

# CHAPTER 6 – HOUSING

Housing is a place where people live. It includes detached single family homes, attached single family homes (townhouses), and multifamily buildings, whether owner- or renter-occupied. It can also include housing for the elderly and disabled, congregate living facilities (group homes), and assisted-living facilities.


Because almost every bit of land in Skokie has been developed at least once, we need to wisely consider how and where we live. This chapter will examine how housing fits into the direction we set for the Village in Chapter 4, what type and how much housing we and our neighbors are developing, and other housing activities outlined in the 2005-2009 Consolidated Plan for Community Development Block Grant (CDBG) funding.

## HOUSING AND ITS RELATIONSHIP TO OUR DIRECTION

In Chapter 4, we set the direction for housing. What we will do in this chapter is take those ideas and change them into more detailed housing policies. The policies will guide future land use and zoning decisions and set the framework to turn our direction into reality. The broad concepts directing our planning are at the beginning of each section and are labeled H1, H2, etc. and are then described in greater detail. We will look at each of those housing directions one at a time.

### Accessibility

Housing accessibility is simply the degree in which housing should be available to different people needing shelter. Rising housing prices have made us begin to think about who can afford different kinds of housing. We obviously cannot provide housing for all the millions of people in Chicagoland, but the community survey data we collected when developing our direction in Chapter 4, recent state laws involving affordability, fair housing laws, and good land use planning provides us some guidance to develop good accessibility policies.

 <b>H1</b>	<b>Accessibility</b> – Because lack of accessible housing impacts employers who need access to entry level employees, public sector employees who are unable to live in the communities they serve, parents and families who spend more time commuting to employment, and seniors, single-parent families, and young people who struggle to find homes that they can afford, we will be conscientious of these impacts when making land use decisions and policies and work to maintain, and when appropriate enhance, the amount of housing accessible to these groups in the Village.
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## Understanding Accessibility

1. Housing, beyond its usual function as shelter, is also a function of employment and economic development. If employers cannot find a workforce willing to work at a particular location for a certain wage, they have to increase wages to lure potential employees, driving up labor costs and decreasing profits. Therefore, companies locate in areas that have a labor pool with adequate work skills willing to work for them at a cost that allows the business to make a reasonable profit. Since most households spend the largest portion of their paycheck on housing, the more expensive the mortgage or rental cost, the more money people need for housing. If cost accessible housing is too far away, then a lot of time and cost is spent getting to and from work, adding to the cost of labor. The bottom line ... if it takes too long to get there and the pay is not high enough then many people won't be willing to work there. However, less time spent traveling or lower mortgage or rent expenses may make people consider a job for a little less pay, since they need a little less money to be just as economically well-off.
2. You may ask, "Are the planners arguing for people to get paid less?" Not at all, but we understand a basic conflict in economic needs. Many people want to make high wages, but want to spend as little as possible for goods and services. Paying less for retail goods and services usually means lower wages for employees making and selling those products. We like our discount clothing and housewares stores, the sales at upper-end retailers, the convenience of the 24-hour grocery store or the drive-through bank, and getting served at a restaurant with everything being taken away and cleaned-up for us at the end of the meal ... and we want it all close to our homes or workplaces. Our time is valuable, after all. Where do these sales clerks, middle managers, stockers, cashiers, waiters live? Where will they live if housing costs keep rising faster than wages? How much are you willing to pay for that dress, haircut, dinner out, movie, or head of lettuce? There needs to be a balance.
3. People who have less skills or experience usually are paid less than those with more skills and experience. Even doctors, computer programmers, accountants, and PhDs start out as interns, assistants, or clerks – and with lots of college debt, too. These employees are the lifeblood of 21<sup>st</sup> century companies and the workers that will be trained and sustain the economy as more and more baby boomers retire. A portion of the Village's housing needs to be accessible to entry-level professionals and young singles and families just starting out, too.
4. There is another thing people don't want to pay a lot for – taxes! But, you know, taxes pay for jobs, too ... jobs like teachers, police officers, emergency workers, clinic nurses, garbage haulers, sewage treatment plant technicians, librarians, and many others. Many local government employees have been asked (usually by a

complaining resident), "Do you live here?" It seems to be important to these residents that the people providing local government services are local themselves. But can these employees afford to live here?

