

Oak Forest was selected by the Metropolitan Mayors Caucus as a pilot community to illustrate how data from a demographically-driven housing-needs assessment and GIS-based capacity analysis could be translated into a local housing policy plan. The purpose of this local housing policy plan is to assist the City in meeting the demands of its current and future residents, while laying the groundwork for a more balanced local housing market over the long-term. The City of Oak Forest is currently in the process of updating its Comprehensive Plan. This document can be used to supplement the housing element of the Comprehensive Plan.

This report analyses Oak Forest existing housing needs, existing housing stock and future housing needs (2030) to provide the city with targets, and strategies for achieving a balanced housing stock. In addition an analysis of the capacity of zoning in Oak Forest was conducted to assess the potential for future housing development under current conditions.

The housing needs analysis revealed that Oak Forest is:

- Stable in terms of low to moderate income affordable housing for both rental and ownership opportunities but that forecasted demand for these housing units in 2030 is not as strong.
- There is a need for subsidized housing for the lowest income households, a trend that is expected to continue throughout the region over the next 23 years.
- The opportunities for people with high incomes to purchase or rent upscale units is currently limited.
- Demand for upscale housing will continue into 2030, but will likely diminish if the needs of this demographic are not met.

The strategies that have been recommended include:

- Stabilize and improve subsidized and low to moderate income affordable housing stock. This can be accomplished primarily through filtering or rehabilitation of existing units.
- Create new low income and workforce affordable units for future population as part of mixed income communities. This can be accomplished through inclusionary zoning techniques or through incentives such as density and height bonuses.
- Zone for a variety of housing types. Smaller units can be made more affordable to lower income households while high amenity high density products tend to appeal to higher income households. Both of these needs can be met through mixed use mixed income products.
- Encourage homeownership opportunities affordable to low and moderate households. Directing state, and federal funds to targeted areas will enable more working households to become homeowners.
- Create Mixed Use Zoning along key corridors such as 159th St. and Cicero Ave. This will enable development of new housing and commercial development consistent with City goals to redevelop these corridors.
- Establish a design standards overlay for buildings in targeted districts such as the train station or key corridors to increase safety and the aesthetic appearance of these areas. Including the integration of Context Sensitive Design. This will be useful in attracting and retaining higher income households in Oak Forest.



INTRODUCTION

A local housing policy plan is a guiding document for future housing development within a municipality that will help ensure that housing demand, at all income levels, can be met. The local housing policy plan estimates both current and future housing needs and includes land use policies and financing strategies that can help a local government meet its housing targets. Housing targets are generally created by examining existing housing trends and setting goals for future housing needs that are consistent with demographic and market trends, and community goals.

This local housing policy plan provides the City of Oak Forest with an assessment of current housing need, future housing targets and policies designed to achieve those targets. Specifically, Oak Forest's local housing policy plan includes:

- an estimate of Oak Forest's current housing needs (shown by income range for rental and owner-occupied housing) based on 2000 U.S. Census figures;
- an estimate of Oak Forest's future housing needs based on the current needs analysis, income trends and the housing goals of the City and;
- land use and financing strategies that will help the City to achieve its desired housing goals.

In addition to examining Oak Forest's specific housing needs, an analysis of sub-regional trends was also conducted. The sub-regional analysis focused on the Council of Government level (the South Suburban Mayors and Managers Association), and included an assessment of the needs of all municipalities within the SSMMA, as well as the SSMMA as a whole. It is important in housing planning to examine the sub-regional and regional contexts – housing needs and decisions are seldom strictly confined by political boundaries. This analysis provides insight into how Oak Forest compares with its neighbors and the rest of the region.

Why does Oak Forest need a housing plan?

Ensuring the availability of a diversity of housing types that can accommodate a mix of incomes is vital to maintaining Oak Forest's competitiveness in the region. While Oak Forest has traditionally served as a "bedroom community" for the Chicago region, with predominantly single family homes, the City recognizes the potential for new housing and commercial development while maintaining neighborhoods' single family feel.

Oak Forest probably does not want to become a high-density urban metropolis, but the City knows that new retail and commercial development will create job opportunities for its residents, reduce local automobile trips, and help spur development of some higher-end housing throughout the City. The following sections of this local housing policy plan provides the City with a snapshot of its existing housing stock, and sets targets for new housing that will best meet the City's goals, forecasted growth and future needs.

What is balanced housing and how does it apply to Oak Forest?

The targets set in this housing policy plan are designed to encourage balanced housing in Oak Forest. Balanced housing refers to the need to address the housing needs of everyone living and working in Oak Forest, both currently and into the future. Balanced housing is a theme throughout this plan because for Oak Forest, and other communities in the Chicago region, will benefit from encouraging a range of housing types and prices. These benefits include:

- Balanced housing make Oak Forest more attractive to prospective employees, with employees experiencing lower commuting costs and times, and higher productivity;
- Balanced housing gives Oak Forest's workforce — its teachers, police officers and firefighters — the chance to live and work in the city;
- A focus on balanced housing gives the City an opportunity to pro actively address neighborhoods which are in need of repair and rehabilitation;
- Balancing housing in Oak Forest could be achieved using a variety of building types, including townhomes, condominiums and small single family homes. These housing types appeal to a variety of the fastest growing demographics: seniors, Latinos, singles, and childless couples; and
- For Oak Forest, balanced housing can help the City continue meeting the requirements of the Illinois Affordable Housing Planning and Appeal Act.

What is housing “affordability”?

- While varying from household to household, “affordable” is generally defined as spending 30% of household income on housing costs (including utilities, insurance and taxes).
- Higher income households tend to pay less than 30% of their household incomes toward housing costs (underpaying).
- Lower income households tend to pay more than 30% of their households incomes toward housing costs (overpaying).



What Methodologies Have Been Used?

This analysis takes a demographically-driven approach to estimating housing needs. Therefore, incomes, not housing prices, are used to estimate demand. The current data is based on 2000 U.S. Census data while the future data is based on the Chicago Metropolitan Agency for Planning (CMAP) forecast. The needs assessed using this approach looks at what households can afford based on their incomes, not the market.

The model is used to break the population in 49 groups, or cohorts, based on income (in 2000 dollars) and age and whether the household rents or owns. These cohorts are then aggregated into the following 12 categories by household income and rental/ownership:

Rental Housing	Owner Housing
<\$15,000	< \$30,000
\$15,000 – \$30,000	\$30,000 – \$50,000
\$30,000 – \$50,000	\$50,000 – \$75,000
\$50,000 – \$75,000	\$75,000 – \$125,000
\$75,000 – \$125,000	\$125,000 – \$150,000
\$125,000+	\$150,000+

The result provides an estimate of “demand” by income range. To estimate supply, the model is used to convert the housing stock into these income ranges based on the “30% rule” which assumes that housing is only affordable for a household if it spends less than 30% of its gross income on housing expenses. Thus, we used 2000 U.S. Census data on rents and housing value and divided the housing stock into the above income categories based on what households could afford at 30% of their income.

