

**Homeownership: Benchmark for a Vital Community**  
**Government Engagement Working Group**  
**Liz Corry, Wheaton City Council Member, Chairperson**  
**November 29, 2006**

The Government Engagement Working Group (GEWG) presents their findings and recommendations, following seven months of research, study, meetings, and discussion on the barriers to affordable housing that exist at the governmental level. In general, the GEWG agreed that ***affordable housing, particularly workforce housing, needs to be a strategic priority in local municipalities, as well as the overall DuPage County region, with the government working in partnership with the private sector.*** Tax Increment Financing (TIF) districts need to be tied to affordable housing priorities, including creation and preservation of affordable housing. How the affordable housing stock of the community is being preserved or created in any planned housing proposal should be part of the questions to developers as they bring plans to the municipality. Developers should set aside units for affordable workforce housing.

### **Why We Came Together**

The March 22 Symposium, “Homeownership: Benchmark for a Vital Community”, identified numerous barriers to affordable housing at the governmental level. A summary of the barriers identified at the Symposium include:

- The property tax structure is not conducive to affordable housing—pressure for higher priced homes/taxes to fund community services, such as education;
- Lack of uniformity and consistency in the building codes;
- Governmental regulations add to the costs and complexity, i.e., impact fees, permitting process, density requirements, code enforcement, environmental impact regulations;
- Lack of cooperation among municipalities; need for intergovernmental cooperation;
- Neighborhood redevelopment means smaller homes are being torn down;
- Lack of knowledge and political will among elected officials, city zoning councils, and the public in general; they don’t see the benefit to the community;
- The need for municipal government to provide incentives for builders to create affordable housing, i.e., impact fees, land price, density, environmental impact;
- Market realities and high land costs are disincentives for affordable housing--need for teardown tax;

The **Government Engagement Working Group (GEWG)** emerged from the Symposium, with the mission of understanding and responding to these barriers, including the following tasks:

- to identify perceptions, issues and barriers that municipalities and governmental bodies face in their efforts to create and preserve affordable homeownership;
- to explore what other communities have done to address similar issues and barriers;
- to engage key players among policy makers and builders;

- to bring some recommendations to the Symposium Leadership for workable solutions and action steps that can be taken.

Regulatory and structural barriers exist that place obstacles in the way of developing and preserving affordable workforce housing in neighborhoods and municipalities. Participants in the GEWG agreed to work on a study over several months which would culminate in a report to another Symposium on November 29, 2006. The GEWG has met six times since March, studying and discussing the issues and barriers that were raised at the Symposium. Several fact-finding activities and meetings with experts were carried out to better understand the history and current climate of the issue, available resources, and avenues for solutions.

### **Government Engagement Working Group Members**

The 26 people who participated in some or all of the GEWG meetings included:

Liz Corry, Wheaton City Councilwoman, Chair  
 Mary Ellen Durbin, Executive Director of People's Resource Center, Secretary  
 Joseph Breinig, City Manager, Village of Carol Stream  
 Joseph Broda, Mayor, Village of Lisle  
 Mike Dzugan, Assistant City Manager, City of Wheaton  
 Mary Keating, Associate Director, DuPage County Community Services  
 Anita Howell, Harris Bank  
 Lisa McNicholas, Coldwell Banker, realtor  
 Roger Morsch, Bill Pluta, Illinois Housing Development Authority  
 Mary Grether, American Institute of Architects  
 Paul Stahr, DuPage Homeownership Board Member  
 Susannah Levine, Business and Professional People for the Public Interest (BPI)  
 Sandi Pihos, IL Representative, 42nd District  
 Mike Gresch, First Choice Bank  
 Jerry Conrad, Dan Ungerleider, and Chris Lester, Cambridge Homes  
 Rick Curneal, DuPage Mayors and Managers  
 Jan Kay, President, Wheaton League of Women Voters  
 Howard Levine, Wheaton City Councilman  
 Judy Miller, Intern, People's Resource Center  
 Paul Colgan, Colgan Public Affairs  
 Julie Carlsen, DuPage Community Foundation  
 Erin Vaughan, Vice President, Aramark  
 Colin McRae, Attainable Housing Alliance  
 Kathy Kregor, Co-Chair, DuPage Housing Action Coalition  
 Dru Bergman and Sheila McCann, DuPage Homeownership Center  
 Deb Olson, DuPage County Board

