REGIONAL HOUSING SOLUTIONS

# Submarket 7

https://www.regionalhousingsolutions.org/submarket/7

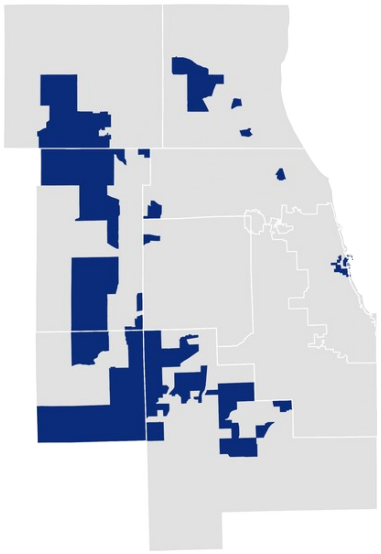
## High population growth, newest housing stock

Rapid population growth since 2000 defines this submarket. In fact, it is the fastest growing of all eight segments tracked in this study. Submarket 7 primarily consists of exurbs in McHenry, Kane, Kendall and Will Counties but also includes the downtown core of Chicago. The housing stock in the exurbs is primarily low density and has few rental units. Housing in Chicago's downtown core is a mix of high rise owner-occupied and rental units. The shared traits of recent growth and expansion help to define this submarket, but there are big variations in data. High transportation costs in the fringe areas of the submarket contrast with the low transportation costs found in the core of Chicago. Despite strong market conditions before 2008, moderate levels of lending, foreclosure activity, and distressed sales are present in the exurbs. Overall, the submarket typically consists of middle to higher income households with children and a relatively high level of educational attainment.

### Key stats

- Significant population growth
- Middle to higher income households
- Lower density neighborhoods in the exurbs, high density in downtown Chicago
- Primarily owner-occupied dwellings
- Varied transportation costs—high in the exurbs, low in Chicago's core

## Geography



## Issues + strategies

Quantitative analysis and many interviews with housing experts from across the region helped identify issues facing the region's housing markets, as well as potential solutions. Although many more housing and non-housing issues affect this submarket, the housing issues and strategies identified below represent the most significant challenges and most promising solutions in this submarket. The outlined strategies feature proven projects, programs, or other efforts undertaken in communities across the region to address similar challenges or capitalize on similar opportunities.

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## Accessibility and visitability

*Improving accessibility and visitability can prepare communities for a growing senior population.* A growing senior population raises concerns about whether submarket 7 communities are prepared as accessible and visitable places to live. As new housing is built or current housing is rehabilitated, attention should be given to make sure that housing will address the present and future needs of this population. Some submarket 7 exurban neighborhoods were built without important pedestrian infrastructure, like sidewalks and crosswalks. Figuring out how to retrofit such infrastructure into existing neighborhoods would also improve accessibility, as well as position communities to remain attractive as market preferences change.

### Strategies

#### Age-friendly neighborhoods

Communities should create local amenities that will appeal to people of all ages, from young families to seniors.

*Communities should create local amenities that will appeal to people of all ages, from young families to seniors.* A community can best meet its social and economic demands by having a healthy balance of people from all age groups. Nevertheless, municipalities need to plan for amenities that can attract and retain residents. Neighborhood parks, public spaces and community art spaces such as Karcher Artspace Lofts in Waukegan and those created by Batavia, are only a few of the central elements of an age-friendly community. For seniors that want to live independently in the community, having access to services is vital. Municipalities should think about the development of senior housing/services complexes strategically, and ideally should locate them near transit stations and commercial areas. Such developments can be helped by specific transit oriented development ordinances like Chicago's, which allow increased residential density and reduced parking requirements. Sunset Woods in Highland Park and Thomas Place in Glenview are great examples of developments that came to fruition because of strong collaboration between developers and municipalities. The Northwest Suburban Housing Collaborative's Handyman Program is an innovative senior service program that connects seniors to low-cost maintenance services and helps them to live independently in their homes. Read more about age-friendly policies.

#### Value of housing planning

Municipalities should invest in long-term planning to identify policies and tools that prepare its housing stock for the future.

*Municipalities should invest in long-term planning to identify policies and tools that prepare its housing stock for the future.* Via planning tools like the Homes for a Changing Region Toolkit, municipalities can better understand current and future housing needs in their communities and develop strategies to move toward a more "balanced" housing stock. Around the region, communities have been drawing on the principles of accessibility and sustainability to create healthier and safer housing.

## Attracting younger families

*Exurban communities have an opportunity to attract younger families by striking the right balance between affordable homes and amenities.* Younger families generally need affordable starter home price points in order to become new

homebuyers. Additionally, providing amenities such as walkable neighborhoods, parks, and open spaces can help to meet the preferences of younger generations, such as increased interest in biking and walking and more compact home environments.

## Strategies

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### Inclusionary zoning

Communities can use strong markets to create affordable housing.

*Communities can use strong markets to create affordable housing.* Inclusionary zoning efforts naturally work well in strong markets, leveraging the construction of new market rate units to add affordable units. 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. As a result, a household can purchase a home for substantially less than what it would ordinarily cost.

### Repurpose and redevelop property

Communities should evaluate existing zoning and take stock of existing infrastructure when making decisions about redevelopment.

*Communities should evaluate existing zoning and take stock of existing infrastructure when making decisions about redevelopment.* Overdeveloped and vacant retail areas can be rezoned for mixed-use developments or housing. When adding multi-family units near transit, municipalities should consider lower parking requirements to relieve congestion and encourage walkability. Mundelein's Downtown Design Guidelines, Glenview's Downtown Development Code, and Libertyville's payment in lieu of required parking policy are all great examples of how to create a more efficient built environment.

### Rethink unfinished planned unit developments

The time is right to explore the future of stalled developments.

*The time is right to explore the future of stalled developments.* As stalled planned unit developments come back online, more diverse housing options should be included. Now that the market is recovering in many exurban

areas of this submarket, municipalities should put some thought into planned unit developments that were never completed due to the housing downturn. Municipalities should consider supporting more diverse housing types to be built in these developments, including small-lot single family housing as well as multi-generational housing. HomeTown Aurora and Georgetown in Batavia are examples of developments that offer varied housing options.

## Growth creates opportunities

*Growth creates an opportunity to create a more "balanced" housing stock, which can better accommodate households of various sizes and income levels.* Whether in the core of the region or at the edges, submarket 7 is growing. That growth creates opportunities. In newly developed communities, new construction creates the chance to create complete communities from the start, with a balanced housing supply that will be resilient to changing housing demand. At the core, this means understanding whether the housing that is being added creates opportunities from across the income spectrum. A more "balanced" housing stock can better accommodate households of various sizes and income levels. While most of the housing stock in the exurban areas of this submarket consists of newer single-family homes, communities can take a new approach that encourages a greater mix of housing types. In Chicago's downtown core, the City can evaluate the opportunities that new development has created for households across the income spectrum in order to forge a path forward that increases housing equity.

### Strategies

#### Community education

Targeted efforts to build support for diversity of housing stock and people can help address community resistance.

*Targeted efforts to build support for diversity of housing stock and people can help address community resistance.* Many groups, including elected officials, government staff, non-profits, and citizens, have explored ways to build community support for new housing types and greater local diversity. Utilizing these models in submarket 7 can help address community resistance issues. Read more about the many different best practices.

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