In Oak Forest there are over 1,800 households that

own their own homes and earn between \$75,000 and \$125,000 per year. Using the 30% rule, these households could afford homes ranging from \$212,500 to \$290,000 assuming a 30-year fixed mortgage with 6% interest rate (in 2000 dollars). However, there were only 729 homes in Oak Forest that were valued between \$212,500 and \$290,000 in 2000, and therefore affordable to people within this income range. (See Table 2, Page 8) In this case, there are about 1,100 households which could afford housing in this range, but for which housing is not available to them. As a result, these households are either living in housing that is cheaper than \$212,500 to \$290,000 and are paying less than 30% of their incomes, or are living in homes that are more expensive (and overpaying).

Estimates for rental and owner-occupied housing for households within a given income range were made for 2030 by comparing projected housing need to the housing available based on data from the 2000 Census. Projections for future housing in 2030 rely on the CMAP forecast and on county-level age projections for 2000-2030 from the Department of Commerce and Economic Opportunity.

The purpose of this analysis is to provide Oak Forest with the information they need to achieve a balanced housing stock. Using this analysis, Oak Forest can examine its housing stock compared to what people in the community can actually afford. This provides a first step toward making policy changes or adjustments for a balanced housing stock.

Limitations of the “30% Rule”

It should be noted that the 30% rule represents an “ideal” and the estimated figures do not take the following factors into consideration:

- Seniors, whose yearly incomes may be low but whose assets may be substantial. Including the value of their homes, and may be living in homes that they would not be able to afford if they depended solely on their current income.
- Families may choose to “overpay” for their housing in order to live in a given community. A family paying 40% of its income for housing, however, may not feel it is overpaying if that family feels that the benefits of living in particular community, such as first rate schools, are worth the extra financial burden.
- Families may “double up” in a dwelling so they can afford to live in a desirable community. This is happening to a greater frequency in the Chicago metropolitan area.
- A community’s overall character may change between 2000 and 2030. Communities with rapidly escalating housing prices may see an exodus of low and moderate income households. Other communities may see an increase in such households.
- Higher income households tend to pay less (underpay) than 30% of their Household incomes toward housing costs.
- Lower income households tend to pay more (overpay) than 30% of their Households incomes toward housing costs

How are affordability levels defined in Oak Forest’s housing policy plan?

(in 2000 dollars)

- | | |
|--|-----------------------|
| • Low Income Affordable = housing targeted at households earning less than 80% of the Area Median Income (AMI) | • \$0 - \$48,000 |
| • Workforce affordable housing = housing targeted at households earning 80-120% AMI | • \$48,000 - \$72,000 |
| • Market-rate and upscale housing = housing targeted at households earning over 120% AMI | • \$72,000 + |

EXISTING CONDITIONS

Demographic Trends

Oak Forest, Illinois is located in southwest Cook County about 24 miles from downtown Chicago. Oak Forest benefits from the urban amenities of the Chicago region, while also being near the forest preserves and natural beauty of southwest Cook County. Oak Forest is largely a middle-class community, with a median household income of just over \$60,000.

Oak Forest is growing in population, households and jobs. According to the 2000 Census, Oak Forest's population was 28,051. CMAP projects that the population will increase by 18% through 2030, to 33,040. In terms of households, Oak Forest's household growth is projected at 19% through 2030 to 11,665. Similarly, employment is expected to rise 20% from 9,330 to 11,164 (2000-2030).

Table 1: Population and Household Forecast 2000-2030

	2000	2030	% change
Population	28,051	33,040	18%
Households	9,785	11,665	19%

Oak Forest is in a strong position to accommodate new growth while diversifying its economic base and encouraging a greater mix of housing types. Oak Forest has four main areas in which to focus growth (see Map 1 on next page):

1. **The Metra station at 159th St. and Cicero Ave.** Plans for redeveloping this area into a mixed-use transit-oriented district are underway. In addition to the Metra rail line, the station area is well-connected to the rest of the city by several bus routes. The availability of multiple transportation modes makes the 159th St. and Cicero Ave. area attractive to residents, including those who prefer to commute without an automobile.

2. **The Cook County Hospital property east of the 159th St. and Cicero Ave. Metra station.** This 150-acre property, the location of the Cook County Hospital, has potential for annexation into the City and redevelopment including a mix of higher-density clustered housing.

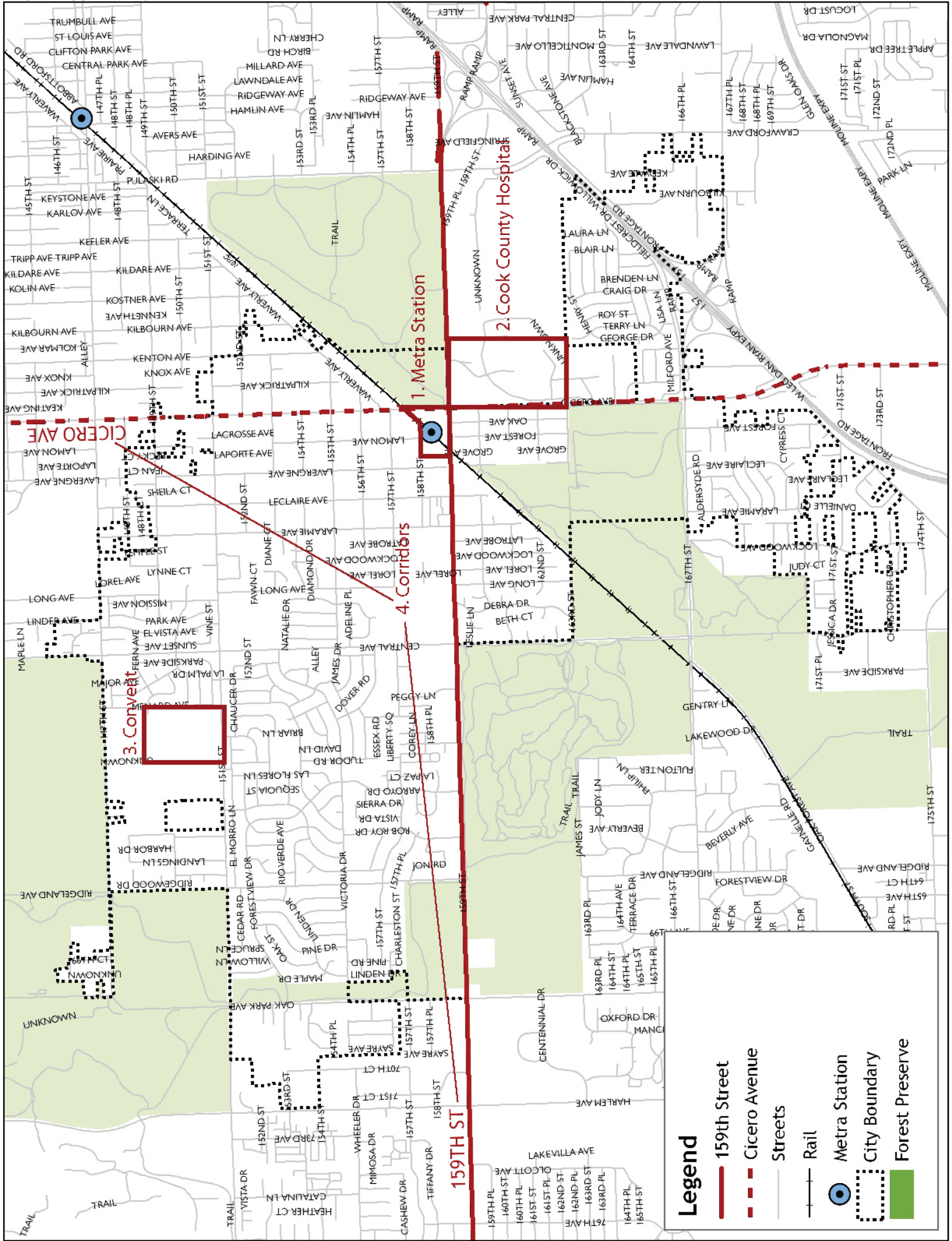
3. **Convent property between 147th St. and 151st St. and Moorings Ln. and Menard Ave.** This area has the potential, and momentum, for new development. Having largely vacant areas with owners interested in redevelopment opportunities, the two key possibilities in this vicinity include the development of a new hotel and a mix of senior (including active senior) housing.

