

QUALITY *of* LIFE

(E)QUALITY *of* PLACE



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COMMUNITIES

CNT



CONTENTS

1	Introduction
3	Benefits of Fair and Affordable Transit-Oriented Development
7	The Affordability Gap
8	The Northern Suburbs Have Not Always Realized the Full Benefits of Mixed-Income TOD
17	Reconnected Communities
18	Charlotte, NC
19	Somerville, MA
19	San Leandro, CA
20	Lessons Learned
21	Making it Happen Here
22	Meeting Federal and State Requirements through Fair and Affordable TOD
26	The Policy Toolbox for Fair and Affordable TOD
32	Involving Your Community in Affordable TOD Planning
35	Moving Towards Fair and Affordable TOD

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Quality of Life, (e)Quality of Place

Growing Local Economies
through Equitable
Transit-Oriented
Development

**PREPARED BY
OPEN COMMUNITIES AND
THE CENTER FOR NEIGHBORHOOD TECHNOLOGY**

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COVER: AERIAL VIEW OF EVANSTON AND WILMETTE *Photo by Jean (Klue) Hirsch/Flickr Creative Commons*

TRANSIT DEFINES THE VIBRANCY OF DOWNTOWNS IN CHICAGO'S NORTHERN SUBURBS.

Metra and CTA stations, and the development they support, help commuters get to jobs and run errands on their way home, all with little or no driving. Residents come together in these downtown station areas to eat, drink, socialize, borrow library books, shop, and see their neighbors. These activity centers are the brand, lifeblood, and drivers of economic development in these communities.

Rail transit anchors downtowns and neighborhoods in many communities throughout Chicago's northern suburbs and across the region. Municipalities have used these transit-oriented developments, (TODs), to create a sense of place, add retail and housing, and enhance their tax bases. In doing so, TOD helps reduce driving, increase access to transit, and improve the local economy.

At the same time, many of these communities are seeking new ways to accommodate residents of all family types in their housing markets. Existing residents are aging. New families struggle to find affordable units. Persons with disabilities need housing with easy mobility options. And most communities are more culturally diverse than in the past. Fortunately, the U.S. Department of Housing and Urban Development (HUD) is in the process of finalizing guidelines for communities to *affirmatively further fair housing*—which means, quite simply, making room for all.

Communities can address these new realities through mixed-income transit-oriented development (TOD). As this report makes clear, **communities can meet the challenges of the 21st century and grow their local economies by providing fair access to housing, a balance of housing units, and an amenity-rich environment within their TODs.** Why support and facilitate mixed-income TOD? Because it:

- *Reduces the cost of living* by helping households of all incomes own fewer cars, drive them less, and apply the savings to health care, education, or a conventional down payment.
- *Connects workers with job opportunities* and can help open up new career paths for households without a car.
- *Reduces traffic and supports a healthy climate* by reducing vehicle miles traveled and increasing transit ridership.
- *Grows the tax base* by spurring new development in station areas, which were the most resilient place types during the Great Recession.
- *Supports diversity* by reducing segregation and creating culturally vibrant neighborhoods.

All too often, however, Chicago's northern suburbs have fallen short in efforts to add mixed-income TOD and realize the benefits that it creates. This report finds that:

- For moderate-income households in the northern suburbs, or those earning 80% of Area Median Income, the combined cost of housing and transportation now exceeds 56% of total household income.
- The supply of rentals in suburban TODs is threatened. While the northern suburbs added almost 35,000 rental units, the number of rentals declined along Metra and CTA routes.
- Where TOD has occurred, the number of rentals dramatically dropped. For example, Evanston's Davis Street TOD added 850 owner-occupied units, but lost more than 400 units with rents below \$800.
- Subsidized housing programs have not filled this growing gap. Less than one out of five federally subsidized units was near a CTA or Metra station in 2012.

Changing state and federal requirements mean that the time to act is now. The Illinois Affordable Housing and Appeal act requires communities with a dwindling supply of units to address this in planning. Proposed HUD guidelines to affirmatively further fair housing will ask Community Development Block Grant recipients to proactively promote fair access in areas with jobs, transit, and amenities.

This report lays out tools and policies that communities can utilize to meet these requirements by growing equitably around their transit assets. Programs like the Regional Transportation Authority’s Community Planning program and the Chicago Metropolitan Agency for Planning’s Local Technical Assistance program can provide some of the capacity to get there. These strategies include:

- *Zoning incentives* to include the production of affordable units in new development and provide avenues for developers to do so through density bonuses and reduced parking requirements.
- *Financing and acquisition*, from targeting Low Income Housing Tax Credits and filling equity gaps, to creating trust funds and land assembly funds.
- *Targeting infrastructure investments* made by state and regional agencies to high-quality, mixed-income TODs.
- *Fair housing policies* like affirmative marketing, multilingual management policies, and universal design.

Public participation will be critical. As suburbs all over the United States have demonstrated – places like Somerville, Massachusetts and San Leandro, California – **mixed-income TOD succeeds when it aspires to residents’ vision of a community of choice**: where a resident can find the unit they want, in a location they can afford, and with transportation options connected to many different career ladders. When communities and supporters of mixed-income TOD approach their neighbors with this vision through open communication and trust, mixed-income TOD succeeds.

This guide focuses on north suburban Chicago, but its approaches and tools, including leveraged public dollars, can be applied anywhere. Using this guide as part of the local planning process and implementing the tools set forth can efficiently and effectively build communities and grow economies.

Sincerely,



Kathryn Tholin
CNT



Gail Schechter
Open Communities

BENEFITS OF FAIR + MIXED-INCOME TRANSIT-ORIENTED DEVELOPMENT

In built-out suburbs, high-quality, mixed-income multi-family housing can anchor TODs. Around Metra and CTA stations in communities such as Arlington Heights and Highland Park, it does exactly that. The benefits accrue for households, local economies, and municipal budgets. Traffic congestion goes down. The cost of living decreases, and economic mobility increases. Residents save money on cars and fuel, build wealth for a conventional mortgage, and spend more at local businesses. Tax revenues grow, and a community becomes more attractive places to live. When residents of all incomes, ages, racial and ethnic backgrounds, and abilities have a chance to live in a TOD, the overall community becomes more diverse and vibrant.

Affirmatively Furthering Fair Housing: Defined

The Fair Housing Act has two goals: to end housing discrimination and to promote diverse, inclusive communities. The second goal, referred to as affirmatively furthering fair housing, embodies our strongly-held American values of fair access and equal opportunity. Affirmatively furthering fair housing has been part of the Fair Housing Act since its inception in 1968.²

Diverse, inclusive communities with access to good jobs, schools, health care, transportation, and housing are crucial to our nation's prosperity in the 21st century. But as the recent foreclosure crisis demonstrated, when some communities are targeted for discriminatory practices, every community is harmed. Our global competitiveness is challenged when all communities do not have the opportunity to succeed together.³

Affirmatively furthering fair housing activities break down the barriers of segregated communities: higher crime rates, higher concentration of poverty, lower school achievement, less economic development, higher rates of health related issues.⁴ Fair housing offers groups protected from discrimination under federal law access to housing.⁵

Proposed guidelines, drafted by HUD and released for public comment in July 2013, will help communities understand what is expected and what tools those communities may use to affirmatively further fair housing. The proposed guidelines focus program participants' analysis on four primary goals:

1. Improving integrated living patterns and overcoming historic patterns of segregation;
2. Reducing racial and ethnic concentrations of poverty;
3. Reducing disparities by race, color, religion, sex, familial status, national origin, or disability in access to community assets such as education, transit access, and employment, as well as exposure to environmental health hazards and other stressors that harm a person's quality of life; and
4. Responding to disproportionate housing needs by protected class.⁶

Municipalities receiving federal housing dollars, such as Community Development Block Grants (CDBG), will be asked to affirmatively further fair housing. The new proposed guidelines will help communities design a plan and move forward to create more open and equitable communities.

When communities facilitate mixed-income housing within their TODs, they are affirmatively furthering fair housing. For many residents and communities, the term “affordable” can conjure images of modernist high-rise towers completely out of character with the surrounding neighborhood.⁷ But housing developments that accommodate families a variety of incomes and family types can be very attractive and inviting to all.

Mixed-income TOD reduces the cost of living. After the cost of housing, the cost of transportation is the second-highest and fastest-growing portion of household budgets. Together, housing and transportation can cost moderate-income households, or those earning 80% of Area Median Income, nearly three-fifths of their income.⁸ In a TOD, households can live close to transit, jobs, retail, and schools and choose to walk, bike, or take the train to reach them. Households living in affordable units within TODs can own fewer cars and apply that savings to health care, education, a conventional down payment, or other needs.

“My finances were dwindling to a frightening level due to some major surgery. Then I found out about Gates Manor. It was a true miracle for me. I got to stay in Wilmette and live securely and comfortably on my Social Security, which was all I had left.”



*Gail, retired business owner
Lives in Wilmette*

2. 42 U.S.C. § 3608(e)(5) (2010).

3. <http://www.nationalfairhousing.org/PublicPolicy/AffirmativelyFurtheringFairHousing/tabid/4261/Default.aspx>

4. http://www.civilrights.org/publications/reports/fairhousing/future_of_fair_housing_report.pdf

5. *Civil Rights Act of 1964 - Title VII - Equal Employment Opportunities.*

6. U.S. Department of Housing and Urban Development, "Affirmatively Furthering Fair Housing Proposed Rule". July 19, 2013.

7. Housing is considered affordable when a family or individual pays no more than 30% of their gross income to live in their unit. This includes utilities as well as rent or mortgage and property taxes.

8. CNT and Center for Housing Policy, *Losing Ground: The Struggle of Moderate-Income Households to Afford the Rising Costs of Housing and Transportation*. October 2012.

9. U.S. Census Bureau, *Longitudinal Employer-Household Dynamics*, 2011.

Mixed-income TOD connects households with jobs.

When commuters can easily walk to a CTA or Metra station from their home, it greatly expands the number of jobs they can reach within a 60-minute commute. For example, households near Evanston's Davis Street Station can reach 1.3 million jobs, or 30% of the regional total, within 60 minutes, as well as jobs at Northwestern University.⁹ This opens career paths and job opportunities to lower-income households without a car.

Mixed-income housing can add to a well-designed, walkable TOD. Multiple public and private sources help affordable housing meet the same high quality design and building standards as any other TOD development. Affordable housing does not mean a cheaply constructed or low-quality building. A well-designed, mixed-income TOD adds aesthetic value, encourages walking, and supports ground-floor businesses that cater to everybody.

"Living in a walkable community is better for my health! I can ride my bike to work and be home or to my son's school in five minutes if there is an emergency. I also get to know more people in the community!"



*Iden, special education teacher
Lives in Evanston*

Mixed-income TOD reduces traffic. When households can live close to transit, they drive less and help reduce traffic congestion. A TransForm study found that lower-income households living within a quarter-mile of rail or high-frequency bus drive nearly 50% less than those living in other areas, thus generating fewer miles on the road and emitting fewer greenhouse gases into the air.¹⁰

Mixed-income TOD can increase property values. Contemporary affordable housing developments do not negatively impact property values. In many cases, property values increase.¹¹ Mixed-income TOD may also sustain neighborhood property values during market downturns. For example, between 2006 and 2011, the average sales price for a property within a half-mile of all Metra or CTA rail station outperformed the regional average by 29.7%.¹²

Mixed-income TOD can improve education. Mixed-income housing can reduce the frequency of unwanted moves that disrupt education instruction and allow a family to benefit from a strong school system that may have customized educational programming.¹³ Students in a stable home are under less stress and therefore better able to focus on school work. All children in the classroom benefit from diversity as they prepare to participate as adults in a culturally diverse world.

