

DRAFT

HOUSING NEEDS ASSESSMENT

City of Naperville, Illinois

February 2020



VISION
ECONOMICS
STRATEGY
FINANCE
IMPLEMENTATION

Introduction

Housing Needs Assessment

SB Friedman Development Advisors (SB Friedman) was engaged by the City of Naperville (“City”) to conduct a Housing Needs Assessment. The purpose of the assessment is to:

- Evaluate whether the existing housing stock meets current and projected needs over the short-term (5 years) and long-term (20 years);
- Identify key housing-related issues and unmet needs; and
- Identify potential programs, policies, and strategies to address identified housing challenges and opportunities.

Simultaneous with SB Friedman’s analysis, two other planning processes were underway that address housing issues in Naperville:

- **Naperville Housing Action Plan**, conducted by the Metropolitan Mayors Caucus, Chicago Metropolitan Agency for Planning (CMAP) and Metropolitan Planning Council through the Homes for a Changing Region program
- **Naperville Comprehensive Plan Update**, currently under way and being led by Houseal Lavinge Associates

While SB Friedman has engaged with both groups to understand their analyses and anticipated conclusions, the studies were not completed prior to our engagement or the completion of much of the housing needs assessment.



MULTIFAMILY NEIGHBORHOOD IN NORTHERN NAPERVILLE



HISTORIC SINGLE-FAMILY NEIGHBORHOOD EAST OF DOWNTOWN NAPERVILLE



RECENTLY-DEVELOPED SINGLE-FAMILY NEIGHBORHOOD IN SOUTHERN NAPERVILLE Source: Google Earth

Introduction

Housing Needs Assessment

DEFINITION OF AFFORDABLE AND ATTAINABLE HOUSING

The Housing Needs Assessment includes an analysis of affordable and attainable housing. The definitions of each, for the purpose of this analysis, align with the Illinois Housing Development Authority's (IHDA) 2019 gross rent limits for the Chicago region, which includes DuPage and Will Counties. Gross rent limits are related to percentages of area median income and based on households paying no more than 30% of their income on housing.

Gross rent limits were used for renter-occupied housing, while gross rent limits were adjusted to account for home occupancy costs (taxes, utilities, etc.) for owner-occupied housing. For the purpose of this analysis, affordable and attainable housing are defined as:

- **Affordable Renter-Occupied Housing.** Gross monthly housing costs at or below the 60% gross rent limit. At 60% gross rent limits, homes would be affordable to households earning approximately \$53,000 for a family of 4, with monthly rents of ±\$1,340
- **Attainable Renter / Affordable Owner-Occupied Housing.** Gross monthly housing costs at or below the 80% gross rent limit. At 80% gross rent limits, housing would be affordable to households earning approximately \$71,000 for a family of 4 (estimated purchase price of \$278,000 or monthly rent of \$1,780)

- **Attainable Owner-Occupied Housing.** Gross monthly housing costs at or below the 120% gross rent limit. At 120% gross rent limits, homes would be affordable to households earning approximately \$107,000 for a family of 4 (estimated purchase price of \$425,000)

CITY-DEFINED SUBAREAS

Naperville is a large community with varied neighborhood typologies. SB Friedman therefore worked with City staff to identify 10 subareas to better understand how socioeconomic and housing characteristics vary across neighborhoods. These subareas and their general characteristics are presented on the following page.

Given the irregularity of Naperville's boundary, the subareas were constructed to align with census tracts delineated by the U.S. Census Bureau (Census). In certain situations, the census tracts include portions of neighboring communities and/or unincorporated areas outside the City or exclude certain parcels that are incorporated in the City. Therefore, data collected at the subarea level is used only to understand the general characteristics of the area.

3. CONCLUSIONS

Conclusions

Housing Needs Assessment

NAPERVILLE TODAY

Naperville is both a desirable residential community and a major employment center in the Chicago region. The City's residential population is predominantly higher-income households comprising families with children at home and empty-nesters, while the workforce consists of a mix of professional and business services, retail and health care sectors. Much of the Naperville workforce lives outside of the City, while most City residents commute elsewhere for work and earn higher incomes than those working in the City.

