

DRAFT

DuPage Homeless Alliance's Suggestion for Integrating Planning for Affordable Housing and Fair Housing Into Naperville's Comprehensive Planning and Implementing Processes in Accordance with the Analysis of Impediments Study

Background:

At the December 4 meeting of the Naperville City Council, during discussion of Agenda Item K. 1 regarding the 5th Avenue Development, it was decided that a late January workshop (since postponed) for City Council would be desirable to discuss several major issues impacting the decision to go forward with Phase II of the development. Those issues included the potential relocation of the DuPage Children's Museum, the actual severity of, and desired cure for, commuter parking space shortages, the sell versus lease decision, and the inclusion of attainable housing in the planned development. The Housing Advisory Commission was asked to provide input ahead of such workshop, using its planned January meeting, and a special session if necessary, to formulate such input.

Facts:

1. The most recent "Analysis of Impediments to Fair Housing Choice" (AI) study accepted by City Council in 2017 noted that the city had not met its goals for increasing affordable housing established in the *prior* AI issued almost a decade earlier, and re-established goals for increasing the affordable housing stock in Naperville, with an emphasis of affordable housing in proximity to public transportation;
2. The Illinois Housing Development Authority (IHDA) considers rental units affordable if a given family size making 60% of the Area Median Household Income (AMHI) for such family size would have to spend no more than 30% of such household income on such rent;
3. The City has received, and continues to receive, considerable amounts of federal Community Development Block Grants (CDBGs) which connect, in significant part, to its efforts to further fair and affordable housing, such efforts being annually certified by the City, and periodically self-evaluated by the filing of AIs;
4. The most recent AI noted in its Key Conclusions that the City lacks an affordable housing policy to facilitate the creation of new affordable housing units as part of all new residential development;
5. The Housing Advisory Commission was tasked by the City Council in May of 2017 with implementing the action steps of the most recent AI, and has been working on some of the short-term goals (such as educating council, commission and staff about fair housing) while doing some initial planning around some of the longer-term goals, including the above-referenced integration of planning for affordable and fair housing into the comprehensive planning process;
6. The less than two months over a holiday period between the December 4 City Council meeting and the proposed workshop in late January is not sufficient time for the Housing Advisory Commission to develop, vet, and finalize the integration strategy described in the most recent AI, as such formulation will entail significant communication with other commissions like Planning and Zoning, as well as City Staff;
7. The integration when finalized will be expected to address several of the pertinent statistics and shortcomings cited in the AI, which have been chronicled in the attached **Addendum**; and,
8. When finalized such an integration of the planning for affordable housing and fair housing into comprehensive planning would apply to significant developments such as that which is before City Council now.

Until the planning for affordable and fair housing can be integrated into the comprehensive planning process, the DuPage Homeless Alliance recommends that the HAC be consulted on any significant housing developments being considered for Naperville.

Addendum

Compilation of Sections of the 2017 Naperville Analysis of Impediments Study (AI) With Statistics or Discussion of Need for More Affordable Housing

PAGE 22 – “Key Conclusions:”

- Non-White households tend to have larger families and be renters, but the supply of rental units with three or more bedrooms is very limited
- Residents of Naperville tend to have much higher incomes than most Americans; however, there are significant income and poverty rate disparities for members of the protected classes
- Renters are more likely to be cost-burdened than homeowners

PAGE 41 – Under “Housing Costs” Discussion:

- Homeowners tend to have higher household incomes than renters: the median renter income in Naperville was \$59,255 compared to \$127,468 for owners. The maximum monthly gross rent a household would be able to afford at the median renter income was \$1,481, which was slightly above the City’s actual median gross rent of \$1,290. This indicates that the median renter income is enough to afford the median gross rent in Naperville. However, the 5,248 renter households in Naperville earning less than \$50,000 (59.9% of all renter households) are priced out of units renting for the \$1,290 median rent
- Cost burdened renters are clustered in the neighborhoods north of Downtown, especially near the intersection of U.S. 34/Ogden Avenue and North Washington Street. While median gross rents are lower in these areas, incomes are lower and there are higher rates of renter occupancy
- Most of the units in Naperville that rented for \$1,000 or less—the rent category stakeholders used to define as “affordable” —are located in the neighborhoods near Downtown and in the northwest section of the City. As detailed later in this report, while the units near Downtown have good access to opportunities such as jobs and health services, the units in the northwest are located in racially concentrated areas of poverty, and tend to have lower access to opportunities. Additionally, although these areas are some of the most affordable areas in the City, they have higher rates of renter cost burden. This is likely due to the low median household incomes in these tracts

PAGES 52-53 – Under “Racially or Ethnically Concentrated Areas of Poverty”

- Not reproduced here in its entirety, but a good discussion of 16 areas of the city (“Focus Areas”) where there are above average poverty rates and minority concentration

PAGE 69-70 – Under “Disproportionate Housing Needs”

- A lack of quality affordable housing can lead to overcrowding in units and occupying substandard housing, which are indicative of constrained housing choice. These variables signify

**Compilation of Sections of the 2017 Naperville Analysis of Impediments
Study (AI) With Statistics or Discussion of Need for More Affordable Housing
(cont'd)**

acute and unanswered housing needs within a community, and high rates of these are indicative of housing problems

- Households with any of the following characteristics are classified as having a housing problem:
 - Lacking complete kitchen or plumbing facilities
 - More than one person per room
 - Cost burden: monthly housing costs, including utilities, exceeds 30% of monthly income
- Households with one of the following characteristics are said to have a severe housing problem:
 - Lacking complete kitchen or plumbing
 - More than 1.5 persons per room
 - Severe cost burden: monthly housing costs, including utilities, exceeds 50% of monthly income
- The majority of housing problems in Naperville relate to cost burden: less than 1% of City residents lack complete kitchen facilities or plumbing facilities, and approximately 1% have more than one occupant per room. Black households, Hispanic households, nonfamily households, and elderly families experience housing problems at disproportionately high rates – meaning they experience housing problems at a rate at least five percentage points higher than the average of 29.2%.
- 12.0% of all households in Naperville experience severe cost burden. Black households, Hispanic households and non-family households all experience severe cost burden at disproportionately high rates. Of these groups, Black households experience the greatest rate of severe cost burden, at 21.3%

PAGE 71 Under “Publicly Supported Housing”, Key Conclusions:

1. The City lacks an affordable housing policy to facilitate the creation of new affordable housing units as part of all new residential development
2. The City’s comprehensive plan falls short in addressing affordable housing for non-elderly, nondisabled residents