Mixed-income TOD supports diversity. Segregated neighborhoods may have higher crime rates, worse health outcomes, and lower employment opportunities.¹⁴ Fair housing breaks down that segregation, equalizes access, and creates more diversity. As poverty de-concentrates, neighborhoods become more culturally vibrant, schools prepare children to function in a diverse world, and access to jobs improves.¹⁵

10. TransForm and the Chicago Housing Partnership Coalition, *Why Creating and Preserving Affordable Homes near Transit is a Highly Effective Climate Protection Strategy*. 2014.

11. California Planning Roundtable and California Department of Planning and Development, *Myths and Facts about Affordable Housing and High Density Housing*.

12. CNT, *The New Real Estate Mantra: Location Near Public Transportation*. March 21, 2013.

13. [The Center for Housing Policy Insights: "The Impacts of Affordable Housing on Education"](http://www.nhc.org/media/files/Insights_HousingAndEducationBrief.pdf). http://www.nhc.org/media/files/Insights_HousingAndEducationBrief.pdf

14. The Urban Land Institute, *Promoting Neighborhood Diversity: Benefits, Barriers, and Strategies*. August 2009.

15. National Fair Housing Alliance, "Benefits of Diverse Communities". <http://aricherlife.org/benefits.html>.

Case Study: **Arlington Heights**

Mixed-income TOD has completely revitalized downtown Arlington Heights. Local officials identified TOD as a downtown development strategy in 1987. Since that time, the Village has added more than 1,200 housing units and significant retail and business development within two blocks of the Metra station. More than 3,000 passengers ride the Metra into the city every day. These commuters can walk to grocery stores and amenities after their commute home.

Notably, more than one out of ten units in downtown Arlington Heights is affordable to seniors or the disabled. Although these subsidized buildings pre-date the Village's TOD strategy, they have helped its downtown to grow in a balanced way. Market-rate units help support more amenities and retail within walking distance of all units. Due to mixed-income growth in downtown and elsewhere, Arlington Heights has been able to exceed the state goals for affordability mandated by the Affordable Housing Planning and Appeals Act.



CEDAR VILLAGE, ARLINGTON HEIGHTS
Photo by Lauren Heckathorne

Mixed-income TOD sustains local tax bases. Like all other development, affordable housing generates property taxes. When that housing is located in a TOD – and the scale of development is greater – municipalities can increase the revenue generated from that site. For example, a three-story mixed-use development in a downtown has been found to generate as much as 100 times more property tax revenue per acre than a single family home on an equivalently sized parcel.¹⁶ Mixed-income TOD can also increase sales tax revenue if families that do not have cars shop locally rather than in a neighboring town. TOD can also cost municipalities less to provide water, sewer, police, and fire protection than an equivalent development in a greenfield area.¹⁷

Mixed-income TOD does not always need heavy local subsidy. Most affordable buildings have multiple sources of funding that include state and federal resources, private loans and equity, and mission-driven lending institutions. Although the cost of land may require local help, it can also be lessened by tools such as land trusts or land banks.¹⁸ And even if land has a higher price, it may be in good shape, lack environmental issues, and require less money for predevelopment activities.¹⁹

When municipalities provide mixed-income TOD, they deliver “triple bottom line” benefits of sustainable and equitable economic development. Mixed-income TOD (1) integrates places, (2) makes them more walkable, (3) increases economic mobility, and (4) enhances economic and fiscal resiliency from recession. Transit-served communities, including those in the northern suburbs, can use the tools in this guidebook to achieve these benefits.

16. Joseph Miniccozzi, “The Smart Math of Mixed-Use Development”. *Planetizen*. January 23, 2012.

17. Chicago Metropolitan Agency for Planning, *Fiscal and Economic Impact Analysis of Local Development Decisions*. January 2014.

18. Burlington Associates, “Community Land Trust Vs. Municipal Land Bank A Comparison”. <http://www.burlingtonassociates.net/resources/archives/LandBank.pdf>.

19. Open Communities, “Myth Busting”. http://open-communities.org/Resources/Myth_Busting/.

THE AFFORDABILITY GAP: North Suburbs Lag in Mixed-Income TOD



MALLINCKRODT BUILDING, WILMETTE
Photo by Lauren Heckathorne

The northern suburbs have not always realized the full benefits of mixed-income TOD

When households in the Open Communities service area live in compact downtowns along transit lines like the Chicago Transit Authority (CTA) Purple Line and the Union Pacific-North or Milwaukee District-North Metra commuter train, they have more access to employment opportunities, retail, and multiple transportation options that connect them.²⁰ But in the northern suburbs, mixed-income housing and TOD have not often occurred together. In some places, station areas added market-rate condominiums, which put market pressure on existing rental housing and may have pushed some families to leave those areas. In other towns, affordable housing production occurred outside of station areas.

Many factors contribute to the higher cost of housing in north suburban station areas. Restrictive zoning that limits higher density and requires large numbers of parking spaces can constrain the supply of housing and increase its cost. Developers pursue luxury units for a higher rate of return, especially when land and construction costs are high. A lack of public interventions that promote mixed-income TOD can also contribute to the higher costs of housing.

As a result, the combined cost of housing and transportation is not affordable for moderate income households in north suburban TODs. In the Open Communities service area, the high costs of housing and mobility mean that low- and moderate-income households face tough choices between a unit they can afford, a neighborhood close to jobs and amenities, and transportation options connecting the two.²¹ Although the CTA and Metra systems have 32 transit stations in the Open Communities service area, development patterns have made

these station areas unaffordable places to rent or own a unit and to get around. For example:

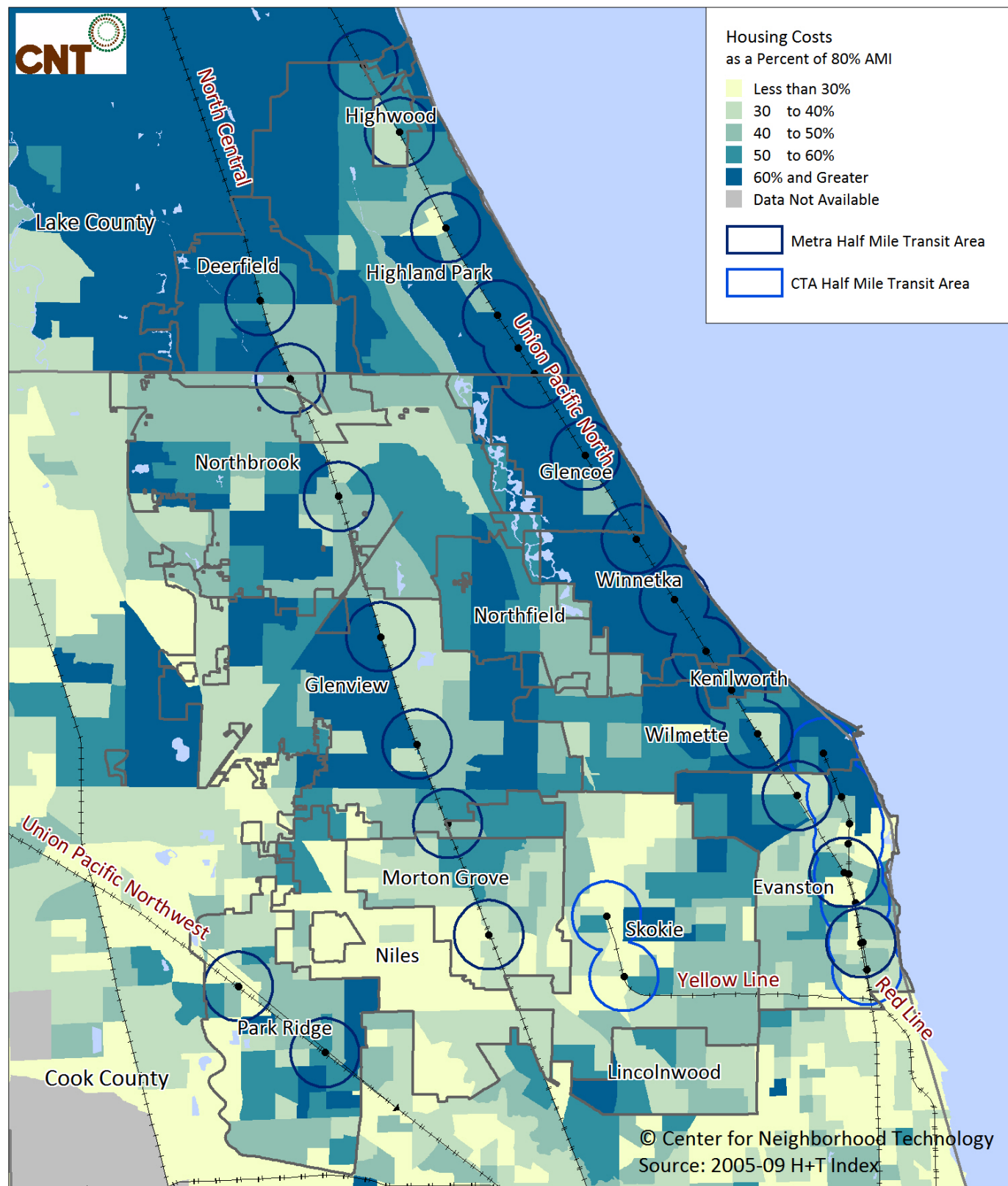
- *Housing in the northern suburbs is unaffordable by the conventional definition of affordability.* According to the U.S. Census, the median cost of owning or renting a home in the northern suburbs was \$1,917 per month. For a moderate-income household earning \$40,729, or 80% of the regional Area Median Income, those housing costs consume over 56% of gross income – significantly larger than the conventional 30% standard recommended by lenders, policymakers, and housing advocates. Map 1 (page 8) illustrates this measure in the northern suburbs.
- *When transportation is considered, neighborhood affordability shrinks even further.* The conventional definition of affordability fails to account for the costs of transportation, a household's second-largest expense. According CNT's Housing and Transportation (H+T[®]) Affordability Index, a moderate-income household by the regional definition typically spends \$12,585, or 27.7%, of its annual income just getting from one place to another.²²
- *Dense and compact station areas support lower transportation costs.* In a compact station area, a household can not only take transit to reach jobs, but can also walk to the grocery store, a day care, or a pharmacy. For example, transportation costs in downtown Evanston average 18% of income for a typical household. But stations further along the UP-North contain fewer housing units to support walkable retail and amenities. In downtown Glencoe, for example, those costs average 24%. Map 2 (page 9) illustrates this point.