The City maintains a somewhat diverse housing stock (62% single-family detached) with a median year built of 1988 and high occupancy (96%). The concentration of single-family detached housing, as a percentage of total housing stock, generally increases as you move from the northwest to the southeast. Approximately 75% of housing units are owner-occupied. The median home value is approximately \$399,000, while the median rent is \$1,415 per month. To afford this housing, owners would need to earn approximately \$100,000 per year, while renters would need to earn \$57,000 per year.

New construction owner-occupied units are generally located near downtown Naperville and along the perimeter of the City. New construction near downtown generally replaces smaller, lower-cost entry-level housing that has been torn down.

Newer owner-occupied product sold at a 40% premium to the median home value in 2019, while newer renter-occupied units leased at a 25% premium to median rents.

Senior and income-restricted housing is very limited, with senior and income-restricted units accounting for 19% and 4% of all rental units respectively. Senior housing is predominantly nursing care. SB Friedman estimates that approximately 21% of Naperville's owner-occupied housing could be considered naturally-occurring affordable housing (NOAH) at 80% affordability levels, this increases to 66% at the 120% affordability level (attainable/workforce housing). Approximately 12% of rental units are NOAH at the 60% affordability level.

Given the high home values and rents, housing affordability appears to be a challenge across several income cohorts. Approximately 20-22% of existing homeowners and 38-44% of renters are currently paying more than 30% of their gross income on housing. These households are considered cost-burdened and many are low-income. Therefore, there appears to be a considerable need for both owner- and renter-occupied affordable and income-restricted housing throughout the City to meet current residents' needs.

In recent years, population growth has slowed, and the City has become nearly built-out. The lack of additional developable land, combined with the desirability of

Conclusions

Housing Needs Assessment

the community, is driving several housing-related issues, particularly in terms of housing affordability and constrained supply at certain price points.

Furthermore, the lack of developable land has increased property values to a level where building new housing at lower price points is challenging. Key informants indicated that housing affordability challenges are impacting not only lower-income households, but middle- and working-class households as well, particularly seniors looking to downsize, entry-level home buyers, and Naperville workers who wish to live closer to their workplace. Key informants also indicated unmet housing needs for people with special needs, those currently facing or at risk of homelessness, and veterans.

NAPERVILLE IN THE FUTURE

Naperville's population is projected by the Chicago Metropolitan Agency for Planning (CMAP) to grow through 2050, despite limited available sites for residential development. Change in City policies and redevelopment at a higher density would be required to achieve this level of population growth. In the near term, Esri projects that the population will become older and more affluent, with a near-term increase in owner-occupied home values and owner-occupied households by 2024.

A constrained supply of land available for residential development is likely to impact the type of new product that can be built in Naperville going forward. Much of the

residential growth will need to occur through changes in land use and redevelopment of existing sites. This is likely to result in a shift to more dense and small-lot development, including additional multifamily product and attached single-family homes. This shift aligns with broader trends in residential development, both regionally and nationally, that are leading to more compact development. However, key informants indicated that denser development may face some opposition from existing residents.

SB Friedman prepared a housing needs forecast for both renter and owner households. The model incorporates population projections from CMAP, which allocates regional demand to communities based on a number of socioeconomic factors. However, it is important to note that given Naperville's status as a nearly landlocked community, to achieve the CMAP population projections, the City would need to make a policy decision to increase residential density throughout Naperville. After discussions with City staff, SB Friedman utilized slightly more conservative population projections based on recent population growth rates for the purposes of this analysis.

Unmet needs were identified for two time periods, as requested by the City: 2025 and 2040. The results of the analysis indicate that to achieve a balanced housing profile - where appropriate unit types are available and affordable to anticipated households (accounting for both existing cost-burdened households and projected

Conclusions

Housing Needs Assessment

population growth) - there appears to be the need for 6,900-8,600 new housing units by 2025 and 11,700-13,000 new units by 2040. Over the long-term (to 2040), this would amount to the construction of 510-565 units per year. For comparison purposes, the City added an average of ±340 units per year between 2010 and 2017.

Approximately 6,500 of the projected units appear to be needed by 2040 to alleviate housing cost burdens for households at lower incomes.

Additional units are also anticipated to be needed to address unmet housing needs identified by key informants. This includes a constrained supply of housing for seniors looking to downsize, entry-level home buyers, Naperville workers, people with special needs, those currently facing or at risk of homelessness, and veterans.