5. There are many people who have lived in Skokie a very long time, some even all their lives. Many of these people want to continue to live in Skokie for many more years. Some grew up here, left, and now want to return, and others whose children may have grown up and left, want to stay in Skokie. There is also a broad spectrum of households beyond the nuclear family of a married couple with children, too: single parents and one-income families, younger singles and new two-income families, aging seniors, and large or multigenerational families. Accessibility also means having the right kind of housing for different kinds of households. What kind of housing do these households want? Are we providing it?
6. As a policy, the Village will take these factors into consideration when making decisions about uses that involve housing. The Village is also committed to keeping housing accessible and, when we can, improve upon it.

Here is an interesting exercise. Table 6.1 shows the average home value in Skokie from July 2002 to June 2003 (2003) adjusted for Chicago area inflation for different years. Think back to the year you moved to Skokie. How much money did you make and how much housing could you afford? Would you and your family have been able to afford to move here at today's inflation adjusted prices? How accessible would housing have been for someone like you when you moved to Skokie if you had to move here now?


**Table 6.1 Average Home Value in Skokie, July 1, 2002 to June 30, 2003 (2003), adjusted for Chicago Area Inflation**

Year	Chicagoland Consumer Price Index	Inflation Adjusted 2003 Average Home Value
2003	184.5	\$ 319,026
2000	173.8	\$ 300,524
1995	153.3	\$ 265,077
1990	131.7	\$ 227,728
1985	107.7	\$ 186,228
1980	82.2	\$ 142,135
1975	52.8	\$ 91,299
1970	38.9	\$ 67,263
1965	31.7	\$ 54,814
1960	30.4	\$ 52,566
1955	27.5	\$ 47,551
1950	24.2	\$ 41,845
1945	17.5	\$ 30,260
1940	13.8	\$ 23,826

SOURCE: U.S. Bureau of Labor Statistics, Multiple Listing Service of Northern Illinois

## Choice

Housing choice is about the diversity of housing available. Choice is not just about price. It is about the physical forms of buildings and how they are arranged. It is about different groups of people wanting different types of housing and whether or not that housing is available.

 <b>H2</b>	<b>Choice</b> – With increasing housing costs, growing diversity in age and income, and lifestyle changes that impact our housing needs, we will provide and enhance choice in terms of style, structure, and price so that local and regional demand for housing can be met.
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### **Understanding Choice**

1. Style in housing is a broad concept that we will limit to the way housing looks in form and appearance. People like different styles of housing, and to maintain a housing stock that appeals broadly to many different tastes, we should encourage a mix of housing styles that reflects the market demand for housing. Limiting the style of homes will force some buyers into other housing markets, reduce the demand for Skokie housing, and may limit the future housing values.
2. Structure refers to the actual type of building. There are detached single family units typically referred to as “houses” and attached single family houses like duplexes and townhomes that are attached side by side. There are also all types of multifamily units that are also attached to one another above, below, or both. Different people value different aspects of different structural arrangements of housing – the levels of maintenance, noise, privacy, energy efficiency, and price are just a few. Having a broad range of building types increases the appeal of Skokie housing to a broader range of buyers and allows current Skokie residents the option to stay in Skokie as their housing needs and values change throughout their lives. A private yard may be a value to an avid gardener or a family with children but a maintenance burden to an older person or a family with a busy lifestyle.
3. Just as housing tastes and preferences change at different stages of people’s lives, so do their economic situations and their desire to use a certain amount of housing. Price goes beyond affordability and includes personal preference. Some may want to purchase more housing with either more space or a higher level of amenities and spend less on other things, such as health care, transportation, or entertainment. Others may want to purchase less housing with a lower level of amenities and spend more on other things. Housing should be available at different price levels in order to allow people to choose the amount of housing they might want to purchase.

## Location

We have looked at our ability to get housing and what housing we have to choose from. Now we will discuss where to locate it. As land becomes available for redevelopment, we need some basic guidelines about whether housing might be an appropriate reuse at that location.

