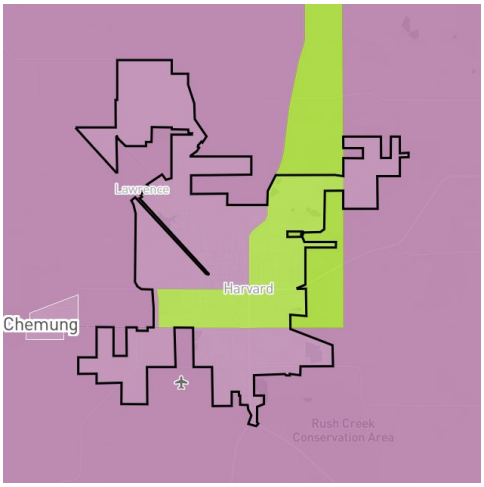
REGIONAL HOUSING SOLUTIONS

Harvard

https://www.regionalhousingsolutions.org/municipality/harvard

Submarkets (What is a submarket?)



75% of Harvard is in Submarket 5.
Suburban 1960-79 housing stock, moderate but declining incomes, lower cost stock

25% of Harvard is in Submarket 2.
Higher density urban and suburban, large households, high foreclosure/moderate vacancy, low/moderate income

Areas with a similar combination of these submarkets:

Alsip
Beach Park
Bensenville
Big Rock
Braidwood
Burnham
Calumet City
Crestwood
Dixmoor
Dolton
East Hazel Crest
Elk Grove Village
Ford Heights
Fox Lake
Glenwood
Hazel Crest
Hebron
Hickory Hills
Hodgkins
Holiday Hills
Justice
Kaneville
Lansing
Lynwood
Maple Park
Marengo
McCook
Merrionette Park
Oak Forest
Ohare
Posen
Prospect Heights
Richmond
Robbins
Rosemont
Sauk Village
South Chicago Heights
Steger
Thornton
University Park
Virgil
Wheeling
Willowbrook
Wood Dale

Hanover Park Palos Hills Woodstock

Want to find housing data for your community? Download U.S. Census housing data and use the Homes for a Changing Region data guide to analyze it.

Issues + strategies

Most communities have multiple submarkets within their boundaries. The issues facing each submarket as well as strategies tailored to address them are outlined below.

	Submarkets with primary focus	
Issue	**2**	**5**
Attracting investment		✓

Submarket 5

Communities will need to develop creative strategies to attract additional investment and development. Incentivizing infill can be difficult in mostly built-out areas. Many financial institutions do not provide mortgage products for homes at lower price points, limiting the ability to attract new families into some neighborhoods. Rehab may be needed in some areas, but homeowners may not be able to tap into equity loans because of poor market conditions. High property tax rates in some communities prohibit investment and limit affordability.

Strategies

Approach to rehabilitation

Municipal rehab programs can help certain residents address issues of deferred property maintenance.

Municipal rehab programs can help certain residents address issues of deferred property maintenance. Municipalities in Cluster 5 may consider developing rehab grant or loan programs for certain income-qualified homeowners. Many municipalities around the region have developed these programs, some with the support of federal Community Development Block Grant (CDBG) funding (Oak Park, Evanston) and others through their own municipal sources (East Dundee). Neighborhood Lending Services, Inc. (NLS) offers fixed rate home improvement loans in certain areas of the region. Municipalities in these areas should assist NHS with marketing to residents. Municipalities may also want to consider partnering with local banks to explore the development of a rehab financing product for their residents. Read more about the many different models of rehabilitation programs in the region.

Land banking

Land banks can be used as a strategic tool to acquire problem vacant properties and convert them into assets.