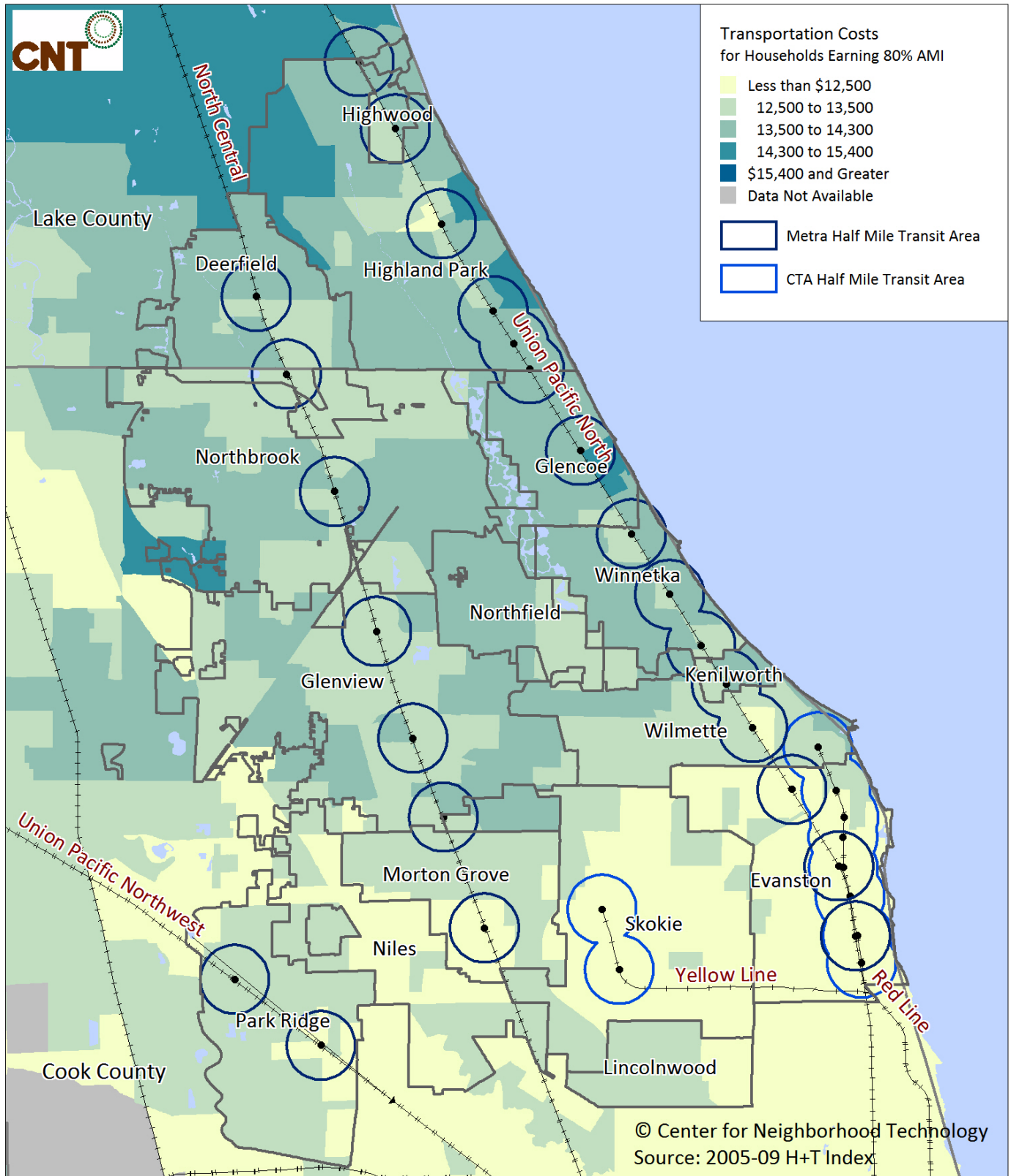
20. Open Communities serves 16 communities in northern Cook and southern Lake Counties: Deerfield, Evanston, Glencoe, Glenview, Highland Park, Highwood, Kenilworth, Lincolnwood, Northbrook, Morton Grove, Niles, Northfield, Park Ridge, Skokie, Wilmette, and Winnetka.

21. A moderate income household is defined as a household earning between 80% and 100% of the Area Median Income. A low income household is defined as a household earning between 50% and 80% of the Area Median Income.

22. The methodology behind the H+T Affordability Index may be found at: <http://htaindex.cnt.org/downloads/HTMethods.2011.pdf>.

MAP 1
Housing Costs as a Percentage
of 80% of the Regional Area
Median Income, 2005-2009





“As a college graduate living at home to avoid adding to my student debt, I am lucky in that I could return to my childhood neighborhood. I am able to walk to the local grocery store, pharmacy, bank, and most of the area that is considered downtown Northbrook.”



*Safaya, AmeriCorps member
Lives in Northbrook*



- *The combined costs of housing and transportation make the northern suburbs an extremely unaffordable place to live.* A moderate-income household typically spends more than three-fourths of income on these two costs, which are lowest at the Davis and South stations along the Purple Line, and the Oakton station along the Yellow Line. Map 3 (page 11) illustrates the combined costs of housing and transportation for moderate-income households in Chicago’s northern suburbs.

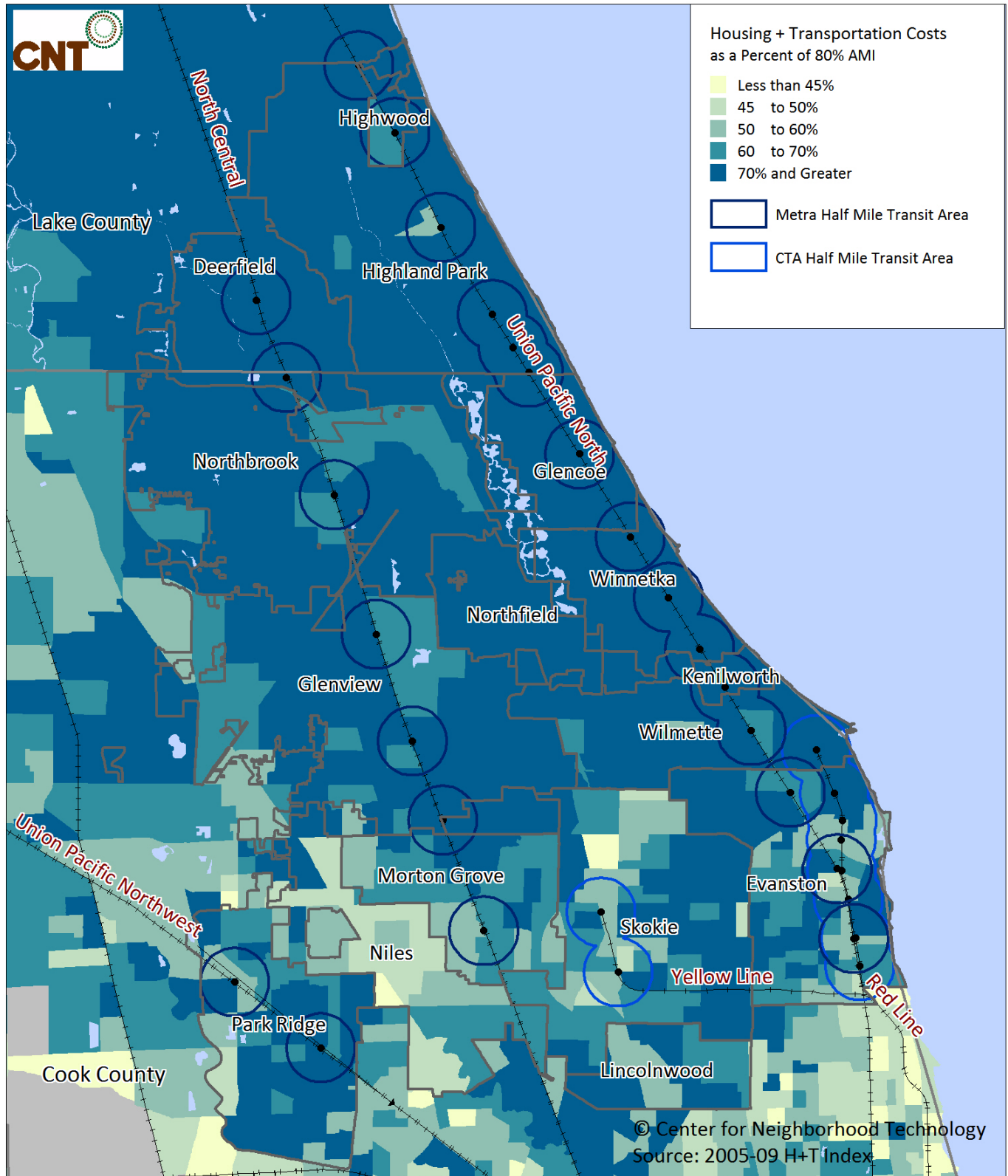
The affordability gap widens as the supply of affordable rentals in north suburban station areas diminishes.

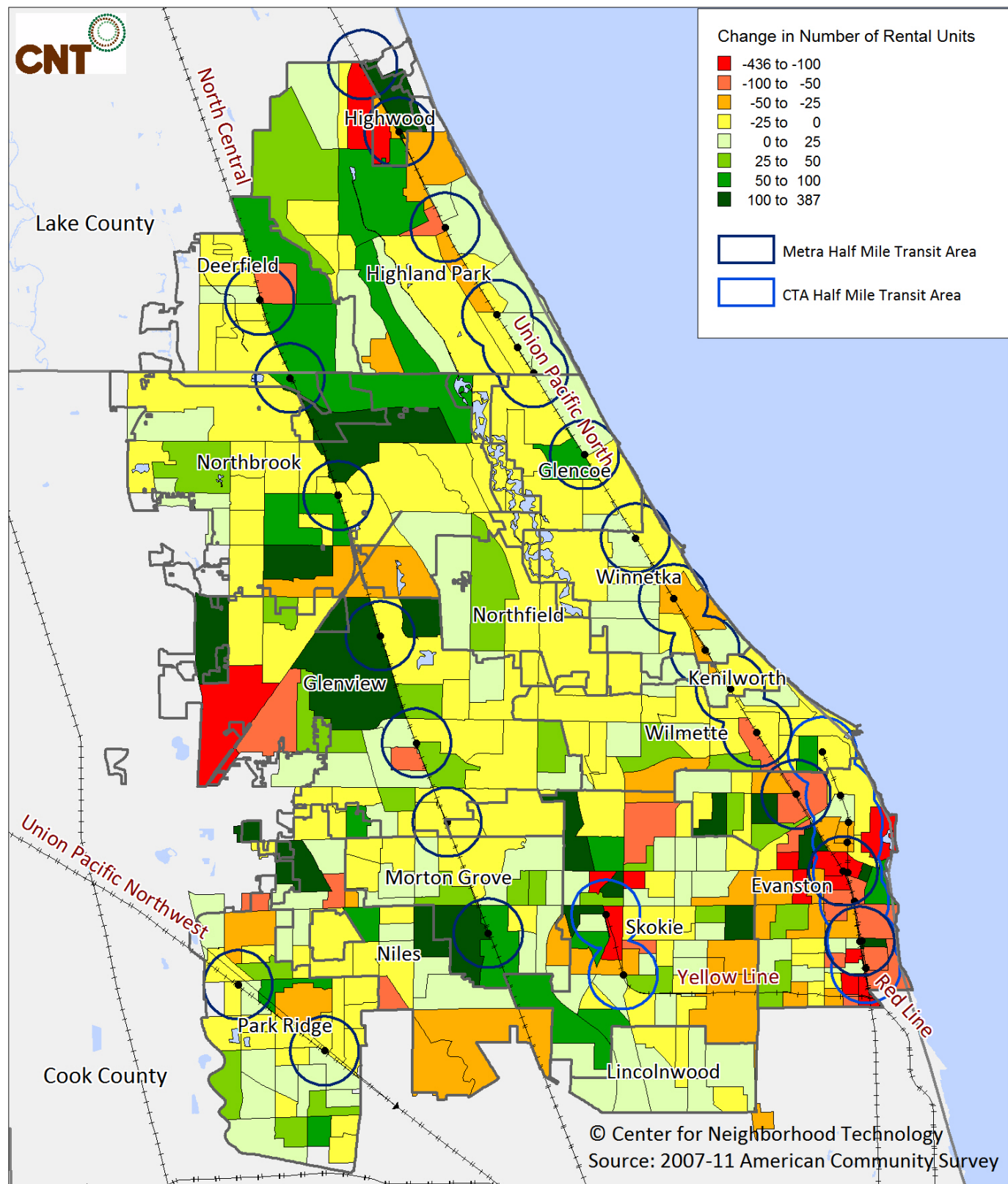
In the northern suburbs, transit-oriented development has often meant condominiums priced at the upper end of the market. Station areas that added condos often saw losses in the number of rental units. Station areas that didn’t add units also saw declines in the number of rental units. Rental developments have been on the upswing during the current market recovery, but overall the supply of affordable rentals has shrunk since 2000:

- *Many north suburban station areas are primarily owner occupied.* Around several CTA stations, such as Davis in Evanston and Dempster in Skokie, apartments and owner-occupied units are evenly balanced. But in more than half of the area’s TODs, rentals comprise less than 20% of the housing stock. For example, only 9% of units in downtown Winnetka within a half-mile walk of the Metra stations are rentals.
- *North suburban station areas added owner-occupied units and lost rentals since 2000.* Overall, the northern suburbs added 34,967 rental units between 2000 and 2009.²³ But around CTA stations, owner-occupied units increased by 11% while renter-occupied units declined by 14%, and around Metra stations, owner-occupied units increased by 7% while renter-occupied units declined by 14%. And only three station areas added more than 33 net rentals: Dempster in Skokie, Morton Grove, and North Glenview.²⁴ Map 4 (page 12) shows the sharp decline in rental units in north suburban TODs between 2000 and 2009.