 <b>H3</b>	<p><b>Location</b> – Since more people should benefit from public goods such as transportation, open space, recreation, employment, schools and services and less people should be impacted by negative externalities such as noise and odors, we will seek to locate more housing near public goods and less housing near negative externalities.</p>
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### **Understanding Location**

1. With an almost fully developed community, the decision to locate housing at a particular location should be, first, “Is this the right place for people to live?” and, second, “How many people should live here?”
2. More housing should be located near more transportation – train stations, interstate highway interchanges, and major roads. Higher intensity uses should be located at these locations and less intense uses should be located away from these uses. It might be surprising, but the reason for this is only partly about traffic. Multifamily uses produce less car trips per unit than detached single family and most commercial uses. It is also about time spent traveling. It is better to provide the time savings and access to more people rather than less people.
3. The same concept applies to recreation, open space, employment, and services. Again, it is more reasonable to place more people next to the park, school, or grocery store and not reserve close proximity to those places for a few. Having more people closer to these places also has a much greater impact on reducing the time cars are on the road and reduces total traffic. Some people might not even get into a car at all to make the trip!
4. Negative externalities are things that are produced by an activity that have a negative impact on something else. Noise, pollution, traffic, and odors might be negative externalities that affect residential uses. Multifamily housing should NEVER be a “buffer” between a negative externality and something else ... like detached single family houses. If housing is to be located next to a negative externality that is not balanced by a positive benefit, isn’t it a better land use policy to expose less people (in houses) to the negative externality rather than more people (in a condominium or apartment)? This means more people by the train station or


interchange, and less people by the train track or highway without the train station or interchange.

5. One last thing ... many of the location decisions for new housing are not necessarily easy to determine. Maybe the site has good employment access but is also in a high traffic area, or the site is adjacent to a park or school but near occasional odors from a sewage treatment plant. In these circumstances, the positives and negative have to be weighed accordingly.

To sum it up simply ... if a change is to occur, put more housing by the good things, less housing by the bad things.

### Change in Development Patterns

As time passes, Skokie's housing ages, employment moves around the region, technology impacts the way we move around, communicate, play, and work, and our preferences (and tolerances) change. The demand for different uses also changes. For housing, the quality and amenities provided by our housing stock, economic factors, demographic shifts, the impact of changes in the transportation and employment networks, and tax policies all affect the demand for housing. Most residential areas will remain residential, but if a current site that is not housing becomes available for redevelopment and the location might be appropriate for housing, should the land use change to housing? Maybe, yes. Maybe, no. Maybe, yes and no.

 <b>H4</b>	<p><b>Change in Development Patterns</b> – A community that is not in growth or renewal is in decline, and as such, provision should be made to allow for the appropriate renewal of housing so that the housing stock remains in demand to protect the value of neighborhoods, provides increased opportunities for greater numbers of people to benefit from public goods, and does not have an overall negative impact on other cornerstones of the Village's economic health – employment, a diversified tax base, and places to buy goods and services.</p>
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### **Understanding Change in Development Patterns**

1. As the existing housing stock ages, provisions should be made to maintain, improve, upgrade, and replace existing housing to provide new housing that appeals to a broad population. Not providing for this renewal of housing limits the potential market of buyers and decreases demand for the current housing stock.
2. Land that is not being used for residential uses should only be converted to a solely residential use if it is determined that the site cannot support the non-residential

uses. Vacancy is not necessarily support for changing a non-residential use. Is it really that there is no longer a demand for the non-residential use at the location, or could it be that there is a problem with the layout, design, age, or functionality of the building? Is it real market forces driving the change or is private profit, tax considerations, or some other reason driving the decision? If there would be a viable building on the site that would be used for commercial, employment, or research and development purposes, would the site be a viable business or service location?

