

Homeownership: Benchmark for a Vital Community
Land Use, Zoning & Building Codes Working Group

Final Report - November 29, 2006

Land Use, Zoning & Building Codes Work Group was co-chaired by Phil Passon of Kingsland Properties, Ltd. and Paul Colgan of Colgan Public Affairs. Thank you to the many people who gave of their time to participate in one or more of our meetings. (These individuals are identified at the end of this report).

The initial task of our Work Group was to identify significant barriers to affordable workforce housing in DuPage County and to determine those barriers that could be reasonably impacted through changes in land use & zoning regulations or through changes in building codes and/or providing incentives to builders.

The great disparity between the cost of housing and the ability of much of our workforce to pay for the average home in DuPage County has been well documented. This obvious price barrier is the direct result of a market imbalance in the supply of affordable housing versus the demand.

This work group identified the following significant barriers.

1. **Zoning Density:** Increased density of housing units per acre is the single most important factor in reducing the cost of land per housing unit, but high densities are often, if not almost always, opposed.
2. **Time for Approval of Zoning Entitlements:** The lengthy time and uncertainty of obtaining approval for projects adds to the cost and encourages developers to pursue higher margin projects rather than lower margin workforce housing.
3. **Constituency Opposition to Affordable Housing:** The zoning process itself often becomes confrontational. Creativity to provide workforce housing is often squelched by existing regulations and lengthy approval processes and by constituencies and commissions that have limited agendas, sometimes in direct opposition to affordable workforce housing.
4. **Market Driven Price Increases on Affordable Housing Units:** Even when workforce housing is provided through construction or various subsidies, often on the next sale the housing units are sold at market price above affordable levels, and are lost to the supply of workforce housing.
5. **Lack of Incentives for Builders to provide Workforce Housing.** Many current regulations and approval processes discourage builders from seeking to build workforce housing.

As we analyzed these barriers our work group focused on solutions that would result in increased supply of workforce housing.

1. increased housing density, thus lowering the land cost. However this is not a stand alone solution. It must be coupled with:
2. streamlining and reducing the time for the land use entitlement process,
3. architectural standards & design consistent with neighborhood standards,
4. ways to keep the housing units in the workforce housing sector
5. providing incentives for builders while keeping the dollar impact on government close to neutral

6. In the long term, reduce dependence on direct government \$ subsidies.
7. demonstrating that we can build affordable workforce housing in DuPage County.

Our **Land Use, Zoning & Building Codes Work Group** recommends that:

1. Municipalities and the County cooperate to establish Mixed Density Overlay Zoning Districts (in preference to “inclusionary zoning”). Designated as MD. For example:
 - a. MD-1: would be a zoning classification for smaller infill developments where mixed density & mixed income housing is provided by adjacent properties.
 - b. MD-2: would be a zoning classification for larger developments where mixed density & mixed income housing are provided within the new development.
2. Mixed Density Overlay Zoning Districts provide for the following:
 - a. Increased housing density of 25% as an incentive when a development will provide a minimum of 25% of its housing units as workforce housing.
 - b. Modification of Bulk Regulations, including setbacks and minimum lot sizes to accommodate the increased density.
 - c. Subdivision Regulations reasonably modified to accommodate the increased density.
 - d. Landscaping, Stormwater & Wetland requirements reasonably modified to accommodate the increased density without compromising the intent of those regulations.
 - e. Impact fees reduced or eliminated for Workforce Housing Units.
 - f. Design & Architectural Standards and housing types (including “cottage” housing) established for the District.
3. Comprehensive plans be modified to show potential sites for Mixed Density Overlay Zoning Districts in incorporated and unincorporated areas of the County.
4. Subdivisions with Workforce Housing Units receive priority and streamlined approval for subdivision, engineering, storm water design, and permits, etc., possibly through a Workforce Housing ombudsman.
5. Restrictions on resale and coupled with property management and maintenance regulations be established for Workforce Housing Units which receive any of the entitlements or incentives pursuant to the recommendations contained herein.
6. The impact on Workforce Housing affordability be part of the consideration for any changes in land use regulations or changes in building codes or building materials.
7. Workforce Housing charrettes be conducted to demonstrate and provide creative design for development projects.
8. Developments be constructed to model and test the concepts recommended here.

Implementing these eight recommendations, will provide incentives for developers, in that affordable workforce housing will be an accepted, known commodity. The approval times for projects will be greatly diminished, and the potentially confrontational nature of approval processes will be substantially reduced. Implementing these recommendations will also greatly reduce the need for direct government subsidies through grants.

It is very important for us to move forward to build developments which are a credit to our neighborhoods and meet the housing needs of those people who provide our basic services.

We then need to find ways to keep those units in the workforce housing sector. This latter objective can be accomplished through land trusts or other creative methods. We also need to assure that these units are properly maintained.

It is imperative that incorporated cities and villages and the County work together to accomplish these recommendations. Thus, we will provide positive examples of viable workforce housing and mixed income housing in our communities. We will be able to say “look, here is how it is done”. I challenge you today to consider these recommendations and those of the other work groups and ask you to consider how you can help us move forward in this extremely vital area.

Thank you for your time and help.

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