4. **Transportation corridors along 159th St. and Cicero Ave.** There are important redevelopment opportunities along the key arterials of 159th St. and Cicero Ave. These arterials include strong transit linkages and proximity to both housing and commerce.



Intersection of 159th St. and Cicero Ave.: These largely underdeveloped corridors have significant redevelopment potential.

Map 1. Opportunity Site Locations



CURRENT HOUSING ANALYSIS

Oak Forest currently has a high rate of home ownership with a housing stock that is relatively affordable in comparison with the rest of the region. According to 2000 Census figures, 82% of housing was owner-occupied in Oak Forest, and the median home value for Oak Forest homes was approximately \$150,000. However, it is expected that this median home value has risen significantly since 2000, as have home values throughout the region and across the nation.

The tables in this section examine Oak Forest's housing trends in 2000. The tables illustrate the differences between the housing stock and household incomes in 2000. As previously described, a unit can be characterized as "affordable" if a family can live in it by spending no more than 30% of its income for housing-related costs (rent, mortgage payments, utilities, etc).

The difference between the current stock and current need illustrate the housing "gaps" that existed in 2000. The numbers represented in brackets illustrate a negative difference, meaning that there are more households within a particular income range than there is housing. It is important to note that this does not mean that there is a housing deficit; rather it means that there are more people in Oak Forest that could afford housing in this range but for which that level of housing is not available. For example, there is usually a deficit in housing that the market does not provide such as housing for those earning the lowest incomes. In this case, there

are 407 households in Oak Forest that earn less than \$15,000 per year, while there are only 135 units available that would be affordable to these households at 30% of their income. This means that about 272 households are living in housing that is more expensive than 30% of their incomes.

The reverse is true in categories where there are positive differences. A positive difference highlights where there is more housing stock in a given income range than there is demand. For example, there are 3,683 ownership units that are affordable to people earning \$50,000-\$75,000 per year. However there are only 2,109 households that earn \$50,000-\$75,000 per year. This means that there are 1,574 housing units beyond what is needed to meet current demand within this income range. Again, it is important to note that this mismatch does not mean that there is a surplus of units in this range, but rather it likely means that people are living in housing that is either more or less expensive than they can afford.

As shown in table 2, below, Oak Forest could benefit from adding more upscale units to its ownership housing stock. There is currently strong demand for ownership opportunities for households earning \$30,000-\$150,000 per year. For households earning more than \$75,000 per year, however, the housing stock is rather limited. When comparing households' earnings with the equivalent rents and sales prices that would be affordable, it is shown that most of the owner-occupied homes in Oak Forest

Table 2: 2000 Ownership Housing Demand by Income Compared to Existing Housing Stock

	<30K	30K <50K	50K <75K	75K <125K	125K <150K	150K+	Total
Current Stock (Est.)	332	3,151	3,683	729	166	75	8,136
Current Need	576	1,499	2,109	1,826	1,213	496	7,720
Difference	(244)	1,652	1,574	(1,097)	(1,047)	(422)	416

Table 3: 2000 Renter Housing Demand by Income Compared to Existing Housing Stock

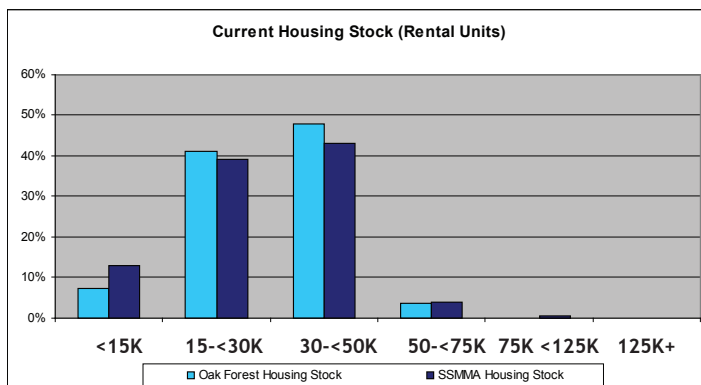
	<15K	15K <30K	30K <50K	50K <75K	75K <125K	125K+	Total
Current Stock (Est.)	135	767	890	69	0	0	1,860
Current Need	407	501	669	543	192	50	2,361
Current Surplus (Gap)	(272)	267	220	(474)	(192)	(50)	(501)

are affordable for those earning \$30,000-\$75,000 per year. This is indicated by the substantial positive difference between the housing stock and incomes within those ranges.

Oak Forest has relatively few renters, as shown in Table 3 on the previous page. In 2000, there were only 1,860 rental units in the city. Of these rental units, the majority were affordable to those earning less than \$50,000 per year (equivalent affordable rents were below \$1,141 per month). For households earning above \$50,000, representing about 1/3 of renters in Oak Forest, there are very limited options available in the city. Many of these households are likely living in housing that amounts to less than 30% of their incomes.

Current trends in Oak Forest indicate that the city has a significant supply for housing that is affordable to lower income households. Oak Forest would benefit from a strategy to improve its existing housing stock that is affordable to lower income households, while also encouraging more units targeted at higher income households. In the next section, we examine how Oak Forest compares with surrounding jurisdictions in the South Suburban Mayors and Managers Conference (SSMMA). This comparison is followed by an examination Oak Forest's future housing demand.

**Charts 1 and 2: Current Housing Stock:
Oak Forest vs. SSMMA**

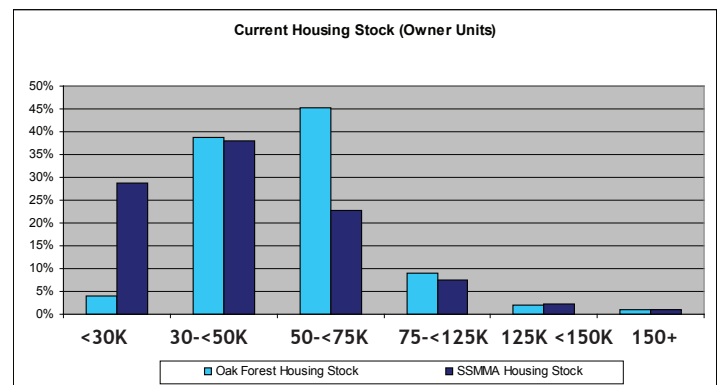


Oak Forest and the SSMMA

The majority of the rental housing stock in Oak Forest is geared toward low-income households and much of it is subsidized. The majority of the owner-occupied housing in Oak Forest is geared toward low- to moderate-income households. The trends in Oak Forest are consistent with trends across SSMMA communities (Charts 1 and 2). Many of the strategies and recommendations in this plan are thus transferable to similar communities with comparable needs.