3. When confronted with two truths, it may be best to choose both. For sites that have the amenities to attract both residential and non-residential uses, maybe the best solution is to include both uses. Residential-retail, residential-service, and residential-employment mixes are again becoming economically viable. Adding residential to a non-functional commercial use while replacing the commercial space with a better designed, modern space allows the Village to efficiently meet multiple Village needs.
4. The Village's current property tax policy of keeping its portion of the property tax levy constant from year to year requires tax revenues other than property taxes for monetary sustenance. Replacing land uses that had produced or could produce sales taxes or other non-property tax revenue with solely residential uses decreases the Village of Skokie's revenue since there is no corresponding increase in property taxes. The other taxing bodies would realize an economic benefit from any change that produces a net increase in taxable portion of the assessed value of the property, especially if the new use does not produce a need for services. For example, in Skokie, multifamily condominium occupants include few school-aged children needing to be educated relative to the increased tax revenue to the school districts. Therefore, residential mixed uses and multifamily condominium developments are more likely to produce a long-term positive income stream for the school districts.
5. Also, the current Cook County property tax assessment system places a higher taxable value on commercial and industrial land. Changing a commercial or industrial use to a solely residential use might reduce the total property taxes collected, unless the new residential building is, at minimum, 2¼ times the current assessed value, and probably much more when residential property tax exemptions are considered. Preserving a commercial or employment use as part of a development keeps revenue high, the tax coffers fuller, and services and jobs available for our residents. These are just a few reasons why mixing uses, when possible, is important for the Village's long-term economic health.

There are many factors to consider when changing the use of land, but with proper policies in place, rational land use decisions can be made.

## NEAR NORTH SUBURBAN AREA HOUSING ACTIVITY STUDY

In the late summer and early fall of 2004 the Skokie Planning Division conducted a thorough study of 21 suburbs in northern Cook County and a few in southern Lake County. Map 6.1 shows the extent of the study area.

The intent of the study was to measure Skokie's development levels relative to our neighbors and determine if there was any correlation with the level of development activity and property values. The full study is listed in Appendix C.

