

APPENDIX "B"

LINCOLN HIGHWAY/ROUTE 31 CORRIDOR TAX INCREMENT FINANCING DISTRICT

HOUSING IMPACT STUDY



Village of North Aurora, Illinois

May, 2009 DRAFT

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INTRODUCTION

As described in the Eligibility Study for the Lincoln Highway/Route 31 Corridor, officials of the Village of North Aurora have determined that, without direct municipal involvement and financial assistance, planning objectives for this area cannot be met. To encourage new investment in the Lincoln Highway/Route 31 Corridor, the Village has decided to explore the feasibility of Tax Increment Financing (TIF) as the financial tool to facilitate redevelopment.

As a part of the feasibility study for a proposed TIF district, the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11 - 74.4 - 1, et seq.) (the "Act") stipulates that a Housing Impact Study must be prepared when:

"...the redevelopment plan would result in the displacement of residents from 10 or more inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and no certification is made [that the redevelopment plan will not result in displacement of residents]... (Section 11-74.4-3(n)(5))"

The original Lincoln Highway/Route 31 Corridor redevelopment project area ("Original Area") contained 47 residential units. The Lincoln Highway/Route 31 TIF 1st Amendment Area (1st Amendment) contained no residential units. The Lincoln Highway/Route 31 TIF 2nd Amendment, as described in the Eligibility Findings Report, contains 162 residential units. Some of these units may be displaced in order to facilitate redevelopment opportunities. Therefore, the Village of North Aurora has prepared this report to satisfy the requirements of Section 11-74.4-3(n)(5).

The number and type of residential buildings in the Project Area potentially affected by the Redevelopment Plan were identified during the building condition and land use survey conducted as part of the eligibility analysis for the Project Area. A good faith estimate and determination of the number of residential units within each such building, whether such residential units were inhabited, and whether the inhabitants were low-income or very low-income households were based on a number of research and analytical tools including, where appropriate, physical building surveys, data received from the Village of North Aurora, and census data.

PART I: HOUSING INVENTORY

The Act stipulates specific information that must be provided in a Housing Impact Study. According to the Act, Part I of the Housing Impact Study shall include:

“(i) data as to whether the residential units are single family or multi-family units, (ii) the number and type of rooms within the units, if that information is available, (iii) whether the units are inhabited or uninhabited, as determined not less than 45 days before the date that the ordinance or resolution required by subsection (a) of Section 11-74.4-5 is passed, and (iv) data as to the racial and ethnic composition of the residents in the inhabited residential units. The data requirement as to the racial and ethnic composition of the residents in the inhabited residential units shall be deemed to be fully satisfied by data from the most recent federal census.”

Original Project Area (2002)

The Original Project Area contained 47 residential units. There were 32 single family homes, 14 units in 3 multiple family buildings, and one unit in a mixed use building (commercial with apartment).

A detailed housing inventory was prepared for the Original Project Area and included within the original Housing Impact Study.

1st Amendment Area (2005)

There were no residential housing units located within the 1st Amendment Area.

2nd Amendment Area

Type of Residential Units

The 2nd Amendment Area contains 162 residential units, including 6 single family homes, and 156 units in a senior living complex (Eden Supportive Living Center).

Number and Type of Rooms

Tables 1, 2 and 3, respectively, describe the distribution of the 162 residential units in the 2nd Amendment Area by number of rooms, number of bedrooms, and kitchen and plumbing facilities.

For purposes of this study, data has been gathered from the 2000 United States Census and is represented in Block Groups. A Block Group is a combination of census blocks (a census block is the smallest entity for which the Census Bureau collects and tabulates 100-percent data). The Block Group is the lowest level of geography for which the Census Bureau has tabulated sample, or long-form, data. In this study, we have relied on the 2000 Federal Census because it is the best available information regarding the structures and residents of the 2nd Amendment Area. We have obtained information for the 2 block groups in the 2nd Amendment Area. These block groups contain a total of 929 residential units.

The number of residential units in the 2nd Amendment Area (162) represents 17% of the total residential units within the 2 block groups. Therefore, that percentage has been consistently applied to estimate the distribution of number of bedrooms and kitchen and plumbing facilities as presented in the tables below.

