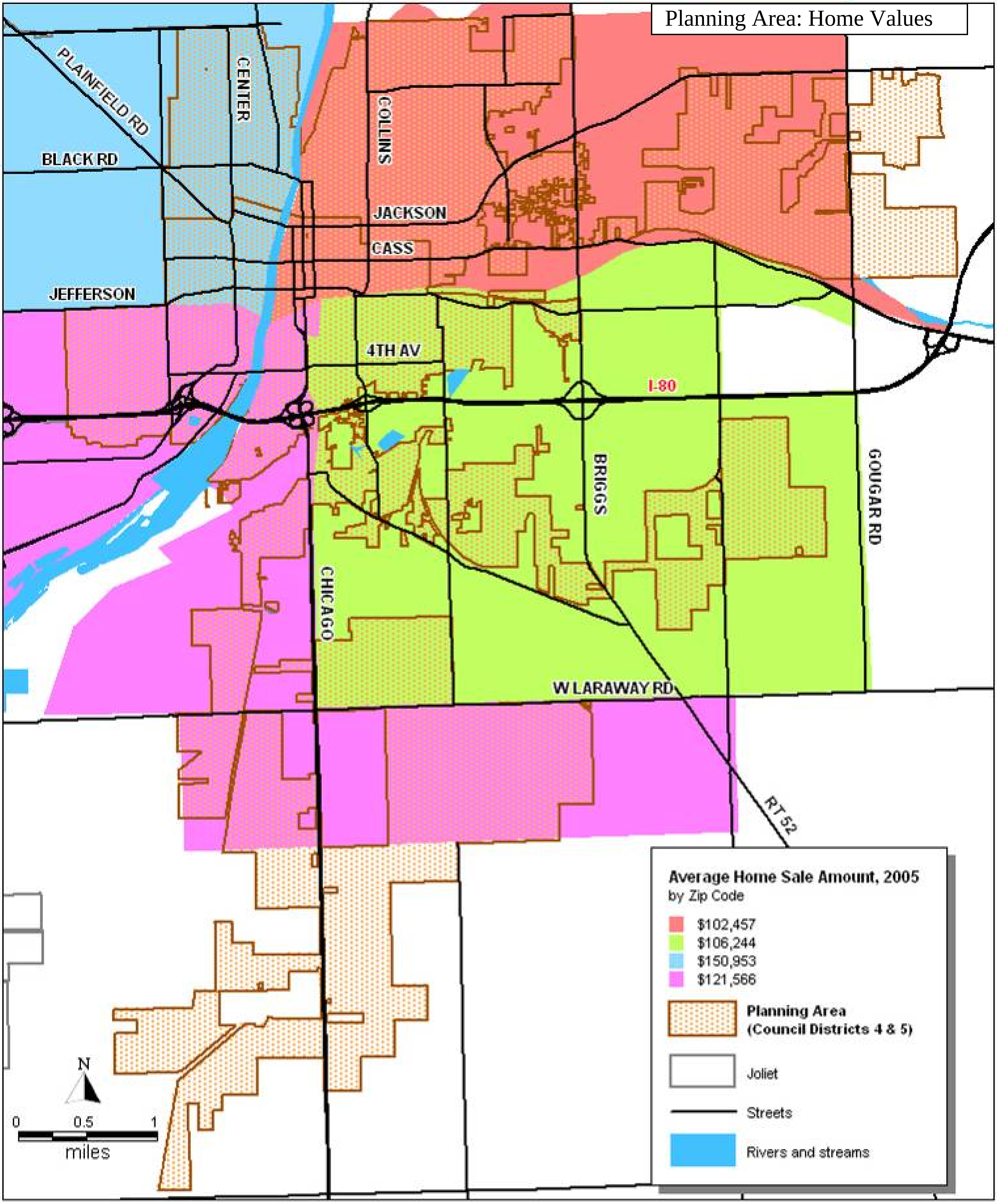
III. Key Findings and Proposals

A. Housing

Improving the housing market in Joliet's 4th and 5th District (the Planning Area for this project) is entirely dependent on increasing residential investment in the area. This entails improving the conditions of existing properties, attracting new development, and increasing access to homeownership. A sound housing strategy can build on the Planning Area's strengths and create a greater variety of price points that serve both existing residents and higher-income earners. For many years, the 4th and 5th District's housing market has struggled to keep pace with the rest of the city. At the same time, this area holds several assets that can and should be used to leverage new residential reinvestment and a stronger housing market: a strong homeownership ethic; outstanding historic structures (particularly in the Planning Area Historic District around Eastern Avenue); an advantageous location - positioned between an improving central business district and the new I-355 extension, along I-80, and near a growing industrial jobs corridor; the redevelopment of the Joliet Housing Authority's Briggs-Rosalind Homes into Liberty Meadows Estates - a vibrant mixed income development; and, a strong industrial market nearby. These assets can serve as the building blocks to the revitalization of the Planning Area's housing market and ultimately support the reinvestment and economic revitalization of the community as a whole.

Recent indicators show that Joliet's housing market has strengthened overall and within the 4th and 5th Districts, with increases in appreciation rates, more home and property improvements, and higher-rates of infill housing development. Several proposals that are put forth in this section build off of many of the programs and efforts that are currently underway in the city such as the ASSIST-ance Program, a home purchase loan pool that the City contributes to yearly, the Local Homestead Program that builds and rehabilitates homes for moderate and low-income families, the use of Low-Income Tax Credits, and the development of mixed-use and mixed-income housing. The continuation and expansion of these programs, along with complimentary recommendations, are put forward as an effort to stimulate the Planning Area housing market and better integrate housing revitalization into the overall economic growth of Joliet's 4th and 5th Council Districts.



Planning Area: Home Values
PLAINFIELD RD
CENTER
COLLINS
BLACK RD
JACKSON
CASS
JEFFERSON
4TH AV
I-80
BRIGGS
GOUGAR RD
CHICAGO
W LARAWAY RD
RT 52
Average Home Sale Amount, 2005
by Zip Code
$102,457
$106,244
$150,953
$121,566
Planning Area
(Council Districts 4 & 5)
Joliet
Streets
Rivers and streams
N
0
0.5
1
miles

A housing and commercial market survey was conducted through the mail, with statistically significant results. Other responses were received from participants who submitted surveys at two community meetings and by Internet. While 72% of mail survey respondents and 52% of community meeting respondents live within the 4th and 5th Districts, most (74%) of the Internet survey respondents live either elsewhere in Joliet or outside of the City limits. Most survey respondents are homeowners (89% of mail respondents, 86% of Internet survey respondents and 84% of community meeting respondents.) The survey asked a number of questions about the overall quality of life in the Planning Area, as well as the housing and commercial markets. Responses about the housing market are as follows:

- **General perceptions of the Planning Area**: The vast majority of survey respondents (70%-mail, 83%-Internet, and 85%-community meeting) feel that the Planning Area in general is worse than the rest of Joliet.
- **Planning Area housing quality**: Most survey respondents perceive the housing stock in the 4th and 5th Districts to be of good – or better – quality. Many (49%) of the mail survey respondents feel that the quality of homes in the Planning Area is either excellent (9%) or good (40%) and 42% feel that the housing quality is fair. In contrast, Internet survey respondents tend to think that the housing quality in the Planning Area is either good (43%) or excellent (15%) and similarly, most of the community meeting respondents feel that the 4th and 5th District housing stock is either good (45%) or excellent (13%).
- **Incoming residents:** Responses vary with respect to perceptions about "newcomers" to the Planning Area. Many respondents (42%-mail, 64%-Internet, 49%-community meetings) feel that new 4th and 5th District residents earn less income than current residents. Results show that 46% of Internet respondents, many who live outside of the Planning Area, feel that newcomers maintain their property worse than current residents, while many mail (47%) and community meeting (53%) respondents (most of who live in the Planning Area) feel that newcomers maintain their property as well or better than current residents. Analysis of income levels of new residents in the Planning Area presented below challenge some of these perceptions.