23. American Community Survey, 2005-2009.

24. This is the likely result of condominium conversions.





- *There has been a loss of more affordable rental units and a gain of less affordable ones.* Between 2000 and 2009, the supply of units with monthly rents under \$1,000 decreased while the supply of units with rents above \$1,000 increased.²⁵ Along the CTA Purple and Yellow Lines, the number of units with rents above \$1,500 more than doubled.
- *The number of rentals has dramatically dropped in Evanston's station areas.* Every Purple Line station that saw significant new development saw a large decrease in the number of rental units. For example, although TOD around the Davis Street station area added 850 new owner-occupied units, the area lost 566 rental units. Davis Street also lost more than 400 units with rents under \$800.

Subsidized housing programs in the northern suburbs have not always emphasized transit. As the level of subsidies for affordable housing stagnates, it becomes more important that communities strategically target these programs to the projects that deliver the biggest benefits. However, programs in the northern suburbs have not targeted TODs. Affordable housing investments that have occurred near transit have largely been concentrated around a few station areas.

- *Less than one out of five federally subsidized units was near transit in 2012.* Federal housing subsidies are not the only available resources to deliver new mixed-income units, but they anchor many affordable and mixed-income projects and impact state and local investment decisions.²⁶ Along the Yellow and Purple Lines in Evanston and Skokie, 602 units were subsidized by at least one of these programs. Near Metra stations, only 305 out of 1,704 units were added – less than one in five.

TABLE 6
Percentage Change in Rental Units by Gross Rent in north suburban station areas, 2000 – 2009

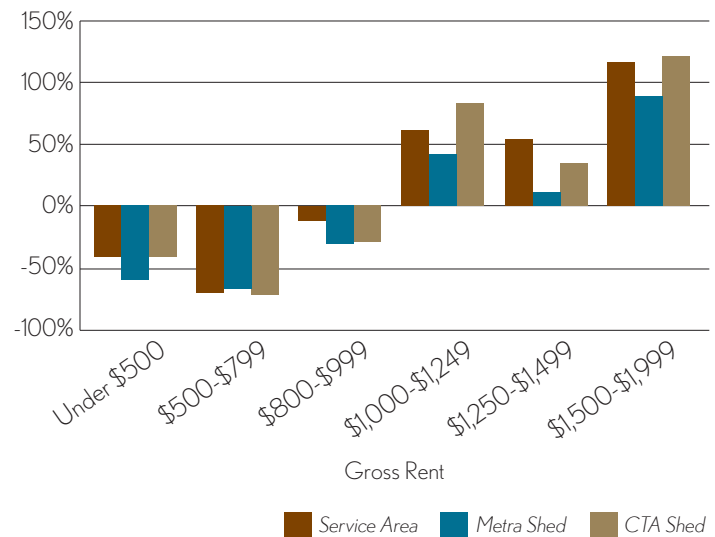
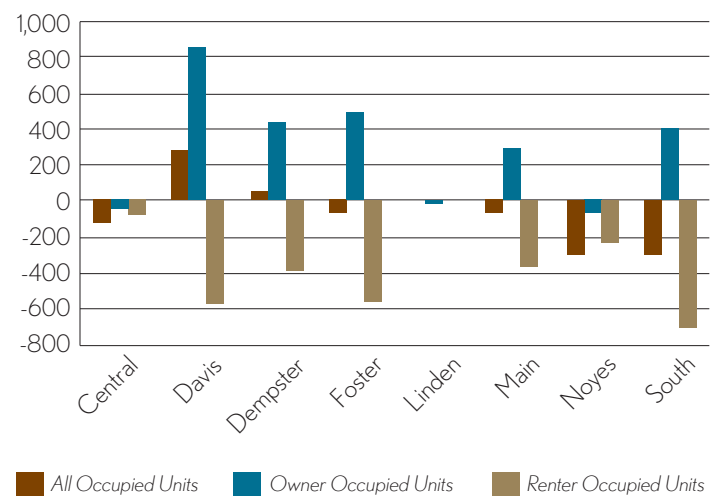


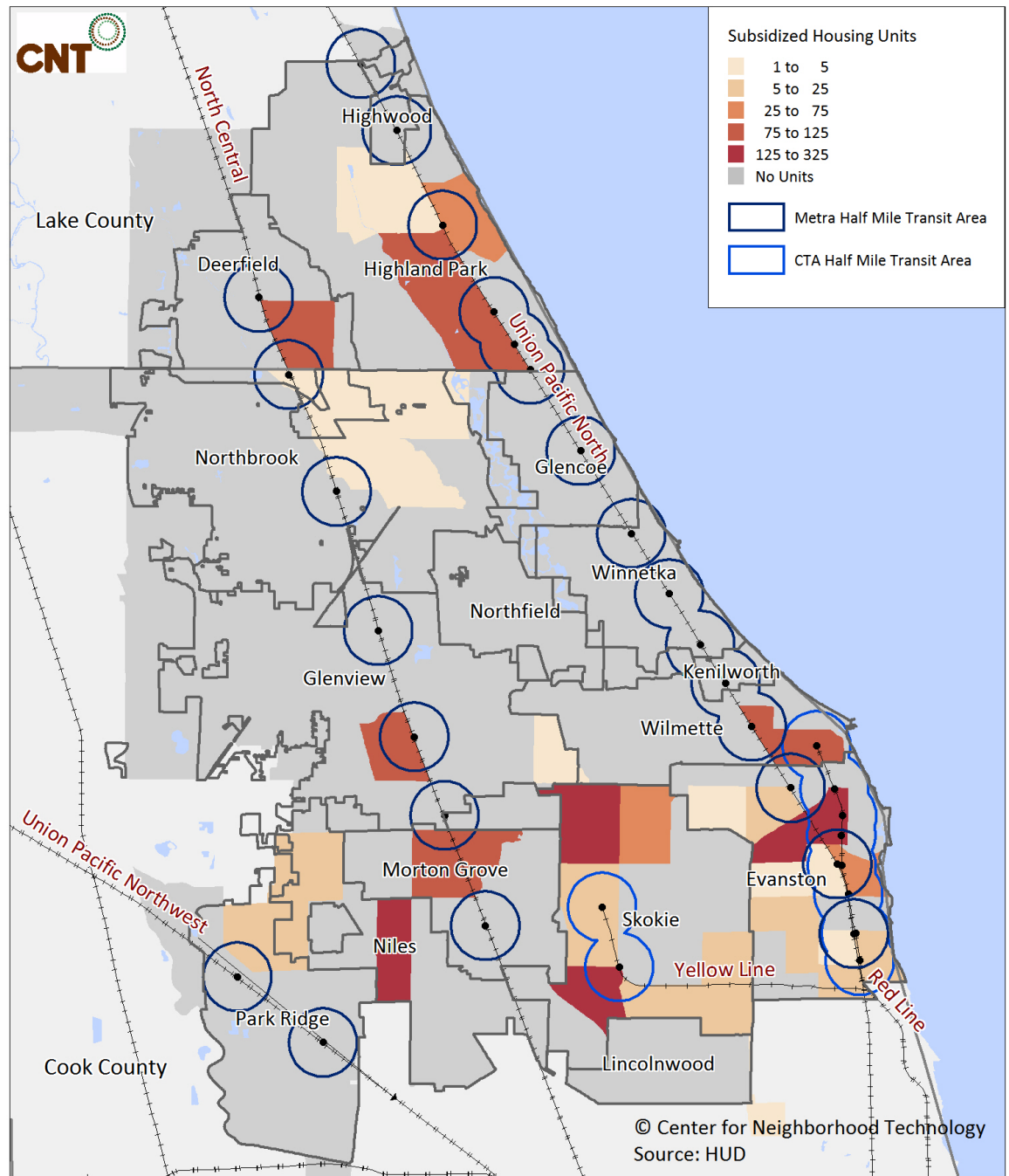
TABLE 7
Change in Owner and Renter Occupied Units in Evanston station areas, 2000 – 2011



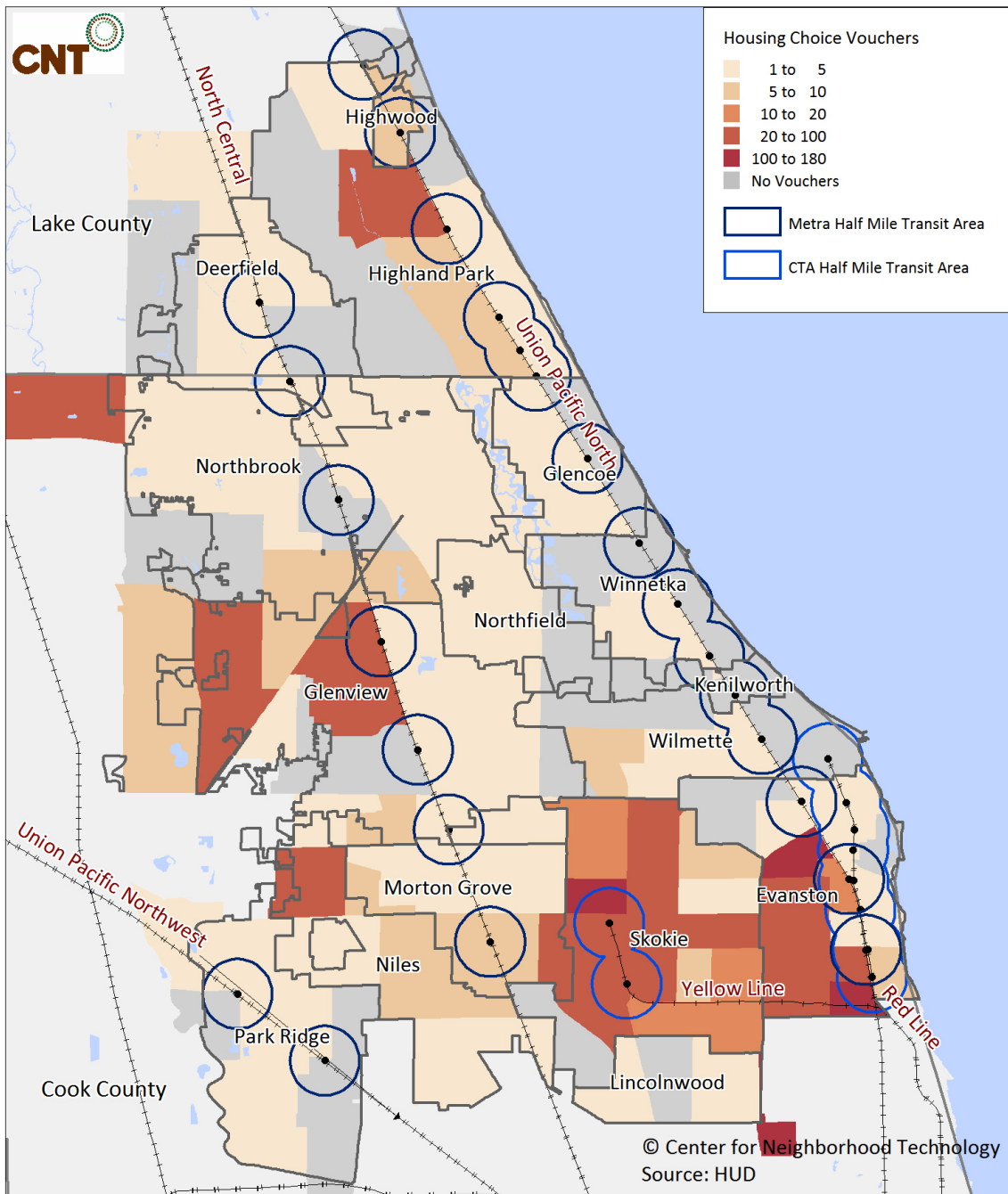
25. These rent levels have not been adjusted for inflation.