TOOLKIT TO ADDRESS UNMET HOUSING NEEDS

The City can begin to address housing-related challenges and work towards establishing a diversity of housing at a variety of price points by:

- Implementing proactive housing programs;
- Modifying its zoning code;
- Identifying and leveraging financing mechanisms; and
- Undertaking housing-related strategic planning.

The programs, policies and strategies outlined on pages 60-70 range from action steps that are immediately feasible to those that, with more complex implementation, may require longer-term efforts.

4. TOOLKIT TO ADDRESS UNMET HOUSING NEEDS

Toolkit to Address Unmet Housing Needs

DRAFT

SB Friedman has identified several programs, policies, and strategies that the City can implement to begin to address the housing-related challenges identified above. These programs, policies, and strategies are outlined below, and discussed further on the following pages. Each is classified as:

IMMEDIATELY FEASIBLE	INTERMEDIATE <small>(which typically require identifying a funding source)</small>	COMPLEX, BUT EFFECTIVE
-----------------------------	----------------------------------------------------------------------------------------------	-------------------------------

Housing Programs	Zoning-Related Options	Financing Mechanisms	Strategic Planning
<ul style="list-style-type: none"> • Develop a Community Land Trust • Implement Deed-Restricted Housing • Establish a Revolving Rehabilitation Loan Fund • Establish Grant/Forgivable Loan Program • Establish Down-Payment Assistance Program 	<ul style="list-style-type: none"> • Implement an Inclusionary Zoning Ordinance • Amend Zoning Code to Allow Accessory Dwelling Units • Identify Areas to (Re)zone for Residential Uses • Encourage Small-Lot and Attached Housing 	<ul style="list-style-type: none"> • Establish a Housing Trust Fund • Develop Strategy for Use of TIF & Other Tax Capture Programs to Address Housing Needs • Consider Changes to Community Development Block Grant Program • Leverage County HOME Consortium • Support Employer-Assisted Housing • Promote Impact Investing 	<ul style="list-style-type: none"> • Create Housing-Specific Staff Position(s) within City Government • Establish Additional Resources to Assist Populations with Special Housing Needs • Develop a Strategy to Leverage Publicly-Owned Land to Address Housing Challenges • Identify Surplus Land Held by Major Landowners • Develop Strategic Plan to Preserve NOAH • Develop Working Relationships with Affordable Housing Developers • Assist in Assembling Sites for Housing

Toolkit: Housing Programs

DRAFT

Name	Overview	Feasibility / Key Considerations	Key Decision Points / Next Steps
Develop a Community Land Trust*	<p>Community Land Trusts (CLTs) acquire and maintain permanent ownership of land to ensure long-term affordability of housing units. Residents purchase and own a home and enter a long-term (usually 99-year) lease with the CLT. By separating the ownership of land and housing, CLTs provide low- and moderate-income households with an opportunity to build equity through homeownership.</p> <p>CLTs employ resale formulas to give homeowners a moderate return on investment and maintain affordable pricing for future homeowners. CLTs can also lease multifamily properties, in which leaseholders are subject to the same resale restrictions.</p>	<p>CLTs require that a new non-profit organization be created, with a board of directors, organizational structure, and funding source. A CLT can build its capacity over time to also develop new affordable for-sale and rental housing and provide other housing services for the City, developers, and residents, such as administering other housing-related programs.</p>	<ul style="list-style-type: none"> • Evaluate technical assistance options (i.e., Grounded Solutions Network, local CLTs) • Identify which unmet housing needs will be a focus of the CLT • Identify possible funding sources for operations and land or property acquisition • Identify governance structure and mission and establish a non-profit organization • Determine potential for land acquisition and potential partners (i.e., Habitat for Humanity)
Implement Deed-Restricted Housing	<p>Deed restrictions are often included for affordable housing units receiving public subsidies to enhance long-term affordability for homebuyers. New homeowners execute a deed covenant stipulating that the home will be sold to a low-income household in the future under an established formula. In some cases, use and resale restrictions are instead appended to a homeowner's mortgage. Deed restricted housing (DRH) is often the result of inclusionary mandated and affordable housing incentives.</p>	<p>DRH offers homeowners a limited return on investment and restrictive covenants often lapse after a specified period of time. This program would be most relevant for new owner-occupied developments receiving direct City funding.</p>	<ul style="list-style-type: none"> • Determine the criteria and length of time for covenants • Identify potential developers/partners (e.g., Habitat for Humanity) to partner with in developing DRH • Monitor DRH units over time (possibly with assistance of county)

