

TO: VILLAGE OF ARLINGTON HEIGHTS
FROM: HOMES PROJECT TEAM
SUBJECT: HOMES OUTLINE AND
DRAFT RECOMMENDATIONS
DATE: SEPTEMBER 28, 2012



What is Homes?

The Northwest Suburban Housing Collaborative (the “Collaborative”), consisting of Arlington Heights, Buffalo Grove, Mount Prospect, Palatine and Rolling Meadows, formed via an intergovernmental agreement (IGA) in 2011 to develop sub-regional solutions that address the short and long-term housing needs of participating communities. *Homes for a Changing Region* is a project provided to each of the Collaborative communities free-of-charge by the Metropolitan Mayors Caucus (MMC) and CMAP’s LTA program with staff support from the Metropolitan Planning Council (MPC). *Homes* provides technical assistance for municipal leaders to chart future demand and supply trends for housing in their communities, and develop long-term housing policy plans. *Homes* plans are not land use plans and will not focus on specific parcels.

Summary of Progress to Date

Since initially meeting with both elected officials and Village staff, the project team has undertaken the following:

- Presented a preliminary analysis of the existing and projected housing data to the Village Board on Monday, June 11th;
- Designed, planned and facilitated one public workshop for the Village on Tuesday, June 19th, where residents provided feedback on preferred types and locations for housing both throughout the Village and in a focus area (the southern gateway into downtown along Arlington Heights Road);
- Conducted a sub-regional housing analysis that identifies opportunities and gaps in the housing profile for the Collaborative, focusing on opportunities for collaboration to address these issues; and
- Presented and discussed the sub-regional draft on August 24th with staff, mayors and/or mayoral representatives of the Collaborative.

Next Steps: Feedback on Draft Plan Outline and Policy Recommendations

By November, senior staff at the Village of Arlington Heights will receive a full draft plan that includes both analysis and recommendations, ensuring staff and elected officials have the opportunity to suggest revisions before design and layout take place. At this time, **the project team is asking for feedback on the plan outline at the end of this memo.** Most of the specific data points are omitted because they have been presented in the past. Staff and elected officials are encouraged to focus comments on the “recommended strategies” section of the outline. The following questions especially interest the project team.

- What revisions, if any, would you suggest for these recommendations?
- Are there any recommendations that you feel are missing from this outline?
- Do you anticipate that any of these recommendations would not meet with the Board’s approval?

Draft Plan Outline

Project Summary

- I. Strengths of Arlington Heights
 - a. Overall
 - i. Strong residential neighborhoods
 - ii. Strong employment base
 - iii. Strong schools that make it attractive to families
 - iv. Location in the region
 - b. Governmental
 - i. Recognition of built-out status, growth/change will come through redevelopment
 - ii. History of community development planning
 - iii. CDBG entitlement community
 - c. Built
 - i. Transportation assets
 1. 1-90
 2. Two Metra stations
 3. Route 53
 4. Proximity to O'Hare Airport
 5. State Roads (Northwest Highway, Rand Road, Golf Road, Dundee Road, Algonquin Road, Golf Road)
 - ii. Redeveloping downtown that anchors the community and provides an identity
 - iii. Sizable commercial base (e.g. Arlington Park)
 - d. Human
 - i. Civically engaged citizenry
- II. Challenges
 - a. Condominium foreclosures
 - b. Maintaining a range of housing to meet all income needs
 - c. Identifying the best locations for development/redevelopment within a largely built out community

Existing Conditions

- I. Location – bordering towns
- II. Population
 - a. 2010: 75,101
 - b. Change since 2000: -1.2%
 - c. CMAP GO TO 2040 projections: 86,059
- III. Employment base
 - a. Top employers
 - b. Incentive districts – TIF
 - i. Five established, two terminated, three active
 - ii. TIF 3: Southwest corner Arlington Heights Road and Rand Road
 - iii. TIF 4: Northeast of Golf Road and Arlington Heights Road
 - iv. TIF 5: Town & Country and Southpoint Shopping Centers – Rand Road/Palatine Road
 - c. Commuting patterns
 - i. Where do residents work? (Chicago and Arlington Heights)
 - ii. Where do workers live? (Arlington Heights and Chicago)

Current Housing Analysis

- I. Housing units by number of units in structure by tenure

- II. Affordability by tenure
- III. Tenure by household income
- IV. Housing + transportation affordability
- V. Current rental analysis
- VI. Current owner analysis
- VII. Market segmentation analysis

Projecting Future Housing Needs

- I. Future ownership needs
- II. Future rental needs
- III. Combined housing needs