26. These subsidies are defined as public housing, project-based Section 8 including 202/8 projects, LIHTC, and "all other multifamily assisted projects." They are available from HUD's 2012 Picture of Subsidized Households.

MAP 5
Subsidized Housing Units by
U.S. Census Tract, 2012



- *Half of public housing units are near transit, but are concentrated in three communities. Almost all northern suburban public housing units are in Evanston, Niles, and Skokie. Approximately 230 units exist within walking distance of CTA stops, and about 70 units are located near Metra stations.*
- *Project-based Section 8 has been used to successfully add or preserve units in north suburban station areas. Out of the 850 units funded by this program, 200 were within walking distance of Metra and 204 were near the CTA. Unlike other programs, this resource has been utilized outside of Evanston and Skokie. For example, project-based Section 8 financed 153 units in Highland Park that include 39 downtown. Wilmette added 31 out of 93 overall units near transit using project-based Section 8.*



- *Some Section 8 voucher holders live in station areas, but are concentrated in just a few towns.* Out of 1,371 voucher holders, 124 live in units near the Metra and 371 near the CTA. But almost one in five voucher holders live near one of two CTA stations, the Dempster Yellow Line and South Boulevard Purple Line stops.²⁷ By contrast, fewer than ten voucher holders live in downtown Highland Park and downtown Wilmette.
- *Low Income Housing Tax Credits have not been heavily utilized.* Between 2000 and 2011, only four LIHTC projects were financed in the northern suburbs. Three of those projects were in Evanston and include two developments near the Foster and Dempster Purple Line stations.

27. HUD's 2012 Picture of Subsidized Households.

RECONNECTED COMMUNITIES: Best Practices in Mixed-Income TOD



Fair, accessible, mixed-income TOD ultimately creates new choices for households of all incomes: the ability to walk to get a gallon of milk, take transit to work, or choose a unit in a vibrant neighborhood at an affordable price point. Affordable housing and TOD plans can succeed when they appeal to a community's desire for more choices. As with all kinds of development, however, mixed-income TOD proposals can fail because of community opposition. In some cases, city staff and advocates fail to present a project or plan to community members in language that reflects neighborhood aspirations. Neighbors might fear the worst and organize against it. In other cases, a development might have broad

community support, but elected officials and staff primarily hear the perspectives of organized and vocal opponents.

Suburbs all over the United States have been mobilizing support from their own community members to forge a consensus for fair, open, and affordable TOD. When neighbors support a vision, particularly one that sets targets for new units at different income levels, it becomes easier for municipalities to be innovative and implement new tools to help developers deliver those units. These three case studies demonstrate that transit-served municipalities can put in place new policies to facilitate mixed-income TOD – so long as they build support from their residents to utilize them.

Case Study: **Charlotte, NC**

Charlotte planned the Lynx Blue Line (completed in 2007) to spark more compact, walkable development within its city limits. Thanks to the efforts of community activists, mixed-income TOD has helped the city change its approach to affordable housing, which had often resulted in subsidized units being added in low-income neighborhoods and reinforcing school segregation. The Mixed Income Housing Coalition and other partners shifted the local housing conversation from subsidizing units to providing them in opportunity areas where residents had equitable access to schools, amenities, and jobs.

As segregation in Charlotte schools increased in the early 2000s, activists began focusing on delivering mixed-income housing in these opportunity areas. The Mixed Income Housing Coalition teamed developers, transit advocates, education advocates, and residents, all of whom could communicate the benefits of integrated communities from very different perspectives. The Coalition brought these voices before Charlotte's City Council to present an economic,

social, and environmental message for mixed-income development. In response, the Council passed its Housing Locational Policy in 2011. For subsidized units serving low and very-low households, this policy seeks to "evenly distribute subsidized multi-family housing developments in the area, support Charlotte's neighborhood redevelopment plans and other public development incentives, promote diversity and vitality of neighborhoods, and to avoid placing too many subsidized multi-family units in a single area."²⁸

These organizing efforts made it easier for Charlotte to anticipate mixed-income TOD along the Blue Line. In 2005, the Charlotte City Council allocated \$5 million to a South Corridor Land Acquisition Fund, which then purchased 17 acres of land near new stations for development. In 2006, the Transit Authority at Scaleybank Station and the city teamed up on a plan to develop a "flagship" mixed-use, mixed-income village. It includes 80 affordable housing units developed by the Charlotte Mecklenburg Housing Partnership, 820 market rate units, retail space, a hotel, and park land.

28. International City/County Management Association, "Charlotte's Housing Locational Policy", http://icma.org/en/icma/knowledge_network/documents/kn/Document/302577/Charlottes_Housing_Locational_Policy.

Case Study: **Somerville, MA**

The Green Line Extension planned by the Massachusetts Bay Transportation Authority will provide significantly improved mobility and transit access to Somerville MA, but in a tight housing market new TOD investment could significantly affect rents for immigrant and low-income populations. In anticipation of the market pressures that the Green Line Extension would create, the Somerville Community Development Corporation (CDC) convened the Corridor Planning Project (CCP). The CDC gave residents an opportunity to discuss values and vision around each planned station area and develop eleven principles for station area design and development. CCP engaged the low-income and immigrant populations who might be threatened by the gentrification a new transit investment could bring. Developed by 120 residents of Somerville, Medford, and Cambridge, the CCP report built neighborhood consensus for mixed-income TOD within Somerville.

The CDC has utilized Somerville's Affordable Housing Trust Fund,

Low Income Housing Tax Credits, and project-based Section 8 funding to redevelop a vacant boys and girls club into 40 energy-efficient, affordable rental units. Because the CDC organized community meetings, door-to-door conversations, and mailings before submitting its plans to the Planning Board for the lot, neighbors understood the project's benefits and it was approved.

Upfront neighborhood consensus makes it possible for Somerville CDC to deliver affordable housing near future stations. Because neighbors understand and support the benefits of community affordability, they pushed the city to adopt more aggressive tools to preserve housing affordability. The CDC and MAPC recently released a report, *Dimensions of Displacement*, which forecasted changes in rents and ownership costs caused by the Green Line extension. Members of the CDC process used this study to push for the City to adopt inclusionary zoning requirements of 15% to 17%, a more aggressive standard than the 12.5% across the rest of the city.

Case Study: **San Leandro, CA**

In San Leandro, California – a “first suburb” south of Oakland in the San Francisco Bay Area – the philanthropic community, regional agencies, and grassroots organizations all partnered to build support for TOD and match it with regional commitments in planning and capacity. This alignment of interests allowed San Leandro to add new affordable units in its TOD.

San Leandro's success would not have been possible without the support and capacity provided by the Great Communities Collaborative (GCC) and its partners. Housed at the San Francisco Foundation, the GCC emerged as the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) launched its Priority Development Area (PDA) framework policy to give its station areas the capacity they needed to build support for and implement mixed-income TOD. As MTC chose station areas in which to fund TOD plans, GCC matched that new capacity with a staff person to build support for equitable TOD among community members. This process supported cross-pollination of ideas between MTC, ABAG, and GCC. Over several years, equitable TOD became a more explicit objective of

the planning program. MTC eventually used federal transportation funding to seed the Transit-Oriented Affordable Housing (TOAH) fund to finance acquisition costs.

San Leandro was one of eight pilot grants funded by MTC. GCC funded a staff person to facilitate community support for the mixed-income TOD grant at Urban Habitat. Urban Habitat in turn brought in a coalition of regional policy experts, environmental sustainability advocates, and community organizers to communicate and measure the benefits of mixed-income affordable housing at community meetings and to community leaders. As a result, San Leandro was able to build community support for a Comprehensive TOD Strategy and suite of implementing tools. The City attempts to unbundle parking from the cost of new construction through its parking maximums of one spot per unit for key parcels around the station and 1.5 for others in the TOD area. The City also charges in-lieu fees for new construction in its TOD under its inclusionary zoning ordinance. These tools and TOAH helped deliver the Alameda, a 100-unit, affordable building.

Lessons Learned

The lessons learned in Charlotte, Somerville, and San Leandro can be adapted to older suburban environments in other places, including the northern suburbs of Chicago. Mixed-income TOD succeeds when its supporters can appeal to a community's aspirations for itself: the hope to maintain community identity, the need to keep a downtown

accessible and affordable, or the desire to improve education and schools. When planners secure community support for mixed-income TOD, they can build support to implement policy tools that facilitate it. Many of those strategies are listed in the next section.



COMMUNITY PLANNING EXERCISE
Photo by Katy Wrathall/Flickr Creative Commons

MAKING IT HAPPEN HERE: A Policy Blueprint for Mixed-Income TOD in Chicago's Northern Suburbs



Meeting Federal and State Requirements through Mixed-Income TOD

Now is the time to act. North suburban Chicago communities can meet evolving state and federal requirements by delivering fair and affordable housing within their transit-oriented developments (TODs). The state's Affordable Housing Planning and Appeal Act (AHPAA) requires communities to address the limited supply of units with affordable housing plans. Proposed HUD guidelines to affirmatively further fair housing will ask Community Development Block Grant (CDBG) entitlement communities to report strategies to proactively promote fair access in opportunity areas. Municipalities can meet both of these rules through TOD.

AFFORDABLE HOUSING PLANNING AND APPEAL ACT

At the hottest point of the housing boom in Chicago's job-rich suburbs, housing advocates looked for models around the nation for ways to capture a share of this growth for low- and moderate-income families. Led by Business and Professional People for the Public Interest (BPI), a public interest legal advocacy group based in Chicago, Open Communities, other advocates and key north suburban legislators successfully passed the Illinois Affordable Housing Planning and Appeal Act (AHPAA) in 2003. This Act adapts housing planning elements and minimum development goals from other states and municipalities, such as Massachusetts' 40B plan²⁹ enacted in 1969, and Montgomery County, MD's inclusionary zoning ordinance,³⁰ which has been in place and fostered the creation of over 12,000 "moderately priced dwelling units" between 1976 and 2004, or 418 units per year.³¹

The statutory language for enacting this housing ordinance³² bears repeating in full:

The legislature finds and declares that:

- (1) there exists a shortage of affordable, accessible, safe, and sanitary housing in the State;
- (2) it is imperative that action be taken to assure the availability of workforce and retirement housing; and
- (3) local governments in the State that do not have sufficient affordable housing are encouraged to assist in providing affordable housing opportunities to assure the health, safety, and welfare of all citizens of the State.

...The purpose of this Act is to encourage counties and municipalities to incorporate affordable housing within their housing stock sufficient to meet the needs of their county or community. Further, affordable housing developers who believe that they have been unfairly treated due to the fact that the development contains affordable housing may seek relief from local ordinances and regulations that may inhibit the construction of affordable housing needed to serve low-income and moderate-income households in this State.