Table 1 shows the estimated number of bedrooms in the conventional residential units in the 2nd Amendment Area. As defined by the Census Bureau, number of bedrooms includes all rooms intended for use as bedrooms even if they are currently used for some other purpose. A residential unit consisting of only one room, such as a one-room efficiency apartment, is classified by definition as having no bedroom.

Table 1: Estimated Number of Bedrooms per Dwelling Unit

| Number of Bedrooms | Number of Units within All Block Groups | Number of Units within 2 nd Amendment Area |
|--------------------|---|---|
| 0 | 231 | 39 |
| 1 | 131 | 22 |
| 2 | 305 | 52 |
| 3 | 235 | 40 |
| 4 | 20 | 3 |
| 5 or more | 7 | 1 |
| Total | 929 | 162* |

Source: 2000 Census, US Bureau of the Census

* Numbers may not add due to rounding

(However, as a majority of residential units within the 2nd Amendment Area are located within the Eden Supportive living Center (156), we know that a majority of these units are likely to be 1-bedroom units).

Table 2 shows the estimated number of conventional residential units in the 2nd Amendment Area with kitchen facilities and with plumbing facilities. As defined by the Census Bureau, a unit has complete kitchen facilities when it has all of the following: (1) an installed sink with piped water, (2) a range, cook top and convection or microwave oven, or cook stove, and (3) a refrigerator. All kitchen facilities must be located in the structure. They need not be in the same room. Portable cooking equipment is not considered a range or cook stove. An ice box is not considered to be a refrigerator. As defined by the Census Bureau, complete plumbing facilities include hot and cold piped water, a flush toilet, and a bathtub or shower. All three facilities must be located inside the house, apartment, or mobile home, but not necessarily in the same room. Housing facilities are classified as lacking complete plumbing facilities when any of the three facilities are not present.

Table 2: Estimated Number of Units with Kitchen and Plumbing Facilities

| Facility | Number of Units within All Block Groups which have Facility | Number of Units within All Block Groups which do not have Facility | Number of Units within 2 nd Amendment Area which have Facility | Percentage of 2 nd Amendment Area Total |
|----------|---|--|---|--|
| Kitchen | 898 | 31 | 157 | 97% |
| Plumbing | 922 | 7 | 160 | 99% |

Source: 2000 Census, US Bureau of the Census

(However, as a majority of residential units within the 2nd Amendment Area are located within the Eden Supportive living Center (156), we know that most of these units have full kitchen and plumbing facilities).

Inhabited Units

The occupancy status of the residential units in the Project Area must be determined not less than 45 days prior to the adoption of an ordinance or resolution fixing the time and place for public hearing. The Village of North Aurora adopted an ordinance fixing the time and place for public hearing on April 13, 2009, and the occupancy status of the residential units was also determined on April 13, 2009. As of that date, as determined by a building-by-building field survey, there were no units that were definitively determined to be uninhabited. Therefore, all 162 residential units in the Project Area are assumed to be inhabited, as shown in Table 3:

Table 3: Types of Dwelling Units

| Type of Unit | Inhabited | Vacant | Total |
|------------------------------------|------------|----------|------------|
| Single Family Home | 6 | 0 | 6 |
| Units in Multiple Family Buildings | 156 | 0 | 156 |
| Units in Mixed Use buildings | 0 | 0 | 0 |
| Total | 162 | 0 | 162 |

Source: Teska Associates Field Survey – April 13, 2009

(The Eden Supportive includes the majority of residential units (156) and specific occupancy rates of the facility are unavailable at this time).

Racial and Ethnic Composition

As required by the Act, the racial and ethnic composition of the residents in the inhabited residential units is determined according to the most recent federal census data.

First, the estimated number of persons in the 2nd Amendment area is calculated. The United States Department of Housing and Urban Development (HUD) has determined a family size adjustment rate based on the number of bedrooms in a unit. This rate is applied to the estimated number of units in the 2nd Amendment Area, in order to estimate the number of persons living in the 2nd Amendment Area. Estimates are shown in Table 4 below. Currently, an estimated 434 persons reside in the 2nd Amendment Area.

