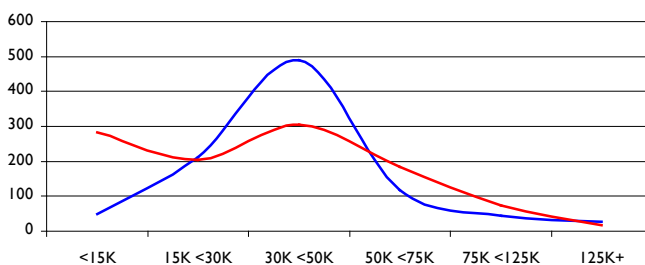
Ownership Housing

	Owner Units						Total
	Affordable →		Workforce →		Market Rate →		
	<30K	30K <50K	50K <75K	75K <125K	125K <150K	150K+	
Housing Stock Affordable at 30% of Income (2000 Stock Adjusted to 2006 Prices)	11	68	707	1,645	456	113	3,000
2030 Projected Housing Demand by Income	301	834	946	792	479	200	3,552
Target Units Needed to Meet Projected Demand by Income	290	766	239	n/a	23	87	552
Additional Units Beyond Forecasted Need Within this Income Range	n/a	n/a	n/a	853	n/a	n/a	853

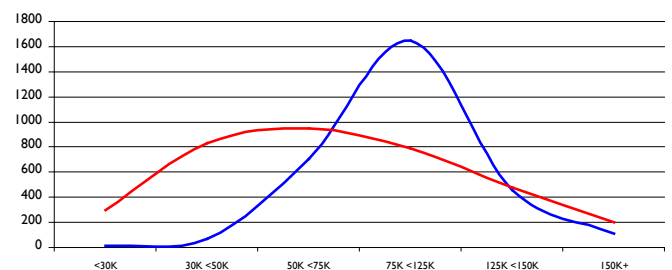
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3 Estimated 2030 Affordable Housing Demand Compared to 2000 Housing Stock (Adjusted to 2006 Prices)

2030 Affordable Rental Demand Compared to Current Housing Stock



2030 Affordable Ownership Demand Compared to Current Housing Stock



— Housing Stock Affordable at 30% of Income (2000 Estimated Adjusted to 2006 Prices)
— 2030 Projected Housing Demand by Income

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