In addition to the surveys, the Quality of Life Task Force hosted two large public meetings. Input from the community meetings resulted in the following top-five priorities for the 4th and 5th District housing market:

- Homeownership education programs & assistance, including rent-to-own programs
- Beautification of neighborhoods, including stricter code enforcement
- Rental options
- Housing for the aging population, including assisted living
- Housing diversity in communities –mixed income housing

This feedback from residents and stakeholders indicates a strong desire to expand homeownership opportunities in the Planning Area and increase new investment, while ensuring that existing residents can continue to live and thrive in the 4th and 5th districts. The key to revitalizing this community vision is attracting new home investment by upgrading the physical conditions and, in turn, the overall image of the Planning Area and incorporating market-based tools to attract housing development and investment in the current housing stock.

Key Findings

An analysis of Joliet's housing market was conducted for the Metropolitan Planning Council by czb, LLC, a national housing and community development consultant in Alexandria, Virginia. This analysis is based on U.S. Census data and housing sales data from the Multiple Listing Service and Will County Assessors data.

Key points that are worth noting about trends in the Joliet and Planning Area housing markets are as follows:

- Population growth in Will County and Joliet is outpacing the 4th and 5th Districts. Seven out of 19 Planning Area census tracks actually lost residents.
- Among households moving into to the Planning Area, just over half (55%) are owners compared to 79% in Will County and 63% in Joliet. In some Planning Area census tracts (like 8819 and 8820), just one out of every six movers was an owner.
- Housing supply is not meeting the demand in Joliet as a whole for households earning above $125,000 and in the Planning Area, the supply of housing is not meeting the demand for households earning between $50,000 and $125,000.
- Median incomes in Joliet increased 33% from 1990 to 2000 and another 18% by 2006. In the Planning Area, the median household income increased by 27% from 1990 to 2000 and another 12% by 2006, a marked improvement over the declines in median income that the Planning Area experienced in the 1980s. .

Population Growth

While population growth in Will County and the city of Joliet[1] as a whole boomed (41% and 38% respectively) from 1990 to 2000, this trend seems to be tapering off. For Joliet, the population grew 28% from 2000 to 2006 and is expected to grow by roughly 18% from 2006 to 2011. In comparison, population growth has not been as rapid in the 4th and 5th Districts, yet has been consistent, increasing by 13% from 2000 to 2006 and is expected to grow by 9% from 2006 to 2011. It should be noted that this population increase in the Planning Area is occurring in particular Census Tracts and that some (7 out of 19) actually lost residents from 1990 to 2000. The estimated 2006 population of the 19 Census tract areas is 80,978, with 26,698 total households (2.99 people per household overall). Household size in the newer expanding areas to the south and east of the core Planning Area has grown from 2.85 in 1990 to 3.22 in 2005. As the city expands its boundaries, new households in these areas tend to be larger than households in the more established areas of the 4th and 5th Districts, which could be attributed to the type of housing being built in these newer areas or to demographic shifts.

Table A-1. Joliet and Planning Area Population Demographics

Joliet Population Demographics	2000 Census	2006 Estimate	2011 Projection	Percent Change 2000 to 2006	Percent Change 2006 to 2011
Total Population	106,205	136,001	160,114	28.1%	17.7%
Total Households	36,180	45,885	52,244	26.8%	13.9%

[1] Population projections are calculated using US Census tracts and therefore include some areas outside the Joliet city boundaries.

4th and 5th District Population Demographics	2000 Census	2006 Estimate	2011 Projection	Percent Change 2000 to 2006	Percent Change 2006 to 2011
Total Population	71,436	80,978	88,448	13.4%	9.2%
Total Households	23,362	26,698	28,506	14.3%	6.8%

Source: U.S. Census, 2000.

While there are likely numerous causes for why population growth in this area has not kept pace with the rest of the city and county, this trend alone must be addressed to revitalize the community. A consequence of slower population growth is stagnant commercial and residential investment. Creating opportunities to attract new residents is key to revitalizing this community. A strong growing population is essential to support broader economic growth, as well as enhance the equity and savings of homeowners and owners of property in the Planning Area.

Income

In 2006, households earning between $75,000 and $90,000 annually were one of the fastest growing populations in Joliet and the Planning Area, growing 205% from 1990-2000 in Joliet and 155% during that same time period in the 4th and 5th Districts. Households moving into Joliet and the 4th and 5th Districts in particular, tend to have lower incomes than Will County as a whole, yet are either equivalent to or more than current incomes, contrary to the perceptions of survey respondents. From 1990 to 2000, Joliet's median household income increased by almost 33% and another 18% in 2006. In the Planning Area, the median household income increased by 27% from 1990 to 2000 and another 12% by 2006. On average in 2000, new and moving households and new and moving owners in Will County earned $74,356 and $83,714 respectively; in Joliet they earned $55,763 and $67,974 respectively, more than the city median of $48,000. New households in the 4th and 5th Districts earned roughly $45,000;a closer look shows that new and moving owners in 2000 earned $55,000 and new and moving renters earned $37,000 compared to the 2000 Planning Area median income of $40,200. In 2006, the **Planning Area median income grew to $45,485.**

Homeownership

Between 1990 and 2000, homeownership rates substantially increased in both the county (from 77% to 83%) and the city (from 63% to 70%.) Homeownership rates in 2000 in the 4th and 5th Districts overall were at a strong level of 62%; yet during this same period, while Will County gained nearly 50,000 owner-occupied households and Joliet added roughly 8,500, 12 out of 18 Planning Area Census Tracts actually lost owner households. Abandonment rates – properties that the Census determined to be vacant, but not "on the market" - were approximately twice as high in Joliet (0.9%) and three times as high in the Planning Area (1.4%) than in the county as a whole (0.5%) in 2000.

Housing Stock

Compared to the county, Joliet's and the 4th and 5th Districts' housing stock have a smaller share of single-family detached housing and a larger share of small (2-4 units) multifamily housing.

Table A-2. Housing Stock Composition

Geography	% Single-family Detached	% Single-family Attached	% Multifamily (2-4 Units)	% Multifamily (5-9 Units)	% Multifamily (10-49 Units)	% Multifamily (50+ Units)	% Mobile Homes
Will County	76%	9%	6%	2%	4%	2%	2%
Joliet	65%	6%	13%	3%	7%	5%	0%
4th & 5th Districts	65%	4%	21%	3%	2%	4%	1%

Source: U.S. Census, 2000.

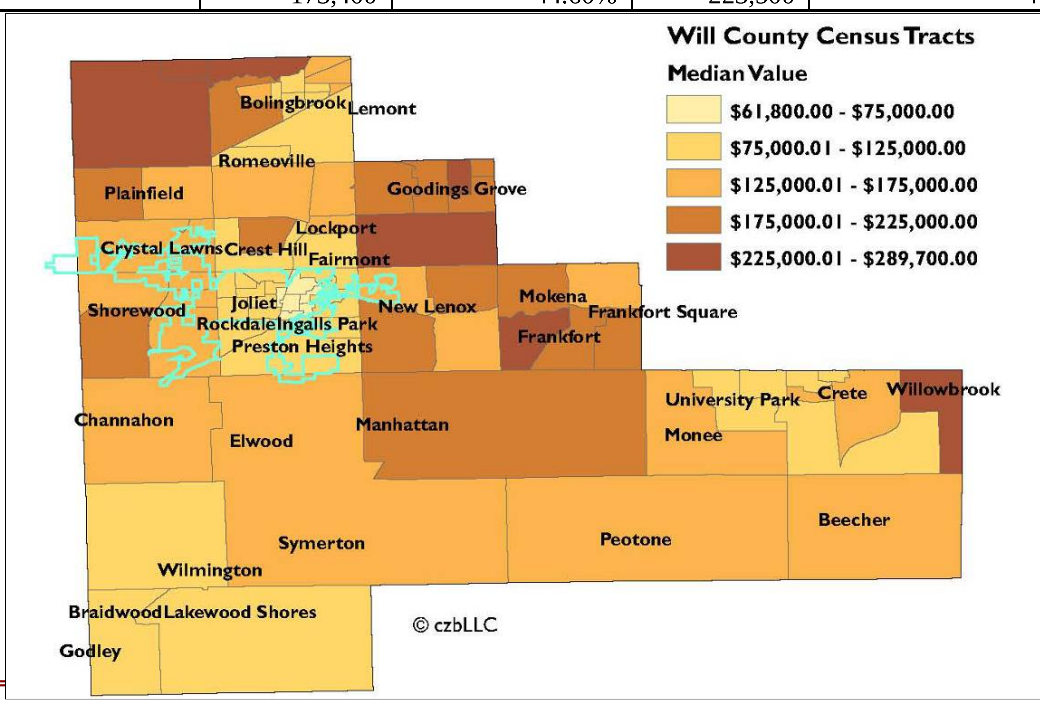
The Planning Area has an older housing stock in comparison to Will County and the rest of Joliet. 8,082 of 24,390, or 33%, of Planning Area homes were built in 1939 or earlier. In comparison, only 10% of the homes in Will County (16,925 of 175,524) and 20% (7,784 of 38,182) in Joliet were built over 68 years ago. At the other end of the spectrum, while 34% of Will County homes (59,283 of 175,524) and 25% of homes in Joliet (9,686 of 38,182) were built between 1990 and 2000, just 6% of homes in the Planning Area (1,579 of 24,390) are 17 years old or newer.