**Map 6.1 Study Area and Participating Municipalities**

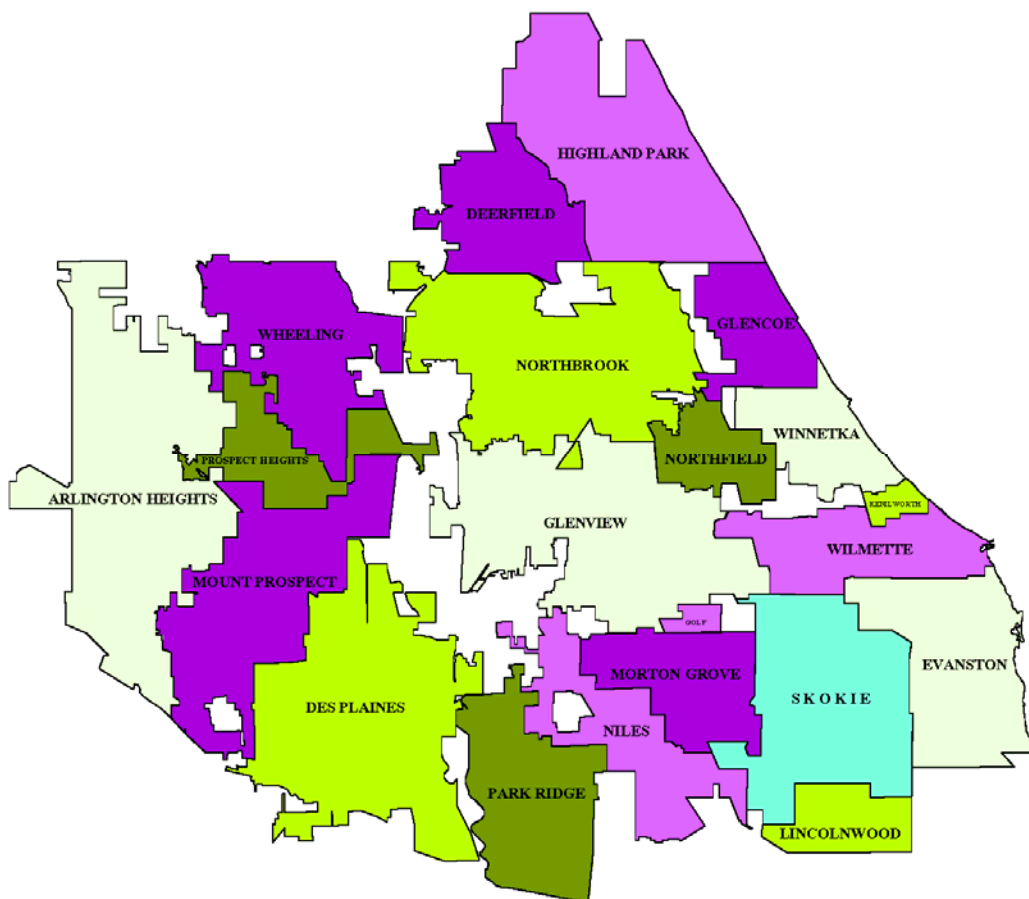
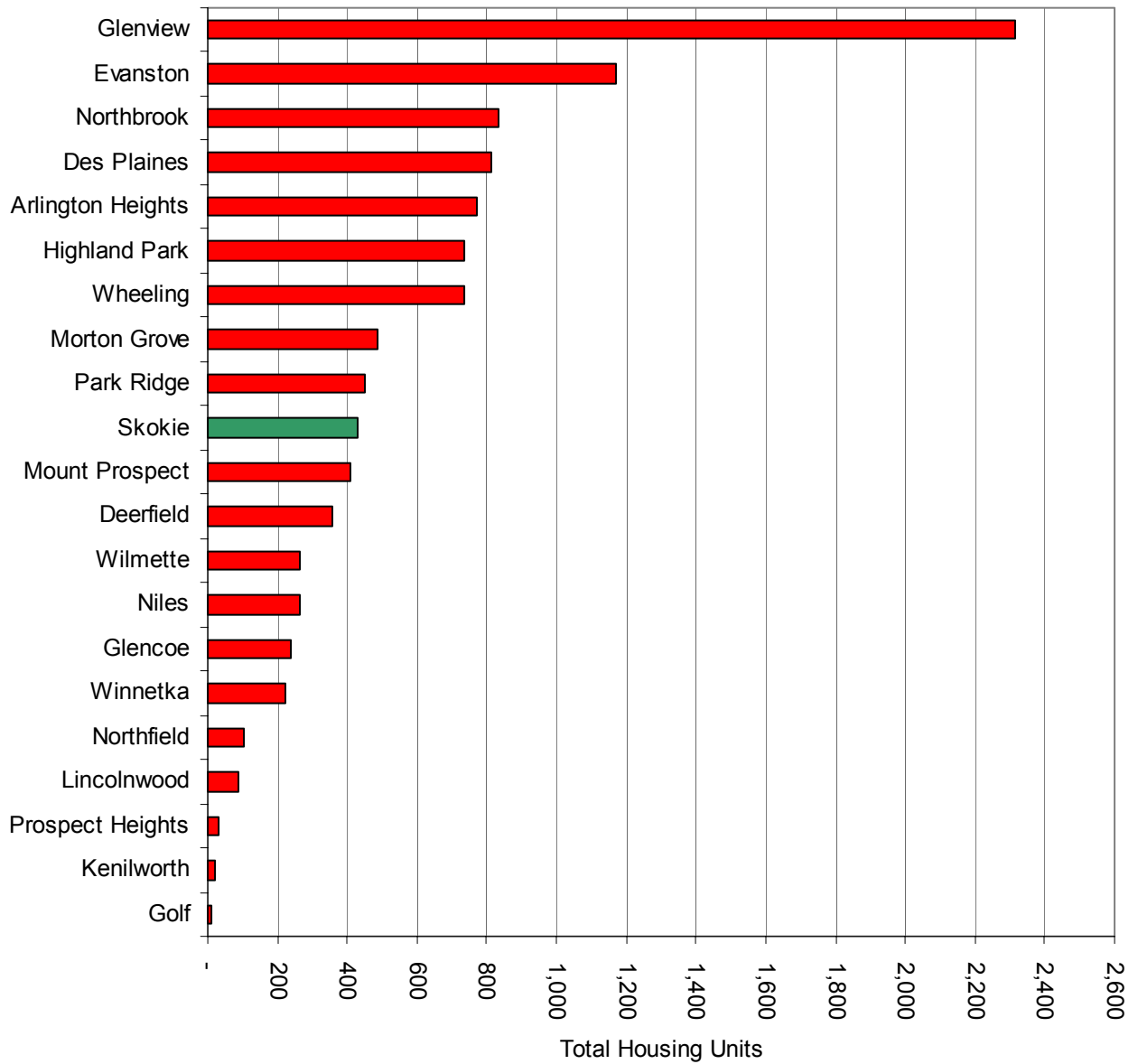