Current trends show that municipalities within SSMMA tend to have a more affordable housing stock, for both owners and renters, compared with municipalities across the rest of the region. If this income and housing price trend continues, it could be expected that SSMMA communities will absorb the majority of low- to moderate-income households. A closer examination of the current housing needs of all SSMMA communities shows an imbalance. This imbalance reflects the number of people living in SSMMA who are living below their means because upscale housing is unavailable.

Current trends in Oak Forest are part of a pattern within the SSMMA as a whole. In Oak Forest, there are many households that could afford to live in more expensive housing, but are not for some reason. If the key reason is lack of available housing stock, the City has an opportunity to promote housing diversity through public policy. In this case, a strategy to attract development of some higher-end housing, while stabilizing and preserving existing affordable housing might be preferable to simply continuing past trends.



Understanding Oak Forest's current housing balance is important for forecasting the city's future need. Looking forward to 2030, Oak Forest has several primary areas of housing need. For rental housing, there needs to be a broader diversity of units available across the income spectrum. For example, in 2000 there was not enough housing for upper-income households. Second, there is a continued need for subsidized and lower income housing that may not be provided by the market. With incomes rising at a much lower rate than housing values, it is expected this trend will continue, making it more and more difficult for many households to afford housing that does not cost more than 30% of their incomes. Developing these types of units will meet an unmet need for current residents of Oak Forest, while attracting new people with a range of incomes to the city.

In the following section we examine Oak Forest's forecasted housing needs. Tables 4 and 5 (and the accompanying charts) provide the details on the 2030 forecast for housing units for each income groups for both rental and ownership housing. The tables and charts in this section compare the number of dwelling units in 2000 that were "affordable" to households within an income bracket to the projected demand for such units in 2030. If the 2000 housing stock for an income category exceeds the 2030 demand projections, it means that a municipality may already have units beyond its forecasted need. If, however, 2030 demand is higher than the 2000 housing stock, additional units will be needed to meet projected demand. The tables include:

- An estimate of housing stock affordable at 30% of income based on 2000 Census information and building permit data from 2001-2006; and
- An estimate of housing needs in 2030 by income range for both renters and owners based on the CMAP forecast.

Based on the data included in the accompanying tables, the following key findings relate to the rental and ownership housing projections for 2030.

Key Rental Findings

- The majority of rental housing is affordable for lower-income households and 2030 demand for these housing units is likely to be lower than supply.
- There is virtually no upscale rental housing in the city and 2030 demand for these units will be strong.
- There is not enough subsidized rental housing and 2030 demand will continue.

Key Ownership Findings

- The majority of ownership housing is currently in the lower-income range and 2030 demand for these units is not as strong.
- There is limited upscale ownership housing in the Oak Forest currently and the 2030 demand for this housing represents about 20 percent of future demand.

Potential Threats from Inaction

The City has an opportunity to influence the housing balance of Oak Forest, while avoiding the downside of a strictly market-driven housing policy. The following major issues would likely need to be addressed if the City did not take action to address housing needs:

- People who can afford, and who want to live in, upscale housing may leave Oak Forest (or never come) if such housing is unavailable.
- The oversupply of low-priced units will further filter down because demand is limited to support it.
- Households currently living outside Oak Forest (greater than the current proportion) will move into the City to fill these low cost units.

In the following section we discuss key housing goals and changes that Oak Forest can make to achieve a more balanced housing stock.

Table 4: 2030 Rental Demand Compared to Existing Housing Stock Affordable at 30% of Income

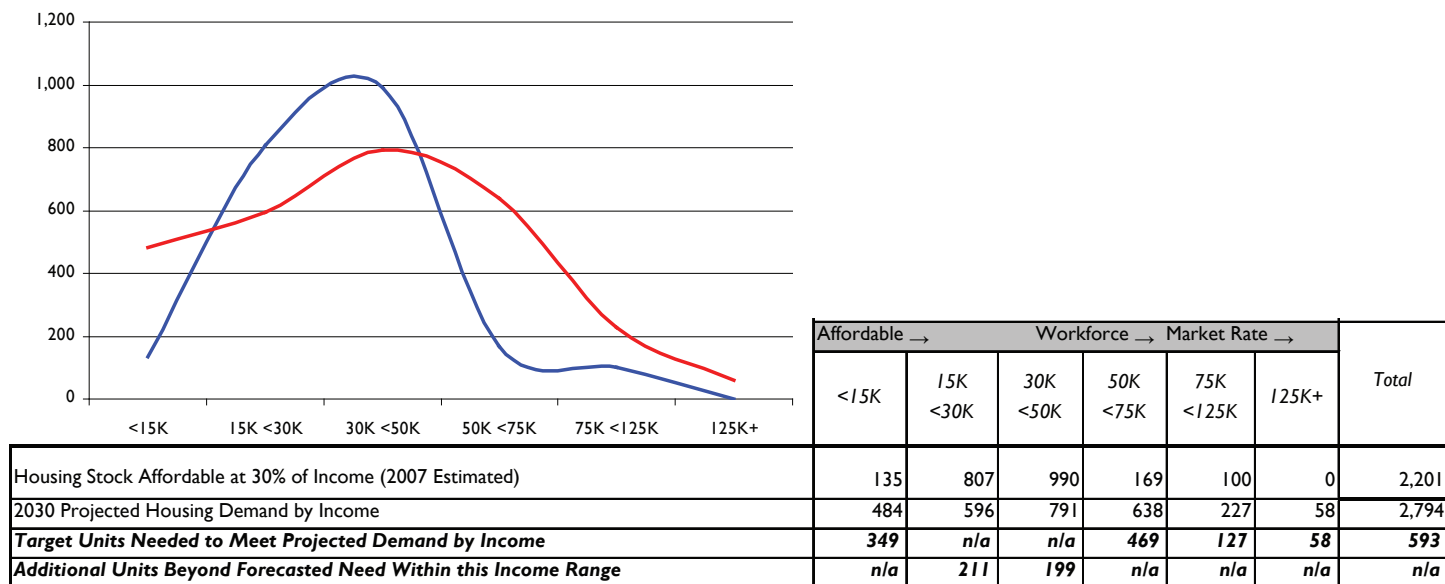
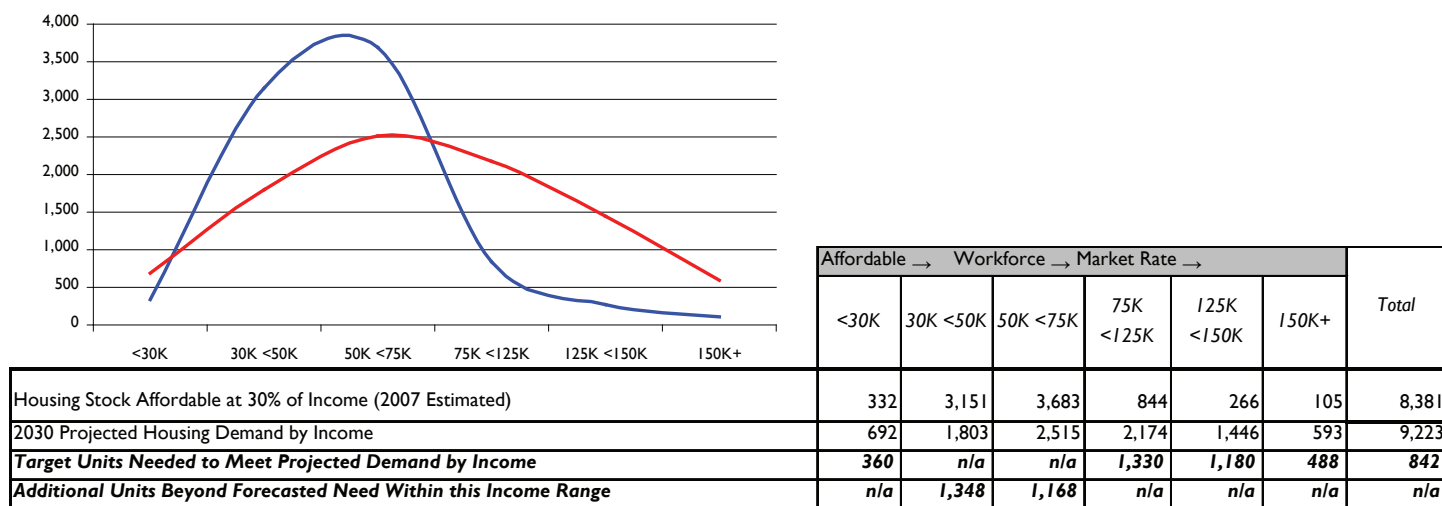