*Also a Metropolitan Mayors Caucus (MMC), Chicago Metropolitan Agency for Planning (CMAP), and Metropolitan Planning Council (MPC) recommendation

Toolkit: Housing Programs

DRAFT

Name	Overview	Feasibility / Key Considerations	Key Decision Points / Next Steps
Establish a Revolving Rehab Loan Fund	<p>Revolving rehabilitation loan funds provide loans to homeowners to rehabilitate their homes and/or make needed accessibility modifications. Typically revolving rehabilitation loan funds have criteria such as home age, type of improvement, cost of improvement, resident income, etc. Recipients of the loan typically would not be able to receive a loan from a traditional bank, and loans are generally offered at lower interest rates.</p>	<p>An initial funding source would be required to support the program; however, over time, loan programs could become self-sufficient. CDBG could be an initial funding source.</p> <p>A program administrator would be needed to review/approve applications and manage/track payments.</p>	<ul style="list-style-type: none"> • Identify organization or City department to administer program (ensure homeowners complete improvements, disburse and service the loans) • Identify funding source • Determine eligibility criteria and fund requirements
Establish Grant/Forgivable Loan Program	<p>Grants and forgivable loan programs also assist homeowners with rehabilitating their homes and/or making needed accessibility modifications. Awards may be grants or loans which are forgiven once a homeowner satisfies certain conditions (such as length of residency)</p>	<p>Requires identification of an ongoing funding source. CDBG could be one potential source.</p> <p>A program administrator would be needed to review/approve applications and manage/track payments.</p>	<ul style="list-style-type: none"> • Identify organization or City department to administer program (ensure homeowners complete improvements, disburse and service the loans) • Identify funding source • Determine grant/fund structure and criteria
Establish Down-Payment Assistance Program	<p>Down-payment assistance programs reduce barriers to homeownerships for households that can afford the monthly mortgage payments but face barriers in saving sufficient funds for a down payment. The program could be focused on entry-level home buyers and Naperville workers who are otherwise challenged to find housing in Naperville.</p> <p>Down-payment assistance is typically offered as either a grant or second mortgage. Second mortgages can be structured as an installment loan for moderate-income households or a deferred loan due at a future date (i.e., upon sale or transfer of the home) for lower-income households.</p>	<p>An initial funding source would be required to support the program; however, over time, loan programs could become self-sufficient.</p> <p>A program administrator would be needed to review/approve applications and manage/track payments.</p>	<ul style="list-style-type: none"> • Identify an initial funding source • Determine targeted populations eligible for down-payment assistance • Identify program administrator • Determine financing terms (grants vs. loan, interest rates, repayment options, etc.) • Outline application requirements

Toolkit: Zoning-Related Options

DRAFT

Name	Overview	Feasibility / Key Considerations	Key Decision Points / Next Steps
Implement an Inclusionary Zoning Ordinance*	<p>Inclusionary zoning (IZ) links the production of affordable housing to private market-rate residential development through mandatory or voluntary inclusion of units affordable to low- and moderate-income households. In exchange, developers generally receive offsetting benefits, such as density bonuses, zoning variances, financial incentives, or expedited permitting.</p> <p>Inclusionary units could begin to address unmet needs for low-income households, Naperville workers, people with special needs and veterans.</p> <p>Regionally, Chicago, Evanston, Lake Forest and Highland Park have mandatory inclusionary zoning policies, while several other midwestern suburbs such as St. Charles, IL, Edina, MN, and St Louis Park, MN have successfully implemented incentive-based inclusionary zoning policies.</p>	<p>IZ ordinances can impact the financial feasibility of development. Therefore, careful testing should be done to calibrate an IZ ordinance to the local market, considering market rents and construction costs.</p> <p>Implementing an IZ ordinance will require City Council approval.</p>	<ul style="list-style-type: none"> • Conduct outreach with potential housing developers to understand how an IZ policy would impact their decision to develop in Naperville • Decide whether the policy would be mandatory or voluntary, and if there is a geographic criteria • Identify targeted percent of affordable units, income levels and criteria for building the affordable units (i.e. onsite or offsite, required affordability period, etc.) • Evaluate the financial feasibility of the desired set-aside percentage, income levels and other criteria by testing the impacts on prototypical projects • Decide whether a fee-in-lieu of developing the units will be allowed, and if so, carefully calibrate that fee and establish a plan for using the fee-in-lieu funds.
Amend Zoning Code to Allow Accessory Dwelling Units	<p>Accessory dwelling units (ADUs) are small rental dwelling units on single-family home lots. ADUs can be contained within the principal dwelling unit (i.e. basement apartment) or within a separate structure entirely (i.e. carriage house or apartment above a detached garage). ADUs increase attainable rental options, present potential new income streams for homeowners, and provide additional living arrangement options (i.e. family members or caretakers living onsite) for seniors or other residents with special needs.</p>	<p>The City zoning ordinance would need to be amended to allow ADUs.</p> <p>Implementation would require the buy-in/support of elected officials and may require education of residents.</p>	<ul style="list-style-type: none"> • Evaluate alternate forms of ADUs and determine applicability to Naperville • Conduct public education regarding ADUs