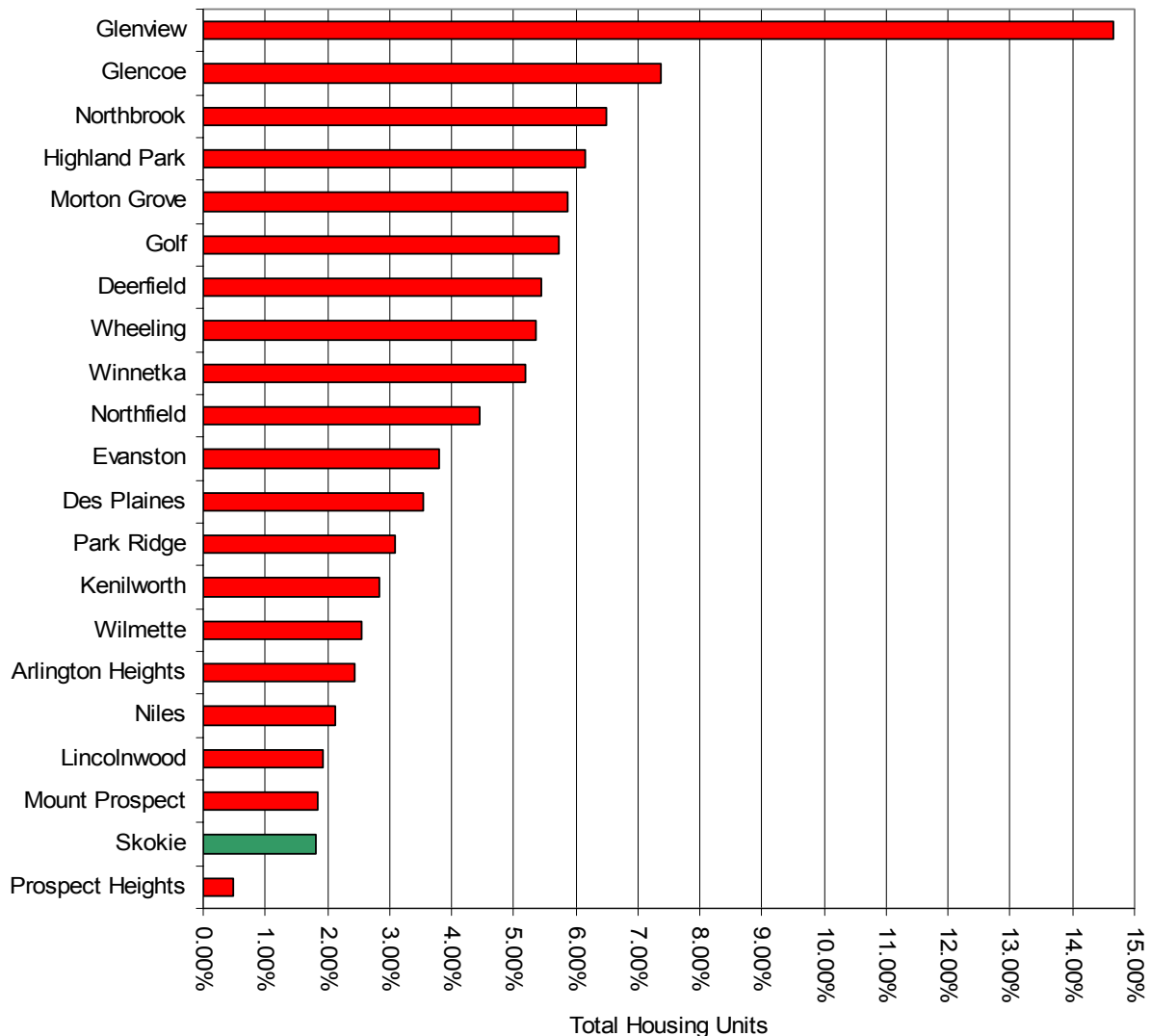
Chart 6.1 and Chart 6.2 show the total level of new residential units that received permits in absolute numbers and as a percentage of total housing stock between 1999 and 2003. More specific data about detached single family demolitions and new detached, attached, and multifamily units can be found in Appendix C.