Home Values and Rents

According to the 2000 U.S. Census, the Planning Area's median gross rent ($576) actually exceeded the city's ($549), but trailed the county's median rent ($630.) Housing values are not as strong in Joliet as in Will County as a whole or in Joliet's neighboring communities, and home values are still lower in the Planning Area. Just 6% of owner-occupied units in the Planning Area were valued at $200,000 or higher – a portion similar to that for the city as a whole, but well below that for the county where 28% of owner-occupied units were valued at $200,000 or higher. The median value in Joliet census tracts substantially trails medians in nearby tracts.

Table A-3. Median Home Values

Year	Planning Area	City of Joliet	Joliet % Increase	Will County	Will County % Increase
2000	85,822	119,900		154,300	
2005	---	173,400	44.60%	223,500	44.80%

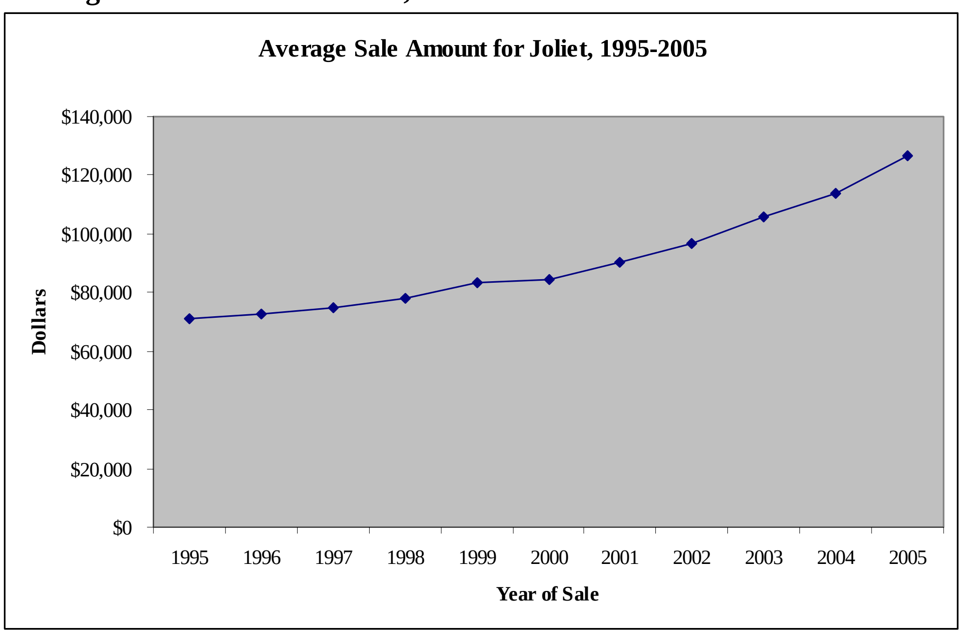


Czb, LLC also analyzed Will County Assessors and Multiple Listing Service data to get a more current view of sales trends in Joliet. According to this data, Joliet's average sale price rose above $100,000 in 2003 and exceeded $125,000 by 2005. **While the average sale price in Joliet typically increased by 2-4% in the late 1990s, it rose at least 8% annually between 2002 and 2005 (appreciating 11% between 2004 and 2005).**

Rising home values are important to build confidence for private investment. The large percentage increases are, to some extent, due to the initial low values relative to the county and region. But, these increases also indicate that home seekers are willing to pay higher values than in the past to purchase in the city.

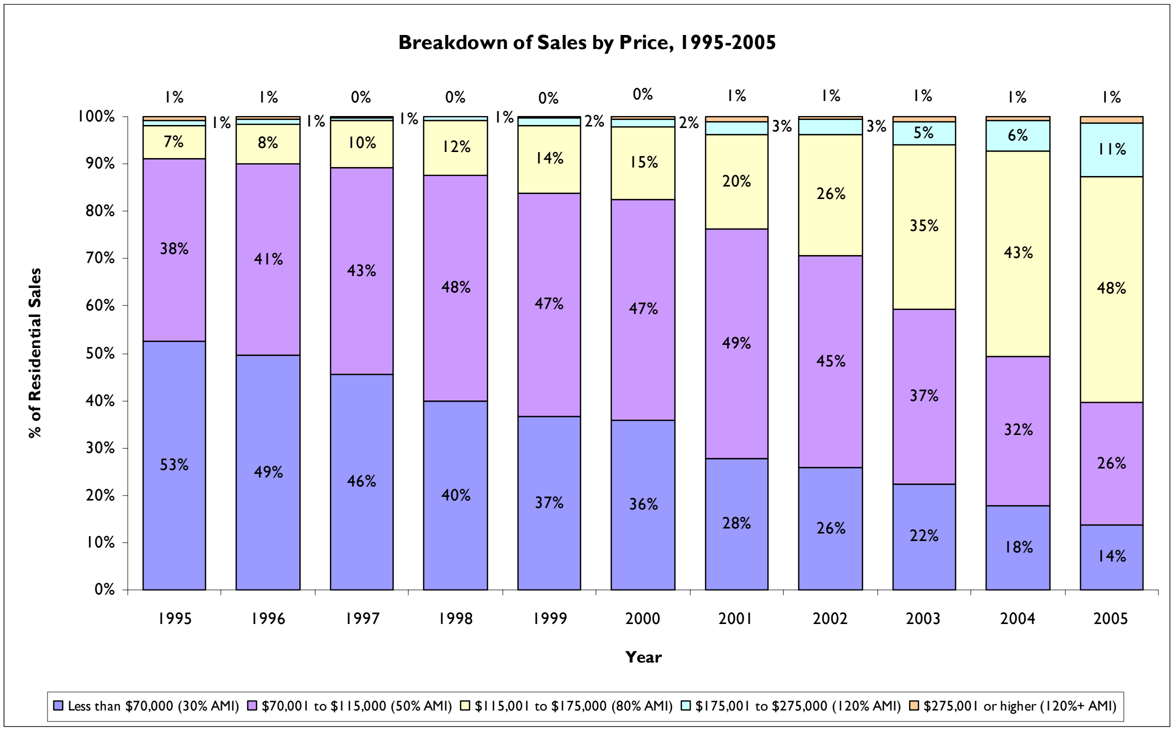
Rising values do have a downside as well. As a result of fast appreciation, a smaller share of Joliet for-sale housing was affordable to lower-income households in 2005 than in 2000. In 2000, 83% of the city's for-sale housing was affordable to households earning less than 50% of the area median income ($37,700 for a family of four); by 2005, just 40% was affordable to these households. Still, in 2005, some 88% of moderate-income households (those earning below 80% of AMI or $59,600 for a family of four) can still afford to live in Joliet.