Land banks can be used as a strategic tool to acquire problem vacant properties and convert them into assets. Land banks are governmental entities or nonprofit corporations that focus on the conversion of

	Submarkets with primary focus	
Issue	**2**	**5**
vacant, abandoned and tax delinquent properties into productive use and have proved to be a useful tool to help reinvent and revitalize neighborhoods. Most vacant and abandoned properties have many legal and financial barriers, such as years of back taxes and clouded title that make it difficult to attract investors. Land banks have the ability to hold land tax-free and clear title and/or extinguish back taxes, which can be essential when trying to attract buyers and investment. Land banks can work in partnership with municipalities to advance community-based goals. There are two successful examples of land banks in Illinois, in both the south suburbs and Cook County, and other areas of the region struggling with issues of vacancy and blight might consider the use of land banking as a tool in their community. The Center for Community Progress is a good starting point to learning about land banking. Learn more about strategies to deal with vacant property. **Placemaking and marketing strategies** Communities should develop strategies to create greater neighborhood identity in order to encourage additional private sector investment. *Communities should develop strategies to create greater neighborhood identity in order to encourage additional private sector investment.* Municipalities can make a concerted effort to enhance neighborhood character in Submarket 5 through strategic public investments such as neighborhood branding/signage, streetlights, sidewalks, etc. Public sector investment will likely signal to the private market a commitment to an area and make it more attractive for additional resources. Learn about placemaking strategies. **Review regulations affecting real estate development** To better compete for private market real estate investments, communities can preemptively inventory and update development regulations. *To better compete for private market real estate investments, communities can preemptively inventory and update development regulations.* Development regulations protect community health, character, and safety, but can also sometimes be outdated or create unintended barriers to private investment. Some regulations are especially onerous and limit developer interest in investment, while others prohibit forms of development the community may wish to allow. For instance, density limitations may prohibit condo buildings in communities' historic downtowns. Large minimum lot sizes may prevent the development of starter homes or housing for older community residents. Similarly, point-of-sale requirements may excessively extend home sale transaction timelines. Communities should audit and potentially refresh existing regulations to ensure that they are not creating unintended or unnecessary barriers to development. Assistance may be available through the Urban Land Institute or local associations of realtors to help evaluate perceptions among private market actors of the difficulty of working in the community.		
Code issues	✓	✓

Submarket 2

Finding a balance between too aggressive and too lenient code enforcement can be difficult. Development pressures in some parts of submarket 2 allow the market to either rehabilitate or replace older units with code issues. In other parts of submarket 2, where the market is comparatively weaker,

	Submarkets with primary focus	
Issue	**2**	**5**

communities struggle to find the right balance in addressing code issues. Too aggressive enforcement can lead to vacancy and reduced neighborhood stability because building owners cannot afford to make all the repairs. Too lenient enforcement can lead to households living in unsafe or unsanitary homes. Burdensome point of sale requirements may deter new investment in the community, and challenges with staff capacity can result in long waiting periods to complete required inspections. The results of either approach compound over time and can serve as a deterrent to future market-driven rehabilitation.

Strategies

Rental unit monitoring and regulation

Effective municipal regulation, coupled with pro-active strategies and incentives, can improve rental quality and reduce problems.

Effective municipal regulation, coupled with pro-active strategies and incentives, can improve rental quality and reduce problems. With the number of rental properties in submarket 2, municipalities need to review the structure of their rental unit monitoring and regulation efforts to make sure that they are effectively maintaining the quality of the local rental stock in accordance with state law. Municipalities may want to consider implementing a performance-based rental regulation ordinance such as the one in place in the Village of Addison. Municipalities may also want to point owners of multifamily rental property to the abundance of resources at the Community Investment Corporation (CIC) for financing, energy efficiency, and property management training. Learn about best practice rental regulation strategies.

Strategic code enforcement on vacant properties

Code enforcement departments should create targeted intervention strategies based on certain property characteristics.

Code enforcement departments should create targeted intervention strategies based on certain property characteristics. Municipalities must find the right balance in code-enforcement work. Too lenient enforcement can allow vacant and abandoned properties to blight a neighborhood. Too stringent enforcement can deter additional investment in a neighborhood. For example, some municipalities have reported that boarding vacant properties actually discourages neighborhood investment and the best strategy is to make a property appear occupied. Code enforcement departments should maintain vacant property to the best of their ability and issue priority property maintenance liens as necessary. Even sending a notice to a property owner that a priority lien will be issued may encourage an owner to pay past fines or start taking an interest in the property. However, it is important for code enforcement departments to also make a plan when it is clear that the owner of a property is no longer being responsive. Outlining a strategy to identify properties that may need more aggressive intervention is important. At a certain point when the owner is no longer responding it may be more cost efficient in the long run to intervene with a more aggressive strategy. Communities must be willing to utilize the full arsenal of enforcement tools, including demolition or declaration of abandonment, if necessary. Learn more about strategies to deal with vacant properties.