*Also a Metropolitan Mayors Caucus (MMC), Chicago Metropolitan Agency for Planning (CMAP), and Metropolitan Planning Council (MPC) recommendation

Toolkit: Zoning-Related Options

DRAFT

Name	Overview	Feasibility / Key Considerations	Key Decision Points / Next Steps
Identify Areas to (Re)zone for Residential Uses	<p>Rezoning underutilized commercial areas and expanding residential zoning districts would support development of additional housing units. Municipalities can adjust zoning codes to allow for a variety/mix of housing types, relax caps on number of units, increase densities, and more. Allowing residential units to be built in a variety of places could create more housing options at a variety of price points.</p>	<p>The City can leverage the land use analysis conducted as part of Comprehensive Plan update. While zoning may be adjusted to accommodate more residential units, the market will still determine feasibility of adding residential units and the type of residential development that is feasible.</p> <p>Incentives or other strategies may be required to ensure a mix of price points or housing types consistent with City objectives. Zoning amendments will require City Council approval.</p>	<ul style="list-style-type: none"> Evaluate existing land uses and identify areas appropriate for land use transition or accommodation of mixed residential and commercial uses Amend zoning code
Encourage Small-Lot and Attached Housing*	<p>Small-lot and attached housing increases density on a site, allowing additional units to carry high land acquisition costs. This could result in lower-cost housing that may be attractive to entry-level homebuyers and seniors looking to downsize into more economical housing. This product typology includes cottage clusters which are a group of smaller detached housing units that are clustered around a common open space.</p>	<p>Residential developers are often very specialized. The City would need to find a developer that is interested and willing to undertake this sort of development.</p> <p>Given the strong demand for housing in Naperville, the City may need to incentive developers to undertake this sort of development, rather than larger-lot higher value single-family homes.</p>	<ul style="list-style-type: none"> Identify suitable land and potential developers Determine if current zoning code allows for these typologies and amend if needed

*Also a Metropolitan Mayors Caucus (MMC), Chicago Metropolitan Agency for Planning (CMAP), and Metropolitan Planning Council (MPC) recommendation

Toolkit: Financing Mechanisms

DRAFT

Name	Overview	Feasibility / Key Considerations	Key Decision Points / Next Steps
Establish a Housing Trust Fund*	A housing trust fund can be generated from a variety of sources (including local revenue streams, Federal entitlement funds, fees paid by developers, private grants/donations, interest from government accounts, City general funds, etc.) to support a range of housing programs and investments. Typically funds are created to support housing needs for target populations, types of projects, or geographies.	To be most effective, housing trust funds must have a consistent source of funding. CDBG is one potential source of funding. Clear guidelines for providing trust fund dollars must be established. Depending on the funding source, the creation of the fund, as well as disbursement, may require City Council approval.	<ul style="list-style-type: none"> • Determine funding source and size of fund • Identify eligibility criteria such as target populations, project types, types of assistance (i.e., gap financing), etc. • Consider administrative structure and mechanism to distribute funds
Develop Strategy for Use of TIF & Other Tax Capture Programs to Address Housing Needs	TIF & other tax capture programs allow for the generation of local revenue to contribute to a fund that can be used as an incentive for development of a variety of housing types. Examples of tax capture programs include Tax Increment Financing (TIF), Business Districts (BD), Special Service Areas (SSA), and Sales Tax.	<p>Use of TIF or other tax capture mechanisms can provide a dedicated revenue stream to support City housing objectives.</p> <p>Site eligibility criteria apply to certain programs (TIF, BD) and revenues need to be spent within defined geographies with TIF, BD and SSAs.</p> <p>Some programs put an extra burden on residents, business owners, or developers. Tax capture policies may require City Council approval.</p>	<ul style="list-style-type: none"> • Identify appropriate programs to meet City needs • Conduct eligibility analysis, including evaluating revenue generation potential • Evaluate local support of those who would be impacted by tax capture method • Determine priorities for using the funding source
Consider Changes to Community Development Block Grant (CDBG) Program	The City appears to use its CDBG allocation primarily for social service and housing-related programs, rather than development of new units. The targeted use of CDBG funds could support the development of new affordable and/or accessible housing in Naperville and be leveraged to attract other financing sources.	Given that these programs likely rely on CDBG funding, it may be challenging to reallocate funds. Alternate funding streams may be needed for program support.	<ul style="list-style-type: none"> • Define long-term housing goals as part of Consolidated Planning process. • Modify City CDBG policies and practices to achieve long-term housing production goals. • Publicize availability of CDBG funds to support affordable and/or accessible housing development.