In order to comply with the AHPAA, non-exempt municipalities may select of one of the following goals for increasing local affordable housing stock:

1. a minimum of 15% of all new development or redevelopment within the local government that would be defined as affordable housing in this Act;
2. a minimum of a 3 percentage point increase in the overall percentage of affordable housing within its jurisdiction, as defined in Section 20 of this Act;
3. a minimum of a total of 10% of affordable housing within its jurisdiction.³³

29. See <http://www.mass.gov/hed/community/40b-plan/>

30. See http://www.montgomerycountymd.gov/DHCA/housing/singlefamily/mpdu/program_summary.html regarding the "Moderately Priced Dwelling Unit" statute

31. http://www.montgomeryplanning.org/community/housing/frequently_asked_questions.shtml

32. Illinois Affordable Housing Planning and Appeal Act: <http://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=2477&ChapterID=29>

33. <http://www.ihda.org/government/documents/Final2013AHPAANELGHHandbook.pdf>

Communities have the option of banding together to create affordable housing through Intergovernmental Agreements, as long as the partner municipalities have less than 25% affordable housing and are located within 10 miles of each other.

In the ten years since the Act was passed, the Illinois Housing Development Authority (IHDA) has issued two lists of “non-exempt” communities, virtually all in the Chicago area. The figures are based on Census data. With the economic downturn that began in 2007, in which incomes declined or stagnated for the poor and middle class, combined with continued skyrocketing housing costs in the most affluent areas, the number of communities with under 10% affordable housing increased from 49 in 2004 to 68 in 2013.³⁴

In part, the failure of the Act to result in additional affordable units can be attributed to the delay in implementing an important piece of the Act: an enforcement body. The State Housing Appeals Board, online since 2013, is empowered to hear complaints from housing developers who feel that their development was rejected solely because of the affordable housing component.³⁵ As of this report’s publication in October 2014, no appeals have yet been filed.

Nonetheless, the Act promotes affordable housing as a legitimate public policy matter for every single municipality and county in Illinois.



34. See IHDA's Handbook for Non-Exempt Communities (December 2013) for information on all aspects of the Act: <http://www.ihda.org/government/documents/Final2013AHPAANELGHHandbook.pdf>

35. The Appeals Board is appointed by the Governor. Open Communities' Executive Director Gail Schechter is currently a member.

MEETING AHPAA THROUGH MIXED-INCOME TOD

Communities can meet the planning requirement of the AHPAA by integrating affordability into existing TOD plans and land use strategies. A municipality may add an affordable or mixed-income component to a TOD or downtown plan. It may promote inclusionary zoning around transit nodes to incentivize developers to provide more affordable units. In either case, to meet the AHPAA requirements, the plan must seek to achieve one of the three affordability goals listed earlier.

Unfortunately, although significant TOD planning and some affordable housing planning have occurred in the northern suburbs, these efforts have often been siloed from one another. North Shore TOD plans demonstrate a desire to offer a broader range of housing options but fail to include specifications for affordable units. In cities such as Evanston and Park Ridge, new residential development includes TOD principles of high density and mixed-use development, but emphasize moderate to highly priced units. For example, Evanston’s recent Main/Chicago TOD plan did not include any affordable units.³⁶

At the same time, the plans that communities have submitted for the AHPAA have not always emphasized TOD. Of the nine North Shore communities that submitted plans, all of them have broadly defined affordable housing goals of 10% or 15% of new development. However, most of these plans do not emphasize TOD. Plans set general goals to preserve affordability or develop new units near transit, but do not set an implementation blueprint to get there. Northfield, Northbrook, and Kenilworth do specify sites located near public transportation or sites such as the Green Bay Corridor, the Shermer Road Corridor, and Waukegan Road Corridor.

Municipalities that lack the capacity to carry out an integrated TOD effort can turn to the RTA’s Community Planning program for assistance.

36. Evanston Main Street Transit Oriented Development Final Report, draft, April 4, 2014.
37. Proposed rule, (§5.152 [emphasis added])

AFFIRMATIVELY FURTHERING FAIR HOUSING HUD GUIDELINES

Affirmatively furthering fair housing means taking proactive steps beyond combating discrimination to foster more inclusive communities and access to community assets for all persons protected by the Fair Housing Act. It means taking proactive steps to meet the four goals set forth in the proposed guidelines and to address significant disparities in access to community assets, to overcome segregated living patterns and support and promote integrated communities, to end racially and ethnically concentrated areas of poverty, and to foster and maintain compliance with civil rights and fair housing laws.³⁷

The new steps proposed under the new affirmatively furthering fair housing guidelines are:³⁸

Part One: Data Delivery	HUD would provide each grantee with data necessary to be able to assess fair housing issues in its community.
Part Two: Local Analysis	Using the HUD data and available local measures and input, each jurisdiction would analyze its fair housing issues and provide a complete an assessment of fair housing to HUD, including fair housing goals.
Part Three: Review and Response	HUD would review each AFH within 60 days of submission and either accept the AFH based on a completeness review standard, or explain why the AFH is incomplete and what the participant must do to have it accepted.
Part Four: Incorporation into Planning and Subsequent Action	The affirmatively furthering fair housing goals identified in the AFH would be used to inform the strategies and action of the Consolidated Plan, The Annual Action Plan, the PHA Plan, and the Capitol Fund Plan.

38. USHUD, “A New Assessment Process to Affirmatively Further Fair Housing”. http://www.huduser.org/portal/publications/pdf/affht_userFriendlyGuide.pdf.



Currently all grantees of federal housing funds, including Community Development Block Grants, shall complete an Analysis of Impediments (AI) to Fair Housing. In the northern suburbs, Des Plaines, Evanston, Mount Prospect, and Skokie are direct recipients of HUD funding as “entitlement jurisdictions.” Other municipalities fall under the jurisdiction of Cook or Lake Counties. There is no standard format to the AIs and this can lead to confusion among communities. On July 19, 2013, HUD released its draft guidelines for communities to follow in order to affirmatively further fair housing.³⁹ HUD has not yet adopted those guidelines.

The new guidelines have proposed a process to help communities overcome impediments to fair housing.

- Step one is data collection, and HUD has created tools for communities to be able to easily assess fair housing issues in the community. This data can be used by the community along with available local measures to create analysis and propose solutions.
- Under the second step, HUD would review and respond to the plans and provide technical assistance as necessary to help communities create a strong plan.
- As the third step, the community would incorporate the new affirmatively furthering fair housing plan into the Annual Action Plan and Consolidated Plans.⁴⁰

Transit-oriented development is a perfect place for communities to utilize mixed-income housing as a way to affirmatively further fair housing. Affordable housing is able to bring members of protected classes into a community. The marketing of transit-accessible housing can help reach groups such as the disabled, large families, and racial and ethnic minorities. Access to transit can make affordable housing more appealing to these groups and improve their cost of living through reduced transportation outlays.

The Chicago Metropolitan Agency for Planning (CMAP) and the Chicago Area Fair Housing Alliance (CAFHA) released a Fair Housing and Equity Assessment (FHEA) in early 2014. The FHEA concluded that housing continues to be highly segregated by race in the Chicago region, with significant negative impacts on the regional economy. The report also includes broad recommendations to affirmatively further fair housing in the region. Both organizations are now seeking funding to create a Fair Housing Toolkit to help interested local governments work proactively to implement those recommendations.⁴¹

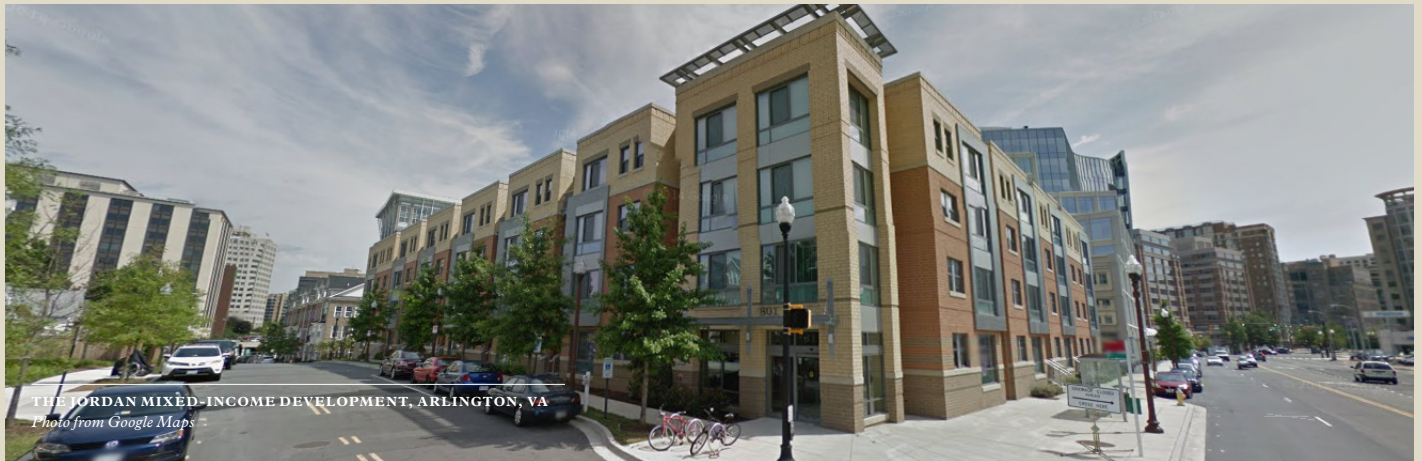
39. National Low Income Housing Coalition, “Affirmatively Furthering Fair Housing”, 2013. <http://nlihc.org/issues/affh>.

40. Proposed rule, <http://www.gpo.gov/fdsys/pkg/FR-2013-07-19/pdf/2013-16751.pdf>

41. <http://www.cmap.illinois.gov/documents/10180/198094/Chicago%20Region%20FHEA%20November%202013%20HUD%20Submission.pdf/b0c6946e-4425-49fe-8d0a-f336903bc464>

Case Study: **Arlington County, VA**

Arlington County, Virginia, used an **Affordable Housing Density Fee** to encourage affordable housing production. A scaled amount of affordable housing or cash fees towards the Affordable Housing Investment Fund are required for developments which exceed the 1.0 floor to area ratio (FAR). Special zones, including several in the Rosslyn-Ballston Metro Corridor, overlay the general zoning map to provide density bonuses for developments which meet certain affordable housing thresholds via increases in units per acre and/or FAR. The County Board designated Twin Oaks, WRIT Rosslyn Center, Rosslyn Ridge, and Rosslyn Commons as Special Affordable Housing Protection Districts (SAHPDs) which includes a requirement for the replacement in any redevelopment of affordable housing on a 1:1 basis or higher.



The Policy Toolbox for Mixed-Income TOD

ZONING

Municipalities can regulate the development of land to incentivize mixed-income developments in walkable neighborhoods where residents can easily reach transit, jobs, retail, and amenities without a car. They can achieve their goals through a combination of “sticks” that require affordable units in a development, and “carrots” that allow increased density and reduced parking. The RTA’s Community Planning and CMAP’s Local Technical Assistance programs both offer technical assistance to put these mechanisms in place. Three complimentary zoning strategies are:

Inclusionary zoning. Inclusionary zoning ordinances typically mandate that a percentage of new units in a development be affordable. If developers cannot meet that requirement within a particular project, they may be allowed to by paying an “in lieu fee” that the municipality

will apply to affordable housing developments elsewhere in the community. Inclusionary zoning ordinances may also require that the exterior appearance of affordable units be indistinguishable from market-rate units in the development. TODs typically allow developers to build more units at greater density on a parcel, so it is easier for them to deliver affordable units in places where land and construction costs are seen as a deterrent.