Figure A-3. Average Sale Amount for Joliet, 1995-2005



Source: Will County Assessor's Data

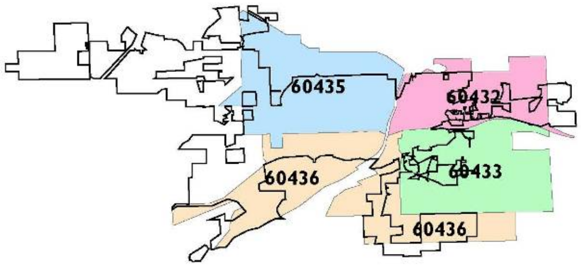
Figure A-4. Breakdown of Joliet Sales by Price, 1995-2005

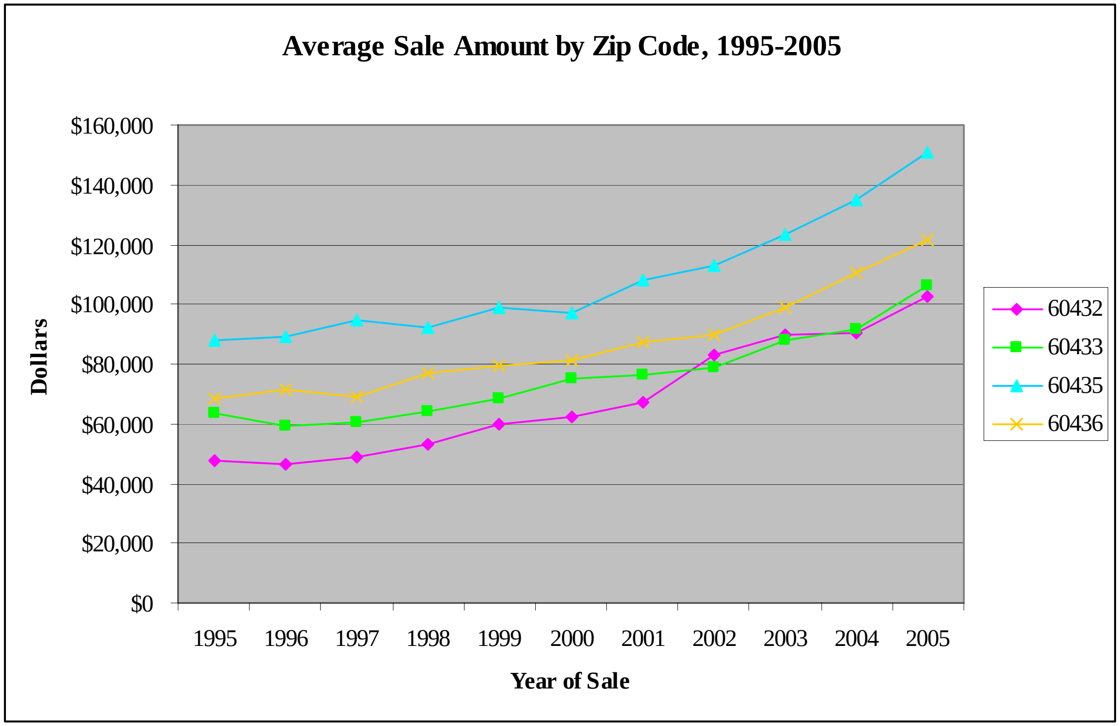


Source: Will County Assessor's Office

According to Will County Assessor data, values differ dramatically between Joliet neighborhoods. On average, values were highest in zip code 60435, comprising the western portion of the 4th District (see map below) – with the average sale price exceeding $150,000 by 2005. Sale amounts remained significantly lower in zip codes 60432 and 60433 (areas east of the river) – roughly $100,000 in 2005. One year later, in 2006, information from the Multiple Listing Service (MLS) shows the average sale price of both single-family homes and smaller multifamily properties around $115,000 and $150,000 respectively in the Planning Area. While home values in the Planning Area trail those west of the City Center, home values within specific areas of the 4th and 5th Districts are notably appreciating: in zip code 60432, homes are appreciating at an average rate of 8%; in 60436 they are appreciating at an average of 6% annually; and at 5% in 60435 and 60433.

Figure A-5. Average Sale Amount by Zip Code, 1995-2005





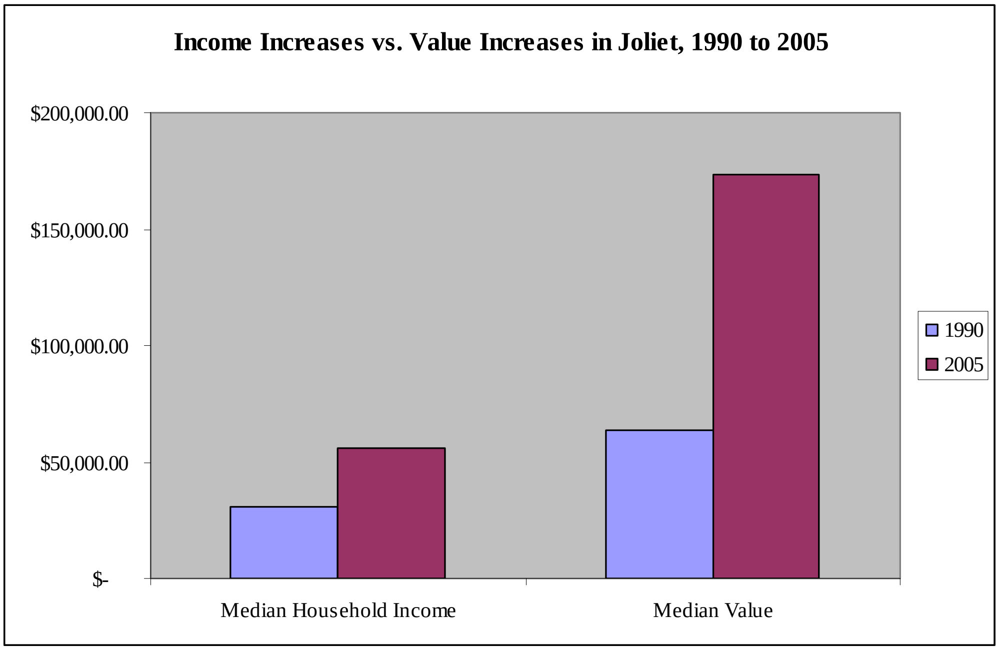
Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Average Annual Appreciation
60432	$47,804	$46,151	$49,031	$53,371	$60,005	$62,564	$66,953	$82,850	$89,510	$90,160	$102,457	
Annual Appreciation		-3%	6%	9%	12%	4%	7%	24%	8%	1%	14%	8%
60433	$63,549	$59,135	$60,253	$63,936	$68,563	$75,292	$76,222	$78,989	$88,101	$91,456	$106,244	
Annual Appreciation		-7%	2%	6%	7%	10%	1%	4%	12%	4%	16%	5%
60435	$88,203	$89,334	$94,763	$92,144	$98,930	$97,020	$107,849	$113,060	$123,264	$134,876	$150,953	
Annual Appreciation		1%	6%	-3%	7%	-2%	10%	5%	8%	9%	11%	5%
60436	$68,336	$71,248	$69,050	$76,869	$79,549	$81,503	$87,192	$89,889	$99,071	$110,287	$121,566	
Annual Appreciation		4%	-3%	10%	3%	2%	7%	3%	9%	10%	9%	6%

Source: Will County Assessor

Future Demand Projections

By 2005, the median value of Joliet's owner-occupied homes was $173,400 and the city's median income was $56,175. Between 2000 and 2005, while household incomes increased by 3.5% annually, city properties appreciated by 8.9% annually.

Figure A-6. Income Increases vs. Value Increases in Joliet, 1990-2005



Sources: U.S. Census, 1990; American Community Survey, 2005

Supply and demand trends in Joliet in 2005 reveal opportunities for development for households earning above $125,000 per year; the market is undersupplying homes priced above $331,250. The demand for homes priced for households earning from $50,000 to $74,999 is being met mostly by the rental market. As such, while all of these families are not necessarily in the position to purchase, this income group does present an area of opportunity for the development of some for-sale housing priced between $132,500 and $198,749.

The opportunity to provide for-sale housing in the $132,500 to $198,749 price category and higher ranges may be met in a number of ways that are appropriate for a community with largely developed land and older housing stock, as well as numerous moderate to lower-income households, such as the Planning Area. Higher value homes may be added by rehabilitating existing housing, by building in-fill housing on vacant land, by building mixed-income residential developments on land that is being converted from other use (such as obsolete industrial areas), or by building mixed-use housing in commercial corridors that are now far below their development potential (as discussed in the Plan's section on Retail Development). A combination of these strategies would advance the QOL goals of providing home ownership and neighborhood improvement opportunities for current and future Planning Area residents.