*Also a Metropolitan Mayors Caucus (MMC), Chicago Metropolitan Agency for Planning (CMAP), and Metropolitan Planning Council (MPC) recommendation

Toolkit: Financing Mechanisms

DRAFT

Name	Overview	Feasibility / Key Considerations	Key Decision Points / Next Steps
Leverage County HOME Consortium	The HOME Investment Partnerships (HOME) program, funded by HUD is a federal block grant that is used to create affordable housing for low-income households. Funds are allocated annual to provide financial assistance to government agencies and non-profit and for-profit organization to build, buy, and rehabilitate affordable housing for rent or ownership, or to provide direct rental assistance to low-income households.	HOME funds are allocated to a County Consortium. The City can work with the consortium to ensure that a portion of the allocation is deployed in Naperville to address unmet housing needs.	<ul style="list-style-type: none"> Collaborate with the County Consortium to advocate for more HOME funding to be used in Naperville
Support Employer-Assisted Housing	<p>Employer assisted housing programs can include employers developing housing for their employees or providing direct assistance to their employees through down-payment assistance, closing cost assistance, mortgage guarantee, home buyer education and counseling, etc.</p> <p>Local governments can maximize the likelihood of employer involvement in housing by offering financial incentives to augment or offset private contributions and by facilitating collaboration with nonprofit organizations that work with interested employers to design and manage housing benefit programs.</p>	The City will need to identify and work with key local employers to convey the importance of having affordable/attainable housing in Naperville for their employees.	<ul style="list-style-type: none"> Educate local employers on employer assisted housing programs and the benefits Determine ways the City can incentivize local employers to establish employer assisted housing programs
Promote Impact Investing	Philanthropic foundations and anchor institutions typically utilize diverse investment portfolios to generate funds needed to pursue their missions. Entities that engage in impact investing can allocate a portion of their investment funds towards community-based organizations or projects that generate positive social outcomes, including addressing housing challenges for low-income and special needs populations.	Naperville will need to identify a partner(s) who would want to invest in housing in the community.	<ul style="list-style-type: none"> Conduct outreach and marketing to philanthropic foundations and anchor institutions Determine priorities for investment

*Also a Metropolitan Mayors Caucus (MMC), Chicago Metropolitan Agency for Planning (CMAP), and Metropolitan Planning Council (MPC) recommendation