Table 5: 2030 Owner Demand Compared to Existing Housing Stock Affordable at 30% of Income



HOUSING GOALS

Rental Changes

Much of the limited rental housing in the city is targeted toward households whose incomes are low. However, the analysis revealed that there is a significant demand for upscale rental housing in the city. While it may seem counter intuitive, there is a demand for high-amenity rental housing in most cities. Often, households which choose to rent are young singles and couples just entering the workforce, as well as senior citizens who are seeking both amenities and flexibility. The need for senior housing is particularly strong for Oak Forest.

Creating new rental housing in the city will meet an unmet need and will contribute positively to Oak Forest by bringing diverse new households and providing seniors an incentive to stay in Oak Forest. The City can work to target new upscale rentals in appropriate areas throughout the city.

Additionally, the city is in need of more subsidized housing. In some developments, market rate rentals are used to offset the cost of affordable units and reduce the need for public subsidies. The result is instead of localizing lower income households into one area, these households become part of developments with households of multiple income ranges. This approach, known as “mixed-income housing” results in healthier and more vibrant communities.

Currently, Oak Forest has a large supply of housing affordable to those earning less than \$30,000 per year. This supply is greater than the forecasted demand for 2030; if this trend continues Oak Forest will attract new residents within these income ranges. Therefore, the City should provide incentives to property owners to sustain and improve the existing affordable housing stock. This will enable Oak Forest to retain the existing distribution of lower income households in higher-quality homes without increasing the proportion of lower income households in the city.

Rental Housing Goals

- **Focus new rental housing development on higher income groups.**
- **Retain and improve existing rental housing stock that meets both lower and moderate income household needs.**
- **Ensure new affordable housing is integrated with higher income rental and ownership housing to avoid concentrating low income households.**



The picture at top shows what the intersection of Cicero and 159th looks like today. The image at bottom is a rendering of the approved development plan for the area showing the same corner.

Ownership Changes

In terms of ownership housing, Oak Forest is very affordable. However as with rental housing, the analysis revealed that many households in the city could afford more expensive housing. While many households may choose to live in housing that costs less than 30% of their incomes, it is likely that the city will not attract higher income households if upscale housing is unavailable to them.

The City has an opportunity to encourage more high-amenity housing near the Metra station and within existing single family neighborhoods that will serve to attract and retain higher income households.

In addition to new construction, there is also an opportunity to rehabilitate and revitalize the existing single family housing stock into higher amenity housing. This will help stabilize the housing stock, and will increase market values in the city. Furthermore, this will provide opportunities for upwardly mobile households to stay in Oak Forest.

Ownership Housing Goals

- **Encourage new ownership housing for higher income groups.**
- **Locate new upscale housing at the Metra station, and near the 159th St. and Cicero Ave. corridors.**
- **Rehabilitate and upgrade existing housing stock to attract higher income home buyers.**



The western side of the Metra station is a cement plant on the edge of a residential community. There are plans to develop the parking lot but not the cement plant. The above images illustrate what the cement site could look like with an addition of 100 housing units, ground floor mixed use retail and a public park.

CAPACITY ANALYSIS

In order to best understand opportunities for future development, a capacity analysis of Oak Forest's existing zoning was conducted. This analysis, using Geographic Information Systems (GIS), identifies the amount of housing development potential by determining the capacity of zoning. This is calculated through a multi-step process. First, the amount of available vacant and redevelopable land is determined. Vacant land is determined based on 2001 CMAP land use data. Environmentally constrained lands are removed, such as agricultural land, riparian areas, floodplains and slopes. Land identified as residential, commercial or office is then assumed to have some redevelopment potential. Then, estimates for future housing are created by assuming densities by zone.

These calculations result in a capacity estimate for each zone on vacant and developed land. For example, in the single family R2 zone, there is enough land for 18 new homes at existing densities, and no land suitable for redevelopment at a higher density.

The table below shows the available housing unit capacity of Oak Forests existing zoning

$$\begin{array}{l} \text{Vacant Land} \\ \text{Redevelopable Land} \end{array} \times \text{Zoning Density} = \text{Capacity}$$

Table 6: Housing Unit Capacity in Oak Forest by Zone District

Zone District		Housing Units	
		Vacant	Redev
RE	residential estate district	0	0
R1	single-family residential district	337	34
R2	single-family residential district	18	0
R3	single-family residential district	170	0
R4	single-family residential district	0	0
R5	planned residential district	1	42
R6	planned multi family residential district	207	299
B1	local commercial district	47	107
B2	general commercial district	114	225
B3	planned commercial district	33	269
PMU	planned mixed use district	0	0
M	limited manufacturing district	0	0
Totals		925	976

Supply to Meet Future Demand

Once the capacity of zoning for housing was estimated, the potential future housing supply by housing type was assessed. The capacity analysis showed that under existing zoning, Oak Forest could potentially build over 1900 units. These units were then converted into housing types using the existing zoning as the basis. For example, the capacity analysis revealed that in the R-1 single family district there was potential for 337 units on vacant land and 34 units on land that could redevelop. The R-1 zone district allows 1 unit per 10,000 square feet of land area so these were translated into “large single family.” Because different types of housing have varying levels of demand and prices, this analysis divides Oak Forest’s housing stock into six types:

Multi-Family

- Apartments – apartments are typically located along denser corridors, around transit stations and present a smaller, more affordable rental type of housing. This category also includes below market (subsidized apartments) – this housing, designed for the lowest income individuals and families is usually located within multi-family buildings, some of which include market-rate units, too.
- Condominiums – condominiums are an entry-level type of ownership housing generally with a higher level of finishes than apartments. Condominiums may also be the residential component of mixed-use developments.