Table A-3. Supply and Demand in Joliet (2005)

Household Income Range	# of Households	Mortgage [2]	Monthly Payment/Rent (30% of income)	Existing Owner Units	Existing Renter Units	Total Difference
Less than $50,000	18755	Less than $132,500	Less than $1,250	8199	10360[3]	-196
$50,000 to $74,999	8897	$132,500 to $198,749	$1,250 to $1,874	11056	313	2472
$75,000 to $124,999	10696	$198,750 to $331,249	$1,875 to $3,124	10468	104	-124
$125,000 to $149,999	1441	$331,250 to $397,499	$3,125 to $3,749	945	0	-496
$150,000 to $199,999	1071	$397,500 to $529,999	$3,750 to $4,999	251	0	-820
$200,000 or more	904	$530,000 or more	$5,000 or more	68	0	-836
Total	41764			30987	10777	0

Source: 2005 American Community Survey; czb LLC

Information for the table above is obtained from the 2005 American Community Survey. This 2005 data is only available for the city of Joliet and is not available for individual Census tracts. As such, to provide a general idea of the housing supply and demand for the Planning Area, the table below offers information from the 2000 U.S. Census, which is not as timely, but provides a closer look at the Planning Area's housing market. As of 2000, there was an oversupply of homes priced to meet the needs of families earning below $50,000 and a noticeable undersupply of homes for families earning between $50,000 and $124,999. Due to the unmet demand for households earning above $50,000, there may be a number of Planning Area families that are "under housed" - living in homes that have less value than their purchasing ability.

Table A-4. Supply and Demand in Planning Area (2000)

Household Income Range	# of Households	Mortgage	Monthly Payment/Rent (30% of income)	Exiting Owner Units	Existing Renter Units	Total Difference
Less than $50,000	14171	Less than $132,500	Less than $1,250	11451	8509	5789
$50,000 to $74,999	4645	$132,500 to $198,749	$1,250 to $1,874	1801	58	-2786
$75,000 to $124,999	3148	$198,750 to $331,249	$1,875 to $3,124	765	3	-2380
$125,000 to $149,999	391	$331,250 to $397,499	$3,125 to $3,749	56	0	-335
$150,000 to $199,999	287	$397,500 to $529,999	$3,750 to $4,999	39	0	-248
$200,000 or more	158	$530,000 or more	$5,000 or more	53	0	-105
Total	22800			14165	8570	0

Source: 2000 Census; czb LLC

[2] Lending institutions use an annual household income-to-mortgage size ratio to help calculate purchasing power. Ratios tend to fluctuate between 2.3 and 3.1 depending on the lending institution. Czb, LLC used a 2.65 ratio, which represents the middle of this range.

[3] Any rental units that are occupied without the payment of cash rent are identified as "No cash rent" by the US Census. Typically these "No cash rent" units are those that are subsidized, therefore, the assumption is made that "No cash rent" units are occupied by households earning below $50,000 and added in to the total count for rental units serving that income category. For example, 425 rental units in Joliet were deemed to have "No cash rent," another 9,935 had rents low enough to be affordable to households earning less than $50,000. Combining these two rental categories, there are a total of 10,360 rental units affordable to households earning below $50,000.

Proposals

The following proposals all focus on stimulating housing investment in the Planning Area through four strategies:

1. Create and encourage a diversity of housing types in the Planning Area to insure a growing and healthy housing market and serve a broader constituency.
2. Spur new investment in the 4th and 5th Districts through incremental measures, starting with incentives and leveraged financing to attract developers to the Planning Area. This should involve city incentives and state and federal housing resources that will help a developer bear the initial risk – be it real or perceived – of entering this market.
3. Improve residents' access to homeownership, increasing the savings and equity of families in the 4th and 5th Districts.
4. Provide financial tools to improve property conditions, creating the momentum for property owners to upgrade their buildings.

Many respondents identified seniors as a population in need of additional housing opportunities. Some residents also cited ex-offenders as a population in need of supportive housing. In response to the lack of ex-offender transitional housing, the Will County Health & Justice Coalition has been working on a "one church, one house" initiative, where individual churches would each help fund a transitional home for a few ex-offenders. Some churches already provide some housing assistance but there is a lack of coordination. The Health & Justice Coalition proposes to fill this gap, as well as expand the program. Below is a chart summarizing the specialized housing available in the Joliet community:

Table A-5. Senior Housing Developments in Joliet

Essington Place	85 units	
Joshua Arms	186 units	
Marycrest Village Apartments	66 units	
Victory Centre	59 Senior units	32 Supportive Living units
John O. Holmes	45 units	

Table A-6. Transitional Housing in Joliet

Agape Mission	7 units	
Catholic Charities Daybreak Center	50 beds	
Lamb's Fold Women's Center	43 beds	
MorningStar Mission Ministries	20 beds	
MorningStar Mission Ministries Hope House	8 beds	
MorningStar Mission Ministries Advance Transitional Housing	12 beds	
MorningStar Mission Women & Children's Recovery Center	72 units	
Stepping Stones	66 units	

While the central theme to the following proposals is to better balance Joliet's housing stock by creating a diversity of housing types and prices throughout the city, many can aid in the development of housing for seniors and other specific populations. There are proposals, such as accessing federal and state funding resources to spur new mixed-income housing development or providing incentives for mixed-use development where housing and commercial uses are paired, that may in some instances lend themselves more to serving aging residents than other proposals.

Stimulate Market Demand

Stimulating the housing market is an important component of improving the quality of life in the 4th and 5th Districts. While it is important to ensure that 4th and 5th District residents can continue to afford to live in this community, new investment must be attracted to the area to break the cycle of poverty and disinvestment that persists in some Planning Area neighborhoods. Because Joliet as a whole has remained relatively affordable, the Planning Area is essentially competing with other Joliet neighborhoods and surrounding communities to attract residents. Currently, those potential residents can sometimes simply find more for their money and a new product elsewhere in the city and region. This is at the core the Planning Area's challenge. Accordingly, the following recommendations focus on stimulating new housing market activity that is unique to the Planning Area and builds on the advantages of the 4th and 5th Districts; the I-355 extension, proximity to two downtown Metra stations and central business district, and a strong historic character.

Zone for More Housing through Mixed-use Development

While residents take pride in the single-family character of 4th and 5th District neighborhoods, commercial corridors and other areas that benefit from increased foot traffic present opportunities for mixed-use development where retail and housing is either built in close proximity (i.e. townhomes next to businesses) or is one in the same (i.e. retail on the first floor and housing above). The city can encourage this type of development in several ways: rezoning areas specifically for mixed-use development, creating overlay zones in targeted areas, or simply marketing the sites to encourage mixed-use and making the plan review process simple for these priority developments. The City should and has been very careful about allowing mixed-use development "by right" through rezoning because it takes away some City ability to negotiate with builders to ensure that a development fits with local character and meets city goals.

Demonstrating local demand is necessary for retail and business attraction efforts. Demand is measured by local buying power - a combination of household income and the number of households in a given area. In order to increase buying power, a community should look at both adding residents and increasing incomes. One strategy is not independent of the other. For example, there are high-wealth communities that, because of their limited number of households, do not have the buying power necessary to attract desired retailers. There are also communities that have low household incomes, but because of a higher concentration of households, they actually have strong buying power and are therefore more attractive to retailers and retail developers. While the *Retail Market Development and Assessment* section in this plan does demonstrate a significant demand, residential growth will make the Planning Area even more attractive to desired retailers and businesses.

Through Joliet's Planned Unit Development (PUD) process, the City has negotiated with developers to create mixed-use buildings. By affirmatively marketing these sites as mixed-use opportunities to developers experienced in building mixed-use properties, the Planning Area will not only see more housing options for new and existing residents, it will also support new retail development. This plan specifies several appropriate areas for mixed-use development and increased density in the L*and Use & Neighborhood Character/Infrastructure* section, including some Planning Area commercial corridors, such as Collins, Chicago, Jefferson and Cass, as well as sites around the Metra station.