Housing Capacity

- I. Total capacity for development by zone (in units)
- II. Capacity by land status: vacant and redevelopable
- III. Geographic targeting of redevelopment based on the above (e.g. general information on the location by zone or neighborhood)

Sustainability

- I. Energy use by sector
- II. Household energy use compared to Cook County
 - a. Average natural gas use in therms
 - b. Average annual cost of natural gas
 - c. Average electricity use in KWh
 - d. Average annual cost of electricity
 - e. Average annual energy costs
- III. VMT per household compared to Cook County

Urban Design Focus Areas

- I. The southern gateway into downtown along Arlington Heights Road
 - a. Concept map outline
 - b. Visualizations

Recommended Strategies

- I. Downtown Arlington Heights
 - a. With the successful development of downtown Arlington Heights into a mixed use transit oriented entertainment district, fewer opportunities for redevelopment remain around the Arlington Heights train station. The Village should continue to pursue these redevelopment opportunities in accordance with the adopted Downtown Master Plan, the Village's Comprehensive Plan and Village housing policies as a way to increase the supply of multi-family housing. Such housing should provide a mix of rental and owner housing for multiple ages and incomes.
- II. Opportunities for new housing
 - a. The Village's Comprehensive Plan set a goal of providing a variety of housing alternatives by type, size, and price range. Consistent with that goal, Arlington Heights should explore the creation of both owner and renter occupied housing which responds to the community's projected housing needs in the *Homes* report. The projections identify housing needs for households throughout the income spectrum, from below \$15,000 to above \$150,000.
- III. Build relationships to reduce the impact of condominium foreclosures by:
 - a. Using the foreclosure data provided through Public Act 96-0856 and other sources to track the location of and changes in foreclosures within the Village;

- b. Combining this foreclosure data with the data provided by condominium and townhouse associations through the Village's existing registration requirements (Section 14-1702e) to undertake the following activities:
 - i. Monitor the number and ownership of foreclosures within individual buildings;
 - ii. Use annual registration requirements to discuss data trends with associations and hear concerns and issues;
 - iii. Develop benchmarks identifying when a property is considered "troubled" (number/percentage of foreclosures, number/percentage of rentals, number of different rental owners, utility shutdowns);
 - iv. Work with the NWSHC to develop possible intervention strategies for particularly "troubled" properties.
- IV. Rental Licensing
 - a. The Village's current rental licensing system applies to dwellings containing more than two dwelling units under common ownership. Arlington Heights should evaluate the benefits and costs of expanding the rental licensing system to include all rental units in multi-dwelling buildings of more than two units.
 - b. The Village should continue to monitor the number of single-family and duplex rental units and take additional action as necessary.
 - c. The Village does not currently offer landlord education program. The Village should evaluate whether to offer a landlord education program and should consider partnering with other Collaborative members to create and operate this program.
 - d. The Village should consider gathering the same information (ownership, management, unit type, etc.) as the other Collaborative communities so that data can be combined and analyzed on a regional basis.
- V. Rehabilitation programs
 - a. As a CDBG entitlement community, Arlington Heights has long operated an owner-occupied single-family rehabilitation program and, when funding allowed, has offered a multi-family rehabilitation program. Future rehabilitation should continue to focus on the following two activities, depending on the funding source:
 - i. Owner-occupied senior housing to further aging in place; and
 - ii. Encourage the rehabilitation of units in the \$800-\$1,250 per month gross rent range to make these units affordable to households earning less than \$35,000.
- VI. Explore new funding sources to further local housing activities, including rehabilitation programs.
 - a. Continue to pursue the creation of an affordable housing trust fund
 - b. Explore membership in the Cook County HOME Consortium
- VII. Maintaining Housing Supply
 - a. This report projects a shortage of units affordable to households earning less than \$50,000 in 2040. Therefore, Arlington Heights should work with the NWSHC to explore methods to maintain its supply of units affordable in this income range.
- VIII. Sustainability and Affordability
 - a. Working with the NWSHC, the Village should identify and implement energy efficiency projects for single-family and multi-family structures.
- IX. Sub-regional partnerships
 - a. Arlington Heights should work with Mount Prospect and Rolling Meadows on coordinated strategies for the Algonquin Road corridor. Such efforts should include:
 - i. Support for transportation improvements on the I-90 corridor which provide greater regional access;
 - ii. Consideration of renovation/redevelopment opportunities which build off of these transportation improvements and emphasize pedestrian and bicycle connections; and
 - iii. Exploration of opportunities for shared social services which meet the needs of residents in all three communities.