Table 4: Estimated Number of Residents

| Number of Bedrooms | Number of Units within the 2 nd Amendment Area (see Table 2) | HUD Family Size Adjustment Rate (persons per unit) | Estimated Number of Persons within the 2 nd Amendment Area |
|--------------------|---|--|---|
| 0 | 39 | 1.0 | 39 |
| 1 | 22 | 1.5 | 33 |
| 2 | 52 | 3.0 | 156 |
| 3 | 40 | 4.5 | 180 |
| 4 | 3 | 6.0 | 18 |
| 5 or more | 1 | 7.5 | 8 |
| Total | 162* | N/A | 434 |

Source: United States Department of Housing and Urban Development, 2000

* Numbers may not add due to rounding

Second, racial and ethnic composition is available from the 2000 United States Census, for the 2 block groups which contain residential units in the 2nd Amendment Area. These block groups contain a total of 2,119 residents. Table 5 identifies the residents of the 2 block groups by their racial and ethnic composition, and estimates the racial and ethnic composition of the estimated 434 residents of the 2nd Amendment Area:

Table 5: Estimated Racial and Ethnic Composition of Residents

| | 2000 Census Percentage in All Block Groups | Estimated Number of Residents within 2nd Amendment Area |
|---|---|---|
| RACE | | |
| White Only | 91% | 395 |
| Black or African American Only | 2% | 9 |
| American Indian and Alaskan Native Only | 0% | 0 |
| Asian Only | 2% | 9 |
| Native Hawaiian and Other Pacific Islander Only | 0% | 0 |
| Other Single Race | 4% | 17 |
| Two or More Races | 0% | 0 |
| Total | 100%* | 434* |
| ETHNIC COMPOSITION | | |
| Hispanic or Latino (Any Race) | 7% | 30 |

Source: 2000 Census, US Bureau of the Census

** Numbers may not add due to rounding*

PART II: RELOCATION PLANS

The Act specifies that the second part of a housing impact study must:

“...identify the inhabited residential units in the proposed redevelopment project area that are to be or may be removed. If inhabited residential units are to be removed, then the housing impact study shall identify (i) the number and location of those units that will or may be removed, (ii) the municipality's plans for relocation assistance for those residents in the proposed redevelopment project area whose residences are to be removed, (iii) the availability of replacement housing for those residents whose residences are to be removed, and shall identify the type, location, and cost of the housing, and (iv) the type and extent of relocation assistance to be provided.”

Original Project Area (2002)

Potentially displaced residential units and availability of replacement housing within the Original Project Area was documented in the original Housing Impact Study.

1st Amendment Area (2005)

There are no residential housing units located within the 1st Amendment Area.

2nd Amendment Area

Residential Units Which May be Displaced

The Redevelopment Plan indicates that zero inhabited residential units are targeted for acquisition at this time. However, as provided by the Lincoln Highway/Route 31 Corridor Redevelopment Plan, residential units may be displaced from the 2nd Amendment Area in order to facilitate potential redevelopment opportunities. The removal of any of these buildings containing residential units and any displacement of residents of inhabited units are expressly within the intent of the Lincoln Highway/Route 31 Corridor Redevelopment Plan. While not all of the redevelopment opportunities may be redeveloped, the residential units that may be displaced are as follows:

Table 7: Residential Units which may be Replaced

| Property Identification Number (PIN) | Address | Number of Units |
|---|-------------------|------------------------|
| 15-09-252-010 | 481 Sullivan Road | 1 |
| 15-09-252-011 | 461 Sullivan Road | 1 |
| 15-09-252-012 | 441 Sullivan Road | 1 |
| 15-09-276-012 | 401 Sullivan Road | 1 |
| 15-09-276-013 | 361 Sullivan Road | 1 |
| 15-09-276-016 | 321 Sullivan Road | 1 |
| Total Number of Units | | 6 |

Source: Teska Associates Field Survey – April 13, 2009

These units, if displaced, are likely to be displaced over time throughout the life of the Redevelopment Plan. The Eden Supportive Living Center (15-09-226-006, 311 South Lincolnway) contains the majority of residential units in the 2nd Amendment Area (156), however redevelopment of this parcel is not anticipated by the Lincoln Highway/Route 31 Corridor Redevelopment Plan.

Availability of Replacement Housing

According to data in the 2000 Census, approximately 74% of housing units in Census Tract 8529.05, and 64% of housing units in Census Tract 8530.04, are owner occupied. Conversely, approximately 26% of housing units in Census Tract 8529.05, and 36 of housing units in Census Tract 8530.04, are renter occupied. Therefore, both for-sale and for-rent units are considered for potential replacement housing.