Land Assembly

One of the most effective ways that a city can "set the stage" for redevelopment, both housing and commercial, is by purchasing and donating or discounting land to encourage preferred types of development. The City of Joliet has already been acquiring parcels for the past nine years using the County Delinquent Tax Sales program. In order to catalyze reinvestment in the Planning Area, the City could use a combination of Community Development Block Grant funds, casino revenues, and general operating funds to acquire additional parcels, issue a Request for Proposals that outlines key priorities and design requirements for redevelopment, and then donate or sell properties at a discounted price to qualified investor(s) that commit to achieve desired outcomes. While RFP goals should be site specific, some general guidelines for Planning Area redevelopment include:

- Housing diversity: Creating a variety of housing types and sizes, including condominiums, townhomes, smaller single-family homes, larger single-family homes, and accessory homes.
- Mixed-income: Providing a range of price points. This is accomplished by developing market-rate housing with a range of price points made possible through a variety of housing types and sizes. A broader price range can also be accomplished by securing subsidies to write down the cost of some units. While the Planning Area's median income in 2006 was $45,485, there are public resources that can be used to create mixed-income housing if the development offers some homes at prices that serve families earning from $37,700 (50% Area Median Income for a family of four) up to $90,480 (120% Area Median Income for a family of four). These price points – even if confined to just a percentage of the development, are comparable to or higher than Planning Area incomes.
- Mixed-use: Along commercial corridors and near the Metra station, encourage homes above or next to commercial space. This may include apartments or condominiums above the first floor or townhomes and single-family homes adjacent to retail, whichever is appropriate for the size, configuration, and location of the site.

Improve Public Infrastructure

City public improvements to streets, sidewalks, and sewer and water systems are costly yet will affect housing and economic development opportunity in the 4th and 5th Districts. While Joliet has invested a significant amount in infrastructure improvements within the Planning Area, problems within some of the unincorporated areas that intermingle with 4th and 5th District homes have far reaching impacts. The unincorporated areas' current lack of infrastructure has negatively impacted some Planning Area neighborhoods, and will continue to be one of the main obstacles to the revitalization of the community. In addition, there are other incorporated portions of the Planning Area that are in need of improvements such as sidewalks and gutters, particularly the more isolated residential neighborhoods south of I-80 and east and west of the river, between Rowell Avenue and Raynor Avenue and north of Mills Road. A multi-year approach to bring streets, sidewalks, lighting, sewer and water systems up to modern standards will help to improve the appearance and increase the values of some Planning Area neighborhoods, and will build the confidence of homeowners to invest their own private funds in their homes.

The City has a process by which a group of homeowners can work together with the City pay for infrastructure upgrades. The projects for street improvements are handled on a petition basis. When neighbors work together, they can approach the City and their councilperson to get on the project list. Projects are handled on a first-come-first-serve basis. City street improvement assistance is capped at $300 per single-family home and is higher for rental and commercial properties; however, there is a total cap of $1,500 per project, excluding sidewalk repairs. For sidewalk repairs, the city offers a matching program where property owners pay for half of the costs and the City pays the other half. When property owners residing in areas in need of repair are not be able to afford the match for these repairs, the City has a policy of working out terms through which a property owner may pay his or her matching contributions in installments. The City may also consider working with lending institutions to establish a low-interest loan pool to assist residents in financing their infrastructure matching contributions. Such a pool would give residents an alternative to relying on the City for credit and help to stretch the City's resources. Helping promote these options among residents may also be an appropriate role for a Community Development Corporation (CDC). (See the CDC discussions in the concluding paragraphs of this section and more extensively in the *Interlocking Issues* section of the Plan).

Homeownership Investment

Much of the resident feedback focused on increasing homeownership in the community. Of the small number of survey respondents who are renters, 55% plan to purchase within the next three years. 50% cited the inability to qualify for a loan as being the main reason they have not yet purchased a home. Providing purchase assistance in the form of loans, grants, and homeownership counseling is one tool to increase homeownership in Districts 4 and 5. Currently, the City provides assistance through two programs:

- **Local Homestead Program**. The City of Joliet administers down payment assistance in the form of a mortgage subsidy that is forgivable over five years as part of the Local Homestead Program. This assistance is tied to the purchase of renovated or newly built Local Homestead Program homes and is available for families earning 80% or below the Area Median Income (AMI) - $59,600 for a family of four in 2007. Since 1996, the City has contributed an average of $140,000 annually to this program, which has in turn leveraged approximately $771,300 annually from the state and private financial institutions. As of 2006, over $9 million have been allocated to the Local Homestead Program, assisting over 100 low and moderate-income families. The City also uses funding from the Illinois Housing Development Authority's (IHDA) housing trust fund to provide a partial zero-interest loan and down payment grant to low and moderate-income families.
- **ASSIST-ance Program**: Every year, the City cedes its unused volume bond cap to a loan pool that offers down payment and closing cost assistance through the ASSIST-ance program, which can be accessed through several participating financial institutions. The program offers 4.25% of the purchase price for down payment assistance or closing

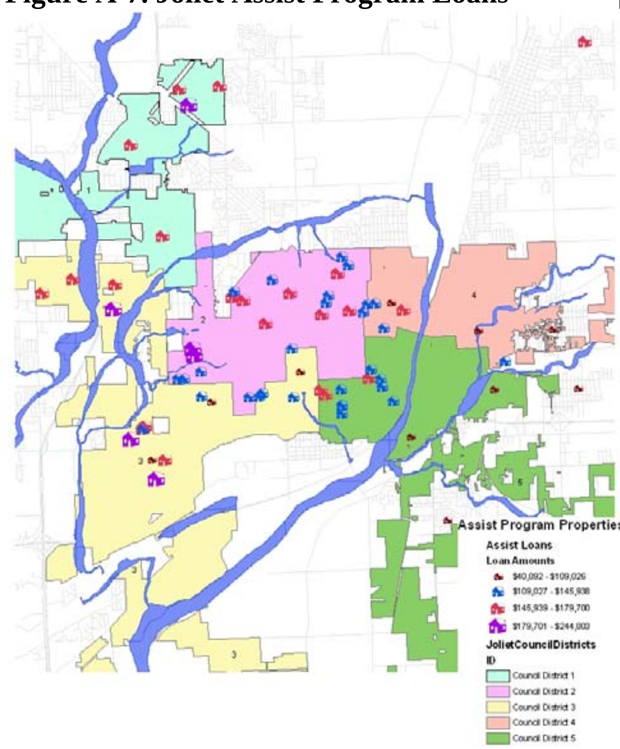
costs. The revenue from these bonds is combined with that of other participating communities. In 2006, Joliet ceded over $10 million to this program, which helped 72 families access $10,324,983 in mortgage loans, with an average loan of $143,402.

There are two areas for potential expansion of current efforts.

- **Use home purchase assistance to direct investment[4].** Currently, the City does not directly administer the ASSIST-ance program. A private third party manages the funds and works directly with local financial institutions to provide loans to homebuyers. As shown in the map below, while ASSIST-ance has helped 72 families, most of the properties purchased were located outside of the 4th and 5th Districts. Because the U.S. Dept. of Housing and Urban Development defines most Planning Area Census Tracts as "Difficult Development" areas, ASSIST-ance income limits are increased to 120% of the AMI for homebuyers who purchase in these areas. In all other areas of Joliet and Will County, a household would have to earn below 80% AMI to qualify for the program.

  The City of Joliet can work with local lenders to better market the program and the benefits of purchasing in the 4th and 5th Districts. Because families earning 120% of AMI ($90,480 for a family of four) earn more than the median income of the Planning Area ($48,485 in 2006) , by offering these low-interest loans and down payment assistance for a broader range of incomes, the City would essentially accomplish the duel goals of assisting existing residents and providing an incentive for higher-earning households to move to the Planning Area, thus stimulating investment from homebuyers that may not otherwise consider the 4th and 5th Districts. The City may also consider offering a local match to the ASSIT-ance program for home purchases in the Planning Area by working with participating lenders. All applicants to ASSIST-ance are required to go through home purchase counseling. The City and Quality of Life Task

Figure A-7. Joliet Assist Program Loans



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[4] Chicago's City Mortgage program is an example of a targeted homeownership assistance program designed to attract home purchase investment in neighborhoods in need of investment. The City Mortgage program offers qualified first-time homebuyers 30-year, fixed-interest mortgages at competitive interest rates and a gift of 4% of the mortgage amount to cover down payment and closing costs. While the program is offered to applicants purchasing anywhere in the city, homebuyers are allowed higher income limits and higher purchase amounts in targeted areas of Chicago, where the City is trying to spur investment.