Providing density bonuses. These incentives award additional density to projects with a mixed-income component and contribute to lowered housing and transportation costs within a TOD. When developers can build additional units on a parcel of land, it makes it easier to provide those units at lower cost or to meet inclusionary zoning requirements, especially when the cost of that land is high. Municipalities can increase building heights or the maximum floor area ratio (FAR) for developments that meet affordability requirements.

Case Study: **Buckman Heights**

Portland, Oregon **eliminated parking minimums** in the central city and in areas within 500 feet of a transit stop to promote housing affordability. The city's zoning ordinance also includes parking maximums for some areas outside of the central city district, tailored in recognition of differing uses and distance from light rail. Portland was able to attract two new housing developments in Buckman Heights and Buckman Terrace. Buckman Heights is a mixed-use, mixed-income 144 unit building with 0.4 parking spaces per residential unit. With 122 units in the residential building, Buckman Terrace has 0.57 parking spaces per unit. For the latter project, zoning encouraged the developer to replace 14 parking spots with 56 secure, covered bike parking spots and two City CarShare vehicles. The developments are near high-frequency bus routes and nine blocks from light rail.



PORTLAND PARKING LOT
Photo by Sam Beebe/Flickr Creative Commons

Unbundling the price of parking. In the Chicago region, zoning in TOD districts typically mandates the suburban standard of two (2) spaces or more per unit, even though households don't need them because they may own fewer cars.⁴² These generous allowances can inflate the cost of new, market rate development by 10-20%.⁴³ Surface parking can cost \$4,200 per space, while underground parking can cost at least \$20,000 per space. Reduced parking minimums would help developers reduce construction costs, increase the number of units in a building, and more easily adhere to inclusionary zoning requirements. Municipalities should reduce these minimums to one (1) space per unit or lower, particularly for rental apartments, and allow developers to dedicate the space to additional units.

FINANCING AND ACQUISITION

Affordable housing resources are dwindling as the demand for units increases, so it can be difficult to target a limited supply of programmatic funds to support a specific policy priority. However, if regional stakeholders can dedicate more resources for land acquisition and financing, it will become easier for municipalities and developers to leverage HOME, project-based Section 8, and other funding sources to deliver mixed-income TOD in more areas. Our region could accomplish this by:

Targeting Low Income Housing Tax Credits. LIHTCs are not the only source of equity available for affordable housing developments within TODs, but they are the most widely used. Because LIHTC often anchors the finances of a project, state policy priorities for the credits strongly influence where affordable housing investment can occur. The Illinois Housing Development Authority (IHDA) has made great progress in prioritizing smart growth in its decision making and requires developers to measure transit access, jobs-housing mismatch, and proximity to amenities when making investments. However, IHDA should take two additional steps to give TODs the financing

42. http://www.transportchicago.org/uploads/5/7/1/2/0/5720074/1b2_rtatodsurvey_slides.pdf

43. Victoria Transport Policy Institute, *Parking Requirement Impacts on Housing Affordability*. June 11, 2014.



WILSON YARD, LOCATED IN CHICAGO'S UPTOWN NEIGHBORHOOD, UTILIZED \$1.9 MILLION IN LOW INCOME HOUSING TAX CREDITS, A \$2.75 MILLION DOLLAR LOW INTEREST LOAN FROM IHDA, AND TAX INCREMENT FINANCING. THE DEVELOPMENT INTEGRATED 178 AFFORDABLE UNITS, AN ALDI, AND A TARGET TO REINVIGORATE AN UNDERUTILIZED STRETCH OF BROADWAY ONE EIGHTH OF A MILE FROM THE RED LINE.

Photo by reallyboring/Flickr

tools they need. First, IHDA should directly link credit awards to projects that implement TOD plans funded by the RTA's Community Planning program or land use and transportation plans funded by CMAP's Local Technical Assistance program. Second, these projects should be eligible for a 30% "basis boost" in equity, allowable under federal law, to help developers account for the higher cost of land within TODs.

Creating a regional fund for land assembly and predevelopment. The assembly of land can be a major

barrier to mixed-income TOD. Top sites may be fragmented among multiple owners. Because of their proximity to transit, amenities, and businesses, those parcels can also have high land costs. Finally, TOD zoning may increase landowner expectations and inflate asking prices. As a result, land assembly within a TOD often requires an investment of time and capital that developers cannot provide. A land acquisition fund, targeted specifically to TODs, would help municipalities bring more sites to a state of "shovel readiness" for mixed-income TOD.

The Equity Gap for Mixed-Income TOD

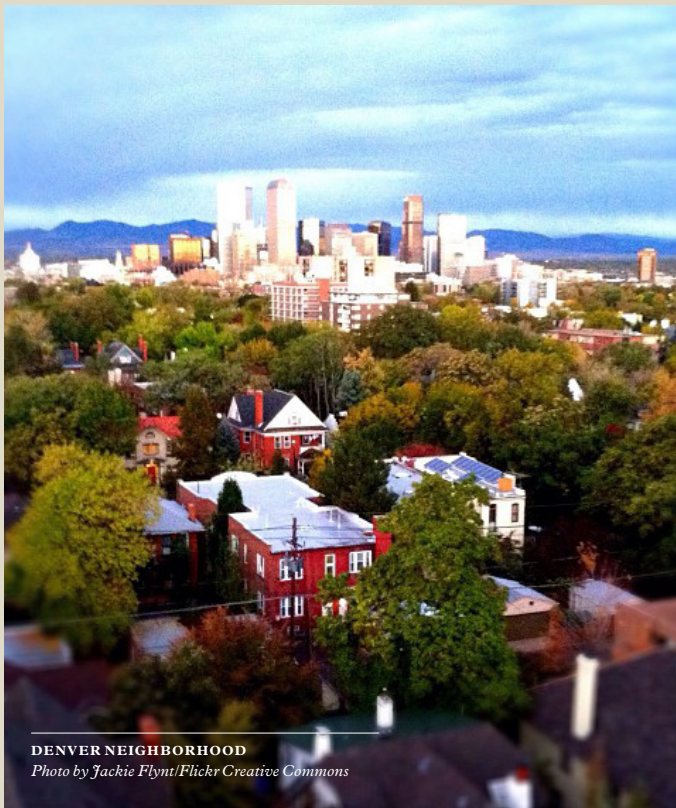
The structure of Low Income Housing Tax Credits can make them complicated sources of equity for mixed-income and mixed-use developments within TODs. Although mixed-income buildings are technically eligible to receive credits, the equity that LIHTCs generate can only be applied to affordable units and developers must find additional private equity to support market rate units, commercial space, or other components. Moreover, LIHTCs will only fund public space, playgrounds, or parking if it is for the exclusive use of the

residents of the development. As a result, LIHTC tends to fund single-use, self-contained, 100% affordable developments - the opposite of a fair, affordable, and integrated TOD.

Unfortunately, these rules are written into the tax code, so there is little action that can be done at the local or state level. The answer comes through federal legislation to design tax credits more compatible with standards for urbanism and integrated, mixed-income housing.

Case Study: **Denver, CO**

In the City and County of Denver, Colorado, the MacArthur Foundation seeded capital for a \$15 million TOD Fund to preserve affordability in neighborhoods served by light rail operated by the Regional Transportation District (RTD). Enterprise Community Partners manages the Fund and the Urban Land Conservatory is the sole borrower. Low-interest rate loans are available for a maximum of five years, the end goal of creating or preserving 1,200 affordable units near transit. As of spring 2013, 626 affordable homes have been created or preserved in eight properties acquired through TOD Fund financing. Additionally, 120,000 square feet of commercial space was acquired for uses like child care, theaters, nonprofit space, and a new library. In three years the Fund leveraged \$200 million in public, private, and nonprofit funding project support and more than 700 jobs were created from the development and redevelopment of TOD Fund projects.



DENVER NEIGHBORHOOD

Photo by Jackie Flynn/Flickr Creative Commons

Creating a local or regional land trust. A community land trust is a nonprofit organization that owns the land and allows it to be used for moderately priced housing. Residents are able to purchase or rent their units. At resale, the resident would sell and receive the appreciation of the value with considerations to keep the unit affordable. The funding for land trusts can come from multiple sources, including real estate transfer taxes, tear-down taxes, and private donations. A community land trust is a great way to preserve long-term affordability. Many land trusts are regional in nature, and communities may be able to partner with neighbors to expand their opportunities. For example, in the north suburban area, Community Partners for Affordable Housing has expanded what was the Highland Park Community Land Trust, founded in 2004 and capitalized by a demolition fee per “tear-down,” into a north suburban regional community land trust.⁴⁴ A regional land trust can provide more capital to purchase land and other resources for developers to utilize.

Creating Affordable Housing Trust Funds. Trusts can be funded in ways similar to community land trusts, and the two often work in conjunction with one another. The fund can also be a revolving loan fund that issues low-interest loans that can be paid back over time. Trust funds typically support land acquisition, construction costs, rent subsidies, or other costs associated with the development and maintenance of affordable housing. Local management allows communities to target their trust funds to specific developments and implement affordable housing plans.

TARGETING INFRASTRUCTURE INVESTMENTS

Many station areas in the northern suburbs and elsewhere grew during the age of the automobile and require expensive retrofits of roads, sidewalks, public space, and other infrastructure to allow for high-quality, urbanist development. Municipalities typically lack dedicated resources for these special projects, so TOD implementation can lag.

⁴⁴ Community Partners for Affordable Housing, <http://cpahousing.org/>.

The Highland Park Approach

Highland Park has developed several innovative tools that work together in a pipeline to develop and preserve affordable housing:

- An *Inclusionary Zoning* ordinance requires that 20% of all new units be affordable. These units must be dispersed throughout the development and be visually compatible with market rate units. Highland Park also allows for units to be counted as affordable for households with incomes up to 120% of the AMI, but the development must also include units that are affordable for families at 30% AMI. This flexibility allows the creation of more affordable housing and the ability to reach more families in need.
- An *Affordable Housing Trust Fund* provides equity for affordable housing developments within the city. It is funded through a one-time reserve from building refinancing and fees and taxes on building demolitions. Developers of projects under 20 units can opt out of inclusionary zoning requirements by paying into the fund.
- An independent *Community Land Trust* acquires and owns land to provide and preserve affordable housing on it. Developers can use the donated land in tandem with the Affordable Housing Donation Tax Credit to raise equity.



Regional and state transportation programmers can explicitly link investments by the Surface Transportation Program, Congestion Mitigation and Air Quality, Transportation Alternatives, and Illinois Transportation Enhancements Program to mixed-income TOD development outcomes. These investments, typically between \$500,000 and \$2 million dollars, will help communities create a walkable environment as part of a high-quality, mixed-income TOD project. The Regional Transportation Authority has led the way in launching the Access to Transit Improvements program to fund TOD improvements last year. CMAP is researching a framework to coordinate investments from various sources to implement plans. Programmers may participate in the development of this framework to equip the northern suburbs with the tools they need to significantly accelerate the rate of TOD.

FAIR HOUSING

TODs can improve access to jobs, shopping, and amenities for those with mobility restrictions due to age, disability, or income. Communities and developers can take concrete

steps to ensure that TOD units remain accessible for these protected classes. Communities and developers can achieve this by:

Instituting affirmative marketing. Affirmatively furthering fair housing is a matter of outreach within and outside a community's borders. Studies have shown that people of color tend to be unaware of affordable housing opportunities in predominantly white communities.⁴⁵ Mixed-income housing should be advertised in nontraditional media and in multiple languages. Advertising in media that targets specific ethnic groups can help create a more diverse community. It is worthwhile to have the advertisements professionally translated in order to attract immigrant families into the community. The Department of Housing and Urban Development has established guidelines for Limited English Proficiency advertising and management, which can be used to reach non-English speaking populations.⁴⁶

Instituting multilingual management policies. For the management of housing, it is a good idea to contract with a management company that is able to speak multiple

45. Open Communities, *Outsider Perspectives on Chicago's Northern Suburbs*. October 22, 2012.

46. <http://www.gpo.gov/fdsys/pkg/FR-2007-01-22/pdf/07-217.pdf>



ORGANIZATIONS LIKE OPEN COMMUNITIES CAN HELP TENANTS UNDERSTAND THEIR RIGHTS AND INCREASE HOUSING AVAILABLE TO THEM.