Attached and Detached Single-Family

- Townhomes – A townhome is an attached residential housing type that combines many benefits of an urban lifestyle with the living space of a single family home.
- Small-lot single-family home – small single-family homes may serve as starter homes or may be ideal for retirees looking to downsize.
- Medium-lot single-family homes – these are single family homes on about 8,000 square foot lots that typically provide ample space for families.
- Large-lot single family – these homes are usually on lots of about ¼ acre or more; the large lots and high level of amenities make these homes the most expensive type, especially in the suburban setting

The capacity analysis showed that the current zoning in Oak Forest favors the development of apartments and condos; there is little opportunity for new townhouse or small lot development.

Table 7: Oak Forest Housing Capacity by Housing Type

Zone District	Housing	
	Type	Units
R1	SFR Large	371
R2	SFR Medium	18
R3	SFR Small	170
R5	Townhouse	43
PMU, 80% of B1, B2, B3	Condo	636
R6, 20% of B1, B2, B3	Apartment	664
	Total	1901

Targeted Housing Mix

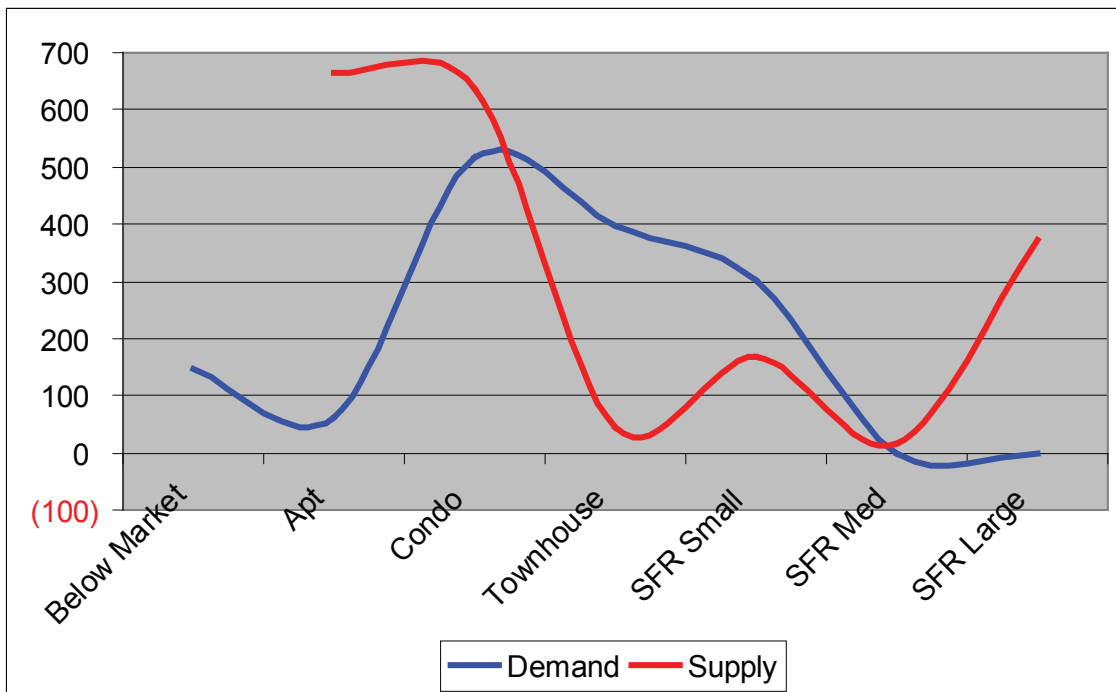
In general, Oak Forest's ideal housing mix is one which includes rental and ownership opportunities across the income scale. This includes the provision of different housing types than currently offered in the City such as more small single-family homes, townhomes and accessory units in existing single family neighborhoods, as appropriate. In order to achieve this mix, this plan focuses on the greatest imbalances. For both rental and owner-occupied housing, it includes increasing market-rate housing, while preserving Oak Forest's affordability. It is important to note that supply and demand may never perfectly meet, but there are opportunities for Oak Forest to meet the needs of significant segments of the population, helping keep the city competitive long-term.

Demand by housing type was estimated using the forecast as a starting point. Since the forecasts are based on incomes, real estate market trends in Oak Forest were examined to estimate what types of housing are available for sale and rent for each

income range. The chart, below, illustrates the estimated demand by type for both ownership and rental housing compared to the capacity for that development type under current zoning.

As shown in the chart, current zoning in Oak Forest favors apartments but does not provide enough capacity for small single-family and townhome development. While this is only an estimate, it illuminates an important issue with the city's current zoning: the city is predominantly zoned for large lot housing development. This zoning will impact the city's ability to accommodate future growth. The limited potential for townhomes and small lot single-family homes will hinder development of desirable new home types. Additionally, the supply estimates for condos and apartments assume a full build out of current zoning and very aggressive redevelopment and infill along Cicero Ave. and 159th St.

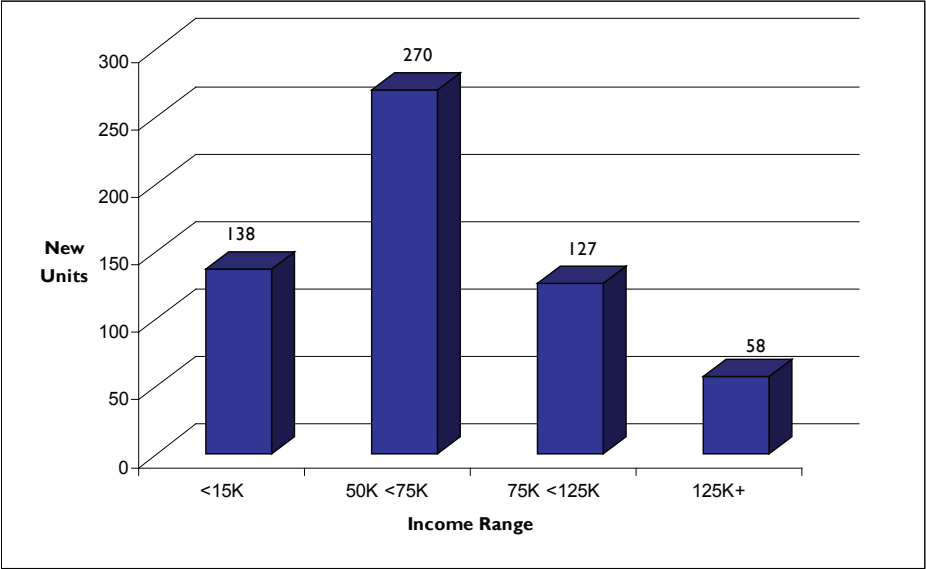
Figure 1: Supply and Demand Estimate by Housing Type



593
new units

Rental Housing Targets by Income Group

The following recommendations are based on the 2030 forecast and the rental housing goals for Oak Forest.