### **What We Did**

The GEWG met six times, and as we identified an issue for further research, the need for an expert, or additional fact finding, we investigated that area. We also called in

people who could help us to better understand the resources available. We had lively discussions at every meeting, filled with anecdotes of local issues that are currently being experienced. These discussions confirmed the need for local governments to have affordable housing as a key strategic issue in city planning. The following list summarizes the activities of the GEWG in their study:

1. **Review of DuPage Consolidated Plan.** We reviewed the key barriers to affordable housing that were identified in the current DuPage County Consolidated Plan:
  - Market conditions that place upward pressure on housing prices
  - Local processes for land planning and zoning
  - Building codes
  - Fragmented local government structure
  - High demand for housing and high cost of housing
  - Community resistance to affordable housing
  - Loss of affordable units due to O'Hare Airport Expansion Project
  
2. **Review of DuPage Regional Affordable Housing Objectives.** We reviewed the five affordable housing objectives that were adopted by the Regional Planning Commission of the DuPage Mayors and Managers and the DuPage County Board
  - To protect viable residential areas from redevelopment, with particular emphasis on neighborhoods of high quality affordable housing;
  - To identify and promote public and regulatory actions that are effective in maintaining the quality of the existing housing stock;
  - To increase opportunities for creative and high quality affordable housing;
  - To develop affordable housing concepts (including prototype development projects) that are at different levels of affordability and are compatible with a wide variety of residential areas;
  - To provide expanded opportunities for higher density residential areas near public transportation, shopping, and related community services
  
3. **Study of the Affordable Housing Task Force Report.** We reviewed the study and recommendations from the **1991 Affordable Housing Task Force Report**, chaired by Dan Goodwin, CEO of Inland Realty. Several members also attended a presentation by Dan Goodwin on that Report. We agreed that the most essential ingredient in the effort to create and preserve affordable housing is a clear and consistent political will that keeps affordable housing on the radar screen, rather than a random action.
  
4. **Review of Highland Park Land Trust.** We had a telephone meeting with Mary Ellen Tamasy, Director of the Highland Park Land Trust, and Michael Blue of the Highland Park Community Development Department. The conversation surfaced three distinct realities that helped Highland Park to take creative action: a very involved citizenry, a Housing Commission, and a downturn in the downtown

section. They developed a master plan for affordable housing, including 1) a Housing Trust Fund, 2) Inclusionary Zoning, requiring 20% of all new developments to be affordable, 3) a Community Land Trust, and 4) Employer-Assisted Housing, giving a preference to city employees. They imposed a demolition tax in the downtown redevelopment, which funded the Trust Fund.

5. **Review of DuPage Real Estate Area Market Survey.** We reviewed an area market survey from July 2006, showing pricing, listing, and average days on the market for attached and single family homes. \$419,000 was the median price for single family detached homes in the county. There were only 16 homes in Wheaton listing at or below \$250,000.
6. **Input Sessions on Resources from Illinois Housing Development Authority.** Roger Morsch and Bill Pluta from IHDA, provided invaluable input to the group on the history and resources available through IHDA. From these discussions, the GEWG determined that one of the key strategies for governmental engagement is a technical assistance coordinating entity, which could provide ongoing technical assistance, and a tool kit to local municipalities in their efforts to preserve and create affordable housing.
7. **Creation of Power Point Presentation focusing on DuPage Issues and Successful Projects, and Meeting with the DuPage Mayors and Managers.** Our work included an effort to create and localize a power point presentation, developed by Susannah Levine, from BPI, which laid out the case for creating mechanisms at the local governmental level in DuPage County that could result in the creation of affordable housing. This power point production eventually became the basis for a presentation before the DuPage Mayors and Managers in November. The meeting with the Mayors and Managers was very engaging, with significant discussion on the topic.
8. **Meeting with Cambridge Homes.** Jerry Conrad, Vice President of Cambridge Homes, two Cambridge staff members, and Colin McRae from the Attainable Housing Alliance, met with members of the GEWG to talk about a cooperative effort between a builder and a municipality. The conversation was comprehensive in regard to what it would take to develop affordable housing in a built-out community such as DuPage, from a successful builder's viewpoint. Case examples were identified for building a home at a cost of \$250,000. Two major obstacles were identified: revenue—municipalities need revenues to pay for services, and governmental regulations. Several influencing factors were discussed, including increased density, lot size, floor ratios, the need for a critical mass of houses, impact fees, building codes, energy code, and inclusionary zoning were all discussed, leading to the conclusion that **a municipality must WANT to have affordable housing** to make it work.