**Chart 6.1 Total Number of Housing Units Receiving a Building Permit, 1999-2003**



SOURCE: Village of Skokie Near North Suburban Activity Housing Study, 2004

**Chart 6.2 Total Number of Housing Units Receiving a Building Permit as a Percentage of the Total 2000 Housing Stock, 1999-2003**



SOURCE: Village of Skokie Near North Suburban Housing Activity Study, 2004

A summary of the study conclusions (Appendix C) over the 5-year study period is as follows:

- Skokie average home value is increasing faster than most of the surrounding communities (Table C.1).
- Skokie is tearing down detached single family houses at a significantly slower rate than our neighbors (Table C.3).
- Skokie is below average in the construction of new detached single family housing and is building these units at a significantly slower rate than our neighbors (Tables C.4 and C.5).

- Skokie is significantly below average in the construction of new townhouses (Average=89 townhouses, Skokie=32 townhouses).
- Skokie is near the average in terms of building new multifamily housing relative to our neighbors in terms of both total numbers and as a percentage of our housing stock (Average=229 units and 1.36% of total housing stock, Skokie=303 units and 1.28% of total housing stock) .
- Skokie is below average in the total number of permits for new housing units and second to last in terms of new residential housing units relative to the size of the community (Average=512 units and 4.43% of housing stock, Skokie=431 and 1.82% of housing stock, Table C.10).
- In general, the more detached single family teardowns and new units constructed of all types in a community, the faster average home values rise. Skokie seems to be the exception, but announced developments not yet under construction and other improvements to existing housing might explain part of this discrepancy, some of which will probably be corrected when the 2004 data are included.

It seems then that the Skokie development boom is not as big as the boom in most of our neighboring communities. Other residential developments have been approved but are not yet under construction in Skokie, as in our neighboring communities. The Village will continue to monitor new housing development in the study area and update this information from time to time.

## **AFFORDABLE HOUSING PLANNING AND APPEAL ACT**

The Affordable Housing Planning and Appeal Act was signed into law in 2003 and took effect on January 1, 2004. Its intent is to encourage municipalities and counties to incorporate affordable housing into their housing stock and requires all municipalities over 1,000 people to have 10% of the housing units to be affordable to lower income people. Those places that do not meet this standard must develop an affordable housing plan, which identifies the total number of affordable homes, land and structures that could be targeted for affordable homes, and offers incentives to attract developers of affordable housing. Developers that are denied application to develop affordable housing in those communities not meeting the 10% threshold are eligible to appeal the local decision to the State Housing Appeals Board.

According to the Illinois Housing Development Authority, the agency that determines which municipalities and counties must comply with the provisions of the law, Skokie is exempt from having to comply with the Act because approximately 17% of its housing units was determined to be affordable. This number was revised in August 2004 from the preliminary estimate of just above 13%. Table 6.2 shows the percentage of affordable housing in Skokie and our neighboring towns.

Skokie is actually doing well in terms of providing affordable housing. The Village will continue to monitor our affordable housing stock to be sure that housing remains affordable for our residents.

**Table 6.2 Level of Affordable Housing in Skokie Area Suburbs, 2000**

Municipality	Percent of Affordable Housing Units	Exempt from Act
Prospect Heights	40.5%	X
Wheeling	29.2%	X
Evanston	25.9%	X
Des Plaines	24.7%	X
Mount Prospect	23.4%	X
Niles	20.2%	X
Skokie	17.3%	X
Arlington Heights	15.9%	X
Glenview	12.4%	X
Morton Grove	9.5%	
Park Ridge	7.9%	
Highland Park	7.6%	
Wilmette	5.5%	
Northbrook	5.3%	
Northfield	4.5%	
Winnetka	4.1%	
Lincolnwood	3.6%	
Deerfield	3.5%	
Glencoe	3.4%	
Golf <sup>1</sup>	3.2%	X
Kenilworth	0.4%	

<sup>1</sup> Golf is exempt because it has less than 1,000 people

SOURCE: Illinois Housing Development Authority

## **OTHER FUTURE HOUSING ACTIVITIES**

The Village is in the process of updating its Consolidated Plan, which is required by the U.S. Department of Housing and Urban Development for those Communities receiving Community Development Block Grant Funds. The Consolidated Plan will cover 2005-2009 and provide additional needs assessments and programs for low-income persons in the Village. The Consolidated Plan will be completed in the spring of 2005, and this chapter will be updated after that plan is completed.