Toolkit: Strategic Planning

DRAFT

Name	Overview	Feasibility / Key Considerations	Key Decision Points / Next Steps
Create Housing-Specific Staff Position(s) within City Government	<p>A dedicated housing department or staff is important to advance a community's housing goals. Significant staff time can be required to implement and operate new programs, and it can be difficult for shared staff with multiple responsibilities to consistently prioritize housing over competing duties.</p>	<p>Funding for staff salaries and benefits would need to be identified and programmed within the City budget. A standalone housing department could be considered, or dedicated housing staff could be housed within the Transportation, Engineering and Development (TED) department.</p>	<ul style="list-style-type: none"> • Determine number of housing staff and departmental structure (i.e., within TED or new Housing Department) • Identify funding source within City budget for full-time housing staff
Establish Additional Resources to Assist Populations with Special Housing Needs	<p>The City could become a one-stop resource for connecting populations with special needs to housing and program providers.</p> <p>This information could be aggregated by special needs group: low-income households, people with disabilities, seniors, veterans, the homeless, and foreign-born residents with language barriers, etc.</p>	<p>The City would need to allocate staff resources to the aggregation and continual update of housing-related information.</p>	<ul style="list-style-type: none"> • Reach out to housing and program providers to identify resources available to each group • Aggregate information into an easy to understand format and distribute • Maintain relationships with housing and program providers and regularly update materials.
Develop a Strategy to Leverage Publicly-Owned Land to Address Housing Challenges	<p>City-owned land can be provided to developers at a discount to incentivize the private sector to address unmet housing needs (affordable, senior, or supportive housing development, etc.). This also activates underutilized City properties.</p>	<p>The City would need to make a policy decision regarding using the land to meet unmet housing needs, rather than capitalizing on its full market value.</p>	<ul style="list-style-type: none"> • Determine how much City-owned land is zoned and available for residential development, or where rezoning may be appropriate • Identify target populations, project types, length of affordability restrictions, etc. • Conduct outreach to potential housing developers • Undertake Request for Developer Proposal process

Toolkit: Strategic Planning

DRAFT

Name	Overview	Feasibility / Key Considerations	Key Decision Points / Next Steps
Identify Surplus Land Held by Major Landowners	<p>Surplus land held by major landowners can be redeveloped to meet unmet housing needs. This could include mission-driven landowners (e.g., hospitals, churches, etc.) who could redevelop land for affordable, senior, and supportive housing, or major employers who could redevelop surplus land for workforce housing. The surplus land could be offered at a discount to encourage desired housing development supportive of landowners' overall goals.</p>	<p>Landowners would need to evaluate space needs to ensure that their future growth is not precluded.</p> <p>Land would need to be appropriate for residential uses, and the City may need to support rezoning and/or invest in required infrastructure.</p> <p>Discounted land alone may not make desired housing development financially feasible.</p>	<ul style="list-style-type: none"> • Identify major landowners with potential surplus land • Determine priorities for housing development • Conduct outreach to the landowners • Evaluate feasibility of housing development on the land • Identify additional funding mechanisms available to support housing development
Develop Strategic Plan to Preserve NOAH	<p>The demolition of naturally occurring affordable/attainable housing is furthering housing affordability issues in Naperville. The City could develop strategies to preserve this lower cost housing stock by implementing preservation overlay districts or discouraging demolition activity.</p>	<p>Maintaining NOAH requires public intervention or the private market will continue to result in upward filtering as land values increase. Initial analysis suggested the types of housing and general location of NOAH. Additional research would be needed to clarify boundaries of possible areas to target NOAH preservation. Operators of rental NOAH would need to be identified and partnered with.</p>	<ul style="list-style-type: none"> • Determine desired areas to preserve NOAH • Evaluate options for preserving NOAH (overlay districts, higher demolition fees, strategic acquisition, working with owners of rental NOAH)

Toolkit: Strategic Planning

DRAFT

Name	Overview	Feasibility / Key Considerations	Key Decision Points / Next Steps
Develop Working Relationships with Affordable Housing Developers	<p>The City can play an important role in connecting affordable housing developers, funders, and service providers. It is important to build relationships with organizations dedicated to affordable housing creation and preservation to leverage the City's investment into its affordable housing programs and capitalize on the expertise and financial resources of outside organizations.</p>	<p>The City would need to allocate staff resources to building these relationships, aggregating and sharing housing-related information, and acting as a point of coordination amongst the various organizations.</p>	<ul style="list-style-type: none"> • Identify and meet with affordable housing organizations active in the area • Produce a document to inform organizations of Naperville's housing needs and available resources.
Assist in Assembling Sites for Housing	<p>The City can undertake site assembly and key predevelopment efforts that are often cost prohibitive for infill development (e.g., building demolition, land remediation) to alleviate costs to housing developers.</p>	<p>Site assembly is often time consuming and site costs may increase when City redevelopment strategy has been publicized</p>	<ul style="list-style-type: none"> • Identify key sites to support City housing production goals and conduct outreach to potential housing developers • Identify a funding source for land acquisition • Establish criteria for future development • Prepare RFP/RFQ process for the land