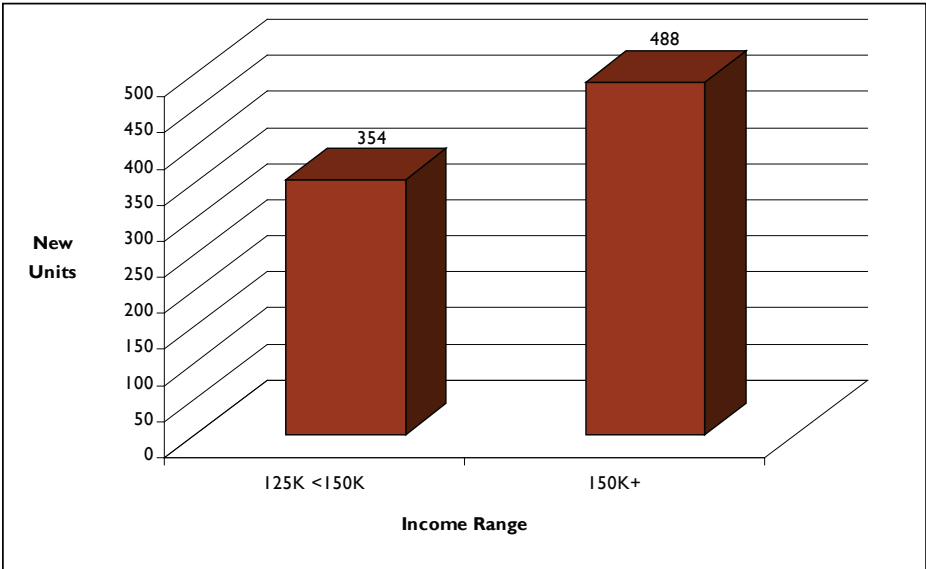


Income Range	Target Units
<15K	138
50K <75K	270
75K <125K	127
125K+	58
Total	593

Ownership Housing Targets by Income Group

The following recommendations are based on the 2030 forecast and the ownership housing goals for Oak Forest. The City does not need to target housing in the ranges which are not shown.

842
new units



Income Range	Target Units
125K <150K	354
150K+	488
Total	842

Introduction

In order to achieve a balanced housing mix in Oak Forest, changes to land use regulations and local policies can encourage new types of development. This section describes land use strategies that the City can use to meet their targeted housing mix. This list is detailed but it is not exhaustive. These policies provide a starting point and should supplement the City's existing policies.

Existing Policies

The City has several initiatives and projects underway which represent good first steps at meeting the needs identified in this report. First, the City is in the process of updating its comprehensive plan and this report will feed into the housing element of that plan. Secondly, the City adopted a crime-free housing ordinance, designed to keep drugs, gang activity and severe nuisance problems away from rental properties in Oak Forest. Additionally, there are higher-density developments in various stages of the approval process, including an approved plan for mixed-use development at the 159th St. and Cicero Ave. Metra station, and a concept for senior housing for the Convent site.

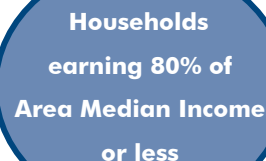
Recommended Land Use Strategies

There are a number of additional land use strategies in which Oak Forest can engage to reach desired levels of specific housing types for all income ranges through 2030. These land use strategies are divided into three categories: those related to affordable housing, workforce housing, and market-rate and upscale housing. However, it should be noted that many strategies are useful for addressing housing needs at all income levels.

In addition, there are some policies which suggest specific housing targets. This adds an additional level of specificity that will enable the City to assess the extent to which some of these changes may be necessary.

Low Income Affordable Housing

As described previously, Oak Forest needs a modest amount of affordable housing for households in the lowest income category. This type of affordable housing usually requires significant subsidies to be feasible for development. However, leveraging the inclusionary zoning tool may allow Oak Forest to achieve some of these units at minimal monetary cost to the City. While the City does not need additional housing within the other affordable categories, it is important that the City maintains its general affordability. One way to do that is to include zoning for many different housing types, as described below.



Households
earning 80% of
Area Median Income
or less

Inclusionary Zoning

Inclusionary zoning refers to land use regulations that essentially require developers to include affordable units in any new projects in exchange for **density bonuses, increased heights, reduced size units (for those affordable units developed as inclusionary units), reduced parking requirements, fee reductions or waivers, and expedited permits** which are designed to meet or exceed the cost of providing the affordable housing. The intention is to use inclusionary zoning to create a win-win situation for the City, developers and community residents. These ordinances can be voluntary or mandatory, giving Oak Forest policy makers the flexibility to adapt inclusionary zoning to the community's needs. Results from similar cities show that mandatory inclusionary zoning tends to result in the development of more units, while voluntarily inclusionary zoning is more politically feasible and less likely to be met with developer opposition.

Research has also shown that voluntary programs are only successful if developers feel that the policy allows them to receive a significant non-monetary incentive for developing the affordable housing – otherwise developers feel it adds unmitigated risk and unrecoverable costs to a project.

Zone for a Variety of Housing Types

It is a given that some types of housing are more likely to be affordable than others – typically smaller units and those at higher densities. In order to create a successful mixed-income Oak Forest which also includes affordable housing, the City should ensure that zoning regulations allow a range of different housing types – including accessory dwelling units (or granny flats), multi-flat apartment buildings, townhomes, condos and other attached housing options. Additionally, some small-lot single family homes may be affordable for larger families or households which require more space.

Encourage Bulk Rehabilitation of Existing Housing Units

Bulk rehabilitation focuses on rehabilitating 10-20 existing housing units within targeted neighborhoods each year. Oak Forest could work with Neighborhood Housing Services of Chicago to discuss the establishment of a satellite rehabilitation center within the city. Rehabilitation can be facilitated by leveraging other financing tools, including Community Development Block Grant (CDBG) funds and low interest loans payable upon sale of property. The rehabilitation incentives and financing can be targeted at owners of properties rented at an affordable rate or that are deteriorating along 159th St. and also along Cicero Ave. A strong rehabilitation program will help stabilize the city's existing affordable rental housing stock.

DENSITY AND IMPACTS ON SCHOOLS

Some community members have expressed concern about the effects of developing of higher-density housing in Oak Forest, particularly related to impacts of schools and other services. Research suggests that this issue reflects more myth than reality. Single-family homes have significantly more school-aged children per household than multifamily homes. According to the National Multi Housing Council (NMHC), 100 single-family owner-occupied houses average 51 school-age children while 100 apartment units average 31 children. When looking at new construction only, the gap is wider: 64 children per 100 single-family homes vs. 29 children per 100 apartments. The California Planning Roundtable, using American Housing Survey data, found that “in most cases, a single-family home can have two to three times the numbers of school-aged children per household.” Meanwhile, an Urban Land Institute study found even lower rates of school-age children when looking at mid- to high-rise apartments and garden apartments when compared with owner-occupied single family homes (19 and 21 children per 100 units compared with 64 children per 100). It should be noted that the NMHC report acknowledges that 100 apartments units may still have more children than 10 single-family units on the same site.

The lower rates of children in multi-family developments can be attributed to the attractiveness of apartments to single people, childless couples and empty nesters. Finally, it appears that multi-family rental housing is still paying at least its fair share of taxes because nationally, according to a Harvard University Joint Center for Housing Studies paper, multi-family rental housing “bears an effective tax rate at least 25 percent.”

Workforce Housing

As part of its effort to maintain affordability, Oak Forest can focus on the provision of housing for its workforce of middle-income households, including teachers, police officers, firefighters and other people who work in the city and need moderately priced housing. Workforce housing frequently includes housing types friendly to entry-level renters and home buyers, including apartments, condominiums, townhomes, and small lot single family homes. While part of the existing housing stock in Oak Forest is affordable to these middle-income households, it is important that the City maintain its workforce housing while also expanding opportunities to rent and own mid-priced units.