Utilize demolition, fast-track, and abandonment authority

More aggressive strategies may be needed when owners become unresponsive.

More aggressive strategies may be needed when owners become unresponsive. When it is clear an owner of a vacant property is no longer being responsive, municipalities should consider more aggressive

	Submarkets with primary focus	
Issue	**2**	**5**

strategies. The Metropolitan Mayors Caucus and BPI's publication on Vacant Building Ordinances provides detailed information and step-by-step guidance on abandonment, fast track demolition, and declaration of abandonment. Some south suburban municipalities have used their abandonment authority to take control of problem properties and then partner with the South Suburban Land Bank to transfer ownership of these properties to responsible owners. The Village of Lansing has been using abandonment petitions to gain control of vacant properties, reduce strain on municipal resources, and attract investment. Learn more about strategies to deal with vacant properties.

Submarket 5

Finding a balance between too aggressive and too lenient code enforcement can be difficult. In some parts of Submarket 5, where the market is weaker, communities struggle to find the right balance in addressing code issues. Too aggressive enforcement can lead to vacancy and reduced neighborhood stability because building owners cannot afford to make all the repairs. Burdensome point of sale requirements may deter new investment in the community, and challenges with staff capacity can often result in long waiting periods to complete required inspections. On the other hand, too lenient enforcement can lead to deteriorating property conditions and households living in unsafe or unsanitary homes. The results of either approach compound over time and can serve as a deterrent to future market-driven rehabilitation.

Strategies

High priority property maintenance liens

Municipalities should utilize priority liens to recover costs incurred for securing and maintaining abandoned residential property.

Municipalities should utilize priority liens to recover costs incurred for securing and maintaining abandoned residential property. Illinois law allows for priority liens for securing and maintaining abandoned residential property. The law applies to any type of permanent dwelling unit that has been unoccupied for at least 90 days and for which the municipality attempted to contact the owner(s) or the owner's agent(s) but was unable to reach anyone. It covers the removal of weeds, trees, bushes, grass, garbage, debris, or graffiti, and securing or enclosing the property. Liens obtained under this law are superior to all other liens, except taxes. Under this law, municipalities recover their expenses after taxes are paid but before the mortgage is recovered. Thus, municipalities will recover even when the value of the property is less than the value of the mortgage. If municipalities are maintaining vacant property in their community, they should be sure to go through the necessary steps to file a high priority lien on the property. The Metropolitan Mayors Caucus and Business and Professional People for the Public Interest's (BPI) publication on Vacant Building Ordinances provides detailed information and step-by-step guidance on this process. Learn more about strategies to deal with vacant property.

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Issue	**2**	**5**

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Foreclosure	✓	

Submarket 2

Communities struggle to determine how best to deal with foreclosures. Stakeholders raised concerns about the ongoing impact of foreclosures in submarket 2. The lingering effects depend on the proximity to other markets. Near stronger submarkets, like 3 and 7, foreclosures can be addressed more easily, with units often reoccupied, whether by owners or renters. In other areas, communities struggle to determine how best to deal with foreclosures. If not properly addressed, foreclosures can

	Submarkets with primary focus	
Issue	**2**	**5**

begin a neighborhood cycle of disinvestment. Prolonged disinvestment drives property abandonment, resulting in demolition in many cases. While demolition may represent an immediate benefit to surrounding residents, high rates of demolition can also create new challenges by disrupting the fabric of the built environment.

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Land banking

Land banks can be used as a strategic tool to acquire problem vacant properties and convert them into assets.

Land banks can be used as a strategic tool to acquire problem vacant properties and convert them into assets. Land banks are governmental entities or nonprofit corporations that focus on the conversion of vacant, abandoned and tax delinquent properties into productive use and have proved to be a useful tool to help reinvent and revitalize neighborhoods. Most vacant and abandoned properties have many legal and financial barriers, such as years of back taxes and clouded title that make it difficult to attract investors. Land banks have the ability to hold land tax-free and clear title and/or extinguish back taxes, which can be essential when trying to attract buyers and investment. Land banks can work in partnership with municipalities to advance community-based goals. There are two successful examples of land banks in Illinois, in both the south suburbs and Cook County, and other areas of the

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Issue	**2**	**5**

region struggling with issues of vacancy and blight might consider the use of land banking as a tool in their community. The Center for Community Progress is a good starting point to learning about land banking. Learn more about strategies to deal with vacant property.