## Findings and Recommendations

The GEWG considered multiple ideas, templates for development, systemic issues and current resources available. Over the months, ideas emerged in the group to address the key barriers that exist. We ended up identifying 10 recommendations on creating and preserving affordable housing in DuPage County. Each recommendation needs to be considered in light of the unique history, characteristics, opportunities and challenges of a given community or municipality. Each recommendation requires the cooperation and collaboration of government and the private sector.

**In general, the GEWG agreed that affordable housing, particularly workforce housing, needs to be a strategic priority in local municipalities, as well as the overall DuPage County region, with the government working in partnership with the private sector. The culture of municipal planning needs to be instilled with the political will to create and maintain workforce housing in the community.**

1. **Establish a DuPage County Technical Assistance Coordinating Entity by November 2007.** A coordinating body should be established, which would gather together and circulate ideas and actions that communities can take, a tool box of resources to help individuals, municipalities, government bodies, or nonprofit organizations to act on their particular affordable housing priorities, and to deal effectively with regulatory barriers. This entity could be a quasi governmental entity, with high-profile leadership and representation from various public and private sector leaders, and it should also have the responsibility for monitoring ongoing efforts.
2. **Develop a “Save Our Smaller Homes (SOSH)” Program.** This is a purchase program, with incentives, to preserve affordable housing stock in communities, and could be particularly effective in areas that are experiencing redevelopment including tear-downs. For low-income seniors, this might qualify for HOME funding. It requires a partnership between municipal and county government, and would have to provide enough for the seller to make it worthwhile.
3. **Develop a Purchase/Rehab Program.** This is a program to purchase, fix up and sell lower-priced homes to eligible buyers. This would be a partnership that would include governmental entities, lenders, not-for-profit organizations, and construction companies. IHDA has a purchase-rehab program that offers rehab costs for safety and soundness, and a secondary outlet for lenders, but expert appraisers are needed to assess the level of rehab needed, as well as lenders who will make it work.
4. **Downtown Redevelopment could include set-asides for affordable housing units.** It could be a short-term option in established downtowns undergoing redevelopment, and it could be a long-term option in the strategic plans of communities.
5. **Target neighborhoods for preservation.** Since CDBG fund scoring has the highest multiplier for homeownership, this option could steer funding toward preservation projects in established communities.
6. **Pass an Inclusionary Zoning ordinance.** This could spell out the municipality’s commitment to maintaining work-force homeownership in a community’s economic development plans.

7. **Set up a Community Housing Trust Fund.** A Trust Fund can be established by a municipality, including impact fees on tear-downs to fund affordable housing initiatives.
8. **Create Media initiatives** could provide education and marketing about the community's need to invest in affordable housing in strategic planning, i.e., Housing Matters videos, cable TV show. The power point presentation developed by the GEWG could serve as a foundational piece in launching such an initiative.
9. **Foster City Planning Partnerships with Private Developers.** In order to make housing an integral part of economic development plans, ongoing planning partnerships need to be fostered between municipalities, private developers, and county government. Affordable housing should be on the continuum of priorities in every municipality and governmental entity.
10. **Identify faith-based communities who own property, to create affordable housing** in their immediate neighborhoods. These communities could be religious congregations working to create housing in their own neighborhoods, or religious communities willing to include affordable housing on their campus. The engagement of faith-based communities also includes fostering constituent support for affordable housing efforts at the grassroots level, including municipal zoning and council meetings.