Force should work to ensure that this counseling is being offered and marketed in Spanish and can help with the general marketing of the program to Planning Area residents.

- **Involve employers in housing programs.** Employer-assisted housing (EAH)[5] is a program where employers invest directly in their employees' ability to purchase or rent. This program is growing in popularity in Illinois particularly due to a state tax credit that provides $.50 for every $1 that an employer invests. IHDA provides tax credits to employers who are assisting employees earning up to 120% AMI. The Metropolitan Planning Council can assist the City and Quality of Life Task Force to engage employers in this program. Hospitals, municipalities, and financial and educational institutions in Illinois have been the most eager to create these programs for employee recruitment and retention purposes and may be the first employers to engage. Employers located in the Planning Area or invested in this community's growth may consider providing added incentives to employees who purchase in the 4th and 5th Districts. The Joliet School District may consider this benefit as a tool to attract and retain teachers and the City of Joliet, given its requirement that employees live within the city boundaries, may also consider this employee benefit. First Midwest Bank provides assistance for its employees and may be a good partner in marketing to business peers in Joliet.

Diversify the Housing Market

The housing stock in the Planning Area tends to be older and more affordable. Building new and high-quality housing that serves a wide spectrum of income groups will help to meet the needs of existing Planning Area residents, accommodate different life stages, and attract a higher-income buyer. Given current Planning Area housing market conditions and a slowing housing market overall in the region and across the nation, building a range of housing types and offering a wide variety of prices will help sell the homes and will allow a developer to tap federal and state resources. Many experienced developers can attest to the value of building mixed-income housing when developing in challenging markets. The lower-priced units sell much quicker, helping with up-front and carrying costs and supporting the construction of future units.

Adaptive Reuse

The City of Joliet has already been exploring ways to convert non-residential properties to residential uses. The Richards Grove development is an example of current city efforts to redevelop existing properties. The City and community should continue to pursue these opportunities for the adaptive reuse of abandoned or underutilized property for condominium or rental housing. Properties along Maple Street, just north of Cass Street and some along Chicago Street, such as properties on Chicago and Marion streets, pose opportunities in this area. In addition, the prison site can leverage national Historic Preservation Tax Credits to help convert the property into mixed-income housing.

[5] For more information on Employer-Assisted Housing, go to http://www.reachillinois.org/

Market to Niche Builders

As the City considers further annexations in the Planning Area, marketing a large piece of land to a developer that specializes in building neighborhoods that provide a broad array of housing types can help to attract new residents to the 4th and 5th Districts and provide new options for existing residents. This might require changes or flexibility in current zoning and planned development practices to allow for increased housing options and new housing types, such as accessory units. Creating communities where homebuyers can purchase condominiums, townhomes, accessory homes or "granny flats," small single-family homes and large-single family homes all in one neighborhood will help attract residents of all life stages and various income levels. Found in other parts of the Chicago region, this model has proven effective in meeting the needs of residents as they move through different life stages, increasing residential stability and creating a stronger sense of community. These communities have also shown significant savings – and sometimes even earnings - to local school districts because the housing types do not cater exclusively to families with children.

Access Federal and State Housing Resources

While the development of market-rate property will be the cornerstone of any revitalization strategy for the Planning Area, tapping resources such as the Low Income Housing Tax Credit (LIHTC)[6] and Illinois Housing Trust Fund will help developers bear the risk of building in a developing market such as this, yet will still allow for the creation of market-rate housing in tandem with more moderately-priced homes. While the Illinois Housing Development Authority (IHDA) resources are used to support the creation of affordable housing, this source of funding can be used to spur mixed-income development that provides housing that serves the income levels of existing Planning Area residents (with a median household income of $45,485) as well as higher-income earners. IHDA standards for allocating such assistance are noted in the following tables.

Table A-7. Illinois Housing Development Authority (IHDA) Rent Limits

(Cook, DuPage, Lake, Kane, McHenry & Will)	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	5-Bedroom
(120%)	$643	$689	$827	$955	$1,066	$1,175
(80%)	$515	$551	$662	$764	$853	$940
(60%)	$386	$413	$496	$573	$639	$705

Table A-8. IHDA Owner-Occupied Affordability Chart for Chicago Metro Area

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
2007 Income Limits (80% AMI)	$139,000	$159,000	$178,883	$198,667	$214,500	$230,333

This strategy of utilizing state and federal housing assistance programs is not new to Joliet. LIHTC are part of the financing of the Louis Joliet Apartments in downtown Joliet and the Senior Suites on the corner of Ottawa and Webster (photo on the right). This form of financing

[6] For more information on Low Income Housing Tax Credits, go to http://www.ihda.org

can be and has been used in Joliet to integrate market-rate for-sale homes with market-rate and affordable apartments, as well as provide rent-to-own housing similar to that being built as a part of the Joliet Housing Authority's Liberty Meadow Estates redevelopment. LIHTC can also be used to develop senior housing, which was cited by residents as an important and growing need in the Planning Area. Facilitating a partnership between an experienced tax credit developer and a local organization, where the partnering community organization or church could assist with management, outreach and screening, and ensuring the design fits local character, can add to the success of this type of project.

Residential Development in Downtown Joliet

The continued revitalization of the commercial and housing markets in downtown Joliet provides a significant opportunity for a broader resurgence of the Planning Area. The City should continue to pursue residential development in the downtown area. As with the rest of the 4th and 5th Districts, this may require short-term subsidies to activate the market. Downtown housing should incorporate both market rate and mixed-income development. Residential development and property redevelopment should be focused within walking distance (1/4 to 1/2 mile) of the Joliet Metra station. With the historic nature of the city center, densities of mixed-use developments can support condominiums and apartments at a level high enough to in turn support retail development and retention in the area.

Stabilize Existing Residents and Properties

Many interview respondents and Quality of Life public meeting participants felt that while there are affordable housing options in the 4th and 5th Districts, property conditions continue to be a challenge, and many homeowners can not afford to adequately maintain their homes. Respondents also felt that while there have been some improvements in property conditions, they are not keeping pace with increased housing values – essentially, respondents do not think that current values are warranted given property conditions. Slightly contrary to this view, most of the survey respondents who are homeowners stated that they have remodeled or improved their homes in the last two years (68% mail, 62% Internet, 73% community meetings). There was a wider variety of answers regarding near-term investment with 47% of mail, 26% of Internet, and 63% of community meeting respondents planning to remodel or improve their home by 2009.

A concern voiced by many interview respondents and meeting respondents is that when residents increase their income, instead of staying in the 4th and 5th Districts and investing in their property, they tend to move out where they can find "more for their money." In addition, many residents voiced concern about upkeep to rental housing and felt that investor-owned single-family homes and multi-family rental housing are often the properties that have the most deteriorated property conditions. The general sentiment was that increased code enforcement needs to occur in the Planning Area coupled with rehabilitation assistance in the forms of grants and loans. Until recently, the City offered both an Emergency Loan and Housing Preservation Loan program, both of which were discontinued due to a combination of low participation and decreased federal funding.

Emergency Loan Program

Given that residents seem to be aware of the Will County Center for Community Concerns services like the weatherization program, the City may consider providing additional or matching funds for emergency housing assistance to Joliet residents accessing the county's program.

Targeted Rehabilitation Areas

The Local Homestead Program has been a key driver in property improvements in the Planning Area. While the Local Homestead Program is effective, it is also a costly and time consuming program. The City at one time provided a 10-year forgivable rehabilitation loan. By reinstating a similar rehabilitation loan program, the City can work in the "Target Redevelopment Areas" as identified in the *Land Use & Neighborhood Character/Infrastructure* section to mobilize existing owner occupants to increase their level of investment and maintenance. This program can work in tandem with the Local Homestead Program and the City's land assembly efforts noted above. By pairing rehabilitation assistance for property owners and developing block strategies that identify key adjacent properties to acquire and rehabilitate under the Local Homestead Program, the City and residents will have the most impact for their investment, improving entire blocks at a time.[7] Once more owners begin taking advantage of the rehabilitation program or begin investing in their homes on their own, the City may consider gradually moving from the more costly Local Homestead Program to a less intensive rehabilitation loan or grant program.