Resource targeting

Targeting resources can increase their impact.

Targeting resources can increase their impact. Submarket 2 neighborhoods often attract funding to address local issues because of evidence of distress, like more foreclosures and high levels of cost burden. To ensure those resources maximize impact, communities, program operators, and funders should explore how to work closely in targeting those resources, as was done by Evanston with its Neighborhood Stabilization Program or Chicago with its Micro-Market Recovery Program.

Review regulations affecting real estate development

Communities may want to review Point of Sale requirements in order to determine if they are discouraging investment in the municipality.

Communities may want to review Point of Sale requirements in order to determine if they are discouraging investment in the municipality. Burdensome Point of Sale requirements—the steps that a seller or purchaser must go through with a municipality to buy a sell or unit—can dampen market interest in a community. An internal audit of Point of Sale requirements that considers the time to complete the entire process may prove helpful. Communities may consider conducting a focus group of potential developers/investors to gather feedback on the requirements and how they can be improved. Municipalities want to be sure their process is efficient, and at times flexible, in order to encourage sales activity in the community.

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Potential for rapid neighborhood change	✓	

Submarket 2

Proximity of submarket 2 to submarkets 3 and 7 increase the potential for rapid change. Submarket 2 often abuts higher income or rapidly developing areas (i.e. submarkets 3 or 7). Market specialists think that the pressure on submarket 2 to change will not abate since these areas are often close-in with good job and transit access and a form attractive to many households.

Strategies

Adaptive reuse

Reusing existing buildings can help lower development costs and create affordable options.

Reusing existing buildings can help lower development costs and create affordable options. The age of the buildings in submarket 2, including the presence of large older industrial or commercial buildings, lends itself adaptive reuse, such as the Karcher Artspace Lofts in Waukegan.

Affordability through reduced parking

Reducing parking requirements can help to keep housing costs attainable.

Reducing parking requirements can help to keep housing costs attainable. Providing parking costs money. Higher sales prices or rents must support those costs. The more parking required by the municipality, the more expensive the development. For communities looking to preserve affordability or help create new housing at more affordable prices, reducing or eliminating parking requirements can help. In Chicago, the Transit-Oriented Development Ordinance (TOD) reduces or eliminates parking requirements near transit while density bonuses for developers who take advantage of the provisions. Many believe that this requirement has helped amplify the rental development boom in strong markets like Logan Square and the West Loop, opening up previously undevelopable parcels for action. In Libertyville, developers can cash out their parking requirements, paying the village a fee in lieu of parking not provided on-site.

Community leadership

Strong local community groups can help involve existing residents in guiding the future of their neighborhood.

Strong local community groups can help involve existing residents in guiding the future of their neighborhood. Local institutional infrastructure also plays an important role in helping manage neighborhood change. For example, the Pilsen Land Use Committee offers neighborhood residents a

	Submarkets with primary focus	
Issue	**2**	**5**

forum to discuss potential new developments. Its role as a respected partner by many local non-profits, institutions, and government officials ensures that it can both represent local views and be involved in the decision-making process.

Inclusionary zoning

Communities can use strong markets to create affordable housing.

Communities can use strong markets to create affordable housing. Some parts of submarket 2 are already changing rapidly. Inclusionary zoning efforts naturally work well in strong markets, levering new market rate units to add affordable units too. Many communities in the region have adopted inclusionary zoning ordinances, including Chicago (ARO), Evanston, Highland Park, and Lake Forest.

Affordable requirements ordinance (ARO): Chicago adopted a new inclusionary housing ordinance in 2015. A number of stakeholders identified potential positives and negatives in the ARO. Yet, because the ordinance is so new, it remains to be seen how market rate developers will comply. Monitoring its implementation will help other communities understand whether it will serve as a model.