Photo by Open Communities

languages. This can allow residents to discuss existing issues in a language that is comfortable to them. Documents related to housing are often in complex legal language that is tough to understand. When materials are translated into native languages, they can foster a better understanding among the groups and prevent future conflicts. While the official lease must be in English, signs and notices should be in native languages for residents to the greatest extent possible. Communities can prioritize engaging multilingual management companies when they work to identify managers for a particular development.

Designing for accessibility. Transit should be accessible for residents with disabilities. All public accommodations should also be accessible. In an accessible community, at least 10% of housing units are 100% accessible according to the following seven universal design principles:

- An accessible building entrance on an accessible route
- Accessible common and public-use areas
- Doors usable by a person in a wheelchair
- Accessible route into and through the dwelling unit
- Light switches, electrical outlets, thermostats, and other environmental controls in accessible locations
- Reinforced walls in bathrooms for later installation of grab bars
- Usable kitchens and bathrooms

47. *Williams v. Quinn Consent Decree, 2011 Mandated Annual Report* <http://www.dhs.state.il.us/page.aspx?item=58958>

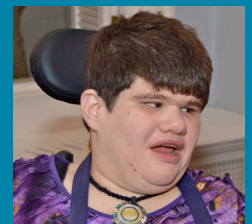
48. *Overview of the Ligas v. Hamos Lawsuit* <http://www.dhs.state.il.us/page.aspx?item=58321>

In Illinois, three consent decrees, *Williams v. Quinn*,⁴⁷ *Ligas v. Hamos*,⁴⁸ and *Colbert v. Quinn*,⁴⁹ ask that people with disabilities be moved out of nursing homes and allowed to live independently. Alongside these consent decrees, some money has been released that can help supplement rent and some other costs. The money released with the decrees can be used in multiple ways. For example, a service provider can create a master lease with a landlord to set the unit aside for tenants that fall under these programs, individual housing vouchers can be issued to the tenants, and adaptability funds can be included in current projects to make units 100% accessible for disabled residents.

Broaden the applicant pool. During the application process, many housing programs give priority to local residents or their family members. These preferences tend to keep a community homogeneous. As an alternative, local government can:

- Offer multiple ways for an applicant to receive preference
- Base the preferences on an expanded geographic area beyond the local government's particular jurisdiction boundaries
- Limit the scope and duration of preferences

"Having the 'L' just a block from where I live has been great for me and for the special people in my life who come to care for me. I also use the PACE bus to get to my art studio three days a week."



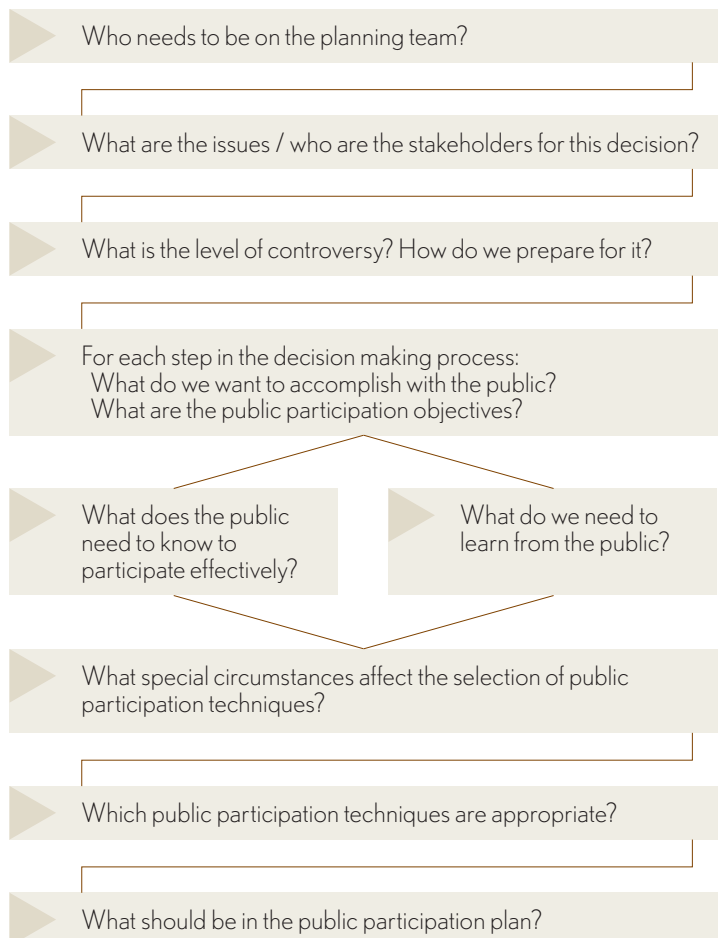
*Laura, artist with disabilities
Lives in Wilmette*

49. *Colbert v. Quinn Proposed Consent Decree* http://www.dhs.state.il.us/OneNetLibrary/27897/documents/GeneralCounsel/Colbert/ColbertProposedConsentDecree82911_v1.pdf

Involving Your Community in Mixed-Income TOD Planning

In order to create mixed-income TOD within a community, it is important that residents understand and embrace it. Even the best-intentioned plans have been rejected because residents did not understand the benefits. To avoid this, communities can engage residents throughout the entire planning process. For example, back in 1999, Highland Park conducted research about affordable housing needs and planning steps to move forward, and built the community consensus to better support affordable housing production fifteen years later. The research and action steps involved residents, businesses, city staff, and elected officials at every point along the way.⁵⁰ Residents sometimes fear that higher-density TOD will create traffic congestion, reduce property values, or change the character of their community. Mixed-income housing developments may fail to win neighborhood approval because of misconceptions of the impact that the new units will have on their neighborhood. Involving a diverse group of community members can be difficult, but it is a critical task for a mixed-income TOD plan to succeed.

Before a plan is even considered, a planning process can be identified and followed throughout its development and execution:⁵¹



HIGHWOOD, IL
Photo by Brendan Saunders, Open Communities

50. The Nathalie P. Voorhees Center for Neighborhood and Community Improvement, "Highland Park Affordable Housing Plan" <http://www.uic.edu/cuppa/voorheesctr/Publications/Highland%20Park%20Plan%202001.pdf>

51. James L. Creighton, *The Public Participation Handbook*. 2005.

To identify stakeholders, a planning team can create a chart that breaks down the group into manageable sub-entities that may be affected by the plan:

- *Economics* – people who could receive some benefit or loss as a result of the plan
- *Use* – the decision made could threaten an existing use of a valuable resource or could make the resource available
- *Proximity* – people or groups that live within a half mile of the planning area that would be affected by increased housing, new traffic, changes in land use, etc.
- *Values or philosophy* – people with strong beliefs about the way resources should be managed

All of the stakeholders identified in these categories will be easy to connect with and many will approach the municipality about the planning process. Other stakeholders may not engage the municipality, so planners can reach out to them to ensure their voices are also heard. Those groups include lower-income residents, people with disabilities, racial minorities, immigrants who speak English as a second language, Millennials, and others. By involving these groups, the final plan can be accessible and function for these groups.

A range of partnerships exist for communities to reach these disenfranchised groups. Many nonprofit organizations within the community or in a neighboring community represent these groups and can be critical entities to contact. Some important nonprofit groups to contact are:

- Disability rights advocacy groups
- Local groups that focus on African-American populations
- Civil rights organizations
- Immigrant associations (use the community's previous plans to identify those groups)
- Fair housing groups
- Affordable housing developers
- Local planning groups
- Neighborhood association

The key to creating an effective community plan is to have strong community involvement. By reaching out to groups initially and involving them in the process, they can take ownership of the plan. Because reaching these groups can be more difficult than anticipated, multiple outreach methods ensure better results. These can include, but are not limited to, public meeting announcements, emails, website posts,



GLENVIEW, IL
Photo by Brendan Saunders, Open Communities

social media posts, personal invitations, letters, phone calls, newspaper articles, announcements on community television, and bulletins at religious institutions.

The media can be a strong partner when trying to reach groups. Depending on budgets, communities may consider purchasing advertisements in local media outlets for outreach.

When holding meetings, the community can have both large town hall meetings and small local stakeholder meetings. Meetings of the planning team fall under the regulations of the Open Meetings Act, so it is important to encourage public comment and participation. Planning meetings are not often attended by members of the public, even though this is a time when voices can be heard, changes can be incorporated, and residents can take ownership. To increase attendance, municipalities can provide refreshments for residents and consider childcare, translators, or interpreters. Local schools can be an effective location to host planning meetings, as they provide adequate space and have areas for children.

Public participation is important during the open comment and plan design periods, but a good procedure ensures strong community input throughout the entire process. The planning team needs to consider:

- How are comments and critiques considered and acknowledged?
- How will controversy be dealt with? What if a group is unhappy with the process or the product?
- What if a group/person does not follow the process for public participation?

Once the plan is created, it is important to release drafts and invite feedback. During this phase, it is important to have a long period for comments and changes to be incorporated. Also, communities can reach out to select stakeholders individually and invite their participation. Some participants may initially be reluctant, but may become involved at the very end of the process.

A general process for public participation can be as follows:⁵²

Step One: Plan Initiation	<ul style="list-style-type: none">• Identify potential participants• Send newsletter announcing plan and inviting participants to attend open houses
Step Two: Identify Alternative Routes	<ul style="list-style-type: none">• Release advertisements and mailings inviting participation in workshop• Host open houses• Hold public workshop
Step Three: Evaluate	<ul style="list-style-type: none">• Bring all suggestions and comments into the plan design• Consult with specific groups for sections of the plan that may affect them
Step Four: Design	<ul style="list-style-type: none">• Write the plan• Release drafts• Publish and execute the plan

A strong participation process will lead to public ownership of the plan, and in turn successful execution of the plan. Effective community planning takes a long time and hard work, but the end product will be lasting and positive for the whole community. Each step of the planning phase will be different for each community. Local planners can help design a timeline that fits the needs of the community, though it should be flexible enough to be changed if necessary.

52. Creighton, *The Public Participation Handbook*.

MOVING TOWARD MIXED-INCOME TOD



Today's fiscal landscape makes it more important and more difficult for municipalities and the private market to encourage mixed-income TOD than in the past. On the one hand, the housing boom of the mid-2000s created sustained pressure to provide affordable rentals near transit. The combined costs of housing and transportation both increased, particularly for moderate-income households, and some housing programs fell short of delivering units with good access to transit. On the other hand, the magnitude of need and shrinking availability of resources makes it harder than ever for well-meaning communities to encourage and facilitate mixed-income housing. This report has introduced case studies, tools, and organizing practices to get there, but these examples do not and should not overlook the role of energetic, passionate staff to carry it through in a challenging environment.

As the benefits accrue, the investment is worth it. When communities grow equitably and affordably around transit, more of their residents can choose where they want to work and how they want to get there. Money once spent on cars and petroleum becomes added wealth, which households can save or reinvest in the local economy. Tax bases grow as municipalities add development and save on infrastructure. More children have the chance to grow up in a safe community with good schools and fresh food.

Our organizations stand ready to implement the tools of this guidebook with you. Together, we can make Chicago's northern suburbs a national success story in fair, mixed-income, and equitable transit-oriented development.

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