Households
earning 80% -120%
of Area Median
Income

Ensure Consistency between Home Ownership Programs and Land Use Goals

Home ownership programs targeted at first-time home buyers and those with moderate incomes are an important tool in increasing homeownership rates and developing long-term community ties. The City can ensure that the power of these programs is maximized by working to prioritize funding, when possible, in areas which are near transit and employment centers, and have appropriate housing types for those needing workforce housing.

Homeowner Purchase Programs

In order to increase the number of home buyers with low and moderate incomes, municipalities could work with the State of Illinois to grant priority for I-Loan Mortgages in areas identified as needing additional workforce housing. The State of Illinois I-Loan Mortgage Program offers a below market, 30-year fixed rate mortgage to help low and moderate-income individuals and families become first-time home buyers.


Municipalities can also utilize Location Efficient Mortgages® to encourage affordable homeownership near transit stations. The Chicago region is one of several real estate markets in the country which have Location Efficient Mortgages®, allowing home buyers to borrow more money by taking into account the money they save by living in neighborhoods where they can shop at nearby retailers and use public transit, rather than driving to work and to the mall. The Metra station area at 159th St. and Cicero Ave. is clearly a location that would be applicable. The City could work with lenders to promote these loans to low and moderate income borrowers near these areas.



The costs of affordable and workforce housing can be offset through developer bonuses for market-rate units in mixed-income developments. The Cement Plant is an ideal location for new housing development because of its proximity to the Metra station and its proximity to surrounding residential communities.

Market-Rate and Upscale Housing

In Oak Forest, the importance of encouraging new market-rate and upscale housing is to round out the housing mix of the city. Most cities, including Oak Forest, are seeking a diverse housing mix that meets the needs of households at multiple income levels in the community. Market-rate and upscale housing can also serve as an economic driver, bringing with it businesses and services targeted at those with discretionary income.



Households
120% or more of
Area Median Income

Communities may take several land use approaches to encourage the development of market rate and upscale housing. These land use strategies may involve the creation of new design standards; using mixed-use zoning to encourage neighborhoods with strong retail and residential uses; and integrating land use decisions with existing and future transportation networks. The key land use strategies described in this section can encourage the market to develop more upscale housing in communities that may have unmet demand. It should also be noted that there are no subsidies required for this kind of housing as it is generally targeted toward those who can afford a conventional market rate home.

Establish a Design Standards Overlay

In some areas of most cities, including Oak Forest, crime and safety is a concern. In addition to its crime-free housing ordinance, Oak Forest can consider utilizing planning and design techniques known as Crime Prevention through Environmental Design (CPTED) to reduce crime. Municipalities can create design standards, consistent with these principles, to make neighborhoods safer and more appealing for people from all income ranges. Oak Forest can establish design standards for buildings in targeted districts such as the Metra transit station area, and the 159th St. and Cicero Ave. corridors. These standards should emphasize creating transparency and “eyes on the street.”

These design standards can be enhanced by directing new investment towards these targeted districts using incentives such as density bonuses.

Create Mixed-Use Zoning along Cicero Ave. and 159th St.

Successful mixed-income areas usually have retail amenities and services within close proximity. Many retail establishments are frequented by people with a range of incomes – and to be successful, it is important that the retail mix is consistent with the needs of nearby residents and workers. In areas with high ethnic diversity, retail diversity can serve as an asset in developing specialty shops and restaurants. A special Main Street-type development can emphasize some of Oak Forest’s unique assets in the region, including music, entertainment or antiques that can attract a range of consumers.

Oak Forest is taking several steps to effectively create mixed-use zones. The first step was identifying prime opportunity areas for mixed-use with retail. These areas include the corridors of 159th St. and Cicero Ave. As these key areas have been identified, the City can now work to create incentives or adjust the existing zoning to encourage new housing and retail development. Some of the areas along these corridors have vacant land ripe for development; in those areas which have existing uses, it is important that Oak Forest ensures that new investments do not displace local businesses.

Integrate Context Sensitive Design with Transportation Improvements

Communities which appeal to a range of people, including those seeking market-rate or higher-end housing, are usually easily accessible using several transportation modes. It is important for municipalities to focus on the coordination between land use planning and transportation – and focus infill strategies on the areas which have the greatest accessibility. In particular, Oak Forest's Metra rail station provides a prime opportunity to develop a mixed-use area desirable to multiple income groups.

Infrastructure and streetscapes can be improved in areas and along corridors specifically targeted for mixed-use and mixed-income housing developments. Context sensitive design (CSD) refers to an approach in transportation design that considers the area and user-preferences surrounding a transportation improvement. Thus CSD goes beyond the street and takes the surrounding community into account when considering how streets, sidewalks, crossings and other transportation-related infrastructure are designed.

Oak Forest has prime locations for new development close to transit, and now the next step is encouraging a critical mass of housing to support new retail uses. The City can work with transportation planners to utilize CSD in the design of targeted districts. Additionally, a streetscape plan for these districts can also include improvements that lead to enhanced bicycle and pedestrian mobility.

Expedite the Development Process in Key Areas to Encourage Future Development

Oak Forest can create a fast track permitting process that serves to encourage new development within a jurisdiction while saving developers money. The adage "time is money" especially holds true in development, thus fast track permitting is a tool the City can use as a financial incentive to spur new development. A strategy is to create a design standards overlay zone in suitable locations to expedite permitting. If correctly implemented, fast track permitting should not lead to lower quality urban design or development.

What is context sensitive design?

Creating livable neighborhoods means carefully considering the streetscape realm, making areas pedestrian-friendly, and at appropriate scale for those on foot. The streetscape of an area should match the character and personality of the community through the application of treatments such as lighting, public art, parks, safe walkways, street trees, or seating.

Context Sensitive Design is a term used to define this type of urban design aimed at enriching the social, natural, cultural, and economic environment.



Public open spaces like this gazebo located near City Hall, are important elements of creating a desirable living environment.

This plan should be viewed as a starting point for addressing housing needs in Oak Forest. It provides the City with an estimate of its future housing needs both in terms of rehabilitation and new construction. It recommends policies and actions that can be taken to address specific housing needs throughout the city. However, in order to remain viable, this housing needs assessment should be reviewed and updated every 2-5 years depending on the development activity taking place. By the end of 2007 the American Community Survey will have data available for cities like Oak Forest, with populations of 10,000 or greater. This information can be used to update this housing needs assessment.

Alternately, the City should consider conducting a full housing survey of existing residential units. Recently the City worked with CMAP's Full Circle team to conduct a land use inventory on the 159th and Cicero corridors. This data was translated into a GIS database that can be used by residents, and planners in Oak Forest. Undertaking a complete housing survey would both empower local residents and provide the city with invaluable data regarding its housing stock.

Ensuring that the housing needs assessment is updated is critical. Doing so will provide city officials and policy makers with an understanding of current housing trends, and how they have changed over time. And finally, it will enable the City to monitor whether housing policies are achieving the desired effect.

Oak Forest, like many of its neighbors is in a good position to both preserve and enhance options for low and moderate income households while promoting the development of up scale housing. This policy plan is a thus starting point for addressing and balancing housing needs in Oak Forest, now and into the future.



Walking paths and other amenities located in the city's forest preserves serve as an important amenity for market rate housing at the Metra Station.