Land trusts

Land trusts can provide affordable housing in perpetuity by owning land and leasing it to those who live in houses built on that land.

Land trusts can provide affordable housing in perpetuity by owning land and leasing it to those who live in houses built on that land. Land trusts, like those operating in Chicago and the North Shore, are often an effective tool in helping preserve currently affordable units due to a land trust's unique ownership structure. When a land trust sells a unit to an owner, they only sell the improvements (i.e. the home), but not the land underneath. By selling only the improvements, the purchaser can pay far less for a home.

Preservation and expansion of affordable housing

Preserving affordable housing options can help existing residents stay in changing neighborhoods.

Preserving affordable housing options can help existing residents stay in changing neighborhoods. Ensuring existing residents have an opportunity to remain even as a neighborhood changes requires dedicated programs to preserve low cost units. For example, Chicago passed the Single-room Occupancy Preservation Ordinance in 2014, highlighting the value of municipal intervention to preserve a targeted unit type. Similarly, the work in Albany Park highlights the value of targeted work by local non-profits to preserve units in areas on the cusp of rapid change.

Value of housing planning

Using tools like Homes for a Changing Region can be valuable.

Using tools like Homes for a Changing Region can be valuable. Since the issues of greatest concern in submarket 2 neighborhoods depends heavily on the proximity of other submarkets and the strength of the market in those areas, local housing planning, such as that done through Homes for a Changing Region, is very valuable.

Prioritization	✓	

	Submarkets with primary focus	
Issue	**2**	**5**
Proximity		✓

Submarket 2

How much a community focuses on housing issues in submarket 2 depends on context. Some communities focus on the housing issues in submarket 2 more than others. The emphasis likely depends on the mix of submarkets in a local community along with capacity. Municipalities with more vibrant housing markets or more distressed areas may not choose to focus on housing issues in this submarket, viewing it as stable.

Strategies

Resource targeting

Targeting resources can increase their impact.

Targeting resources can increase their impact. Submarket 2 neighborhoods often attract funding to address local issues because of evidence of distress, like more foreclosures and high levels of cost burden. To ensure those resources maximize impact, communities, program operators, and funders should explore how to work closely in targeting those resources, as was done by Evanston with its Neighborhood Stabilization Program or Chicago with its Micro-Market Recovery Program.

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Submarket 5

Communities may have an opportunity to build off of nearby assets. Submarket 5 spans a wide geography across the region, and in many areas there is bordering proximity to assets such as strong school districts and transit lines. Communities within submarket 5 should closely evaluate the relationship of their submarket to other submarkets and assets to take advantage of potential opportunities to attract investment.

Strategies

Value of housing planning

Using tools like Homes for a Changing Region can be valuable.

Using tools like Homes for a Changing Region can be valuable. In order to determine which strategies to pursue most actively, Submarket 5 communities must establish a market feasible vision for future development. Homes for a Changing Region is a very valuable tool that can help communities identify how to plan for the future of the local housing market and identify which strategies to prioritize.

	Submarkets with primary focus	
Issue	**2**	**5**
Rehabilitation challenges	✓	✓

Submarket 2

Rehab programs may be underutilized. In response to deferred maintenance and code issues, many organizations operate housing rehabilitation programs. Yet, these programs are not always heavily used. The cost of bringing a unit up to code may exceed available funding, limiting the utility of the program to local residents. On the other hand, in some areas of Submarket 2, market pressures may make rehab more financially feasible.

Strategies

Approach to rehabilitation

Municipal rehab programs can help certain residents address issues of deferred property maintenance.

Municipal rehab programs can help certain residents address issues of deferred property maintenance. Municipalities, counties, and non-profits have developed many different models for how to operate local rehabilitation programs. The key to success is choosing a structure that matches the size and scope of the code issues in the targeted community *and* matches the financial condition of building owners. Read more about the many different models of rehabilitation programs in the region.

Submarket 5

Rehab programs may be underutilized. In response to deferred maintenance and code issues, many communities operate housing rehabilitation programs. These programs are not always heavily used, in part, because the cost of bringing the house up to code exceeds the funding available.