Real estate listings were examined in areas in proximity to the 2nd Amendment Area (in particular, North Aurora, northern portions of Aurora, and southern portions of Batavia). Listings were obtained for homes with list prices approximately equivalent to the market values of homes which may be displaced (\$150,000 and below). The location, type, and cost of a sample of possible replacement housing units in these areas are shown in Table 6. The information presented is based on classified advertisements from the *Chicago Tribune*, the *Daily Herald* and *Apartmentguide.com* during May 2009. It is important to note, however, that the Chicago metropolitan area has a rental cycle that turns over in greater volume on May 1 and October 1 of each year. The majority of the housing units that turn over in any given year become available during the months prior to those dates. Therefore, housing ads placed at these times will likely reflect a wider variety of selling prices, rental rates, and locations.

Table 8: Real Estate for Sale within 2nd Amendment Area Vicinity

| Housing Type | Location | Price |
|---------------------|---------------------------------|-----------|
| 3 Bedroom Townhouse | Linn Court, North Aurora | \$47,500 |
| 3 Bedroom Townhouse | Laurel Drive, North Aurora | \$109,900 |
| 3 Bedroom Townhouse | Linn Court, North Aurora | \$110,000 |
| 3 Bedroom Townhouse | Dee Road, North Aurora | \$128,000 |
| 2 Bedroom Townhouse | Victoria Circle, North Aurora | \$143,500 |
| 3 Bedroom Townhouse | Hidden Creek Lane, North Aurora | \$149,900 |
| 3 Bedroom Townhouse | Victoria Circle, North Aurora | \$149,900 |

Source: *Chicago Tribune* and *Daily Herald*

Table 9: Real Estate for Rent within 2nd Amendment Area Vicinity

| Housing Type | Location | Rent |
|------------------------|------------------------------|--------------|
| 1-3 Bedroom Apartments | ALARA at Summerfield, Aurora | \$825-\$1499 |
| 1-2 Bedroom Apartments | Fox Valley Villages, Aurora | \$849-\$1385 |
| 1-2 Bedroom Apartments | Hunters Glen, Aurora | \$724 and up |
| 1-2 Bedroom Apartments | Aspen Place, Aurora | \$735 and up |
| 1-2 Bedroom Apartments | Orchard Village, Aurora | \$811-\$1309 |
| 1-2 Bedroom Apartments | Butterfield Oaks, Aurora | \$875-\$1320 |

Source: *Chicago Tribune*, *Daily Herald* and *Apartmentguide.com*

Type and Extent of Relocation Assistance

The Village of North Aurora may provide relocation assistance to residents displaced by this Redevelopment Plan. Such assistance may include reimbursement for actual reasonable expenses for moving, including real estate transaction costs up to 8% of the value of the replacement housing unit.

In addition, to the extent that any removal or displacement will affect households of low-income and very low-income persons, the Village will provide affordable housing and relocation assistance not less than that which would be provided under the Federal Uniform Relocation Assistance and Real Property Acquisition

Policies Act of 1970 and the regulations thereunder, including the eligibility criteria. Affordable housing may either be existing or newly constructed housing, and the Village shall make a good faith effort to ensure that the affordable housing is located in or near the Project Area. For the purposes of this Housing Impact Study, “low-income households”, “very low-income households”, and “affordable housing” shall have the meanings set forth in the Illinois Affordable Housing Act. As of the date of this Redevelopment Plan, these statutory terms have the following meaning: (i) “low-income household” means a single person, family or unrelated persons living together whose adjusted income is more than 50 percent but less than 80 percent of the median income of the area of residence, adjusted for family size, as such adjusted income and median income are determined from time to time by the United States Department of Housing and Urban Development (“HUD”) for purposes of Section 8 of the United States Housing Act of 1937 (“Section 8”); (ii) “very low-income household” means a single person, family, or unrelated persons living together whose adjusted income is not more than 50 percent of the median income of the area of residence, adjusted for family size, as so determined by HUD for the purposes of Section 8; and (iii) “affordable housing” means residential housing that, so long as the same is occupied by low-income households or very low-income households, requires payment of monthly housing costs, including utilities other than telephone, of no more than 30 percent of the maximum allowable income for such households, as applicable.