The City has already been focusing Local Homestead Program resources in targeted areas such as Richards Street and Mississippi Avenue, acquiring and rehabilitating five homes in 2001, another nine in 2003, and now working on five more homes near the intersection of Second and Mississippi avenues. By pairing these efforts with assistance for current owners, the City will create more opportunities for existing residents to benefit from neighborhood improvements and help residents understand their vested interest in participating in those improvements.

[7] Elgin provides similar rehabilitation programs for rehabilitation efforts in the city's historic districts. Elgin provides two programs, the 50/50 and 75/25 programs. The 50/50, a 50% matching grant, targets all residents and is used primarily for "visual benefits" projects whereas the 75/25 grant, which provides 75% of the costs up to $10,000, is geared towards maintenance-related projects and gives priority to low- and moderate-income households.

Code Enforcement and Compliance

From site tours and community feedback, building code non-compliance and illegal uses are a concern in the Planning Area. Similar to the Elgin program cited below, the City can pair matching funds or rehabilitation loans with code enforcement so that income qualified property owners can access assistance to bring their properties up to code. This type of "carrot and stick" approach to code enforcement should be structured differently than a standard rehabilitation loan pool to prevent abuse of the program by property owners with a history of not maintaining their properties. This could be addressed by offering incentives exclusively to owner-occupied households. As a last resort, a local housing organization can act as a receiver of these troubled properties and redevelop them for resale. By pairing incentives with enforcement, the City can be more diligent with code enforcement as long as it continues to comply with fair housing guidelines.

Strengthen Rental Housing Ordinance

Currently, the City of Joliet requires all non-owner occupied rental properties of two units and above and owner-occupied rental properties of above three units to get a certificate from the city to rent their property. This certificate also subjects the properties to a regular inspection process. A voluntary landlord training that includes a crime prevention component is offered to all landlords. Property owners or landlords that are in the building code enforcement process are required to attend. Because there have been concerns raised during community meetings and stakeholder interviews about the condition of single-family and duplex investor-owned properties, the City may consider broadening this ordinance to require that all properties get licensed to rent and subsequently require all units to receive regular inspections. As part of this licensing, the City can make landlord trainings mandatory. Current Joliet rental licensing fees would not support the added inspection costs, so it is suggested that the City consider increasing licensing costs.[8]

Role of a Community Organization

Community development organizations can be instrumental to a housing revitalization strategy because they offer a comprehensive set of program and services and are able to leverage a multitude of resources. Organizations such as Neighborhood Housing Services of Chicago and Joseph Corporation (mentioned in the *Interlocking Issues* section) can create housing loan pools; provide housing counseling; work with local lending institutions; purchase, rehabilitate, and sell properties; help with foreclosure prevention; and, develop new housing. Having a one-stop-shop of this kind for housing services that is focused on 4th and 5th District redevelopment will add significantly to the revitalization of Planning Area homes. For example, the organization can apply to become a member of NeighborWorks America, a national nonprofit organization created by Congress to provide financial support, technical assistance, and training for

[8] The City of Schaumburg's Rental Licensing ordinance applies to all rental units in the city. The ordinance requires all property owners to complete an 8-hour Crime Fee Multi-Housing Seminar, a Crime Free Lease Addendum added to the body of the lease that specifies criminal activity as a lease violation, and creates a definition for a nuisance property that allows the city to suspend the rental license. Schamburg's licensing fees range from $295 for 1-50 unit buildings to $1,783 for units between 401-500 units.

community-based revitalization efforts.[9] Currently, the City allocates a portion of its HOME funding to four local Community Housing Development Organizations: Cornerstone Services, Inc., Will County Habitat for Humanity, Inc., Community Concerns for Families and Youth Freedom, Inc., and Forest Park Community Center, Inc. Each of these organizations helps to fill very specific niches in the housing market. Establishing an organization focused on community revitalization will begin to address housing and economic markets more comprehensively.

This organization would likely partner with existing organizations on specific projects. There are also opportunities for a newly established Joliet community organization to partner with a more established group like Neighborhood Housing Services of Chicago to help build the capacity of the local organization. Any opportunities to partner with existing service organizations would enhance the marketing of these various and essential housing services. An organization that would perform these housing development and service functions on behalf of the community might well be organized as a community development corporation (CDC) in keeping with the proposals for a CDC presented in the *Interlocking Issues* section of this plan.

Proposals Summary

Short Term (0-3 years)	Responsibility	Priority	Completion Date	Estimated Costs	Potential Funding Sources
1) Leverage strong market area activity to create mixed-income housing throughout the city	City of Joliet Developer participation	1		N/A	N/A
2) Establish Planning Area community-based organization (possibly a community development corporation (CDC) tasked with administering housing programming, development and rehabilitation.	QOL Task Force City of Joliet	1			
3) Expand or reinstate housing rehabilitation programs and concentrate these programs in “Target Redevelopment Areas”	City of Joliet CDC	1		$100,000 - $200,000 annually	Local financial institutions, IHDA, City of Joliet –CDBG, HOME, Casino revenues, Housing Trust Fund (if established)
4) Expand residential	City of Joliet	1		N/A	Historic Tax

[9] For more information on NeighborWorks America, go to http://www.nw.org

development in Downtown Joliet by working to attract interested developers and allowing for increased density in appropriate locations, particularly around the Metra station	Neighborhood Organization				Credits…
5) Zone for additional housing that allows for higher density around commercial corridors and other "Target Redevelopment Areas"	City of Joliet	2		N/A	N/A
6) Engage local employers in Employer-Assisted Housing programs to invest in purchase assistance for their employees	Neighborhood Organization Metropolitan Planning Council City of Joliet	2		N/A	Employer Investment – minimal cost to do outreach
7) Supplement Assist program to provide matching funds for investment in the Planning Area and provide homebuyer counseling	City of Joliet Local Banks CDC	2		Matching funds: $20,000-$30,000 annually Counseling $ 40,000-$50,000 annually	Local financial institutions, IHDA, City of Joliet –CDBG, HOME, Housing Trust Fund (if established)
8) Pair code enforcement with rehabilitation assistance	City of Joliet Local Banks CDC	2		***See #3, $100,000 - $200,000 annually	Local financial institutions, City of Joliet – CDBG, Housing Trust Fund (if established)
9) Expand Rental Housing Inspection and Licensing to include all rental units	City of Joliet	3			Inspection fee paid by property owner
10) Develop emergency loan program to pool resources with Will County Center for Community Concerns	City of Joliet Local Banks Will County CCC	3		$50,000 - $75,000 annually	City of Joliet – CDBG, HOME

Long Term (3+ years)	Responsibility	Priority	Completion Date	Estimated Costs	Potential Funding Sources
11) Assemble land and issue RFP for mixed-income and mixed-use development in the 4th and 5th Districts	City of Joliet	1		Varies based on City resources	City of Joliet – CDBG, HOME, Casino, General Fund
12) Develop strategies to improve infrastructure in unincorporated areas in the 4th and 5th Districts, specifically in the Ridgewood area and in "Target Redevelopment Areas" and some of the more isolated areas south of I-80 near the river	City of Joliet Will County Joliet Township	1			
13) Pursue adaptive reuse of vacant and historic structure, converting them to residential	City of Joliet Private Developers	2		N/A	Historic Tax Credits, Low-Income Housing Tax Credits, State Housing Trust Fund, Joliet Housing Trust Fund (if established)….
14) Continually market available sites to builders interested in developing housing that incorporates a diversity of types and sizes	City of Joliet CDC	2		N/A	N/A
15) Pursue affordable housing development that will incorporate federal and state resources to mitigate initial risk of developing in the Planning Area	City of Joliet CDC Private Developers (non-profit & for-profit) Local churches	2			Historic Tax Credits, Low-Income Housing Tax Credits, State Housing Trust Fund, HOME, CDBG, Joliet Housing Trust Fund (if established)….