Strategies

Approach to rehabilitation

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Municipal rehab programs can help certain residents address issues of deferred property maintenance. Municipalities in Cluster 5 may consider developing rehab grant or loan programs for certain income-qualified homeowners. Many municipalities around the region have developed these programs, some with the support of federal Community Development Block Grant (CDBG) funding (Oak Park, Evanston) and others through their own municipal sources (East Dundee). Neighborhood Lending Services, Inc. (NLS) offers fixed rate home improvement loans in certain areas of the region. Municipalities in these areas should assist NHS with marketing to residents. Municipalities may also want to consider partnering with local banks to explore the development of a rehab financing product for their residents. Read more about the many different models of rehabilitation programs in the region.

Tenure changes	✓	

Submarket 2

Units may be changing from owner-occupied to renter-occupied. In some ways, the change in tenure is

	Submarkets with primary focus	
Issue	**2**	**5**
beneficial: the market is finding ways to ensure that foreclosed units do not remain vacant. Yet, the change in tenure can have many impacts. More rental units may challenge the ability of communities to effectively monitor and manage the local rental stock due to the rapid increase in the number of rental units. Such changes may also signal financing challenges, leaving potential owners as renters. **Strategies** **Rental unit monitoring and regulation** Effective municipal regulation, coupled with pro-active strategies and incentives, can improve rental quality and reduce problems. *Effective municipal regulation, coupled with pro-active strategies and incentives, can improve rental quality and reduce problems.* With the number of rental properties in submarket 2, municipalities need to review the structure of their rental unit monitoring and regulation efforts to make sure that they are effectively maintaining the quality of the local rental stock in accordance with state law. Municipalities may want to consider implementing a performance-based rental regulation ordinance such as the one in place in the Village of Addison. Municipalities may also want to point owners of multifamily rental property to the abundance of resources at the Community Investment Corporation (CIC) for financing, energy efficiency, and property management training. Learn about best practice rental regulation strategies.		
Weak market demand		✓

Submarket 5

Declining home values put homeowners at risk. Homeowners in Submarket 5 may be particularly challenged due to declining housing values, which puts residents in this submarket the most at risk of having underwater mortgages.

Strategies

Housing counseling

Communities should familiarize themselves with any HUD certified housing counseling agencies in their area and market their services to residents.

Communities should familiarize themselves with any HUD certified housing counseling agencies in their area and market their services to residents. Housing Action Illinois provides information about housing counseling agencies across the region, which provide an array of housing programs and services. Residents can get access to financial management and budget counseling, mortgage delinquency and default counseling, pre-purchase education, one-on-one homeownership counseling, rental information, fair housing guidance, rehabilitation programs, reverse mortgage counseling, homeless prevention support, predatory lending education, and foreclosure prevention options.

Placemaking and marketing strategies

Communities should develop strategies to create greater neighborhood identity in order to encourage additional private sector investment.

Communities should develop strategies to create greater neighborhood identity in order to encourage additional private sector investment. Municipalities can make a concerted effort to enhance

	Submarkets with primary focus	
Issue	**2**	**5**

neighborhood character in Submarket 5 through strategic public investments such as neighborhood branding/signage, streetlights, sidewalks, etc. Public sector investment will likely signal to the private market a commitment to an area and make it more attractive for additional resources. Learn about placemaking strategies.

Refinancing resources

Municipalities should market IHDA's I-REFI program to homeowners who may be underwater on their mortgage.

Municipalities should market IHDA's I-REFI program to homeowners who may be underwater on their mortgage. For homeowners with underwater mortgages, the Illinois Housing Development Authority (IHDA) is offering a new program designed to help homeowners who are current on their mortgage payments but owe more than their home is worth due to declining property values in their community. Through the new I-REFI program, IHDA offers underwater homeowners up to $50,000 in federal assistance to reduce the balance owed on their mortgage and refinance into a new affordable loan based on the current market value of their home. This program may be of particular relevance in Submarket 5 municipalities and should be marketed to residents.

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Chicago Metropolitan Agency for Planning

INSTITUTE FOR HOUSING STUDIES AT DEPAUL UNIVERSITY

Metropolitan Mayors Caucus

MetropolitanPlanningCouncil

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THE HARRIS FAMILY FOUNDATION

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